

THE BEST AND WORST PLACES TO WORK IN THE FEDERAL GOVERNMENT

HEARING BEFORE THE SUBCOMMITTEE ON GOVERNMENT OPERATIONS OF THE COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM HOUSE OF REPRESENTATIVES ONE HUNDRED FIFTEENTH CONGRESS

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THE BEST AND WORST PLACES TO WORK IN THE FEDERAL GOVERNMENT

Thursday, April 6, 2017

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON GOVERNMENT OPERATIONS,
COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM,
Washington, D.C.

The subcommittee met, pursuant to call, at 10:01 a.m., in Room 2154, Rayburn House Office Building, Hon. Mark Meadows [chairman of the subcommittee] presiding.

Present: Representatives Meadows, Jordan, Blum, and Connolly.

Mr. MEADOWS. The Subcommittee on Government Operations will come to order. And without objection, the chair is authorized to declare a recess at any time.

Welcome to the, what this would be, our third edition of the best and worst places to work in the Federal Government. I might add that it was the director of the Department of Homeland Security that originally encouraged us, along with Max, to change the name of this from the worst places to work to the best places to work. And so I acknowledge that we are trying to emphasize on what is happening in a good manner, not just in a poor manner, as we move forward.

And this hearing hopefully will provide a platform to closely examine what the Federal employee engagement and satisfaction levels are. The data being examined today comes from the 2016 Federal Employee Viewpoint Survey, which was taken by the Federal employees between April and June of last year.

And after several years of decreasing scores, I'm pleased to see that a governmentwide engagement scores continue to trend positive for the second year in a row. For our hearing purposes today, witnesses will come from agencies who have shown either a great improvement or a large decrease in their scores.

The U.S. Department of Agriculture is the most improved large agency, and while the Securities and Exchange Commission is the most improved mid-sized agency. Congratulations on your success. We look forward to learning more from each of you.

We also welcome the Department of Homeland Security, which should be commended for finally reversing that negative trend, Ms. Bailey, in the negative momentum and posting the second-most improved employee engagement score for large agencies. However, there's a lot of work, as we would acknowledge, that remains. DHS has ranked last among large agencies in employee engagement, and we look forward to hearing from you on what additional steps could be taken to foster more positive momentum.

The Surface Transportation Board experienced the steepest decrease of any agency in the employee engagement and saw employee satisfaction scores plummet, so I'm curious to learn what steps the agencies will take to stem the bleeding and the trend that is going in the wrong area.

And finally, the Office of Personnel Management and the partnership are also here to offer their insights on the 2016 Federal Employee Viewpoint Surveys. I welcome all of our witnesses and look forward to learning more from you.

Mr. MEADOWS. As the ranking member will be making his way here, when he gets here, we'll allow him to go ahead and do his opening statement.

I would hold the record open for 5 legislative days for any member wishing to submit a written statement.

We'll now recognize our panel of witnesses. I'm pleased to welcome Ms. Roberta Jeanquart, director of the Office of Human Resources Management and the chief human capital officer for the United States Department of Agriculture. Welcome. Ms. Lacey Dingman, director of Office of Human Resources and chief human capital officer for United States Secret Service—I mean, Secret Service—Securities and Exchange Commission; Ms. Angela Bailey, chief human capital officer for the U.S. Department of Homeland Security; Mr. Lee Gardner, managing director for the United States Surface Transportation Board; and Ms. Veronica Villalobos, principal deputy associate director of the employee services at the United States Office of Personnel Management and acting executive director of the Chief Human Capital Officers Council; and my friend, Mr. Max Stier, president and CEO of the Partnership for Public Service. Welcome to you all.

And pursuant to committee rules, we would ask that all witnesses be sworn in before they testify, so if you would please rise and raise your right hand.

Do you solemnly swear or affirm that the testimony you're about to give will be the truth, the whole truth, and nothing but the truth?

Thank you. Please be seated.

Let the record reflect that all witnesses answered in the affirmative.

And in order to allow time for discussion, we would appreciate if you would limit your oral testimony to 5 minutes; however, your entire written statement will be made part of the record. And so we will now recognize you for 5 minutes.

WITNESS STATEMENTS

STATEMENT OF ROBERTA JEANQUART

Ms. JEANQUART. Thank you, Mr. Chairman.

Mr. MEADOWS. And you need to hit the little button there.

Ms. JEANQUART. Sorry. Is that—

Mr. MEADOWS. That's—

Ms. JEANQUART. Okay. Thank you.

In 2016, USDA was the most improved large agency moving from 16th place in 2013 to a tie for 9th place in the Partnership for Public Service's best places to work rankings.

Getting to number nine was a multiyear effort. We started out with USDA setting a target in our strategic plan to achieve a top 10 ranking by 2018. We additionally set goals to achieve a 70 percent participation rate in the survey, a 68 percent positive response on the employee engagement index, and a 65 percent positive response on the global satisfaction index.

We used five key strategies to drive the improvements at USDA, those included effective communication, employee development, performance management, support for diversity and inclusion, and worklife flexibilities.

With regard to communication, which was our most important strategy, we asked leaders, managers, and supervisors to communicate more frequently with their employees. We encouraged members to hold—our leaders to hold townhall meetings, brown bag sessions, and informal visits.

We asked that agency Employee Advisory Councils be set up to get input and empower employees to take action on workplace improvements. As a result of these listening sessions, action plans were created in each of the subcomponent organizations, and those—results of those action plans and progress on the action plans were reported to employees.

Our second strategy was on employee development, and that was identified as a need in one of the listening—in some of the listening sessions. Employees were all given the opportunity to have, at USDA, an individual development plan, and that is a commitment that we make to the growth and development of our future leaders and all employees.

When we started, we only had about 30 percent of employees with IDPs. By 2016, over 86 percent of our employees had IDPs. And to further contribute to their development, we created a mentoring strategy, and that mentoring strategy included individuals that were representative of our leaders, our executives, our managers, our supervisors who supported those employees through mentoring. We also created a 360-degree assessment so that managers, supervisors, and executives could all get feedback from their employees, their stakeholders, their peers, and their leaders.

Our third strategy that contributed to our success was performance management. We made sure that performance plans for every employee linked the organization's mission to—so that each person could see how they contributed to strategic goals. We also incorporated employee engagement in the performance plans of supervisors, managers, and executives so that their progress, or lack thereof, could be used in the performance appraisal process at the end of the year.

We also, in order to track all these efforts, we established a USDA-wide employee engagement program manager who works with representatives from each of our subcomponent agencies to discuss progress, identify best practices, address challenges and barriers, and share successful strategies for improvement.

We asked each of our agencies to report monthly on their progress towards our employee engagement goals, and we're able to report any challenges we see or major progress to all leadership in the organization. We're also able to support those organizations

where we see that don't have the progress that we'd like to—we'd like to see.

So in summary, I'd say that we've not only achieved our goal to be in the top 10 best places to work ahead of schedule, but we've also increased our results in the ten workplace categories. For USDA, we've made a business case that engaged employees are more productive employees. We know that we've made great progress, we know there's more progress to be made, and we look forward to this year's survey.

Thank you.

[Prepared statement of Ms. Jeanquart follows:]

Testimony
House Committee on Oversight and Government Reform
Subcommittee on Government Operations
Roberta Jeanquart, Chief Human Capital Officer, U.S. Department of Agriculture
The Best and Worst Places to Work in the Federal Government
April 6, 2017

Thank you for the opportunity to testify about the U.S. Department of Agriculture's (USDA) employee engagement activities. In 2016, USDA was the most improved Large Agency moving from 16th place in 2013 to a tie for 9th place in the Partnership for Public Service's Best Places to Work in the Federal Government rankings. At the same time, USDA's employee engagement score was 63.1 out of 100 and represented a 3.7 point increase from 2015 and a 7 point increase since 2013.

USDA has been actively working to improve employee engagement for several years. Such engagement is critical for our mission delivery because research has shown that engaged employees are more productive and generate better results for the organization. The success we have achieved is the result of sustained efforts across the Department focused on employee engagement, empowering employees and recognizing high-performers and best practices. Leaders, managers, supervisors and employees have contributed to these efforts which have helped USDA advance in its transformation into a modern workforce.

How did we get to number nine? To start out with, USDA set a target in our strategic plan to achieve a top 10 ranking by 2018. To get there, we set some specific goals related to the Federal Employee Viewpoint Survey (FEVS) results. These goals included achieving a 70 percent participation rate in the survey; a 68 percent positive response on the Employee Engagement Index; and a 65 percent positive response on the Global Satisfaction Index. We also identified five key strategies that we used to drive improvements at USDA: effective communication; employee development; performance management (accountability); support for diversity and inclusion; and work life flexibilities. These goals and strategies were provided to all USDA agencies and staff office leaders along with tips, tools and best practices to carry out these strategies. Following are highlights of how we implemented these strategies and achieved such positive results.

With regard to effective communication, we asked leaders, managers and supervisors to communicate more frequently with employees. Throughout USDA, in both headquarters and offices in the field, employees received more regular updates on activities in their agencies. Leaders held town hall meetings, brown bag sessions, and informal visits. Agencies and offices set up Employee Advisory Councils to get input and empower employees to take action on workplace improvements. These councils provide management with feedback and take actions to improve the workplace, creating a process that involves employees in collaborative decision-making and problem solving with leaders. Additionally, to improve communication, information and training on how to conduct listening sessions and action planning was shared with leaders throughout USDA. To date, hundreds of these sessions have been conducted. The information from these sessions is used to create action plans for improvement, and progress on these actions

are reported to employees. Additionally, we publicized our successes in the monthly “MyUSDA” newsletter” through which employees from our office locations across the country submitted success stories.

Employee development is our second strategy and an item identified as a need in FEVS results and through our listening sessions. At USDA, all employees are given the opportunity to have an Individual Development Plan (IDP) that is updated annually. The IDP represents a commitment that leaders make to the growth and development of employees. When we started, only about 30 percent of employees had IDPs. At the end of FY 2016, over 86 percent of eligible employees had IDPs. To further contribute to employee development, we launched a USDA-wide Mentoring Portal and established mentoring programs in all of our sub-component offices. To demonstrate a commitment to mentoring, we asked leaders to serve as mentors to help us build the leadership pipeline. At the close of FY 2016, 51 percent of our executives were serving as mentors to support the growth and development of employees. In 2014, we created a 360 degree assessment program for our executives, managers, and supervisors along with a policy that they would participate in the assessment at least once every three years to get input from employees and use it in their own plans for improvement. We also asked our executives, managers, and supervisors to take the course, “Maximizing Employee Engagement,” that is free on Human Resource University’s HRU.gov Web site. To date, over 14,000 have completed it, ensuring that we have a common language, understanding, and effective strategies to drive employee engagement improvements across USDA. Employee engagement is part of the way we do business at USDA and we include employee engagement principles in our supervisor training. Finally, we set goals related to these employee development efforts and track and report our progress monthly. These programs have created an environment of support for continual learning that made a significant contribution to workplace improvements.

Our third strategy that contributes to our success is performance management. Performance plans for every employee are linked to the organization’s mission so each person can see how their work contributes to USDA strategic goals. USDA has incorporated employee engagement into the performance plans of all executives, managers, and supervisors. Executives are expected to lead employee engagement activities and Performance Review Boards can use these results in the annual rating process. Additionally, each year, we focus on a different aspect of performance management with required training that we track and report. A focus is also placed on recognizing high performing employees for their efforts. This can be something as informal as a thank you note or a personal word of appreciation, to a more formal program such as an awards program with certificates.

Our fourth strategy has been to support diversity and inclusion in the work place so that we can recruit, retain and develop a high-performing workforce. As a result, we have taken steps to develop leaders ready to step into executive leadership positions. Our Senior Executive Service Candidate Development Program and our recruitment efforts have helped us create a leadership team that looks like the communities we serve. In 2008, 19 percent of USDA’s executives were minorities. At the end of FY 2016, 33 percent were minorities. This compares with 27 percent in the Civilian Labor Force, and 19 percent in the Federal government. Additionally, the percentage of executives at USDA who were women was 24 percent in 2008, and rose to 34 percent in 2016. Diversity and inclusion is also included in our training activities. In addition,

performance plans for executives, managers, and supervisors also require them to address diversity and inclusion.

Our fifth strategy has been to emphasize work-life flexibilities. We have adopted flexible work schedules, and encourage the use of telework. This promotes a partnership between supervisors and employees who work together to ensure that goals are met while allowing for flexibilities that give employees time for family and life issues. We trained our leaders to understand the value of telework and flexible schedules, and helped them understand how to manage in this environment so that the programs are used to promote high performance. Last year alone, participation in telework increased by 6 percent, with 41 percent of eligible employees regularly teleworking. Additionally, 86 percent of our eligible employees are on a flexible work schedule. We know from employee feedback that by having leaders who support work life balance, we are attracting and retaining employees who value this program.

To help us track our progress, we established a USDA-wide Employee Engagement Program Manager who works with representatives from each subcomponent organization to discuss progress, identify best practices, address challenges and barriers, and share successful strategies for improvement. Leaders are accountable for reporting progress with our strategies to our Employee Engagement Program Manager on a monthly basis. Employee Engagement points of contact were created for each USDA agency/office. Members of this group have been trained in action planning facilitation provided by the Partnership for Public Service. The points of contact all have access to the Office of Personnel Management's (OPM) [UnlockTalent.gov](https://www.unlocktalent.gov) Web site as well as the FEVS reporting site so that they can distribute data from the survey to each of their leadership teams. We also ensured that the most recent FEVS analysis for each unit was shared with employees. Furthermore, we continue to network with our colleagues at other Federal agencies, OPM, the Office of Management and Budget, and the Partnership for Public Service to learn about best practices and continually update our efforts to improve.

These five strategies have driven improvements deep into the culture of USDA to result in lasting changes that make a difference every day as our employees deliver significant results that benefit the public we serve. We not only achieved our goal to be in the top ten Best Places to Work ranking ahead of schedule, we were recognized as, "The Most Improved Large Agency" in 2016, and increased our results in all ten workplace categories that the Partnership for Public Service tracks. We believe that engaging employees will be even more important tomorrow than it is today. We are excited about the successes we have achieved, and look forward to continuing along this path to drive further improvements. We continue to modify and update our strategies as we learn more and as the environment changes so that we can embed these efforts into the daily work of our leaders, managers, and supervisors. We recognize that it is only by doing this that we can build a USDA that will achieve success in facing current challenges and be prepared to excel in an unknown and uncertain future. We expect to see many more positive changes take place at USDA as leaders listen to employees and work together with them to make our Department the best it can be for those of us who work here as well as for the American public we serve.

Mr. MEADOWS. Thank you. And if you would thank all the employees at the Department of Agriculture for their service to this country. A lot of times Federal employees get beat up in the debates that happen here on Capitol Hill, and it's very important that they hear this message loud and clear, that they're appreciated not only by the American people but by members of both parties for their service to the country. Thank you.

Ms. JEANQUART. Thank you.

Mr. MEADOWS. Ms. Dingman, you're recognized for 5 minutes.

STATEMENT OF LACEY DINGMAN

Ms. DINGMAN. Thank you.

Chairman Meadows and members of the subcommittee, thank you for inviting me to speak today regarding the U.S. Securities and Exchange Commission's Federal Employee Viewpoint Survey results and the improved rankings of best places to work by the Partnership for Public Service.

I am Lacey Dingman, the SEC's chief human capital officer, and I am honored to have the opportunity to speak to you about the SEC's efforts over the past 5 years to improve employee engagement. We are very pleased by the SEC's improved employee engagement scores as reflected in the most recent survey results, and the recognition we received from the Partnership for Public Service for being the most improved of any mid-sized agency.

These positive results reflect the culmination of a persistent multiyear effort by our employees, the National Treasury Employees Union, and the SEC's leadership team in working together to create an environment that engages employees and supports their commitment to excellence on behalf of America's investors and our markets.

The mission of the SEC is to protect investors, maintain fair, orderly, and efficient markets, and facilitate capital formation. To achieve this mission, we rely on an exceptionally skilled and dedicated workforce of over 4,700 employees in our Washington, D.C. headquarters and 11 regional offices located throughout the United States.

The SEC's staff includes economists, accountants, security compliance examiners, attorneys, quantitative analysts, information technologists, and administrative and operations personnel. Through their efforts our employees strive every day to promote a market environment that is worthy of the public's trust.

The Office of Personnel Management administered the 2016 survey at the SEC in May and June of last year. More than 76 percent of the eligible workforce shared their views by completing the survey. The response rate was our highest participation rate to date.

Notable results from the survey include the 2016 results increased for 69 out of 71 questions, with the average increase of four percentage points. The SEC now ranks in the top 10 in most best places to work categories, including worklife balance, training and development, strategic management, and effective leadership.

The SEC also ranks in OPM's—third in OPM's global satisfaction index, with an 18 percent improvement compared to 2012. We also saw an 11 percent increase in both OPM's employee engagement index and the new inclusion quotient index.

The SEC's 2016 score is the highest in our agency's history, and we are now ranked in the top 25 percent of mid-sized agencies. It has taken 5 years of effort by SEC management, our union representatives, and SEC employees at every level and across every division and office to achieve this progress. Our experience shows that any change of this magnitude cannot begin nor succeed without significant buy-in at the top and without significant involvement and constructive engagement from rank-and-file staff and their representatives.

As a result of numerous meetings with senior managers, listening sessions with employees, focus groups and employee suggestions, the agency chose to focus on the following initiatives: Improving communications across the agency and up and down the management chain, greater recognition of employee contribution to the mission, and better leadership development and employee training opportunities.

While we are very pleased with our results, we know there's always room to improve. We know that we still have work to do, and we will continue our collective efforts to demonstrate our values of integrity, effectiveness, fairness, accountability, teamwork, and excellence; foster communication, collaboration, and transparency; and empower our employees to carry out the SEC's mission on behalf of American investors.

We believe that the annual Federal Employee Viewpoint Survey is an important tool that provides a snapshot of the opinion of our employees. While the results and rankings are informative, they are only the starting point. The real work begins when we hold meaningful discussions with leadership teams to help them understand their results, create action plans, and follow through on how those plans can help our employees be efficient and productive.

Mr. Chairman, thank you for the opportunity to share with you the everyday efforts of my colleagues to make the SEC one of the best places to work in the Federal Government. I welcome any questions.

[Prepared statement of Ms. Dingman follows:]

Statement on “Best Places to Work Rankings”

by Ms. Lacey Dingman
Director, Office of Human Resources and Chief Human Capital Officer
U.S. Securities and Exchange Commission

before the

Subcommittee on Government Operations
Committee on Oversight and Government Reform
United States House of Representatives

Chairman Meadows, Ranking Member Connolly, and Members of the Subcommittee, thank you for inviting me to speak today regarding the U.S. Securities and Exchange Commission’s (SEC) Federal Employee Viewpoint Survey (FEVS) results and the improved rankings of Best Places to Work by the Partnership for Public Service. I am Lacey Dingman, the SEC’s Chief Human Capital Officer, and I am honored to have the opportunity to speak to you about the SEC’s efforts over the past five years to improve employee engagement. We are very pleased by the SEC’s improved employee engagement scores as reflected in the most recent FEVS results and by the recognition by the Partnership for Public Service as the “most improved” of any mid-sized agency. These positive results reflect the culmination of a persistent, multi-year effort by employees, the National Treasury Employees Union (NTEU), and the SEC’s leadership team in working together to create an environment that engages employees and supports their commitment to excellence on behalf of America’s investors and our markets.

The mission of the SEC is to protect investors; maintain fair, orderly, and efficient markets; and facilitate capital formation. To achieve this mission, we rely on an exceptionally-skilled and dedicated workforce of over 4,750 employees in our Washington, DC Headquarters and 11 regional offices located throughout the United States. The SEC’s staff includes economists, accountants, compliance examiners, securities attorneys, quantitative analysts, information technologists, and administrative and operations personnel. Through their efforts, our employees strive every day to promote a market environment that is worthy of the public’s trust.

The Office of Personnel Management administered the 2016 Federal Employee Viewpoint Survey at the SEC in May and June of last year. More than 76 percent of the eligible workforce shared their views by completing the survey. The response rate was our highest participation rate to date.

Notable results include:

- The SEC now ranks 6th among small- and mid-sized agencies in the Best Places to Work rankings. This is a significant improvement from our 27th place ranking in 2011.
- The FEVS survey results increased for 69 out of 71 (97%) questions, with an average increase of four percentage points.

- The SEC now ranks in the top 10 in most Best Places to Work categories, including work-life balance, training and development, strategic management and effective leadership.
- The SEC received recognition by the Partnership for Public Service for being “Most Improved” for mid-size agencies.
- The SEC now ranks 3rd in OPM’s Global Satisfaction Index with an 18 percent improvement compared to 2012. We also saw an 11 percent increase in both OPM’s Employee Engagement Index and the New Inclusion Quotient Index.

It has taken five years of effort by SEC management, the NTEU, and SEC employees at every level and across every division and office to achieve this progress. Our experience shows that any change of this magnitude cannot begin, nor succeed, without significant buy-in at the top and without significant involvement and constructive engagement from rank-and-file staff and their representatives. As a result of numerous meetings with senior managers, listening sessions with frontline employee teams, focus groups, and employee suggestions, the agency chose to focus on the following initiatives: improving communications across the agency and up-and-down the management chain; improving workforce engagement; greater recognition of employee contributions to the mission; and better leadership development and employee training opportunities.

Improving Internal Communications

Over the last several years the SEC has undertaken major efforts to improve internal agency communications. Representatives from every division and office across the SEC came together to discuss both formal and informal mechanisms to build, sustain, and encourage intra-agency communication and collaboration. As part of an initiative called “*All Invested*,” for example, agency senior leadership is holding periodic agency-wide Town Hall meetings with employees to communicate about topics of common interest and answer questions. The agency also strengthened its efforts to provide employees with regular messages on agency business, such as alerting them to upcoming Commission meetings and recognizing the contributions of staff who worked on the items under consideration. These efforts by senior leadership to communicate with staff, as well as holding events that bring employees together, have helped build a greater sense of mission across different divisions and offices within the agency.

The agency also has consistently highlighted the importance of communication and collaboration and stressed the value of teamwork and joint problem-solving through cross-divisional teams, groups, and task forces. We offered employee training and development opportunities focused on team building to help SEC employees effectively communicate with their peers, subordinates, and supervisors. These efforts have helped employees learn new ways to overcome obstacles and improve outcomes in their day-to-day work.

Our success in improving both our survey participation and results stems from our commitment to the simple fact that we work on it year round. We have found that communicating with staff before, during, and after the survey is administered – when the results are released, as action plans are being developed, and when issues are addressed – underscores the agency’s commitment to improving our organizational health. We also implemented a “FEVS

Champions” program, which involves employees, managers, and labor representatives from each division and office in encouraging survey responses. Good or bad – we want to hear from all employees. Finally, to improve communication, transparency, and accountability for the results, in December 2016 we launched the “FEVS Insights Dashboard” – an initiative resulting from discussions in the SEC’s national Labor Management Forum. The dashboard allows employees to see the entire agency’s survey results and helps individual work units to diagnose their areas of strengths and opportunities for improvement.

Improving Workforce Engagement

Our years-long effort to improve employee engagement has also taught us that success does not happen overnight. We have learned that it requires the commitment and involvement of agency leadership and the support and involvement of agency employees. An important starting point for the agency occurred in 2013, when management and NTEU partnered to form committees in each division and office comprised of both employees and managers to work together to assess the annual survey data and create action plans focused on improving employee engagement in the office. These local labor-management committees facilitate open dialogue in identifying strengths and areas for improvement and exploring solutions to address specific issues within each organization, which has resulted in meaningful action at the frontline. We are proud that nine SEC offices ranked in the top 50 out of over 300 offices in the federal government in the Best Places to Work office-level rankings.

Our improved labor-management relationship fostered, in part, through these committees, has in turn helped us make progress in resolving other disagreements surrounding workplace issues. Our working partnership with the union focuses on obtaining pre-decisional input and pursuing informal means to resolve workplace disputes and issues when they arise.

Recognizing Employee Contributions to the Mission

We have also prioritized developing new ways to recognize employees for their achievements and acknowledging their hard work in a number of different ways. For example, the SEC uses the annual observance of Public Service Recognition Week as a key opportunity to mobilize senior leadership to facilitate discussions about the work we do as an agency; show employees our appreciation; and celebrate the accomplishments of each of our divisions and offices. We coordinate events during this week and try to reach every SEC employee to say “Thank You.” Likewise, during the week employees are encouraged to give their colleagues a “Shout Out” for either their great work, support of others, or their can-do attitude. Hundreds of employees take advantage of this opportunity and post their positive messages on an internal website.

Our annual honorary awards ceremony formally recognizes the accomplishments of high achieving individuals and teams. The awards recognize achievements across the agency and link those accomplishments directly to the SEC mission.

Developing Leaders and Training Employees

Sustained progress in improving employee engagement has required sustained commitment from all levels of management. Through our leadership development programs, we cultivate and maintain a cadre of managers who are able to conduct their supervisory responsibilities effectively, while meeting the dynamic challenges of the SEC mission. The agency's training and development unit in the Office of Human Resources works with each division and office across the SEC to assess and identify mission-related training needs for managers and non-supervisory employees. The SEC offers abbreviated, virtual, and tailored classes, while also adding multi-session programs and training opportunities for non-supervisory grades and those aspiring to leadership roles. Last year, the SEC revamped the training provided to our senior leadership corps, an initiative which was recognized by the consulting firm McKinsey & Co. and the Partnership for Public Service in their 2016 report on training the SES (Company, 2016). We believe these efforts have had a positive impact on our Federal Employee Viewpoint Survey scores.

Pursuing Continuous Improvement

I am proud to acknowledge that the SEC's Best Places to Work index score of 76 in 2016 is significantly improved from the agency's 2012 score of 56. The SEC's 2016 score is the highest in our agency's history. The SEC is now ranked in the top 25 percent of mid-size agencies. While we are very pleased with these results, we know there is always room to improve. We know that we still have work to do and we will continue our collective efforts to demonstrate our values of integrity, effectiveness, fairness, accountability, teamwork, and excellence; foster communication, collaboration, and transparency; and empower our employees to carry out the SEC's critical mission on behalf of American investors.

We believe that the annual Federal Employee Viewpoint Survey is an important tool that provides a snapshot of the opinions of our employees. While the results and rankings are informative, they are only the starting point. The real work begins when we hold meaningful discussions with division and office leadership teams to help them understand their results, create action plans, and follow through on how those plans can help our employees be efficient and productive.

Mr. Chairman, and distinguished Members of the Subcommittee, thank you for the opportunity to share with you the everyday efforts of my colleagues to make the SEC one of the best places to work in the federal government. I am happy to answer any questions that you may have.

Mr. MEADOWS. Thank you. And if you would please communicate the same message to the employees at the SEC, that we appreciate their service to our country and to those that they serve each and every day. Thank you for your leadership.

So they have called votes, Ms. Bailey, so you're going to get a reprieve for right now. And we've only got about 6 minutes left. There are two votes, possibly two votes, maybe as few as one. So for planning purposes, if you want to go get coffee, do whatever you need to do, you don't have to hang out here. We'll reconvene, but we will not reconvene any earlier than 10:40. And so at this point, I just wanted to let you know that for planning so you can go get coffee, do whatever you need.

So the committee will stand in recess, subject to the call of the chair.

[Recess.]

Mr. JORDAN. [Presiding.] The committee will be back in session.

The gentleman from—and I apologize for my attire. I didn't think I was chairing this. We were in another meeting, but the chairman asked me to come in and get things started.

So the ranking member, Mr. Connolly, from Virginia, will be recognized for his 5 minutes.

Mr. CONNOLLY. Thank you, Mr. Jordan. And this is what happens when we have a hearing the morning of the last day of the session.

I think I'm going to forego my opening statement, Mr. Chairman, so we can continue with uninterrupted testimony, other than to simply say, I think it is important that we have this public hearing of best to worst places to work; but more importantly, how can we improve, what can we do to try to improve the workforce.

And I think looking forward, most of the agencies have, in fact, made marked progress, and I hope that can be sustained in the current environment. But as we look to the future, something like 34 percent, Max, of the existing civilian workforce is eligible for retirement in the next few years, right? And so recruiting their replacements and being able to retain them is, you know, a challenge. And I think that requires streamlining personnel processes; I think it requires, you know, bringing human resources into the 21st century; and I think it requires some real reflection on our part up here in the Congress in terms of how we make our workforce a better workforce, a better environment in which to work where employees feel valued and can seriously contemplate making a career or at least part of their career in Federal service.

So I think that's really what this is about, and I look forward to hearing from the testimony.

Thank you, Mr. Chairman.

Mr. JORDAN. I thank the gentleman.

We now go to Ms. Bailey, I believe you're up next, and you get your 5 minutes.

STATEMENT OF ANGELA BAILEY

Ms. BAILEY. Thank you, sir.

Chairman Jordan and Ranking Member Connolly, thank you for the opportunity to appear before you today to address our efforts to enhance employee engagement at DHS. Last year, I testified

that we had a strong and pragmatic strategy and that we would improve.

We analyzed the data and held discussions with leaders and employees. And based on that collection of work, we focused our efforts in three areas: One, select and empower high-performing leaders; two, develop excellent leaders at all levels; and three, communicate in a powerful way that connects the workforce.

We implemented our strategies through top leadership involvement, component-specific action plans, and the employee engagements during committee. We hold component leadership accountable, we review our progress and make adjustments through our semiannual reviews, and, in fact, we just completed our last review.

These efforts resulted in a 3 percent increase in the employee engagement index scores. According to OPM, this level of improvement is statistically significant. By contrast, the governmentwide employee engagement index went up 1 percent.

All of our components, except one, improved their employee engagement index scores: ICE up 7 percent, CBP up 4 percent, U.S. Coast Guard up 4 percent, USCIS up 3 percent, FEMA up 3 percent, and U.S. Secret Service up 1 percent. Regarding the best places to work scores, DHS increased by 2.7 points, whereas the governmentwide average went up 1.3 points.

While some may say you're still at the bottom of the best places to work rankings, it's important to put these rankings into greater context. Some DHS components by themselves are larger than the large agencies on the best places to work list. U.S. Coast Guard, USCIS, and FLETC all have best places to work index scores above the second-ranked large agency, Department of Commerce.

In fact, USCIS is not much smaller than the top-ranked NASA, and its index score is almost as high as NASA's. And when the Partnership for Public Service further broke down the rankings, the U.S. Coast Guard and USCIS are number one and number two, respectively, in the law enforcement and border protection categories of the best places to work mission area rankings.

Other components, like the Secret Service, CBP, and TSA, all have extremely difficult jobs that place them squarely in the public eye, often under challenging circumstances. These components also have populations with limited access to computers, making it very difficult for these employees to complete the Federal Employee Viewpoint Survey.

This is not an excuse, but it serves as context. We are focused on these components and are working with them and our leadership committee to continue the upward trend that we started last year. Our leadership committee is sharing successful practices on how best to reach our field personnel to increase participation in the survey and in understanding their needs when they are so far away from Washington, D.C.

We are using our communications channels, including messaging from the Secretary, leader alerts to supervisors and executives, and listening tours to ensure leaders at all levels act as a force multiplier for us to reach the workforce throughout the year. And at the same time, we are focusing on the 2017 Federal Employee Viewpoint Survey rollout, which begins next month.

Every single day, the men and women of DHS carry out difficult and frequently dangerous work that is often unseen by the American public. They do an outstanding job and have a deep commitment to the mission.

Through our focused efforts to employee engagement, we are determined to enhance their work experience, including their worklife balance, and honor the contributions of our hardworking and dedicated workforce. Thank you again for supporting our employees who protect us and our great Nation. I look forward to answering any questions you may have.

[Prepared statement of Ms. Bailey follows:]



**U.S. DEPARTMENT OF HOMELAND SECURITY PREPARED
TESTIMONY FOR
THE CHIEF HUMAN CAPITAL OFFICER BEFORE THE
COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM
SUBCOMMITTEE ON GOVERNMENT OPERATIONS
U.S. HOUSE OF REPRESENTATIVES
THURSDAY, APRIL 6, 2017**

Chairman Meadows, Ranking Member Connolly, and Members of the Subcommittee; thank you for the opportunity to appear before you today to address our efforts at the Department of Homeland Security to enhance employee morale and engagement.

I am Angela Bailey, the Department's Chief Human Capital Officer. I joined DHS in 2016 as a career federal executive with nearly 36 years of service, 30 of those in human resources.

I am responsible for the Department's human capital program, which includes human resources policies and programs, strategic workforce planning, recruitment and hiring, pay and leave, performance management, executive resources, labor relations, diversity and inclusion, and strategic learning, development and engagement, as well as human resources operations for DHS Headquarters employees.

DHS is a large, complex organization. Each of our Components has its own mission, its own history, and its own culture. However, we all come together with one overarching vision: "With honor and integrity, we will safeguard the American people, our homeland, and our values."

Our employees keep our airplanes safe, help us recover from natural disasters, protect our President, secure federal facilities and their employees and visitors, deport criminals, counter violent extremism, combat cyber-crime, train law enforcement personnel from all across the globe, patrol our waters, and welcome new citizens to become part of our Nation.

Our employees are committed to doing excellent work every day. They deserve a Department that invests in their success so that they can support our mission. They deserve great leaders and they deserve excellent work environments.

Engagement was a top priority for the former Secretary, Deputy Secretary, and Under Secretary for Management, and I believe this top leadership commitment was one of the driving forces behind the three percent increase we saw from 2015 to 2016 in our Federal Employee Viewpoint Survey (FEVS) Employee Engagement Index scores. Secretary Kelly has not missed a beat in setting employee engagement as one of his top priorities as well. Within two weeks of his confirmation, the Secretary was already out in the field visiting employees at their workplaces and conducting town hall meetings. During one of the first town hall events, Secretary Kelly told employees, "You do a tremendous job," he told employees at one such event, "Keep doing what you're doing...I will always have your back."

Our Employee Engagement Steering Committee (EESC), chaired by the Under Secretary for Management, has continued to serve as a forum for sharing ideas and best practices, and for ensuring Component accountability. Members are updating their engagement action plans twice per year, and those plans are signed by Component leadership. Through this mechanism, we empowered Components to act and created a loop of accountability with them so that we know they are taking action, and we are assisting them in their efforts as needed. A few examples of some of the great work occurring in our Components include:

- TSA does “Local Action Planning” at sites with lowest levels of employee satisfaction to identify root causes of challenges and solutions for local implementation. They send expert teams onsite to conduct focus groups, make recommendations, and guide groups through implementation of identified actions. FEVS ratings in those targeted locations improved an average of 24 percent from 2015 to 2016.
- CBP redesigned its first- and second-line supervisor training curricula to enhance performance management. Some of the topics include how to guide employees in setting performance goals and providing feedback on performance to employees. In FY16, they also graduated 116 GS-15 senior leaders from the CBP Leadership Institute, which includes sessions on workplace climate, culture, building trust, and coaching skills.
- USCIS strives to empower employees and local offices to help make the agency a better place to work by organizing local champions for engagement initiatives; seeking feedback from the workforce through brief pulse polls targeting salient issues; and facilitating action planning at the local level.
- ICE Enforcement and Removal Operations (ERO), which historically scores low on the FEVS, is undertaking a transformation effort called ERO 2.0. This effort includes a broad array of initiatives, including site-specific functional and operational adjustments within areas of responsibility; a new hiring plan that increases speed and quality of hiring; and creation of an effective mechanism for employees to search for and access critical ICE and ERO policies. The goal is to enable ERO to more effectively enforce current immigration policies, as well as identify avenues to improve the morale, career growth, and development of ERO’s workforce.
- The Secret Service created an agency wide Inclusion and Engagement Council (IEC) to build, foster, create and inspire a workforce where inclusive diversity is not just “talked about” but demonstrated by every employee through “Every Action, Every Day.” The Secret Service identified an IEC Executive Champion and proactively enlisted the support of employees throughout the agency to serve as IEC Game Changers. Their primary objective is to help create and sustain a culture that encourages collaboration, flexibility and fairness. The IEC’s collective goal is to focus their efforts on creating and fostering a more “inclusive and engaged” Secret Service workplace.
- FLETC senior leadership is actively promoting transparency and engaging directly with staff. Last year, senior leaders attended and interacted with staff on at least 148 training activities, 95 program openings, and 97 program graduations.

When you look at the DHS results of the FEVS, it is important to take into account just how large and diverse we are. For example, looking through the lens of the Best Places to Work in the Federal Government ranking (BPTW), which as you know uses FEVS data: the ranking of large agencies places DHS at the bottom, but some of the DHS Components are larger than the “large agencies” on the list.

- USCIS is slightly smaller than the top-ranked NASA yet its index score is almost as high as NASA's.
- USCG, USCIS, and FLETC all have BPTW index scores above the second-ranked large agency, the Department of Commerce.
- In the BPTW mission-area rankings, USCG and USCIS are ranked #1 and #2 for the Law Enforcement and Border Protection category.
- Our lower-ranked Components, like the Secret Service, CBP, and TSA, all have extremely difficult jobs that place them squarely in the public eye, often under challenging circumstances. These Components also have populations with limited access to computers, making it difficult for these employees to complete the FEVS.

This is not an excuse, but it serves as context. We are focused on these high-need Components, and are working with them and our EESC to continue the upward trend that we started last year. Our EESC members and the internal communications community are sharing best practices on how they are reaching out to the field. We are using our communications channels, including messaging from the Secretary and leader alerts to supervisors and executives, to ensure leaders at all levels act as a force multiplier for us to reach the workforce throughout the year, and we are currently focusing on the 2017 FEVS administration, which begins next month.

Every day, the men and women of DHS carry out difficult and frequently dangerous work that often is unseen by the American public. They do an outstanding job and have a deep commitment to the mission. Through our efforts dedicated to employee engagement, we are determined to enhance their work experience and honor the contributions of our hard-working and dedicated workforce.

Thank you again for supporting our employees who protect us and our great Nation. I look forward to answering any questions you may have.

Mr. JORDAN. Thank you, Ms. Bailey.
Mr. Gardner.

STATEMENT OF LEE GARDNER

Mr. GARDNER. Thank you, Chairman Meadows, Congressman Connolly, and members of the subcommittee. I am Lee Gardner, managing director of the Surface Transportation Board. We greatly appreciate your subcommittee's strong interest in ways to ensure growth in employee engagement at agencies such as ours.

From 2009 through 2014, the STB was ranked as the best small agency in the government, according to the FEVS annual survey. We even received accolades from entities outside the survey, including a spot in Washingtonian magazine's 50 Greatest Places to Work for 2013. We took great pride in this distinction.

After 6 years of being number one, our scores fell in 2015, placing us fifth among small agencies. In 2016, our scores declined further, placing the Board 16 out of 29 small agencies. This decline is a concern to management at all levels at our agency.

Comparing scores for specific questions asked in the 2014, 2015, and 2016 surveys, we found several key questions with positive scores worth noting, including balance of worklife, a willingness on the part of employees to put forth extra effort to get the job done, and the overall quality of work. These items scored in the 90 percent range or higher.

We've also seen high scores in areas that depict the high level of professionalism and dedication of our employees, including, "my work gives me a sense of personal accomplishment," "I like the work I do," and "the work I do is important."

With respect to negative responses, we fell in areas including the relationship between pay raises and performance, supervision in leadership, steps taken to deal with poor performers, training, and diversity.

Over the last few years, the STB has been an agency in transition. Our staff has experienced a significant amount of change and uncertainty in the areas of leadership, responsibilities, and resources. These factors have no doubt contributed to the 2016 survey results.

In the span of 2 years, the agency underwent a change in the chairmanship several times. Naturally, each change brought a transition from—for staff and an adjustment to new priorities.

Sustained periods of constrained resources have also been a real challenge. Our FTE levels have been dropping, leaving the agency with fewer staff to fulfill the agency's workload. The STB's budget requests have gone largely unmet, which in turn puts further strain on our workforce.

We currently have a staff of 128 FTEs, a significant reduction from our highest employment level of 149 FTEs in 2010. These numbers are significant for such a small organization.

Another factor that has affected the staff is the prospect of relocating due to a recent expiration of our lease. GSA notified us in 2013 that at the end of our lease in February 2017, we could be required to relocate to a new facility. This has been very unsettling to staff, since during this time, we have not known what the full impact of relocating might be on their daily lives. Just this week,

GSA informed us that a lease award should be finalized within the next 30 to 40 days.

Finally, enactment of the STB Reauthorization Act of 2015, which reauthorized the Board for the first time since its inception in 1996, made the Board a fully independent agency and imposed several important directives.

While independence has been invigorating, exciting, and challenging, it also marks another transition to new and expanded responsibilities but with expected additional funding assistance held up as a consequence of the ongoing continuing resolution.

The Board is exploring ideas to help improve our scores, and most importantly, employee engagement and satisfaction. For example, to better understand specific reasons for our recent scores, senior managers exchanged insights into the possible causes of and discussed ways to improve. We reached out to our entire staff asking them to share their thoughts on issues contributing to the Board's scores, as well as suggestions on actions to improve the STB overall.

The Partnership for Public Service recently briefed the board members and staff on the survey results and provided useful insights into the key drivers of our recent scores. To address scores regarding senior leadership, OPM delivered an executive training course to 25 senior managers, which provided an in-depth discussion and interactive sessions on developing core leadership skills, including how to effectively lead, communicate, build strong teams, and manage change.

Beyond actions taken to address the survey directly, we have continued to provide staff with important training in areas of concern to our agency as well as the government. For example, in-person diversity training for the entire agency was offered last fall, sharing information about equal employment opportunity, increasing inclusion, respecting diversity, and effective communications and problem solving.

Please be assured that as we work to fulfill the agency's important mission, the STB is firmly committed to improving our employee's work satisfaction as well. I would be happy to respond to any questions. Thank you.

[Prepared statement of Mr. Gardner follows:]

Statement by Lee L. Gardner
Managing Director, Surface Transportation Board
before the Committee on Oversight and Government Reform
Subcommittee on Government Operations
“The Best and Worst Places to Work in the Federal Government”

April 6, 2017

Thank you, Chairman Meadows, Congressman Connolly and members of the Subcommittee. I am Lee Gardner, Managing Director of the Surface Transportation Board (STB or Board). I have worked at the Board since its inception in 1996, and prior to that, worked for the Board's predecessor agency, the Interstate Commerce Commission, for 20 years. I served in the U.S. Air Force from 1970 to 1973. I take great pride in my 45 years in public service and greatly appreciate your Subcommittee's strong interest in ways to ensure growth in employee engagement at agencies such as ours.

STB's History with the Federal Employee Viewpoint Survey (FEVS) Survey

From 2009 through 2014, the STB was ranked the best small agency in the government, according to the FEVS annual survey. In fact, in 2014, the STB scored the highest of any government agency. We even received accolades from entities outside of the survey, including a spot in *Washingtonian* magazine's 50 Great Places to Work for 2013. We took great pride in this distinction.

After six impressive years, our scores on the survey fell in 2015, placing us 5th among all small agencies. In 2016, our scores declined further, placing the Board at 16 out of 29 small agencies. This decline is of concern to management at all levels at our agency.

Analysis of Results

We compared the scores on specific questions asked in the 2014, 2015, and 2016 surveys.

We found several key questions with positive scores worth noting, including balance of work and other life issues, a willingness on the part of employees to put forth extra effort to get the job done, supervisor communication with employees about their performance; and the overall quality of work. These items scored in the 90% range or higher.

We have also seen high positive scores in areas that indicate the high level of professionalism and dedication of our employees, including: “my work gives me a sense of personal accomplishment”; “I like the work I do”; “I know what is expected of me on the job”; “the work I do is important”; and “I know how my work relates to agency goals and priorities.”

With respect to negative responses, we fell in areas including the relationship between pay raises and performance; supervision and leadership; steps taken to deal with poor performers; opportunities to get a better job; training; and diversity.

Factors Contributing to the Board's Decline

Over the last few years, the STB has been an agency in transition. Our staff has experienced a significant amount of change and uncertainty in the areas of leadership, responsibilities and resources. These factors have no doubt contributed to the drop reflected in the 2016 survey.

In the span of two years, our agency underwent a change in the chairmanship several times. Naturally, each change in the chairmanship brought a transition for staff and an adjustment to new priorities and differences in management style.

Sustained periods of constrained resources have also been a real challenge for the Board. Our FTE levels have been dropping during the past several years, leaving the agency with fewer staff to fulfill the agency's workload. While the STB leadership believes in fiscal responsibility and delivering the best service to our stakeholders for the least impact to taxpayers, the strain on the workforce is real.

We currently have a staff of 128 FTEs, a significant reduction from our highest employment level of 149 FTEs in 2010. Between 2014 and 2017, we had 45 departures compared to only 30 hires. This represents a 14% reduction from our prior staffing levels. For such a small organization, these numbers are significant. We appreciate the on-going support of our oversight and appropriations committees in Congress for funding for technology and staffing, especially in light of our new status as an independent agency.

Another factor that has adversely affected the morale of STB staff is the prospect of relocating due to the recent expiration of our lease. In April 2013, GSA notified us that at the end of our lease in February 2017, we could be required to relocate to a new facility. This has been very unsettling to staff, since during this time, they have not known what the full impact of relocation might be on their daily lives. Just this week, GSA informed us that a lease award should be finalized within the next 30 to 40 days, and we very much welcome that news.

Finally, enactment of the Surface Transportation Board Reauthorization Act of 2015 (STB Reauthorization Act). That new law reauthorized the Board for the first time since its inception in 1996 and made the Board a fully independent agency, after having been administratively aligned with the Department of Transportation (DOT) for the past 20 years. The STB Reauthorization Act expanded the Board's membership from three to five members, empowered the agency with investigatory authority, shortened timelines for adjudications of railroad rate cases, and imposed reporting requirements on formal and informal complaints. While independence has been invigorating, exciting, and challenging for staff, it marks another transition to new and expanded responsibilities. With fewer staff and the increased unlikelihood

of new hires on the horizon, the agency must manage the new reality of doing more with less in the best way possible for our stakeholders. I am happy to report, though, that while it has been stressful, the Board's implementation of the Reauthorization Act was completed on time and successfully due to our excellent leadership, the hard work of our staff, the cooperation of DOT, and the assistance of our Congressional oversight committees.

Actions Taken to Improve

As I mentioned earlier, the Board's management is very concerned about the agency's recent drop in ranking and is exploring ideas that could help improve those scores, and most importantly, employee engagement and satisfaction. To that end, we have taken several positive steps intended to address concerns identified in the 2015 and 2016 surveys.

We are working to address the low survey scores regarding senior leadership. First, we met with senior managers at the agency to obtain their thoughts on the reasons for our lower scores and ways that we might improve. In addition, Acting Chairman Begeman requested our employees to share with her their thoughts on underlying factors that contributed to the Board's poor results, as well as suggestions on actions that could be taken to improve the STB overall.

We recently invited staff from the Partnership for Public Service to brief the Board Members and staff on the Board's survey results. This briefing provided useful insights into the key drivers of our most recent scores and identified major issues that require our attention. The Partnership for Public Service staff also shared best practices used by other agencies as well as the private sector for improving engagement at the agency.

Also, we provided in-person leadership training to approximately 25 senior managers and supervisors. The Office of Personnel Management's Center for Leadership delivered an executive training course entitled, "Leadership in Action," which provided an in-depth discussion and interactive sessions on developing core leadership skills, including how to effectively lead, communicate, build strong teams, and manage change.

In addition to the actions taken to address the survey directly, we have continued to provide staff with important training in areas of concern to our agency as well as the government. For example, we provided in-person diversity training for the entire agency last fall. All agency staff and managers were asked to attend the training entitled "Respectful Communications." This program provided information about Equal Employment Opportunity, and offered practical approaches to increasing inclusion, respecting diversity, and effective communication and problem-solving. The training was well received by everyone who attended, and we believe it was impactful.

Conclusion

Leadership and management at the STB are acutely aware of the agency's drop in rankings in the most recent survey. We are engaging managers and employees in a meaningful dialogue on how we can improve our scores, and more importantly, our employees' work satisfaction. In addition, we have sought the assistance and guidance of the Partnership for Public Service.

Please be assured that the STB intends to promote a collaborative partnership with our employees as we work to fulfill our agency's important mission.

I would be happy to respond to any questions. Thank you.

Mr. JORDAN. Thank you, Mr. Gardner.
Ms. Villalobos.

STATEMENT OF VERONICA VILLALOBOS

Ms. VILLALOBOS. Thank you.

Chairman Meadows, Ranking Member Connolly, and members of the subcommittee, thank you for allowing me the opportunity to appear before you today to discuss the Federal Employee Viewpoint Survey and employee engagement.

Since 2002, the Office of Personnel Management has administered the FEVS. The survey is designed to provide agencies with valuable information——

Mr. CONNOLLY. Could I ask the witness to pull that microphone much closer because——

Ms. VILLALOBOS. Certainly. Is that better?

Mr. CONNOLLY. Thank you.

Ms. VILLALOBOS. Thank you.

The survey is designed to provide agencies with valuable information on employee satisfaction, commitment, engagement, and ultimately, retention needed for driving change within an organization.

Having an engaged workforce is critical to each agency's ability to achieve its mission of providing excellent service to the American people. OPM is committed to working with agencies to provide tools they can use to improve employee satisfaction and engagement.

To assist agencies, OPM provides results from the FEVS in several ways. The FEVS governmentwide management report provides an overview of survey results and highlights notable agency achievements. The management report contains scores from industries such as employee engagement, global satisfaction, and the New Inclusion Quotient, or New IQ.

In addition to the management report, OPM provides agency-specific FEVS reports to leadership in government agencies. FEVS results are also made available through Unlock Talent, a comprehensive dashboard used to help agency leadership make data-driven decisions and design initiatives to improve Federal agencies. Unlock Talent also allows users to view FEVS scores across government for employee engagement and global satisfaction. The dashboard is customized to each agency, and Federal managers are able to access personalized pages for their departments and agencies. This powerful online tool assists agencies in better analyzing and understanding the data in order to creatively use the information in their engagement efforts.

In 2016, OPM surveyed approximately 889,000 employees from 80 agencies and over 407,000 employees responded. The 2016 scores on employee engagement continue to increase steadily across government, with 65 percent of all respondents expressing positive views on the employee engagement index.

The 2016 global satisfaction index results revealed

that 61 percent of respondents reported satisfaction with aspects related to their work, and the 2016 New IQ overall index score was 58 percent. These scores all increased from the prior year.

For the 2016 management report, OPM incorporated a comparison of the agencies by size. Because of the challenges or opportuni-

ties the agencies faced based on their size, these categories were created to further aid interagency communication and sharing of promising practices. In addition, the management report featured the key drivers of employee engagement that are beneficial to agencies in building and supporting employee engagement and performance improvement efforts.

Finally, the management report highlighted promising practices which provided practical advice on what works to help agencies improve engagement and thereby performance.

While the FEVS has been a useful tool for agencies and stakeholders, the full potential as a strategically responsive instrument has faced some limitations. Because core survey items were in regulation, 45 such items have not been updated since 2007. This has limited the ability of our research professionals to adjust items and make commonsense changes.

To address these limitations, OPM initiated a revision of the regulation. Overall, the revised regulation permitted OPM to modernize the survey in alignment with topics cited in statute. Specifically, the effect of the revision was to reduce the number of prescribed survey items and remove the definition of leadership levels.

In the process of revising the regulation, OPM presented plans for updates to multiple stakeholder groups. The final regulation allows OPM's professional survey experts and research psychologists to improve the survey while maintaining agencies' abilities to monitor progress and analyze trends. Agencies still maintain the flexibility to expand their own surveys and add agency-specific questions, as appropriate, to address their specific needs.

OPM does not intend to make changes to the 2017 FEVS. We understand the reliance stakeholders and agencies have on the survey results. Any future updates will be done with stakeholder input and OPM's experts, along with survey testing to preserve quality and trending.

As we prepare to release the next survey, OPM will continue its efforts to support agencies with meaningful improvements to the FEVS in order to assist agency leadership with improving employee engagement and performance.

I want to thank you for this opportunity to testify, and I am happy to address any questions you may have.

[Prepared statement of Ms. Villalobos follows:]



UNITED STATES OFFICE OF PERSONNEL MANAGEMENT

**STATEMENT OF
VERONICA VILLALOBOS
PRINCIPAL DEPUTY ASSOCIATE DIRECTOR FOR EMPLOYEE SERVICES
AND
ACTING EXECUTIVE DIRECTOR, CHIEF HUMAN CAPITAL OFFICERS COUNCIL
U.S. OFFICE OF PERSONNEL MANAGEMENT**

before the

**SUBCOMMITTEE ON THE GOVERNMENT OPERATIONS
COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM
UNITED STATES HOUSE OF REPRESENTATIVES**

on

THE BEST AND WORST PLACES TO WORK IN THE FEDERAL GOVERNMENT

April 6, 2017

Chairman Meadows, Ranking Member Connolly, and Members of the Subcommittee:

Thank you for allowing me the opportunity to appear before you today to discuss the Federal Employee Viewpoint Survey (FEVS) and employee engagement. Since 2002, the Office of Personnel Management (OPM) has administered the FEVS, previously called the Federal Human Capital Survey. The FEVS provides a snapshot of Federal employees' perceptions of whether, and to what extent, conditions that characterize successful organizations are present in their agencies. The survey is designed to provide agencies with valuable information on employee satisfaction, commitment, engagement, and, ultimately, retention needed for driving change within an organization. The FEVS is a confidential web-based survey of full-time and part-time, permanent, non-seasonal employees across the Federal government.

FEVS results

OPM is committed to working with agencies to provide tools they can use to improve employee satisfaction and engagement. Having an engaged workforce is critical to each agency's ability to achieve its mission of providing excellent service to the American people. To assist agencies, OPM provides results from the FEVS in several ways. The FEVS Government-wide Management Report provides an overview of survey results and highlights notable agency

**Statement of Veronica Villalobos
U.S. Office of Personnel Management**

April 6, 2017

achievements. The Management Report contains scores from indices such as Employee Engagement, Global Satisfaction, and the New Inclusion Quotient (New IQ). These three indices, created from survey questions, are metrics that agencies can use to assess engagement, satisfaction, and inclusion. In addition to the Management Report, OPM provides agency-specific FEVS reports to leadership in government agencies. FEVS results also are made available on our public website and through UnlockTalent.gov, a comprehensive dashboard used to help agency leadership make data-driven decisions and design initiatives to improve Federal agencies. UnlockTalent.gov also allows users to view FEVS scores across government for two major indices, Employee Engagement and Global Satisfaction. The dashboard is customized to each agency and Federal managers are able to access personalized pages for their departments and agencies. This powerful online tool assists agencies in better analyzing and understanding the data in order to creatively use the information in their engagement strategies.

In 2016, OPM surveyed approximately 889,000 employees from 80 agencies and over 407,000 employees responded, resulting in a 46 percent response rate. The 2016 scores on employee engagement continue to increase steadily across government with 65 percent of all respondents expressing positive views on the Employee Engagement Index, which is a one percent increase over the 2015 results. The 2016 Global Satisfaction Index results revealed that 61 percent of respondents reported satisfaction with aspects related to their work, including their job, their pay, their organization, and whether they would recommend their organization as a good place to work. This was an increase from 60 percent in 2015. The New IQ identifies behaviors that help to create an inclusive workplace. The 2016 New IQ overall index score increased one percentage point, from 57 percent to 58 percent, since 2015.

For the 2016 Management Report, OPM incorporated a comparison of agencies by size. Because of the different challenges or opportunities agencies face based on their size, these categories were created to further aid interagency communication and sharing of promising practices. In addition, the 2016 Management Report featured the key drivers of employee engagement that are beneficial to agencies in building and supporting employee engagement and performance improvement efforts. The key drivers identified for employee engagement included Performance Feedback, Collaborative/Cooperative Management, Merit System Principles, Employee Training & Development, and Work/Life Balance. By focusing on these factors, agencies are able to target resources to build and support employee engagement. Finally, the 2016 Management Report highlighted promising practices on employee engagement, which provided practical advice on what works to help agencies improve engagement and performance.

Improving the FEVS

While the FEVS has been a useful tool for agencies and stakeholders, the full potential as a strategically responsive instrument has been limited by the restrictions of having over half of the core survey items prescribed in regulation. Because core items were in regulation, 45 such items have not been updated since 2007, limiting the ability of our professional personnel research psychologists, statisticians, and survey methodologists to adjust items and make common-sense changes based on experience and lessons learned. Periodically, multiple stakeholders and survey

**Statement of Veronica Villalobos
U.S. Office of Personnel Management**

April 6, 2017

professionals have suggested a survey refresh with the inclusion of timely topics that reflect contemporary and evolving workplace environments and conditions.

To address these suggestions, OPM initiated a revision of the regulation. Overall, the revised regulation permitted OPM to modernize the survey by identifying questions that exhibit appropriate psychometric properties that better align to the topics cited in the underlying statute. Specifically, the effect of the revision was to: (1) reduce the number of prescribed survey items from 45 to 16; and (2) remove the definitions of leadership levels from regulation. In the process of revising the regulation, OPM presented plans for updates to multiple stakeholder groups, including the Chief Human Capital Officers Council, agency Senior Accountable Officials, FEVS data users, and outside interested parties. In addition, OPM's proposed revisions to streamline the items in regulation were subject to three different review periods with opportunities provided for both agency and public comments. The final regulation allows OPM's professional survey experts and research psychologists to improve the survey, gathering additional useful information in the service of agency effectiveness, while maintaining agencies' abilities to monitor progress and analyze trends. Agencies still maintain the flexibility to expand their own surveys and add agency-specific questions as appropriate to their specific needs.

Modernizing the FEVS will ultimately improve the strategic responsiveness of the survey and, importantly, the data provided to agency leadership. OPM does not intend to make changes to the FEVS questionnaire for the 2017 survey. We understand the reliance stakeholders and agencies have on the survey results. Any future updates and modernization of the FEVS will again be done with input from stakeholders, as well as OPM's experts, along with survey testing to preserve quality and trending.

Conclusion

As we prepare to release the next survey, OPM will continue its efforts to support agencies with meaningful improvements to FEVS in order to assist agency leadership with improving employee engagement and performance. I want to thank you for this opportunity to testify, and I am happy to address any questions you may have.

Mr. MEADOWS. [Presiding.] Thank you so much for your testimony. My apologies, the administration had asked us to get back to him on health care, so I apologize. I had to have a real quick meeting. So——

Mr. CONNOLLY. Mr. Chairman——

Mr. MEADOWS. Yes.

Mr. CONNOLLY. —before you call on our final witness, just—I ask unanimous consent to enter into the record a statement with respect to the subject from the National Treasury Employees Union.

Mr. MEADOWS. Without objection.

Mr. CONNOLLY. I thank the chair.

Mr. MEADOWS. Mr. Stier, you're recognized for 5 minutes.

STATEMENT OF MAX STIER

Mr. STIER. Thank you very much, Chairman Meadows, Ranking Member Connolly. Thank you for your focus on such an important issue. I know life is very full and busy with all kinds of things, and it is a testament to your foresight and leadership that you are, for the third time, having this hearing, because it does require constant attention and oversight.

To begin with, I think it's important to focus on why this matters. This is not about happy employees. This is about employees that can do more and better for the American public. And that's what employee engagement is about.

One of the really incredible challenges of actually managing in the Federal Government is that you don't have real-time performance information as you would in the private sector, the for-profit sector. You don't have your P&L statement, you don't have stock prices. The goals are public goals; they're not financial goals. And as a result, actually, employee engagement becomes even more important. In the private for-profit sector there is tons of data that shows improved employee engagement results and better performance, and that's even more important in the public sector.

And we should be proud of the people that are here and the good work that they're doing. It's 2 years in a row you've seen increases. But we also need not lose sight of the bigger picture. And in our view of the Partnership for Public Service, we believe that the Federal Government should meet or exceed the best in class in the private sector. And today, right now, on the engagement scores, the Federal Government is 17 points lower than a reasonable private sector average. And it's not because Federal employees are not committed to the mission. Federal employees are overwhelmingly committed to the mission across the board in every agency.

Bottom line, it's almost inevitably about leadership, which is the second root cause of challenge in the Federal Government. You have short-term political leaders that don't align to the long-term needs of the organizations they run.

And the data is frightening. If you look at some of the numbers, just one-fifth of employees agree that pay raises depend on performances; two-thirds of employees don't believe promotions are based on merit; fewer than half of Federal employees believe that good work is rewarded. And those are not numbers that we ought to be proud of. These are numbers that we need to work on and change.

And I would propose three things that you can do here in Congress to make a big difference: Number one, we need to modernize the FEVS statute. Very important. As I said, it gives the one universal metric across the board. I think it ought to be codified. OPM has done a phenomenal job. The statute doesn't currently require that OPM do it every year. It's important that OPM does it every year. It's cost effective. They do it for everybody. And it also means that you got comparative data. So that would be the first piece. And the second one is, in today's age with improved technology, this is all done digitally. The turnaround of the data is very important, so getting that data out fast would be a second area of key importance.

Number two, it's always about leaders, and we need to see more attention paid to leadership's responsibility to manage talent in the Federal Government. It starts with the top. It starts with the political leaders. Today, the political leaders do not actually have a requirement to have performance plans. There's no transparency about what they're supposed to achieve. And I would posit to you that it starts at the top. You ought to have a requirement that all political appointments, all leaders have performance plans that are clear and that are transparent and that part of that transparency includes a requirement that they focus on their most important asset, the people in their organizations.

Secondly, that's something that's true not just for the political leadership, it's true for the career folks. USDA is an example of an organization that actually bakes into their SES requirement that the SES focus on employee engagement, and you've seen the returns that they get from that.

And third, I think it's incredibly important for this kind of oversight to take place, to make sure that hearings in this committee and otherwise actually ask questions of the political appointees to make sure they know that you're watching them and paying attention.

So first is modernize the statute; second is focusing on the leadership issues; and the third piece, I think, is modernizing our civil service system. We have a system that was designed for a different age when government was doing different things, when the talent market looked differently. And we need to make sure that we have a system in place to actually manage our talent in government, whether it's to bring in the right talent to replace those that are leaving or to manage those that are already here that reflects the current society that we have right now.

The Federal Government in many ways has become an insulated and isolated organization, and that's not good for any of us. And elements of the change that need to take place are examples like market-based pay. So you look at examples at VA, the medical center directors. They're paid under the SES scales, that means that they're making at top \$170,000, \$180,000. And you have to pay, in a private sector, \$700,000, \$1 million to find competing talent. It just doesn't work. And again, there will be some employees that will be paid less, some paid more, but it will be paid according to what the government actually needs to pay to get the right talent, and that would be a big change.

There are a whole set of other changes that ought to take place in the civil service system itself, and we'd love to work with you in making that happen.

I see my time is running out, but I want to say thank you for, really, your incredible work.

[Prepared statement of Mr. Stier follows:]



PARTNERSHIP FOR PUBLIC SERVICE

**Statement of Max Stier
President and CEO
Partnership for Public Service**

Prepared for

**The House Committee on Oversight and Government Reform
Subcommittee on Government Operations**

Hearing Entitled,

“The Best and Worst Places to Work in the Federal Government”

April 6, 2017

Chairman Meadows, Ranking Member Connolly, Members of the Oversight and Government Reform Subcommittee on Government Operations, thank you for the opportunity to appear before you today to discuss the Partnership's 2016 *Best Places to Work in the Federal Government*® rankings and ways to ensure the continued positive growth of employee engagement at federal agencies.¹

I am pleased that this Subcommittee has chosen to hold a hearing on employee engagement for a third consecutive year. I also want to acknowledge you, Mr. Chairman, Representative Connolly, and other Members, for the time and attention you personally have devoted to meeting with agency employees, from politically appointed leaders and career executives to the front-line employees who serve our fellow citizens as public servants. Your interest in improving federal employee morale and engagement across government contributes to better oversight and a deeper understanding of the challenges facing the civil service.

In the year since I last appeared before the Subcommittee, the state of employee morale in the federal workforce has improved markedly in some ways but remained stagnant in others. Overall engagement, as measured by the Partnership's *Best Places to Work in the Federal Government* (BPTW) index score, increased 1.3 points in 2016. That improvement followed a 1.2 point increase in 2015.² Nearly three-quarters of federal agencies saw their organization-wide score increase (72.3 percent), up from 70.4 percent in 2015 and 43.1 percent in 2014. Furthermore, scores increased in all fourteen of the workplace categories and subcategories measured as part of the Partnership's rankings. The effectiveness of agency leadership remained the single most important factor driving employee views on engagement, as it has been since the Partnership launched its rankings in 2003, followed by how well employees feel matched to their jobs and then their satisfaction with their pay.

Federal Employee Engagement Lags Significantly Behind the Private Sector

High-performing organizations understand that strong employee engagement leads to better performance and improved outcomes. However, despite meaningful gains over the last two years, the federal government still significantly underperforms the private sector when it comes to employee engagement.³ In 2016, the government's score was 17.7 points behind the private sector (77.1 in the private sector to

¹ The Best Places to Work in the Federal Government® rankings, produced by the Partnership and Deloitte, offer the most comprehensive assessment of how federal public servants view their jobs and workplaces, providing employee perspectives on leadership, pay, innovation, work-life balance and other issues. The rankings are produced using data from 407,780 employees who completed the Office of Personnel Management's Federal Employee Viewpoint Survey and employees from 12 agencies such as the Peace Corps, Smithsonian and the intelligence community who completed surveys with comparable questions. The survey was administered April through June 2016 to permanent executive branch employees.

² The Best Places to Work index score is calculated using a proprietary weighted formula that looks at responses to three different questions in the federal survey. The more the question predicts intent to remain, the higher the weighting. The questions are: "I recommend my organization as a good place to work", "Considering everything, how satisfied are you with your job", and "Considering everything, how satisfied are you with your organization".

³ The Partnership works with Sirota, our technical partner, which supplies data that are used for the private-sector Best Places to Work index score and also provides employee responses to 25 questions that offer points of comparison between the federal government and the private sector. The benchmarks from Sirota are based on a normative database that is continually updated with client survey data. Currently, more than one million survey responses from organizations in more than 100 countries are added to Sirota's database each year. This year's benchmarks are comprised of nearly 4.7 million employee survey responses from more than 120 companies.

59.4 for the government) – a slight decline from the prior year’s 18.6 point gap. Particularly troubling is the fact that only twelve of the 305 agencies in our rankings scored above the private sector average.⁴

The experiences of private sector organizations demonstrate the importance of focusing on employee engagement as a way to improve performance. The Partnership’s 2016 report with Accenture Federal Services, *Government For the People: The Road to Customer-Centered Services*, found that “Great customer service also requires that employees are engaged in and committed to their work...Studies have demonstrated that strong employee engagement leads to better customer service experience because engaged employees are more likely to go the extra mile to help customers, and they are less likely to be absent from work.”⁵ In one particular example, Ford Motor Company found that, “the integrated employee experience is as valuable and can have as much (or more) of an impact as the customer experience strategy” and that the transformation of the company’s employee experience is “critical to the company’s success.”⁶ Further, improving employee engagement is not only about performance and better service to external customers, but about attracting high-caliber talent as well. Deloitte’s *Employees as Customers: Reimagining the Employee Experience in Government*, notes that “as with customers, the employee experience brands government service for potential employees as well.”⁷ Simply put, engagement is not solely about happy employees; it is critical to the ability of agencies to achieve their diverse missions and serve people who rely on their services.

Government tends to struggle the most compared to the private sector in the critical areas of leadership, merit-based awards, and performance management. Data from both the *Best Places* rankings and from the Office of Personnel Management (OPM) *Federal Employee Viewpoint Survey* (FEVS), on which the Partnership bases *Best Places*, bear this out. On common questions between the private sector survey and FEVS, federal agencies’ scores fall below the private sector on every question by an average of thirteen points. Government trails on leadership-related items like “I have trust and confidence in my supervisor” by 16.7 points, “My supervisor provides me with constructive suggestions to improve my job performance” by 14.9 points, and “How satisfied are you with your involvement in decisions that affect your work?” by a whopping 19.7 points. The statement, “I can disclose a suspected violation of any law, rule or regulation without fear of reprisal” showed a 15.7 point gap, with just under 60 percent of federal employees responding positively.

Despite low scores on questions related to leadership, federal employees remain highly committed to the work and missions of their organizations. Nearly 90 percent of employees believe the work they do is important, while 71 percent say their work gives them a feeling of personal accomplishment. Additionally, 95 percent are willing to put in the extra effort to get the job done. Year after year, the Partnership has found that the extent to which employees feel that their skills and talents are used effectively and get satisfaction from their work is a key driver of employee engagement. In 2016, as in

⁴ Agencies that scored above the private sector average include NASA, FDIC, GAO, Peace Corps, FERC, FTC, FERC, NEA, OPIC, OMB, FMCS, FLRA, and the International Trade Commission

⁵ “Government for the People: The Road to Customer-Centered Services.” *Partnership for Public Service* with Accenture, February 2016, p. 30, <https://ourpublicservice.org/publications/viewcontentdetails.php?id=934>.

⁶ “2017 Deloitte Global Human Capital Trends: Rewriting the Rules for the Digital Age.” *Deloitte University Press*, 2017, p. 58, <https://www2.deloitte.com/us/en/pages/human-capital/articles/introduction-human-capital-trends.html>.

⁷ Meyers, Max, et al. “Employees as Customers: Reimagining the Employee Experience in Government.” *Deloitte University Press*, 31 May 2017, p. 1-2, <https://dupress.deloitte.com/dup-us-en/industry/public-sector/treating-employees-as-customers-in-government.html>.

previous years, the highest scoring workplace category was “Employee Skills-Mission Match”, which measures these feelings. These data show that federal employees enjoy their work and want to do it well.

However, federal employees believe that their agencies have significant room for improvement in performance management. The gap with the private sector is 22.2 points on the survey item “Employees are rewarded for providing high-quality products and services,” where under half of the employees respond positively, and the gap is 23.5 points for “Awards in my work unit depend on how well employees perform their jobs.” Just one-third of federal employees (32 percent) respond positively to the statement, “Promotions in my work unit are based on merit.” Further, only a fifth of employees agrees that “Pay raises depend on how well employees perform their jobs” (20.3 percent). Fewer than half of employees (45.2 percent) are satisfied with the recognition they receive for good performance. These gaps in satisfaction matter, as research by the Merit Systems Protection Board and others, has found that “Employees’ perceptions of the connection between the effort they exert, the success they anticipate, and the rewards they receive can influence their motivation and job performance.”⁸

Employee views that hard work is not properly rewarded or recognized in the federal workplace demonstrate the negative impact of an inflexible and outdated federal pay system. The merit principles enshrined into law as part of the Civil Service Reform Act of 1978 states that “Employees should be retained on the basis of adequacy of their performance, inadequate performance should be corrected, and employees should be separated who cannot or will not improve their performance to meet required standards.” However, as the Partnership noted in *Building the Enterprise: A New Civil Service Framework*, the government’s personnel system dates back to the 1940s. The system “is a relic of a bygone era, reflecting a time when most federal jobs were clerical and required few specialized skills, and when the government’s role in society was smaller and far less complicated.”⁹ The civil service system has failed to adjust its pay system in an enterprise-wide manner to meet the many varied and complex demands of individual agencies or to fully realize the potential of its performance management system, though certain agencies do have carve-outs and exceptions granted to them by Congress. The result is that “employees and managers view performance management as a paperwork exercise, an annual necessary evil that has a little tangible impact on their working lives.”¹⁰ These data reinforce the conclusion that more performance-sensitive performance management systems can unlock incredible benefits in the form of higher engagement, improved performance, and better services for citizens.

Real Reform Requires Good Data

Engaging in any large-scale reform of the civil service system will require actionable data. The *Federal Employee Viewpoint Survey* represents the best barometer of employee attitudes available to federal leaders, Members of Congress, and other stakeholders. I strongly urge Congress, and this Subcommittee, in particular, to strengthen the survey so that it continues to be an effective tool, including through legislative action. OPM has done an excellent job of managing the survey and helping agencies use it to improve employee engagement through tools like Unlocktalent.gov, and we believe there is more that can be done. I hope the Subcommittee will consider codifying OPM’s role as the lead agency for conducting the survey, in line with current practice. Additional changes might include mandating that survey results

⁸ “Federal Employee Engagements: The Motivating Potential of Job Characteristics and Rewards.” *U.S. Merit Systems Protection Board*, December 2012, p. 30, <https://www.mspb.gov/mspbsearch/viewdocs.aspx?docnumber=780015&version=782964&application=ACROBAT>.

⁹ “Building the Enterprise: A New Civil Service Framework.” *Partnership for Public Service* with Booz, Allen, Hamilton, 1 April 2014, p. 7, <https://ourpublicservice.org/publications/viewcontent/details.php?id=18>.

¹⁰ *Ibid.*, 23

be made available within three months of the conclusion of the survey, so that leaders have more time to act on the data, and requiring survey results to include breakdowns by occupation. Both of these recommendations are in line with OPM's current practices around the survey. It would also be valuable to leaders and key stakeholder both within and outside of government if the survey more explicitly measures employee satisfaction with agency performance culture, the job and the workplace, and the quality of service provided to internal and external customers. Finally, the Subcommittee should ask OPM to perform the survey as a full government census. Currently only part of the federal workforce receives the survey each year, which prevents some employees from sharing their views and provides a smaller sample size so that it can include smaller organizations which might not be otherwise.¹¹

New Political Leaders Must Pay Attention to Engagement

The new administration has made a priority of making government work better for citizens. Fortunately, investing in employee engagement offers a ready path for making good on these promises. New appointees now arriving at federal agencies will be looking to career civil servants to implement the administration's agenda, and effectively engaging these employees will be critical to the success of leaders at every agency. Incoming leaders will need to set a positive tone, be open to feedback, and make clear that they value their employees and the work they do.¹²

In *Moving the Needle on Employee Engagement during Presidential Transitions*, the Partnership and Deloitte found that federal employees, as they watch transitions within their organization unfold, feel tremendous uncertainty. Employees are anxious about "the identity of future supervisors, the status of their portfolios, or even the incoming leadership's commitment to their agency's mission. This uncertainty can threaten employee satisfaction and commitment – two vital components of strong employee engagement."¹³ The paper went on to note that, "In times of heightened uncertainty, frequent and effective communication is especially important. Satisfaction with agency leadership and the quality of its communication may be at risk of declining further during the presidential transition, as many federal agencies might opt to reduce communication with employees during unsure times."¹⁴ In other words, career and political leaders at all levels must work especially hard to communicate with employees during times of disruptive change within the organization.

Besides ensuring effective communication, new leaders must also be aware that engagement is an investment. With budgets tight, organizations will be tempted to shy away from typical morale-boosting tools like bonuses. However, improving engagement does not need to have a high monetary cost – it requires only the time and attention of leaders and a willingness to think creatively. For example, at the Department of Agriculture, which experienced the largest increase in satisfaction of any large agency in 2016, a key to improving engagement was simply giving employees a platform to express their views and demonstrating that leadership is paying attention.¹⁵ The Department established Employee Advisory Councils where employees interacted with and gave input to leaders, hosted town halls with employees,

¹¹ Just 889,590 employees out of more than two million received the survey in 2016 with a response rate of 45.8

¹² Eagles, David. "Why President Trump Should Engage and Motivate the Federal Workforce." *Bloomberg Government*, 16 December 2016, <https://about.bgov.com/blog/president-trump-engage-motivate-federal-workforce/>.

¹³ "Moving the Needle on Employee Engagement during the Presidential Transition." *Partnership for Public Service with Deloitte*, 8 August 2016, p. 2, <https://ourpublicservice.org/publications/viewcontentdetails.php?id=1221>.

¹⁴ *Ibid.*, 2

¹⁵ Partnership for Public Service. "Analysis: Agency Profiles." *Best Places to Work*, 2017, <http://bestplacestowork.org/BPTW/analysis/agency-profiles.php>.

and developed new mentoring programs.¹⁶ Each of these activities had a minimal cost but demonstrated real interest on the part of agency leaders in creating more channels for employee ideas and feedback. The results were real: Agriculture saw its employees' views of senior leaders improve by 4.2 points, the most of any large agency.¹⁷ Agencies as diverse as Customs and Border Protection (CBP), U.S. Citizenship and Immigration Services (USCIS), and the Agency for Healthcare Research and Quality (AHRQ) found ways to improve employee engagement. Through low-cost methods such as improving nonmonetary recognition and direct engagement between leaders and employees, leaders improved morale and got employee buy-in for agency initiatives.¹⁸ The Partnership strongly urges Congress to conduct continued oversight of agency efforts to improve employee engagement. Beyond that, the Subcommittee should consider legislation to hold senior political leaders across government accountable in performance plans for managing well, including taking steps to improve the morale of employees within their organizations.

Recommendations

In short, the picture of employee engagement in the federal government is one of overall improvement, mixed with continuing challenges. To further improve morale, I offer the following recommendations:

Improve Performance Management

As noted above, one of the reasons employee engagement in the federal government lags behind the private sector is dissatisfaction among employees with agencies' performance management practices. While overhauling the full performance management process is a complex task, there are concrete steps the Subcommittee can take to address government's performance management challenges:

- **Make better use of the employee and supervisor probationary periods** – The probationary period provides agencies with an opportunity to evaluate an individual's performance and conduct in the job before offering a final appointment, and it is meant to be a continuation of the application process.¹⁹ However, it is far more common for an employee to continue past the conclusion of their probationary period without any meaningful action on the part of the employee's supervisor to ensure that the employee is a good fit for the position and the organization. This phase is critical because, once the employee completes their probationary period, it becomes significantly more difficult to remove them if they perform poorly. Congress should pass legislation requiring managers to make an affirmative decision that an employee or new supervisor has completed the probationary period and hold them accountable if they fail to do so. This additional step will encourage supervisors to be more deliberate in their assessment of employees during this critical time.
- **Provide better training for supervisors and managers on performance management** – Legislation strengthening the probationary period should be combined with better training for managers on how to assess performance, reward high-performing employees, and hold poor performers accountable. Deloitte's *2017 Global Human Capital Trends* report notes that becoming a more dynamic and fast-paced organization requires people who can "build and lead

¹⁶ *Ibid.*

¹⁷ Partnership for Public Service. "Effective Leadership: Senior Leaders." *Best Places to Work*, 2017, http://bestplacestowork.org/BPTW/rankings/categories/large/leadership_sub_leaders_16.

¹⁸ Partnership for Public Service. "Analysis: Agency Profiles." *Best Places to Work*, 2017, <http://bestplacestowork.org/BPTW/analysis/agency-profiles.php>.

¹⁹ "Navigating the Probationary Period after Van Wersch and McCormick." *U.S. Merit Systems Protection Board*, September 2006, p. i, <https://www.mspb.gov/mspbsearch/viewdocs.aspx?docnumber=276106&version=276415&application=ACROBAT>.

teams; keep people connected and engaged; and drive a culture of innovation, learning, and continuous improvement.”²⁰ However, studies by OPM show that many supervisors, while bringing strong technical abilities to the job, often lack a broad array of interpersonal and management skills needed to be successful leaders.²¹ Most agencies meet only the minimum manager training requirements established in 5 CFR Part 412, and many supervisors do not feel like they receive enough training on management skills until well after they have begun leading people.²² Agencies should be required to provide more robust leadership training to new supervisors and managers sooner in their tenures. Training should focus on managing performance, dealing with whistleblowers, motivating and engaging employees, strengthening communication, recognizing high performers, and holding poor performers accountable.

Modernize the FEVS

The Federal Employee Viewpoint Survey (FEVS) represents the most effective tool agencies have to understand and address the concerns of their employees. Updating this tool so that it can provide incoming agency leaders, Congress, and other key stakeholders the information necessary to meaningfully evaluate and tackle workforce challenges will be necessary to address employee engagement or pursue significant reform of the civil service system. The Partnership believes that any reform of the FEVS should codify OPM as the agency responsible for leading the survey. Reform should also mandate that the survey includes additional measures of employee satisfaction with agency performance culture and the workplace, require data on employee satisfaction by occupation as appropriate, and have OPM conduct the survey as a government-wide census on at least a biennial basis. By doing so, Congress will ensure that the survey continues to be a valuable decision-making tool for federal leaders.

Ensure New Political Leaders Prioritize Employee Engagement

The uncertainty brought on by the presidential transition presents both a challenge to new leaders and an opportunity for them to re-energize employees and re-engage them in the mission of the organization.²³ Congress, and this Subcommittee, in particular, can play a critical role in pushing leaders to address engagement. First, I strongly encourage the Subcommittee to continue to conduct oversight of agency efforts to improve morale, whether through hearings like this or by continuing to visit with federal employees. As the subcommittee with jurisdiction over the federal workforce, you have a powerful voice to speak to and for federal employees. Second, I urge you to consider legislation holding political appointees accountable as part of their performance plans for managing their organizations. Appointees represent the highest levels of leadership within federal agencies and play an outsize role in employees’ satisfaction or dissatisfaction with their organization. Given the important role of appointees, they should be held accountable for their contributions like every other employee. These performance plans should address the accountability of political leaders for managing their organizations well and not just implementing policy, and for supporting efforts to recruit and retain highly-qualified talent, develop future leaders, engage employees, and hold subordinate managers accountable for addressing performance. Cascading accountability from the top of the organization would be an important step towards improving performance management and employee engagement.

²⁰ “2017 Deloitte Global Human Capital Trends: Rewriting the Rules for the Digital Age,” p. 78.

²¹ “Supervisors in the Federal Government: A Wake-Up Call.” *U.S. Office of Personnel Management*, January 2001, p. 1, <http://www.au.af.mil/au/awc/awcgate/opm/sups.pdf>.

²² *Ibid.*, 14-15

²³ “Moving the Needle on Employee Engagement during the Presidential Transition,” p. 8.

Promote Innovation

If federal agencies are to accomplish their missions in a fiscally constrained environment, they will need to encourage employee innovation and overcome a risk-averse federal culture that rarely rewards new ways of doing business. Drawing upon employee insights is a common practice in the private sector. Cisco, IBM, GE, Airbnb, and many other companies have used “hackathons” to collect employee ideas and design new approaches to performance management, workplace design, benefits, and rewards.²⁴ While federal agencies are more constrained in their ability to change personnel policies, there is no shortage of employee ideas to improve agency business processes and mission delivery. Unfortunately, barely more than one-third of federal employees report that their organizations reward creativity and innovation.²⁵ In *Making Government Work for the American People: A Management Roadmap for the Next Administration*, the Partnership and the IBM Center for the Business of Government offer several ways to innovate and improve the way agencies deliver results. An innovative practice might involve creating new incentives for employees to simplify business processes, redesigning customer service systems, or making information more accessible to citizens through better online services.²⁶ Innovation could also involve uncovering a promising practice at one agency and implementing it at scale across government through cross-agency projects or sharing of best practices between agencies. It may even be something not yet designed. The administration’s Office of American Innovation provides just such a place for this creative problem-solving to occur. Innovation allows agencies to use the energy and expertise of their employees and more deeply engage them in the organization’s work, while also improving the way the agency does business.

Congress can also play an important role in encouraging innovation by recognizing that it is, by definition, challenging. At times, the best-intentioned plans will not go as hoped. Giving agencies room to “fail fast,” with the appropriate amount of openness and transparency, would encourage a culture of thoughtful risk-taking in the public interest. As the Partnership’s 2015 report, *Government Disservice: Overcoming Washington Dysfunction to Improve Congressional Stewardship of the Executive Branch* found, while congressional oversight plays a critical role in providing accountability for agency programs, many executive branch leaders feel that oversight is often punitive, which contributes to a risk-averse culture. It is important to recognize the distinction between misconduct and risk-taking and to encourage entrepreneurship in the federal enterprise.

Pursue Broad Civil Service Reform

Federal employees are highly committed to the work and missions of their agencies but in many cases operate within a structure that limits their ability to be successful. The fractured nature of the federal government’s personnel system creates have and have-not agencies in terms of flexibility to pay, reward and manage talent, and forces agencies to compete not just with the private sector but with other agencies as well. As noted above, employees themselves report, through surveys like the FEVS, that they do not believe they are served well by the personnel system. This Committee is uniquely positioned to pursue thoughtful civil service reform that gives agencies the flexibility to hire, support and engage the people they need. The civil service system should help them do so within a framework that respects merit

²⁴ “2017 Deloitte Global Human Capital Trends: Rewriting the Rules for the Digital Age,” p. 57.

²⁵ “2016 Federal Employee Viewpoint Survey.” *U.S. Office of Personnel Management*, 2016, <https://www.fedview.opm.gov/>.

²⁶ “Making Government Work for the American People: A Management Roadmap for the New Administration.” *Partnership for Public Service with IBM Center for The Business of Government*, 12 September 2016, p. 22, <https://ourpublicservice.org/publications/viewcontentdetails.php?id=1291>.

principles and veterans' preference, rather than stand in their way. While comprehensive civil service reform is a complex endeavor, the potential benefits to agency performance and employee morale combined with the pressing need for change, mean that now is the time for reform.

Conclusion

Chairman Meadows, Ranking Member Connolly, Members of the Subcommittee, I appreciate the opportunity to appear before you today to speak to the challenges and opportunities the federal government faces in improving employee morale and engagement. Thank you, and I am happy to answer any questions you may have.

Mr. MEADOWS. Thank you, all. I want to thank all the witnesses for being here.

The chair recognizes himself for 5 minutes. And so, Mr. Stier, let me follow up on a couple of your questions, because you talked about that market-based pay. And you're finding someone who is very willing to make sure that people are properly compensated, realizing that upper end sometimes is a barrier to attracting good talent.

One of the big issues that we run into, and I'm highly sensitive to it, because I don't even think, if you wanted to change it, that it would be enough votes on either side of the aisle by themselves to change it, is really the union involvement and what that may or may not do when you try to actually make it more market based.

So can you speak to that barrier, and how do we do that with so many different public service unions that are in place? And, you know, sometimes—we all have a unified goal of providing good service and a good quality workforce. At the same time, sometimes there is a competing agenda in terms of what may or may not happen, and we've run into that on Postal and a few other areas.

But the biggest place I'm running into it, quite frankly, is—I can use that—is maybe on WMATA and what we're facing in a bipartisan way on WMATA, because we believe that it needs to happen. And so I can use that as maybe a tangential evidence of having to address something but with real complications, because you've got union contracts, you've got competing—so how do we do that?

Mr. STIER. Yeah. So not an easy job, and that's why—

Mr. MEADOWS. That's why you threw it to me, right.

Mr. STIER. But I think the answer, in my view, is, you know, first, that a lot gets cured by conversation, and I think that, you know, part of the need we have right now is to have those critical stakeholders brought together. As you said, I actually really believe there are common objectives. Once you're able to get that agreement around common objectives, I think that provides a framework for resolving, you know, how best to get there. I also think there are going to be opportunities, even if you don't get it done across the board in special places—

Mr. MEADOWS. Right.

Mr. STIER. —and an example would be the VA, where, you know, there are 160 of these folks. There are not that many. They're the most important people. They run the hospital systems.

Mr. MEADOWS. Right.

Mr. STIER. It just makes no sense.

Mr. MEADOWS. So maybe do that as a pilot.

Mr. STIER. You do that—and I'd be careful—the only thing about pilots in government is that in the ordinary course, the logic is you try it, if it works, then you spread it around. That doesn't happen in the government. You look at—

Mr. MEADOWS. Oh, tell me it's not so.

Mr. STIER. Yes. Well, no, but I mean—so you look at some of the pay, you know, experiments that were done, you know, in the military with the—

Mr. MEADOWS. I agree.

Mr. STIER. —they're 1980s, and they have good data to suggest that the things they did made sense. So in any event, though—

Mr. MEADOWS. So a pilot that actually would get implemented systemwide if it worked?

Mr. STIER. Yes.

Mr. MEADOWS. Okay. So let me go a little bit further. If we look at this and we're looking at those objectives, would you say the fundamental reason why we don't get it as at times trust, the trust that if somebody's willing to give, that it will only be cuts and not increases?

Mr. STIER. I think you put your finger on an important point for sure. I think there's an expectation that, you know, better to protect what one has than to take the risk of what may come in the future, sort of Pandora's box. But the reality to me is that the world is changing at an ever-increasing fast pace, and it's a—you know, the erosion is really substantial.

The other trust factor here, which I think is really important, is trust in the managers in government, and I think that's a big issue. I think one of the things that you've got to put your arms around is how do you actually improve the capability of management so that there is improved trust. You look at the Employee Viewpoint Survey numbers, that's a problem.

Mr. MEADOWS. So how does OPM fit into that equation? Because really, right now we have silos, is what I would say. We have OPM that's overarching, but we have silos. And it's kind of like in the corporate world where they look at HR in a less than favorable way, let's put it that way. And so they say, this is my domain, I'm going to operate it the way I think. Thank you, OPM, for giving me your guidance, but by the way, I've got to run it. So how do we do that?

Mr. STIER. So if I can still keep plugging forward here, I would say the following: Which is I think there's way too much finger pointing at OPM and not enough looking in the mirror. Because if you point to the corporate sector, every successful corporate executive I know—and I know a lot of them—they view that talent is their job. They look to HR as being, you know—

Mr. MEADOWS. Right.

Mr. STIER. —there to support them, but their responsibility.

I don't think you see that in the government. Agency leaders don't understand that that's one of their primary responsibilities. They're not around long enough. It's going to be their successor or their successor's successor that deals with their problem.

Mr. MEADOWS. Right. Okay.

Mr. STIER. So that's back to the performance plan piece.

Mr. MEADOWS. Okay. So let me—picking up, Ms. Bailey, on where—in terms of our attention. I want to let you know something, that we were keenly aware of any statements that get made that talk about employee satisfaction. And so you've been there about a year. We've seen some good progress, and I want to thank you for that.

But the other day, we got what I thought was a real encouraging comment by who I refer to as General Kelly, but Secretary Kelly, as he talked about, you know, what's going to specifically happen in terms of job satisfaction. He says, well, that's, you know, under my leadership.

And he went on further to say, is that when he elaborated on it, he says that the employees feel hamstrung by former leadership to not allow the employees to actually do their job.

Now, that's a theme. And I'm not trying to be derogatory towards any previous administration or anything else, but would you concur that the employees, some within DHS, feel like that they've never been allowed to do their job? And would you agree with Secretary Kelly?

Ms. BAILEY. I think it's always smart to agree with my boss.

Mr. MEADOWS. Well, you are smart. Well, we now know why you've improved so much, but go ahead.

Ms. BAILEY. Absolutely.

Mr. MEADOWS. So let me—would you—so let me rephrase it. Obviously, since you agree with Secretary Kelly, would you say within the ranks that you see some question among rank-and-file employees that they are not allowed to do the job that they were hired to do to its fullest capability?

Ms. BAILEY. Right. And I think that you'll see that over time. If you look at the FEVS scores, whether it's within DHS or, quite frankly, within a lot of the Federal agencies, what you will find is that by and large this idea around creativity, innovation, or the ability to not be hamstrung, right, to be able to do your job, I think that that's kind of with the—almost with the age of time.

And so I think it's very encouraging that Secretary Kelly recognizes that right upfront. It's not surprising to me that he recognizes it. And I think it's, again, very encouraging that we're going to actually tackle some of those issues.

Mr. MEADOWS. All right. Well, thank you.

I want to applaud both of our most improved best places areas, and just say that what I typically have done in previous hearings is ask for your commitment to actually work with other agencies to share best practices. Is that something that you're willing to do at USDA?

Ms. JEANQUART. Absolutely. In fact, we employed some of the best practices we learned from other agencies to get where we're going. So I really think we're a community among ourselves, and we all—you know, we all want to see engaged and productive employees.

Mr. MEADOWS. All right. Great.

Ms. Dingman?

Ms. DINGMAN. We are definitely committed to working with our fellow colleagues in the HR community. We see this as we all grow together and we learn as a Federal community.

Mr. MEADOWS. Okay. So keeping the standard the way that it's been and not changing, it is critical for benchmarks. And so I would just—from an OPM standpoint, are we willing to keep our standard?

Here's my concern: There was rumor out there that we were going to change the way that we looked at some of these things and different benchmarks. And for me, that's like changing an SAT score to have a different benchmark. So my score from generations ago can't be compared to, you know—they were much harder back in the old days, I can tell you, so—but can't be compared to SAT scores today because we changed the standards.

And so do we have a commitment from OPM to keep a standard where we have a benchmark that we've had for the last 2 or 3 years and keep it in place?

Ms. VILLALOBOS. So OPM intends to continue to work to illuminate the topics that are within statute. As you know, we did go through the regulatory change. We've done a better job of matching the questions that are within the topical areas to the statute. We want to make sure that we're able to modernize based on survey science, but we are going to continue to work with agencies and stakeholders as we move forward.

Mr. MEADOWS. Okay. That's a great answer. So let me be more specific then. Don't change the standard, okay. And so I'm all for modernization and all that, but I don't want a benchmark that lets me have Ms. Bailey's score next year be different than her score for the last couple of years. I have to have the same benchmark. Can I get the commitment from OPM that they're willing to do that?

Ms. VILLALOBOS. We will continue to use the same indices and work with our stakeholders moving forward to make sure that we—

Mr. MEADOWS. That's a great answer to a question I didn't ask.

Ms. VILLALOBOS. Okay.

Mr. MEADOWS. Okay. And so let me be blunt. I need a commitment to keep the same standards. And so if you can't give that today, I would ask you to get with your staff and get back with our staff within the next couple of weeks on how you plan to help me understand how to look at it going forward.

Ms. VILLALOBOS. Thank you, Chairman. We will get back with you based on your request.

Mr. MEADOWS. All right. Thank you so much.

I recognize the ranking member.

Mr. CONNOLLY. I think you can understand the concern of the chairman, and I share it. If we start changing the baseline against which we measure best of work, you know, we all become one happy paradise in the workers', you know, republic, and everyone is happy, and we've got new standards that shows it. And we don't really want to go there. The purpose of these metrics is really to try to gauge where we are and make appropriate improvements. So I would echo what the chairman had to say.

Ms. JEANQUART, USDA showed marked improvement in the indices in front of us, and it seems to me that one of the things that improved was communication and also worklife flexibility. So the creation of Employee Advisory Councils seemed to foster a lot more dialogue in both ways, and I think, frankly, your embrace of telework is symptomatic of a more flexible workplace approach. Your comment.

Ms. JEANQUART. We—absolutely. What we heard from our employees was worklife flexibilities were important for us. We have increased the number of eligible employees that are able to telework. At the same time, we've also trained our supervisors to manage employees who telework to make sure that they continue to remain as productive. So those flexibilities have really contributed to our scores.

We have about 86 percent of our employees that are on flexible work schedules as well. So the ability to meet the worklife challenges has been helpful; but at the same time, we're also seeing increases in productivity. And we've seen that in the way that we delivered our last farm bill, on time, early, in many programs, and all of that has contributed.

Mr. CONNOLLY. Yeah. I always felt in management in the private sector that productivity at the end of the day is what I care about. So for example, if your job is to write proposals, and I'm looking at hit rates, and, you know, you're getting 90 percent hit rates, when you write a proposal, we're going to get it. I don't care if you do it in your PJs watching soap operas at home, you know.

It's sort of the management principle of Lincoln. When people criticized Grant for drinking, he said, really, I want to know what brand of whiskey he drinks, and I'm going to send a barrel of it to all of my generals, because he wins.

So there's a certain, you know, bottom line to what we do, I hope, where we're looking at what matters, not the ephemeral. I mean, you know, whether I'm there from 9 to 5 is a way of getting to the productivity, but it's not a substitute for the productivity.

Mr. STIER, thank you for the lozenge, by the way. One of the criticisms—and one of those things I think from—when people from the private sector look at the Federal Government, not just the Federal Government, other governments too, it's rule driven, it's rule bound. It's a very juridical environment that seems to stifle sometimes creativity, seems to minimize performance with all the protections. And over the years, for all the best reasons, we've got even more protections for our various classes of workers that sometimes allows them to escape accountability.

And when you do that, it has a demoralizing effect on people who want to be productive workers and see, witness, you know, the protection of or turning a blind eye as a manager because it's just too difficult, and I don't want to get into a suit or an action or be known as the guy who cracked down on somebody. I think that's a real problem in government.

And I fully support due process and I support a vibrant civil service, but I think sometimes it's just become so hidebound and rulebound that it's brittle, and it's not the model we need moving forward. And I wonder if you could comment to that.

Mr. STIER. I think you're 100 percent correct, and I think a lot of it stems from the point you began with, which is losing sight of what the objectives are. And one of the ways that I think we need to move the Federal Government is to be more focused on the customer experience and less on the process.

And Ms. Bailey said something that I think is very important earlier about the sense of employees being encouraged to do things in a more innovative way. And if you look at the data, again, so important, because otherwise it's just anecdote, I feel encouraged to come up with new and better ways of doing things.

Federal employees, it's 56.8. The private sector benchmark on that is 77. And, again, there's no reason why we should have that kind of discrepancy, other than, in my view, poor leadership, and that's what we need to change.

We do live in a world in which it has become much more of a spoke, and that's why the broader changes need to take place. We have a pay system that's all about internal equity but not connectivity to the larger talent market, and we need that. It needs to be—Ms. Bailey, again, was talking about some of the things that she's doing, which I think are very, very important at DHS, that are allowing them to think more creatively about how to address the individual as opposed to the broader class.

And interestingly, you know, there's a lot of discussion about how regulation is stifling people on the outside of government. I think it's stifling the employees themselves, in that we ought to see the same kind of de-encrustation internally that's necessary. The tendency is to put things on top, not think about how they interrelate or whether they're still valuable. It's—again, it's a legacy institution. So that's why your engagement involvement is so critical.

And the people here, you know, there's no one who knows what needs to change better than the people that are having to experience it day in and day out. So getting that input into your process, to me, seems vital.

Mr. CONNOLLY. Can I just ask one skunk-at-the-picnic question?

So we have made progress, but if you look at the budget the President has submitted to the Congress—let's take USDA, Ms. Jeanquart—it will cut 21 percent, \$4.7 billion; reduce staff at USDA Service Center Agencies throughout the country; eliminate the water and wastewater loan and grant program; cut \$95 million from Rural Business-Cooperative Service; cut \$200 million from Women, Infants, and Children nutrition; and cut another \$200 million from the McGovern-Dole International Food for Education Program.

Do those cuts have any impact on what we're talking about here? Could they influence these metrics when we meet again a year from now?

Ms. JEANQUART. I think they can, but I also think employee engagement can help us as we move forward. USDA's faced budget cuts before, and we've used interaction with our—

Mr. CONNOLLY. Ms. Jeanquart, just one second. You've faced budget cuts. Have you ever faced a 21-percent budget cut?

Ms. JEANQUART. No, we have not.

Mr. CONNOLLY. No. Right. We need to put it in perspective here. Budget cuts are one thing.

Ms. JEANQUART. Right.

Mr. CONNOLLY. I mean, of course—and you're a piker compared to EPA.

Ms. JEANQUART. Right.

Mr. CONNOLLY. Imagine the morale over there, with a 31-percent cut.

Mr. Stier, final question. The chairman's allowed me to go over my time. Impact magnitude of those kinds of cuts—and I don't think Congress, frankly, is going to entertain them, but nonetheless they're out there. They're a new baseline for somebody; hopefully not Congress. But does it have an impact on what we're talking about here?

Mr. STIER. So it clearly has an impact.

I think of even greater impact is the uncertainty that's been created. And I think that is fundamental. And so, if you don't mind me being the skunk in the picnic here, you know, the last 6 of the last 7 years, you know, the executive branch hasn't been able to operate on any budget; there has been no budget. You know, we're talking, you know, 2018 right now. 2017, these agencies don't know how much money they have.

And so, if you think, again, about any other organization in any other context, the idea that they could manage effectively and achieve results without knowing what their resource base is, is impossible.

And my view would be, you know, uncertainty is the most corrosive of all in terms of diminishing, you know, capability. And this is true right now with respect to budget, it's true with respect to the hiring freeze. Just not—it's not—those are not the effective ways to get best value for the American people, in my view.

Mr. CONNOLLY. Thank you.

Thank you, Mr. Chairman.

Mr. MEADOWS. I thank the gentleman.

So the chair recognizes himself for a few followup questions here.

And so, Mr. Gardner, you've gotten off fairly easily so far, and I know that you may be squirming in your chair. I'm not going to let you off that easy, as you can well imagine. Because I think part of this is, you know, carrot and the stick. And the gentleman to my right is talking about the carrot. And I'm willing to work in a bipartisan way. Ultimately, I think the budget that we pass will be not as impactful as perhaps some are concerned about today in those areas, and yet we do have fiscal constraints.

And so, Max, your point of needing a budget, needing direction, I've been one that believes that we need to do that on a congressional basis, is do 2 years, so that, you know, where you have that, where there's some—you know, long-range planning in the private sector is 5 to 10 years, you know, and long-range planning here is 9 months. And it just—it's troubling. And so I get your point.

But, Mr. Gardner, I guess I'm—in spite of some of the things that we're talking about, really this survey was from back in last year, so the hiring freeze was not in place. This was back, taking survey results from last summer. And yet we saw a 21.9-point drop in your agency.

And I guess the two troubling areas was really more about the employee involvement and empowerment and then leadership, management leadership, and those two categories. So that's not as much with financial/fiscal restraints as it is management initiatives. So help me explain why we went backwards on that.

Mr. GARDNER. Yes, Mr. Chairman. As I said, we're very concerned about the decline, and we were very surprised—

Mr. MEADOWS. That makes two of us, so go ahead.

Mr. GARDNER. We were very surprised. And, on reflection, I do—

Mr. MEADOWS. That concerns me even more, okay? So I'm going to interrupt you.

Mr. GARDNER. Yes.

Mr. MEADOWS. If you're surprised by the results, it shows that we have a lack of understanding of the rank-and-file—I mean, it's

one thing to acknowledge that you have a bad problem. Ms. Bailey does that. She acknowledged that they've been at the bottom of the barrel, and so she recognizes that. But to be surprised, you know, really concerns me. Why would you be surprised?

Mr. GARDNER. Well, to explain further, we had the drop between 2014 and 2015, which was not a dramatic drop. It took us to fifth place, and some of the results we saw were still positive results.

But I guess to explain, I felt and I think most of the management at the agency felt that we were continuing to do a good job with engagement.

I agree with Mr. Stier that it starts with leadership, and we did not do well on our effective leadership scores across the board. I think that's an area where we definitely need to focus. I think it also includes the need to do a better job of communicating with our staff and keeping the staff informed. In the followup that we've done, we found that that's one of the things that staff were concerned about.

They're also very concerned, as I mentioned, about the changes. And the changes I was referring to in my statement weren't related to the freeze, but they were related to things related to in terms of leadership, change in leadership. As I mentioned, we had a change in chairmanship. Over 3 years, we had three different chairmen.

We also have a lot of uncertainty associated with the move and the relocation, which has been very unsettling to staff because they're really not sure what's going to happen there with regard to the relocation of the agency. And we still don't know, even to this point. We've been working with GSA for over 3 years on this, and there's been a lot of uncertainty and unsettled feelings about that.

Mr. MEADOWS. So help me understand. What uncertainty are you talking about? The fact that you may get a new chairman?

Mr. GARDNER. Well, I guess it's just the fact that we've had the change—we've had three different chairmen.

Mr. MEADOWS. But, Mr. Gardner, with all due respect, this has nothing to do with just one person.

Mr. GARDNER. Understood.

Mr. MEADOWS. A 6.9- or almost 7-percent drop in employees thinking that leadership is not fair is not a problem of one person.

Mr. GARDNER. No, I agree, sir. I agree. In fact, when I talk to—

Mr. MEADOWS. So are you surprised by that, that they think that leadership is not fair, that management is not fair?

Mr. GARDNER. I am surprised at that, because I think we are fair. I think, as a leader at the agency, I think we do a good job.

Mr. MEADOWS. All right. So let me push back a little bit. It doesn't matter what you think.

Mr. GARDNER. That's correct.

Mr. MEADOWS. It matters what the rank-and-file thinks. And that's the whole reason why you have an employee survey. You know, I can think I'm the most fair person in the world, and if he says I'm not, his perception is reality to him.

And so how do we address that? I mean, if you're thinking that everything is kumbaya, I mean, how do we fix the problem?

Mr. GARDNER. Well, obviously, sir, we realize now that it's not the way we would like it to be. And—

Mr. MEADOWS. So when did you realize that?

Mr. GARDNER. Well, when we saw those scores.

Mr. MEADOWS. All right.

Mr. GARDNER. When we saw the second set of scores.

Mr. MEADOWS. So when did you see the second set of scores?

Mr. GARDNER. Well, I guess they came out in December.

Mr. MEADOWS. Okay.

Mr. GARDNER. December.

Mr. MEADOWS. So what did you do?

Mr. GARDNER. Well, we met with the Chairman; the senior leaders met with the Chairman. We talked about the kinds of things that we did poorly on and talked about things we might do to improve the scores, including better and more communication, better sharing of information. This was one of the things——

Mr. MEADOWS. So if we did this new survey today, would it be better?

Mr. GARDNER. I think that it would. I think we have——

Mr. MEADOWS. Of course, you think everything is all right already, so, I mean——

Mr. GARDNER. I don't mean to say that, no.

Mr. MEADOWS. So what we have here is not a failure to communicate. And that's what everybody runs backs to and says, "Well, if we just had more communication, we would be okay." But you and I are having communication right now, and it doesn't necessarily make it pleasant for either one of us.

So here's where we have to go, is we have to figure out how to empower your rank-and-file, how to make sure that it's fair. Normally, when I see scores like this dropping on fairness, it has to do with promotions, bonuses. And, I mean, it comes down to, really, are they feeling empowered, do they get special assignments.

So this would indicate that there's a problem within your leadership ranks of not actually responding appropriately to the rank-and-file. Would you agree with that?

Mr. GARDNER. I would. I would.

Mr. MEADOWS. So who's going to get—we won't say "terminated." Who's going to get some correctional direction?

Mr. GARDNER. Well——

Mr. MEADOWS. Have you already identified those people?

Mr. GARDNER. Pardon me, sir?

Mr. MEADOWS. Have you already identified the people?

I mean, because if you do the surveys, you can probably figure out where you have a problem. So have you identified the areas where you have management problems?

Mr. GARDNER. Well, I think—we don't do individual—we don't get results back from individual components because we're so small. So I would think that it would be the responsibility of all of the senior executives, all of the office directors, to take the lead——

Mr. MEADOWS. Very good.

Mr. GARDNER. —bear the responsibility——

Mr. MEADOWS. So what have you done?

Mr. GARDNER. Well, we have——

Mr. MEADOWS. Other than talking, what have you done?

Mr. GARDNER. Well, we've asked employees for suggestions on ways that we could improve——

Mr. MEADOWS. How many suggestions did you get?

Mr. GARDNER. Well, we've gotten probably hundreds of suggestions.

Mr. MEADOWS. How many have you implemented?

Mr. GARDNER. Well, we haven't implemented any yet. We're simply——

Mr. MEADOWS. Therein is the problem, Mr. Gardner. When you get information from rank-and-file employees and you do nothing with it, there is a problem. Then they think that their opinion doesn't matter. Wouldn't you agree with that?

Mr. GARDNER. Well, I would agree, sir, but we are trying to convince the employees that their——

Mr. MEADOWS. So don't you think it would be a good idea for the ranking member and I to come and have a visit with some of your rank-and-file employees and maybe hear firsthand?

Mr. GARDNER. That would be terrific.

Mr. MEADOWS. All right. So——

Mr. GARDNER. You'd be more than welcome.

Mr. MEADOWS. —we're going to do that, and we'll get that set up.

So at what point do you put in a leadership plan to make sure that people feel like they're being treated fairly?

Mr. GARDNER. Well, we're going to address that——

Mr. MEADOWS. When?

Mr. GARDNER. —directly. Within the next month, sir.

Mr. MEADOWS. All right. So you'll report back to this committee within 30 days of a plan on how you're going to address the fairness issue with regards to your management and your rank-and-file. Is that correct?

Mr. GARDNER. Yes, sir, we will.

Mr. MEADOWS. That's fair. Actually, that's a very aggressive timeframe. You know, we'll give you—how about 45 days? I think if you're trying to do it in 30—I don't want you to overcommit there.

Mr. GARDNER. We could certainly give you a progress report, but 45 days would be fine.

Mr. MEADOWS. Okay.

And so, in doing that, here's what I need to see, Mr. Gardner. I want to see these scores go up, but it's not for the scores' sake. I want to see those employees become most improved.

And just like Ms. Bailey is here today—I'm not celebrating the fact that she is still low down on the totem pole. She's got a huge organization, so, you know, it's like a big steamship, trying to move it. But the fact is she's here today because we're recognizing that she has made progress. And I'm willing to do the same thing. In fact, I would love to eat crow or humble pie, either one that you want to serve, when you address these problems.

But we will have them addressed. Do you agree with that?

Mr. GARDNER. Yes, sir, I do.

Mr. MEADOWS. Okay.

So let me close with this. I want to make sure, from an OPM standpoint, that my request of you is not to be derogatory in anything. In fact, if anything, I think we need to update the way we

do surveys. In fact, I would love to see it where they're going online, and the minute that they've finished it, it gives them a percentage of where they are and how they're doing.

I mean, I think that that would—we call it in the internet “clickbait,” but I can tell you, I will fill out a survey more accurately if I see the results immediately after I finish it, even though somebody may be finding, you know, information on me personally.

And the same thing happens with employees. If they can fill out all the surveys and they can say, Oh, my goodness, you know, this is where it is, it does two things: If the trend is going the wrong way, they will tell other friends, Can you believe everybody thinks it's good when it's really bad? Or if it's good, or bad, they will go the other way. So you get better feedback. It's sometimes perverted a little bit because people—you know, you may get somebody who wants to go and say, Well, you know, they're saying leadership is good, it can't be good. But I think you get better feedback if we can do that.

So I'm all with you on modernizing, and yet, at the same time, let's make sure we keep the same standards.

And I'll give the last set of questions to my good friend from Virginia, and then we'll close out.

Mr. CONNOLLY. Just remember, if we go online, Ms. Villalobos, it will be read in Moscow and Beijing.

Max Stier, I just wonder if you want to maybe use this opportunity to just give us some parting thoughts here. What's the utility of this kind of survey? And have we been able to use the survey to make measurable progress, both in performance and productivity and morale?

Mr. STIER. So, look, I think there are obviously things that can be improved, and we've made some suggestions. But it's worth taking a step back and remembering that you don't have to go back many years in which the only information you had about what was happening inside these agencies were some small number of employees coming to you anecdotally and telling you what's going on. The old saw “you can't manage what you don't measure” is true. And it's one of the fundamental challenges of managing in the Federal Government, is that lack of universal, real-time performance information.

And I think Chairman Meadows has it right, that there are some really interesting opportunities. This is a once-a-year survey. It ought to be done once a year. It's a great way of creating a benchmark. It's important for us to remember it's not just about the Federal Government. The larger talent market is the one that the government's fishing in, so you've got to compare it to the larger talent market.

But there's opportunities to do poll surveys, to do things that are real-time, not, you know, the 84 questions here, but when an issue is identified, to be able to pull out two, three, four things and then to ask your employees in real time whether or not you're making progress so that you're not waiting, you know, for that full cycle.

So there are ways to, I think, improve capability here and consequence. You asked, is it making a difference, and I think the answer is yes. I think if you look down this table, all these folks here are working very hard because there is a data point that they're

being held accountable to, and it's actually the right data point, what their employees have to say.

And, again, Chairman Meadows is right, is that it is not—people sometimes—“Well, it's subjective data.” But it is the objective subjective data. Because it matters what employees actually have to—what they think.

And this is a rich data set. Again, it's about whether they're being supportive and being innovative, whether they're getting the right talent into their organization. You know, I think that OPM is right, they are opportunities to collect some other different things, but we do need to have that common baseline across the board.

I think if this kind of hearing was had across the board, in all the different committees of jurisdiction who have supervisory responsibility, you would see 10X impact. And so, you know, one question would be, is there a way to help make that happen?

I think the idea that you both might visit, you know, Surface Transportation Board, you go out and visit other agencies, is phenomenally important for you to get real information about what's going on inside these agencies.

I mentioned earlier that I think that the lack of real-time performance information, short-term leaders not aligned to long-term missions are two of the root causes of dysfunction in our government. The third one that to me is real is I don't think Congress is doing everything it ought to do. And it's in the oversight, it's in the budgeting. And kudos to you on biennial budgeting. Giving some longer-term peace would be hugely important. But that's another area of huge, huge impact on what the government can produce for the American public.

So thank you for that opportunity.

Mr. CONNOLLY. And one final question on this. You know, STB is a small agency. How many people, Mr. Gardner?

Mr. GARDNER. 128, sir.

Mr. CONNOLLY. Okay. So if you do a survey of 128 people, you probably get a pretty good picture from the survey in terms of what's on people's minds, what's bothering them and so forth.

But you look at DHS, and it is a many-splendored thing. I mean, you know, after 9/11, we cobbled it together. I remember it quite vividly. And you've got, you know, all kinds of different agencies with different kinds of missions under one roof—with how many employees totally, Ms. Bailey?

Ms. BAILEY. It's around 230,000.

Mr. CONNOLLY. 128; 230,000.

And how many agencies are cobbled together under that?

Ms. BAILEY. I think originally it was 22 agencies.

Mr. CONNOLLY. Twenty-two agencies.

So I worry a little bit about—I mean, there is a difference between these two, not only in sheer numbers but just the complexity of it. And is there some reason to be concerned about the data we're getting from the one versus the other, not because it's corrupted but just because it doesn't really take cognizance of the differentiation of missions and cultures?

Mr. STIER. Yeah. So one of the reasons why we do best in class, best agency in large agency and medium agencies and small agen-

cies, is for the reason you identified: It is a very different management proposition. And at the end of the day, I think the ranking actually helps bring attention. This is a society that cares about ranking; competition is actually a good thing. But it is still the case, as you suggest, that there are different management challenges depending on the organization.

However, people are people. And if you listen to the kinds of things that people are doing across the board here, they're largely the same. The activity—it's harder to move your steamship, the bigger piece, but the activities are the same. And for DHS, they've got to break it down into their operational components to make it work.

I do think the risk, though, is that everyone wants to believe they're special and different. And while there is some element of that, there's also a lot of similarity. And we don't do enough in the Federal Government of actually learning from each other. And part of it, we don't do enough on mobility of talent. Because that's really the way you're going to actually knit it all together, is getting people to be working and moving, especially at the leadership side.

Mr. CONNOLLY. Yeah. Fair point. We heard that a lot in the IT sector. Mr. Meadows and I both worked on—you know, "Our mission is unique, and therefore we can't"—fill in the blanks, you know, move from the legacy system, move to the cloud, whatever it might be.

And you think, well, at a certain point, though, data is data. And there are lots of, you know, confidentiality concerns or classified concerns that have to be taken into account, but the management of data is generally something that can be applied across the board. So I take your point.

I thank you. Thank you all for being here today.

Thank you, Mr. Chairman.

Mr. MEADOWS. I thank the gentleman.

And I'd like to thank all of our witnesses that are here today and thank you, even those that, Mr. Gardner, are going to put forth a plan to make things better.

Kudos to all of you who have really recognized the importance of the Federal workforce and what they contribute. And so, as much as you're here to testify on behalf of your agencies and the progress that has been made, the real thank you needs to go to the employees who not only participate in the survey but also do the work each and every day.

And so I look forward to following—and I can tell you, I do follow this. I follow it very closely. And part of it's just I love to see the competitive nature, and I love to see how everybody's waiting for those scores to come out and where they are and the recognition that comes from that. You know, when the schedule permits, we love to participate and celebrate a success.

And so, from your predecessor, Ms. Bailey, who encouraged me to look at this in a positive light, it has changed this hearing, because we truly do try to focus now on the good practices.

I think one of the matrix that might be interesting to add, from an OPM and a survey standpoint, is how much agency-to-agency participation there is, you know. And so, as we look at that—so the fact that you've learned from other agencies, the fact that you're

sharing that knowledge with others, that should be a score component that actually weighs in, because we want to share those best practices.

And so, as I say that, I want to thank you.

I ask unanimous consent that all the members of the committee have 5 legislative days to submit questions for the record.

Without objection, so ordered.

So, if there is no further business, the committee stands adjourned.

[Whereupon, at 11:48 a.m., the subcommittee was adjourned.]

APPENDIX

MATERIAL SUBMITTED FOR THE HEARING RECORD

Opening Statement of Chairman Mark Meadows

Welcome to what this would be our third edition of the Best and Worst Places to Work in the Federal Government. I might add that it was the director of the Department of Homeland Security that originally encouraged us, along with Max, to change the name of this from the World Places to Work to the Best Places to Work - so I acknowledge that we are trying to emphasize on what is happening in a good manner, not just in a poor manner, as we move forward. This hearing hopefully will provide a platform to closely examine what the federal employee engagement and satisfaction levels are. The data being examined today comes from the 2016 Federal Employee Viewpoint Survey, which was taken by the federal employees between April and June of last year. After several years of decreasing scores, I am pleased to see that a government-wide engagement score continues to trend positive for the second year in a row. For our hearing purposes today, witnesses will come from agencies who have shown either a great improvement or a large decreases in their scores. The U.S. Department of Agriculture is the most improved large agency, while the Securities and Exchange Commission is the most improved mid-size agency. Congratulations on your success, we look forward to learning more from each of you. We also welcome the Department of Homeland Security which should be commended for finally reversing that negative trend, Miss Bailey, and negative momentum and posting the second most improved employee engagement score for large agencies. However, there's a lot of work, as we would acknowledge, that remains. DHS has ranked last among large agencies in employee engagement, and we look forward to hearing from you on what additional steps could be taken to foster more positive momentum. The Surface Transportation Board experienced the steepest decrease of any agency in the employee engagement and saw employee satisfaction scores plummet. So I am curious to learn what steps the agencies will take to stem the bleeding and the trend that is going in the wrong area. Finally, the Office of Personnel Management and the Partnership are also here to offer their insights on the 2016 Federal Employee Viewpoint Surveys. I welcome all of our witnesses and look forward to learning more from you.



**STATEMENT OF ANTHONY M. REARDON
NATIONAL PRESIDENT
NATIONAL TREASURY EMPLOYEES UNION
THE BEST AND WORST PLACES TO WORK
IN THE FEDERAL GOVERNMENT
BEFORE THE COMMITTEE ON OVERSIGHT
AND GOVERNMENT REFORM
SUBCOMMITTEE ON GOVERNMENT OPERATIONS
UNITED STATES HOUSE OF REPRESENTATIVES**

April 6, 2017

Chairman Meadows, Ranking Member Connolly, distinguished members of the Subcommittee; thank you for the opportunity to testify before you today on mission and morale issues at the Department of Homeland Security (DHS). As President of the National Treasury Employees Union (NTEU), I have the honor of leading a union that represents over 25,000 DHS Customs and Border Protection (CBP) Officers and trade enforcement specialists in the Office of Field Operations (OFO) who are stationed at 328 land, sea and air ports of entry across the United States.

CBP employees' mission is to protect the nation's borders at the ports of entry from all threats while facilitating legitimate travel and trade. At POEs, CBP Officers arrested more than 21,370 people wanted for crimes, including murder, rape, assault, and robbery. CBP Officers also encountered nearly 275,000 people attempting to enter the United States through an air, sea or land ports of entry who were found inadmissible for immigration, customs, health, criminal, or security reasons.

CBP trade compliance personnel enforce over 400 U.S. trade and tariff laws and regulations in order to ensure a fair and competitive trade environment pursuant to existing international agreements and treaties, as well as stemming the flow of illegal contraband such as child pornography, illegal arms, weapons of mass destruction and laundered money. CBP is also a revenue collection agency, processing nearly \$2.2 trillion in imports and collecting more than \$44 billion in duties, taxes, and other fees.

Low morale has been a consistent challenge at DHS. In both 2012 and 2013, NTEU submitted testimony to the House Homeland Security Committee about issues that contribute to low morale at DHS. (See NTEU's March 22, 2012 testimony entitled "Why is Employee Morale Low?" and NTEU's December 12, 2013 testimony entitled "Help wanted at DHS: Implications of Leadership Vacancies on the Mission and Morale").

Factors that contribute to low morale at DHS that I spoke to in previous testimonies are echoed in the 2016 Office of Personnel Management (OPM) Federal Employee Viewpoint Survey (FEVS). Though DHS has made some gains in 2016, it remains the lowest ranked large agency for employee engagement, global satisfaction and inclusiveness.

The major factor contributing to low morale at DHS, insufficient resources and staffing, is particularly acute at CBP OFO. The current CBP Officer shortage is staggering. There is an existing vacancy rate of nearly 1,400 funded CBP Officers at the ports, including over 350 positions at San Ysidro, 250 at Nogales and 200 at Laredo. And, according to CBP's analytic workload staffing model (WSM), an additional 2,100 CBP Officers need to be funded and hired in order to meet 2017 staffing needs—translating into **a total CBP Officer staffing shortage of 3,500 today.**

The economic cost of this shortage is also staggering. **For every 33 additional CBP Officers hired, the U.S. can potentially gain over 1,000 private sector jobs. If Congress fully staffed the ports with the needed 3,500 additional CBP Officers, 106,000 private sector jobs could be created.** Understaffed ports lead to long delays in travel and cargo lanes and also create a significant hardship for frontline employees. Both involuntary overtime and involuntary work assignments far from home disrupt CBP Officers' family life and destroy morale. Ongoing CBP staffing shortages directly contribute to CBP's perennial low ranking in federal employee workforce satisfaction surveys.

As you know, the President's January Executive Order calls for hiring 5,000 additional Border Patrol Agents (BPAs) and 10,000 new Immigration and Customs Enforcement (ICE) Agents, **but does not ask for one additional CBP officer new hire, despite the fact that CBP officers at the ports of entry in 2016 encountered over 274,000 undocumented immigrants and seized over 600,000 pounds of illegal drugs, and over \$62 million in illicit currency, while processing over 390 million travelers and \$2.2 trillion in imports through the ports.**

CBP employees at the ports of entry are not only the frontline for illegal trade and travel enforcement, but their role of facilitating legal trade and travel is a significant economic driver for private sector jobs and economic growth. According to CBP Fiscal Year (FY) 2013 data, for every new CBP Officer hired 33 private sector jobs are created.

Noting the positive impact of hiring additional CBP officers, it is troubling that even though Congress actually appropriated funding to hire 2,000 additional CBP Officers in FY 2014, CBP has only realized a net gain of less than 600 Officers as of January 2017, due to attrition and the amount of time it takes to onboard new CBP Officers.

CBP Officer Hiring Challenges

NTEU continues to have significant concerns about the slow pace of hiring at CBP. CBP has struggled to fill the initial 2,000 positions Congress authorized in 2014.

One factor that may be hindering hiring is that CBP is not utilizing available pay flexibilities, such as recruitment awards and special salary rates, to incentivize new and existing CBP Officers to seek vacant positions at hard to fill ports, such as Nogales.

Another major impediment to fulfilling CBP's hiring goal is that CBP is the only federal agency with a congressional mandate that all front-line officer applicants receive a polygraph test. Two out of three applicants fail its polygraph—about 65 percent—more than double the average rate of eight law enforcement agencies according to data provided to the Associated Press. The eight law enforcement agencies that supplied information showed an average failure rate of 28 percent. As an example, the U.S. Drug Enforcement Administration failed 36 percent of applicants in the past two years.

NTEU commends Congress for including in the FY 2017 Defense authorization bill a provision spearheaded by Rep. McSally (R-AZ) that authorized the CBP Commissioner to waive polygraph examination requirements for certain veterans applying for CBP job openings. NTEU also commends Senators Flake (R-AZ), McCain (R-AZ) and Johnson (R-WI), for introducing S. 595, a bill that expands the authority to waive polygraph examinations to expand exemptions for veterans and allow exemptions for existing state and local law enforcement officers who apply for these positions at CBP.

NTEU does not seek to reduce the standards used by CBP in their hiring process, but believes that there is a problem with how the polygraph is currently administered. We ask for CBP to review its current polygraph policy to understand why CBP is failing applicants at a much higher rate than individuals applying to work at other federal law enforcement agencies. Also, because ICE does not require polygraphs for job applicants, it is likely that CBP will not be competitive with ICE in attracting new hires.

Improving the current polygraph program should help in expediting the CBP Officer hiring process so that the existing 1,400 vacancies can be filled and CBP can move forward with funding and hiring the 2,107 additional Officers as required by the WSM. NTEU also recommends that CBP allow immediate polygraph re-testing opportunities to those with a No Opinion or Inconclusive result, including those with a No Opinion Counter Measures finding.

Lastly, the best recruiters are likely current CBP Officers. Unfortunately, morale continues to suffer because of staffing shortages. In addition to being overworked due to excessive overtime requirements, temporary duty assignments are a major drag on employees, especially those with families. Based on their experiences, many officers are reluctant to encourage their family members or friends to seek employment with CBP. I have suggested to CBP leadership that they look at why this is the case.

Impact of Staffing Shortages

Due to this ongoing current staffing shortage of over 3,500 CBP Officers, CBP Officers nationwide are working excessive overtime to maintain basic port staffing.

Currently, CBP Officer overtime pay is funded 100% through user fees and is statutorily capped at \$35,000 per year. All CBP Officers are aware that overtime assignments are an aspect of their jobs. However, long periods of overtime hours can severely disrupt an officer's family life, morale and ultimately their job performance protecting our nation.

Because of the ongoing staffing shortages, CBP Officers are required to regularly work overtime which results in individual Officers hitting the \$35,000 overtime cap very early in the fiscal year. This leaves no overtime funding available for peak season travel, holidays and other times when CBP Officers are expected to work overtime resulting in critical staffing shortages in the third and fourth quarter of the fiscal year that usually coincide with peak travel at the ports.

At many ports, CBP has granted overtime exemptions to over one half of the workforce to allow managers to assign overtime to Officers that have already reached the statutory overtime cap, but cap waivers only force CBP Officers already working long daily shifts to continue working these shifts for more days. Officers are required to come in hours before their regular shifts, to stay an indeterminate number of hours after their shifts (on the same day) and compelled to come in for more overtime hours on their regular days off as well. Both involuntary overtime--resulting in 12 to 16 hour shifts, day after day, for months on end--and involuntary work assignments far from home disrupt CBP Officers' family life and erode morale.

As cited in a 2008 GAO report, "[CBP] officers and managers told us that not having sufficient staff contributes to morale problems, fatigue, lack of backup support and safety issues when officers inspect travelers--increasing the potential that terrorists, inadmissible travelers and illicit goods could enter the country." (See GAO-08-219, page 7.)

"Due to staffing shortages, ports of entry rely on overtime to accomplish their inspection responsibilities. Double shifts can result in officer fatigue...officer fatigue caused by excessive overtime negatively affected inspections at ports of entry. On occasion, officers said they are called upon to work 16-hour shifts, spending long stints in primary passenger processing lanes in order to keep lanes open, in part to minimize traveler wait times. Further evidence of fatigue came from officers who said that CBP officers call in sick due to exhaustion, in part to avoid mandatory overtime, which in turn exacerbates the staffing challenges faced by the ports." (See GAO-08-219, page 33.)

These impacts, as reported to Congress by GAO, have changed little as CBP Officer staffing continues to lag far behind pedestrian, vehicle and commercial traffic volume at the ports. In fact, with 1,400 vacancies and 2,100 CBP Officer positions yet to be authorized and funded, the situation is even worse today.

Staffing shortages have also reduced the number of CBP Officers available to conduct more in depth secondary inspections. In the past, there were three inspectors in secondary processing for every one inspector in primary processing. Now there is a one to one ratio.

Without adequate personnel at secondary, wait times increase and searches are not done to specification. This is a significant cargo security issue. For example, a full search of one vehicle for counterfeit currency will take two officers on average a minimum of 45 minutes. Frequently, only one CBP Officer is available for this type of search and this type of search will then take well over an hour.

Also, due to CBP's ongoing hiring delays, CBP has been diverting CBP Officers from other air, sea and land ports to the severely short-staffed Southwest land ports, such as the San Ysidro land port of entry. Since 2015, CBP has diverted Officers from their assigned ports to San Ysidro and more recently to Nogales for 90-day temporary duty assignments (TDYs.) In November 2016, CBP issued an updated TDY solicitation that directs 14 CBP Field Offices to provide 200 CBP Officers for TDYs to the San Diego and Tucson Field Office. For example, in this solicitation, CBP directed the Tampa Field Office to send 7 CBP Officers to the San Diego Field and 6 CBP Officers to the Tucson Field Office from January 9 through April 7, 2017.

Ongoing staff shortages directly contribute to CBP's perennial ranking at the very bottom of the Partnership for Public Service's "Best Places to Work" Survey-- 291 out of 305 agency subcomponents on the latest survey.

FY 2017 Supplemental Appropriations and FY 2018 Budget Requests

The Administration released its FY 2018 budget submission to Congress that recommends \$44.1 billion in discretionary budget authority for DHS. This is an increase of \$2.8 billion or 6.8 percent over the 2017 annualized Continuing Resolution level.

The bill requests \$314 million to recruit, hire and train 500 new Border Patrol Agents and 1,000 new Immigration and Customs Enforcement Agents and support personnel. There is no mention of new funding to hire additional CBP Officers at the ports of entry.

In addition to the FY 2018 budget request, the Administration submitted a \$30 billion supplemental appropriations request for the remainder of FY 2017. This appropriations request would provide an additional \$3 billion for DHS implementation of the President's January 25, 2017 "Border Security and Immigration Enforcement Improvements" Executive Order. Of this \$3 billion increase, \$1.4 billion would be used to fund planning, design and construction of a physical wall along the southern border, \$1.2 billion to increase immigration detention and removal facilities, and \$286 million for CBP's border surge operations. The remainder of the \$3 billion supplemental appropriations request would be used to fund other programs related to meeting the goals of the President's January 25th Executive Order.

NTEU is asking Congress to also prioritize and fund CBP staffing at the nation's air, sea and land ports by appropriating additional funding in the final months of FY 2017 and in the FY 2018 DHS appropriations bill to fully meet CBP staffing, resource and new mission needs at the 328 U.S. ports of entry.

Conclusion

Since 2010, federal employees have contributed \$114 billion to deficit reduction and economic recovery—an amount far greater than any other group in our society has been asked to sacrifice for these efforts. Federal workers have endured many challenges over the past several years—pay freezes, increased employee contributions for retirement, under staffing, deferred training, elimination of performance awards and other cuts—that have greatly contributed to low employee morale.

Despite these sacrifices by federal workers, the new Administration has proposed a hiring freeze for agencies which will only make federal employees' jobs harder. It is time for the voices of frontline workers to be heard and for Congress to treat them and all federal workers with the dignity and respect they earn and deserve.

The employees NTEU represents at CBP are frustrated and their morale is indeed low. These employees work hard and care deeply about their jobs. The more than 25,000 CBP employees represented by NTEU are proud of their part in keeping our country free from terrorism, our neighborhoods safe from drugs, and our economy safe from illegal trade, while ensuring that legal trade and travelers move expeditiously through our air, sea and land ports, but frontline CBP Officers and Agriculture Specialists at our nation's ports of entry need relief. These men and women are deserving of more staffing and resources to perform their jobs better and more efficiently and are deserving of fair pay and benefits. They have not been receiving either. And those are the main reasons their morale is low.

Thank you for the opportunity to submit this testimony on their behalf.



Surface Transportation Board
Washington, D.C. 20423-0001

May 19, 2017

The Honorable Mark Meadows
Chairman
U.S. House of Representatives
Committee on Oversight and Government
Reform
Subcommittee on Government Operations
2157 Rayburn House Office Building
Washington, DC 20515

The Honorable Gerald E. Connolly
Ranking Member
U.S. House of Representatives
Committee on Oversight and Government
Reform
Subcommittee on Government Operations
2471 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Meadows and Ranking Member Connolly,

Enclosed you will find a Leadership Engagement Plan from the Surface Transportation Board in response to your request for a plan to improve the results of our annual Federal Employee Viewpoint Survey (FEVS) at the April 6, 2017 hearing, "The Best and Worst Places to Work in the Federal Government." I appreciate the opportunity to share this plan to make the STB an excellent place to work, as well as to restoring the agency to the survey's highest ranks. I look forward to your feedback, and to hosting your visit with our staff.

The plan highlights current and future initiatives at the STB to enhance leadership and staff engagement. It presents key elements of focus for the STB leadership, as well as strategies linking agency action to the areas of the FEVS categories where we need most improvement. Most notable is our future work with the Security Exchange Commission's FEVS Coordinator to develop a refined understanding of the drivers of our FEVS scores, and to formulate a more specific action plan to maintain employee work satisfaction. We are grateful for the SEC's assistance.

In addition to this plan, Lucille Marvin, Director of the Office of Public Assistance, Governmental Affairs, and Compliance, will keep your staff abreast of our efforts over the next year to foster an improved work climate. In the meantime, please do not hesitate to contact me at 202-245-0324, or Lucille Marvin at 202-245-0238, if you have any questions or concerns. Thank you for your interest and thoughtful oversight of the STB.

Sincerely,

Lee Gardner
Managing Director

Surface Transportation Board
Leadership Engagement Plan
May 2017

Introduction

This report is submitted in response to a request by Chairman Meadows during the April 6 hearing by the Subcommittee on Government Operations of the Committee on Oversight and Government Operations dealing with “The Best and Worst Places to Work in the Federal Government.” During the hearing, the Board was asked to submit a plan indicating how it intends to improve its scores on the annual FEVS survey. The Board appreciates the opportunity to update the Subcommittee on its action plan.

Improving Engagement

The Board has taken several positive steps to improve employee engagement following the decline in scores in the 2015 and 2016 surveys.

Most importantly, after the results of the 2016 survey were announced, we held several meetings – from an all-employees’ meeting, to a managers-only meeting, to meetings that individual managers held with their staffs – to discuss agency-wide and office-specific issues that employees believe are impacting the Board’s working environment, and to solicit ideas on ways the STB could improve. We also sought anonymous input from all agency staff, through a suggestion box, to understand their concerns and their proposed solutions.

Further, we invited staff from the Partnership for Public Service to brief the Board Members and staff on the Board’s survey results. This briefing, which was attended by Board Members, senior managers, and many of the agency’s staff, provided useful insights into the key drivers of our most recent scores and identified major issues that require attention. Partnership staff also shared best practices used by other agencies, as well as the private sector, for improving employee engagement.

These internal and external meetings, and the agency’s own anonymous employee input, gave management a much better insight into the factors behind the drop in FEVS surveys and some possible solutions.

After the 2015 FEVS survey, the Board provided in-person leadership training to 25 senior managers and supervisors in an effort to refresh the leadership skills and practices that had led the STB to being the No. 1 ranked small federal agency for six years in a row. The Office of Personnel Management’s Center for Leadership delivered an executive training course entitled, “Leadership in Action,” which provided an in-depth discussion and interactive sessions on developing core leadership skills, including how to effectively lead, communicate, build strong

teams, and manage change. This training complemented prior training courses such as the well-received “Respectful Communications” that the STB sponsored last fall, offering practical approaches to increase inclusion, respect diversity, communicate effectively, and solve problems professionally and collaboratively.

Focus of Engagement Strategy

As part of our efforts to make the STB an excellent place to work, we are working to promote an environment where employees know that they are valued, are treated equitably, understand that they are vital to the team, and use their knowledge and skills in the advancement of our mission. We are striving to create a positive agency culture for our workforce that enables us to effectively and efficiently fulfill our responsibilities and our obligations to our stakeholders. Restoring the Board to the ranks of one of the best places to work will also help enable us to recruit and retain the best possible talent, develop the skills and capabilities of our staff, and promote improved cooperation, coordination, and communication. While the agency’s recent FEVS scores – about average among government agencies – demonstrate that we have work to do to regain our place as a top agency in this regard, we know that we have a strong foundation and committed workforce with which to develop improvement strategies.

An in-depth analysis of the STB’s 2016 FEVS results (Attachments A, B, and C) led us to identify five key themes for our plan, which we intend to maintain and revise as necessary on an ongoing basis:

Listen – A key aspect of the Board’s plan is to ensure we are fully listening to our employees. All levels of management must be interested in hearing their employees’ thoughts and ideas. This can be accomplished in many ways, including from conversations to formal town-hall type gatherings. The Board will thoughtfully consider and fully implement, as appropriate, staff suggestions for remedying problems and making the STB a better place to work.

Communicate – More and better communication is another essential element of the Board’s engagement plan. Managers at all levels are now better focusing to more proactively sharing information with staff on a wide range of substantive and administrative matters. The Board is working to promote a heightened level of transparency so that employees are better informed on all matters that affect them or that may be of interest to them.

Lead – Managers at all levels must be well-trained and equipped with the tools necessary to effectively lead their respective units. We are promoting opportunities for discussing best management practices among all managers at the Board, and working on outreach to managers at other agencies to share common problems and solutions. Managers must lead by example, engender trust, and demonstrate high professional standards.

Support – Foster the work-life balance that is already valued and supported at the Board. Ensure equitable treatment and opportunity to everyone at the agency. Encourage career development and provide resources for employee training, cross training, and mentoring.

Collaborate – Cooperation and coordination between and among teams working on cases at the agency must be encouraged and promoted. We are working to establish a sense of “oneness” through more regularly scheduled agency team building events.

Actions Taken to Improve Employee Engagement at the STB

Since the hearing on April 6, the Board has taken additional steps to better understand the FEVS results and to develop a strategy for addressing the key drivers underlying the decline in the Board’s engagement scores. These efforts include:

- Town hall meeting to discuss (1) information about the agency’s impending move, (2) the hearing before your Subcommittee, and (3) the need for continued feedback on issues of concern to staff.
- Creation by staff of an employee-led committee to discuss employee feedback. Focused meetings with staff to discuss results and to get feedback.
- Presentation by Securities and Exchange Commission (SEC) Deputy Chief Human Capital Officer and SEC FEVS Coordinator to Board managers further analyzing FEVS results and providing insights and suggestions on better addressing the decline in scores.
- Further discussion with agency staff about the SEC presentation.
- Expansion of EAP services to include WorkLife4You (work-life assistance) and Emergency Back-up Child/Elder Care.
- Discussion with SEC FEVS Coordinator on strategy/suggestions to improve FEVS communications strategy and address agency response rate.
- Informal lunch-time event for employees.
- Institution of bi-weekly meetings among agency leadership to address employee feedback. The first session addressed improving telework opportunities. Effort to revise telework policy is ongoing.
- Listening sessions to be conducted by SEC industrial psychologists with STB employees in May and June, with subsequent feedback to Board management.
- Requested visit by OPM FEVS Coordinator Lorraine Latimore in June to meet with senior managers to discuss how to address FEVS results.
- First Quarterly All-Hands meeting scheduled for June.

Response Rate

The Board is focused on increasing the participation rate in the 2017 FEVS survey. From a high of 75% in 2013, the response rate declined to 53% for the 2016 survey. A goal of a 63% response rate for this year’s FEVS has been set.

Working with Staff from the SEC

Immediately after the hearing, SEC reached out to us and offered their assistance in helping us to better understand the drivers of our FEVS scores. On April 12, their staff met with Board Members and senior managers to discuss the STB's scores and to offer suggestions on specific areas that should be addressed to improve our overall engagement scores.

Beginning in late May, two SEC industrial psychologists, including SEC's FEVS Coordinator, will conduct a series of listening sessions with STB staff. The goal of these sessions is to provide employees with an opportunity to share their concerns and suggestions. To foster a more open dialogue, managers will not attend employee sessions. The SEC FEVS Coordinator will ensure that employee contributions are presented as themes, without identifying any individual employee, so that employees can speak freely. The Coordinator plans to conduct the sessions from late May through June, and provide multiple sessions to employees to obtain a broad sense of the agency issues.

The goal of these sessions is to help develop more focused and specific action plans to address issues and problems identified in the FEVS. In addition, STB is coordinating with our OPM FEVS Contact, to share the outcomes from these sessions, and obtain OPM's suggestions for action items. The SEC FEVS Coordinator will provide a report, which we will share with our senior leadership, as part of our analysis

Linking Engagement Strategy and Actions to FEVS Questions and Categories

STB has identified four categories in the FEVS that represent the areas of greatest dissatisfaction at the Board and offer the most potential for improving engagement scores. These include: leaders lead, fairness, openness, and empowerment.

Leaders Lead

As discussed in the analysis-of-results section at the end of this report, leader effectiveness is a significant area that can be improved upon at the Board, according to the FEVS scores. Responses to questions in this category (question 53 and question 56) suggest that senior leaders at the Board do not generate high levels of motivation, do not demonstrate a commitment to staff, and that they do not communicate goals and priorities to the staff.

Senior Leadership Team

To address these concerns, the Board's Senior Leadership Team, which consists of the six office Directors, began meeting bi-weekly to focus attention on how to promote employ engagement and respond to staff feedback, including addressing concerns identified in the agency suggestion box and issues identified when listening to our employees.

Because of the number of employee comments received concerning the Board's telework policy, the team has made this its first focus. The team is surveying other agencies to determine existing

telework policies throughout the government. The team members are also developing possible modifications to the current policy to ensure equitable practices are carried out among all the offices. Once the review of other agency practices is complete, the team will complete its evaluation and begin implementing modifications where appropriate.

The Senior Leadership Team also plans to develop a relationship with senior managers at other agencies to learn best management practices throughout the government and implement them at the Board when possible and appropriate.

Finally, the team will continue its meetings with employees in the various offices at the Board, to better understand and jointly address their concerns on an ongoing basis.

Fairness

Results of the FEVS survey indicate that an appreciable number of STB employees believe they are not treated fairly. Specifically, responses to the fairness sub-factor under the leader effectiveness category suggest that staff do not think that differences in performance are recognized in a meaningful way and that poor performers are not dealt with effectively. Information obtained from the suggestion box confirms these perceptions.

To help address these concerns, Board will require each Office to review and adjust performance appraisal plans at the end of the current performance period. Specifically, the Board will ensure that elements in each plan are objective and measurable. In addition, managers will provide clear expectations to employees at the beginning of the performance period and meaningful feedback at midyear and end of year performance review sessions. In addition, we will conduct a review of overall agency performance ratings at the end of the current rating period, to assess the distribution of ratings, and that ratings awarded are justified based on actual performance.

To address concerns related to opportunities for advancement, the senior leadership team, with input from staff, will examine policies and procedures used to fill internal vacancies at the Board to guarantee that employees are aware of opportunities, and have an equal opportunity to be considered for those positions. In addition, once a selection has been made, managers will conduct a post-selection discussion with any employee who applied for the position who was not chosen.

Openness

Responses to questions related to rewarding creativity and innovation (Q32) and promoting diversity in the workplace (Q34) had the lowest scores and the biggest decline in the openness sub factor. Significantly, these two questions were among those with the highest neutral responses in the 2016 survey (23% and 31%). Neutral responses may offer the greatest potential for improving engagement.

To address these concerns, the Board will focus on efforts to foster more and better communications, as mentioned above. In addition, the Senior Leadership Team will develop

recommendations for identifying and rewarding creativity and innovation. These topics will also be addressed in the upcoming focus groups.

Empowerment

There are three questions in the survey related to employees' feelings of empowerment: that their talents were not being used well in the workplace (Q11); that they were not encouraged to come up with new and better ways to do things (Q3); and that they do not have a sense of personal empowerment with respect to work processes (Q30). Specific listening sessions will be set up to address empowerment issues, not only as part of the work the STB will do with the SEC industrial psychologist, but also with leadership and staff. Leadership will also be given training on employee empowerment.

We will be looking at the results of the listening sessions to help us understand if there are certain areas or agency processes that employees identify as ripe for reengineering.

Additional Initiatives Planned or Underway

In addition to the initiatives discussed above, STB is also exploring training and team-building as opportunities to enhance employee engagement at the Board.

Training

Now that the Fiscal Year 2017 appropriations measure has been enacted, training can be included among our other important fiscal priorities. We are working to identify and evaluate our training needs, and will then work to provide such training.

Team-Building

One tool that we have embraced to improve communications, develop camaraderie, and enhance working relationships is team-building. For example, we held a "Lunch Day," in April during which employees met in our hearing room over lunch from a local deli to get to know each other better. And in May, a night at a Nationals game is scheduled. These events are part of the agency's team-building efforts to develop camaraderie. The Board intends to continue promoting such relationship-building opportunities going forward.

Moving Forward

STB understands that employee engagement requires constant attention and continuous efforts. Although the FEVS is a six-week event, we have come to realize that our efforts to address the issues in the 2016 FEVS require a coordinated, long-term and continuing effort. The assessment and initiatives discussed in this plan are only the beginning. The landscape is ever-evolving and managers must be aware that every interaction with employees is an opportunity to have a positive impact on that individual and ultimately how they feel about the agency.

Effective leadership is essential. Managers must understand their role as well as their obligations to staff. It starts with listening. All employees should know that their opinions matter and their voices will be heard. We have a responsibility to foster a climate where employees are given the opportunity to apply their skills and capabilities in a way that not only contributes to the achievement of the agency's mission, but also results in a rewarding experience for the employee.

We will continue to listen, communicate, and improve so that the Surface Transportation Board will again become a great place to work.

Attachment A

Analysis of the Results of the 2016 Federal Employment Viewpoint Survey
Surface Transportation Board.

Overview

Since its inception, the Surface Transportation Board (STB or Board) has been an excellent place to work. The high level of professionalism, dedication and hard work by our employees is integral to our ability to accomplish our mission. There is a sense of family and community at the Board that is difficult to achieve in larger agencies. Although there are clearly significant issues that need to be addressed, we believe the Board will again become one of the best places to work in the government. Management at all levels within the Board intend to remedy the issues identified in the FEVS and improve our engagement scores.

The Board's History With FEVS

From 2009 through 2014, the STB was ranked the best small agency in the government, according to the FEVS annual survey. In fact, in 2014, the STB scored the highest of any government agency. STB even received accolades from entities outside of the survey, including a spot in *Washingtonian* magazine's 50 Great Places to Work for 2013. We took great pride in this distinction.

After six impressive years, our scores on the survey fell in 2015, placing us 5th among all small agencies. In 2016, our scores declined further, placing the Board at 16 out of 29 small agencies. This decline is of concern to management at all levels of our agency and we are determined to address the deficiencies identified in the survey and reverse the downward trend that we have seen over the past two years.

Analysis of Results

We compared the scores on specific questions for the 2012-2016 surveys. We also examined the trend in the composite scores for OPM indices that measure key areas that affect employees including global satisfaction, employee engagement, and leader effectiveness. Attachment B provides greater detail on the survey questions used to calculate each index. Each of these categories is discussed below. It is noteworthy that although there has been a pattern of decline across the board from 2013-2016, indices for the Board are above the 2016 federal government averages for each category.

Global Satisfaction

Overall global satisfaction is based on responses to four survey questions that provide an indication of the employees' overall work satisfaction. The Board's 2016 index was 66%, a decline of 11% from 2015. The largest decline came in response to the question of how satisfied are you with your organization (-22%). Prior to 2016, responses to this question were in the 80% range, well above overall government averages. In addition, there was a 15% decline in employees' response to whether they would recommend the Board as a good place to work. Responses to these questions are significant indicators of the overall decline in engagement and satisfaction among employees at the Board.

Employee Engagement Index

The employee engagement index is comprised of 15 questions grouped into three categories. These categories are: leaders lead; supervisors; and intrinsic work.

In the leaders lead category, there were significant declines, dropping 12% to 17%, on questions concerning how good a job immediate supervisors are doing; managers communicate the goals and priorities of the organization, senior leaders generate high levels of motivation and commitment in the workforce, and level of respect for senior leaders. There was a -3% decline in the question related to senior leaders maintaining high standards of honesty and integrity. Clearly, this is a critical area that needs to be addressed, especially in communicating goals and priorities and motivating staff.

Scores in the supervisors' sub factor were more favorable, with positive responses in the 73%-91% range on questions indicating that supervisors listened to employees, treated them with respect, had the employees trust, and that they were doing a good job. The only question with a significant drop dealt with supervisors' support of employee development, with a reduction of 12%.

The intrinsic work sub factor had positive scores in the 71% to 80% range on questions dealing with personal accomplishment, knowing what was expected on the job, and understanding how employees' work relates to the agency's goals and priorities. Lower scores, 63%-64%, were recorded for questions addressing whether employees felt encouraged to come up with new and better ways of doing things and whether their talents were used well in the workplace.

Leader Effectiveness

Leader effectiveness consists of support, fairness, cooperation, openness, and empowerment sub factors. This series of questions is critical since OPM has found this category to be most predictive of employee engagement. Largest decreases in the category came from Empowerment (-11%), Openness (-7%), Cooperative (-6%), and Fairness (-5%).

The Board performed reasonably well on the supportive factor with positive scores in the 83%-94% range. The major area of concern was with the question about supervisors providing constructive suggestions for improving job performance. Responses for this question were 67% positive with a decrease of 6% from 2015.

A major concern for the Board is employees' perception that they are not being treated fairly. Responses for most of the questions in this category were in the 47% to 57% range. Questions dealing with the relationship between pay and performance, steps taken to deal with poor performers, and recognition of meaningful differences in performance had the lowest scores in this category. It is also important to note that there was a significant decline in question 37 which asks about personal favoritism. The notably poor results on this sub factor are a major concern for the agency and point out the need to take steps to ensure that these issues are addressed.

Results on the cooperative sub factor indicate a 6% average decline from 2015 based on the two questions in this category. Support for collaboration had the largest decline, -10%, while promoting communications among different work groups declined by 3%. Since much of our work is done in cross-functional interoffice teams, cooperation and communications are key to efficiently and effectively achieving our mission.

Questions dealing with promoting diversity in the workplace and rewarding creativity and innovation had the largest decline in the openness sub factor, 10% and 9% respectively.

Based on survey results, empowerment is another area of major concern. In the empowerment sub factor, employees expressed a lack of personal empowerment with positive responses to this question at 55% compared to 79% in 2015. There was a similar decline in responses to the question of whether employees were encouraged to come up with new and better ways of doing things.

STB results in the leader effectiveness category suggest that the biggest issues to address relate to motivating employees; recognizing and rewarding performance; and empowerment in work processes.

Attachment B
Major FEVS Indices

Major FEVS Indices

Global Satisfaction Index

The global satisfaction index is based on questions that attempt to determine the employees' overall satisfaction with the organization. Specifically, this index includes the following questions:

- 40. I recommend my organization as a good place to work.
- 69. Considering everything, how satisfied are you with your job?
- 70. Considering everything, how satisfied are you with your pay?
- 71. Considering everything, how satisfied are you with your organization?

Employee Engagement Index

The employee engagement index consists of three sub factors; leaders lead, supervisors, and intrinsic work.

The leaders lead sub factor includes the following questions:

- 53. In my organization, senior leaders generate high levels of motivation and commitment to the workforce.
- 54. My organization's senior leaders maintain high standards of honesty and integrity.
- 56. Managers communicate the goals and priorities of the organization.
- 60. Overall, how good a job do you feel is being done by the manager directly above your immediate supervisor?
- 61. I have a high level of respect for my organization's senior leaders.

The supervisors sub factor includes the following questions:

- 47. Supervisors in my work unit support employee development.
- 48. My supervisor listens to what I have to say.
- 49. My supervisor treats me with respect.
- 51. I have trust and confidence in my supervisor.
- 52. Overall, how good a job do you feel is being done by your immediate supervisor.

The intrinsic work sub factor includes the following questions:

- 3. I feel encouraged to come up with new and better ways of doing things.
- 4. My work gives me a feeling of personal accomplishment.
- 6. I know what is expected of me on the job.
- 11. My talents are used well in the workplace.
- 12. I know how my work relates to the agency's goals and priorities.

Leader Effectiveness Index

The leader effectiveness index consists of the supportive sub factor, the fairness sub factor, the cooperative sub factor, the openness sub factor, and the empowering sub factor.

The supportive sub factor includes the following questions:

- 42. My supervisor supports my need to balance work and other life issues.
- 46. My supervisor provides me with constructive suggestions to improve my job performance.
- 48. My supervisor listens to what I have to say.
- 49. My supervisor treats me with respect.
- 50. In the last six months, my supervisor has talked with me about my performance.

The fairness sub factor includes the following questions:

- 23. In my work unit, steps are taken to deal with a poor performer who cannot or will not improve.
- 24. In my work unit, differences in performance are recognized in a meaningful way.
- 25. Awards in my work unit depend on how well employees perform their jobs.
- 37. Arbitrary actions, personal favoritism and coercion for partisan political purposes are not tolerated.
- 38. Prohibited Personnel Practices (for example, illegally discriminating for or against any employee/applicant, obstructing a person's right to compete for employment, knowingly violating veterans' preference requirements) are not tolerated.

The cooperative sub factor includes the following questions:

- 58. Managers promote communication among different work units (for example, about projects, goals, needed resources).
- 59. Managers support collaboration across work units to accomplish work objectives.

The openness sub factor includes the following questions:

- 32. Creativity and innovation are rewarded.
- 34. Policies and programs promote diversity in the workplace (for example, recruiting minorities and women, training in awareness of diversity issues, mentoring).
- 45. My supervisor is committed to a workforce representative of all segments of society.
- 55. Supervisors work well with employees of different backgrounds.

The empowering sub factor includes the following questions:

- 2. I have enough information to do my job well.
- 3. I feel encouraged to come up with new and better ways of doing things.
- 11. My talents are used well in the workplace.
- 30. Employees have a feeling of personal empowerment with respect to work processes.

Attachment C

Index of 2012-2016 Indices for the Surface Transportation Board
Based on the
Federal Employment Viewpoint Survey

FEVS Major Indices								
Surface Transportation Board	2012 Responses	2013 Responses	2014 Responses	2015 Responses	2016 Responses	Δ 2016-2015	Trend Line 2012 to 2016	2016 Federal Government
Global Satisfaction Index	82%	80%	84%	77%	66%	-11%		61%
Employee Engagement Index	81%	83%	87%	80%	71%	-9%		65%
Leader Effectiveness Index / New IQ	77%	78%	82%	73%	67%	-6%		58%
FEVS Average (across all 71 items)	78%	79%	84%	76%	69%	-8%		61%

Global Satisfaction Index								
	2012 Responses	2013 Responses	2014 Responses	2015 Responses	2016 Responses	Δ 2016-2015	Trend Line 2012 to 2016	2016 Federal Government
40. I recommend my organization as a good place to work.	87%	91%	90%	84%	69%	-15%		64%
69. Considering everything, how satisfied are you with your job?	85%	87%	89%	76%	66%	-10%		65%
70. Considering everything, how satisfied are you with your pay?	74%	58%	72%	64%	65%	2%		58%
71. Considering everything, how satisfied are you with your organization?	82%	83%	86%	83%	61%	-22%		57%
Subfactor Average Score	82%	80%	84%	77%	66%	-11%		61%

Employee Engagement Index								
Leaders Lead Subfactor	2012 Responses	2013 Responses	2014 Responses	2015 Responses	2016 Responses	Δ 2016-2015	Trend Line 2012 to 2016	2016 Federal Government
53. In my organization, senior leaders generate high levels of motivation and commitment in the workforce.	74%	74%	76%	71%	55%	-16%		41%
54. My organization's senior leaders maintain high standards of honesty and integrity.	80%	82%	82%	75%	71%	-3%		52%
56. Managers communicate the goals and priorities of the organization.	74%	74%	84%	80%	62%	-17%		60%
60. Overall, how good a job do you feel is being done by the manager directly above your immediate supervisor?	86%	81%	86%	81%	69%	-12%		58%
61. I have a high level of respect for my organization's senior leaders.	80%	76%	84%	73%	61%	-12%		53%
Subfactor Average Score	79%	78%	82%	76%	64%	-12%		53%

Employee Engagement Index								
Supervisors Subfactor	2012 Responses	2013 Responses	2014 Responses	2015 Responses	2016 Responses	Δ 2016-2015	Trend Line 2012 to 2016	2016 Federal Government
47. Supervisors in my work unit support employee development.	77%	83%	92%	78%	66%	-12%		66%
48. My supervisor listens to what I have to say.	86%	91%	93%	84%	83%	-1%		76%
49. My supervisor treats me with respect.	90%	90%	94%	87%	91%	4%		81%
51. I have trust and confidence in my supervisor.	80%	84%	90%	78%	73%	-5%		67%
52. Overall, how good a job do you feel is being done by your immediate supervisor?	85%	87%	92%	82%	82%	0%		70%
Subfactor Average Score	83%	87%	92%	82%	79%	-3%		72%

Employee Engagement Index								
Intrinsic Work Subfactor	2012 Responses	2013 Responses	2014 Responses	2015 Responses	2016 Responses	Δ 2016-2015	Trend Line 2012 to 2016	2016 Federal Government
03. I feel encouraged to come up with new and better ways of doing things.	82%	86%	87%	77%	63%	-14%		58%
04. My work gives me a feeling of personal accomplishment.	76%	79%	85%	81%	71%	-10%		72%
06. I know what is expected of me on the job.	89%	95%	93%	90%	78%	-11%		79%
11. My talents are used well in the workplace.	73%	75%	82%	74%	64%	-10%		58%
12. I know how my work relates to the agency's goals and priorities.	91%	90%	92%	91%	80%	-11%		83%
Subfactor Average Score	82%	85%	88%	83%	71%	-11%		70%

Leader Effectiveness Index (LEI) / New IQ								
Supportive Subfactor	2012 Responses	2013 Responses	2014 Responses	2015 Responses	2016 Responses	Δ 2016-2015	Trend Line 2012 to 2016	2016 Federal Government
42. My supervisor supports my need to balance work and other life issues.	93%	88%	91%	90%	94%	5%		78%
45. My supervisor provides me with constructive suggestions to improve my job performance.	74%	78%	86%	73%	67%	-6%		62%
48. My supervisor listens to what I have to say.	86%	91%	93%	84%	83%	-1%		76%
49. My supervisor treats me with respect.	90%	90%	94%	87%	91%	4%		81%
50. In the last six months, my supervisor has talked with me about my performance.	90%	89%	95%	88%	91%	3%		78%
Subfactor Average Score	87%	87%	92%	84%	85%	1%		75%

Leader Effectiveness Index (LEI) / New IQ								
Fairness Subfactor	2012 Responses	2013 Responses	2014 Responses	2015 Responses	2016 Responses	Δ 2016-2015	Trend Line 2012 to 2016	2016 Federal Government
23. In my work unit, steps are taken to deal with a poor performer who cannot or will not improve.	48%	50%	56%	48%	47%	-2%		29%
24. In my work unit, differences in performance are recognized in a meaningful way.	60%	56%	63%	51%	48%	-3%		34%
25. Awards in my work unit depend on how well employees perform their jobs.	62%	60%	68%	55%	54%	-1%		41%
37. Arbitrary action, personal favoritism and coercion for partisan political purposes are not tolerated.	70%	72%	82%	73%	57%	-15%		53%
38. Prohibited Personnel Practices (for example, illegally discriminating for or against any employee/applicant, obstructing a person's right to compete for employment, knowingly violating veterans' preference requirements) are not tolerated.	80%	84%	90%	83%	79%	-4%		67%
Subfactor Average Score	64%	64%	72%	62%	57%	-5%		45%

Leader Effectiveness Index (LEI) / New IQ								
Cooperative Subfactor	2012 Responses	2013 Responses	2014 Responses	2015 Responses	2016 Responses	Δ 2016-2015	Trend Line 2012 to 2016	2016 Federal Government
58. Managers promote communication among different work units (for example, about projects, goals, needed resources).	77%	81%	78%	68%	65%	-3%		52%
59. Managers support collaboration across work units to accomplish work objectives.	85%	84%	84%	77%	67%	-10%		56%
Subfactor Average Score	81%	83%	81%	72%	66%	-6%		54%

Leader Effectiveness Index (LEI) / New IQ								
Openness Subfactor	2012 Responses	2013 Responses	2014 Responses	2015 Responses	2016 Responses	Δ 2016-2015	Trend Line 2012 to 2016	2016 Federal Government
32. Creativity and innovation are rewarded.	75%	76%	78%	61%	52%	-9%		38%
34. Policies and programs promote diversity in the workplace (for example, recruiting minorities and women, training in awareness of diversity issues, mentoring).	62%	63%	70%	65%	55%	-10%		58%
45. My supervisor is committed to a workforce representative of all segments of society.	74%	78%	82%	75%	70%	-5%		68%
55. Supervisors work well with employees of different backgrounds.	82%	82%	89%	76%	71%	-6%		64%
Subfactor Average Score	73%	75%	80%	69%	62%	-7%		57%

Leader Effectiveness Index (LEI) / New IQ								
Empowering Subfactor	2012 Responses	2013 Responses	2014 Responses	2015 Responses	2016 Responses	Δ 2016-2015	Trend Line 2012 to 2016	2016 Federal Government
02. I have enough information to do my job well.	87%	87%	94%	84%	79%	-4%		70%
03. I feel encouraged to come up with new and better ways of doing things.	82%	86%	87%	77%	63%	-14%		58%
11. My talents are used well in the workplace.	73%	75%	82%	74%	64%	-10%		58%
30. Employees have a feeling of personal empowerment with respect to work processes.	75%	78%	78%	70%	55%	-14%		45%
Subfactor Average Score	79%	81%	85%	76%	66%	-11%		58%

Note: 1) FEVS results are highlighted Green if Positive average is greater than 65%, Yellow if Positive average is between 65% and 50%, and Red if Positive average is below 50%.

2) Delta (Δ) changes that are higher than 5% are highlighted in Green, changes greater than -5% are highlighted in Red.

	2012	2013	2014	2015	2016	Trend Line 2012 to 2016
Response Rate =	70.40%	75.40%	63.40%	65.50%	53.00%	