

**STATEMENT OF
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before the

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Regulatory Affairs and Federal Management Subcommittee

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Good morning. I would like to thank the Chairman and the Ranking Member for inviting the Department of Commerce to share its views on the very important topic of management involvement in hiring and workforce planning. I would also like to thank my colleagues from the Office of Personnel Management and the Department of Homeland Security for their dedication to advancing effective human resource management in the Federal government.

The Department of Commerce (DOC) has one overarching purpose: **Helping the American Economy Grow!** The DOC is a diverse agency comprised of 12 Bureaus employing nearly 47,000 employees domestically and internationally.

DOC is placing an increased emphasis on the commercial opportunities of space exploration and aquaculture. Our scientists are conducting foundational research in areas ranging from artificial intelligence to quantum computing. Our patent professionals are working to improve the protection of intellectual property. DOC is enforcing our trade laws to ensure trade is free, fair and reciprocal. DOC is working to conduct the most accurate, secure and technologically advanced decennial census. Finally, DOC teams are working to keep Americans safe by predicting extreme weather events earlier and deploying a nationwide broadband network that allows better coordination among first responders.

With that as a backdrop, I would like to discuss three areas where the DOC is working hard to improve: time-to-hire; maximizing employee performance and workforce planning.

Time-to-Hire:

For FY 17, the DOC time-to hire was 105 days. DOC follows OPM's 80 day hiring model, which is implemented through an 11-step process during which performance is tracked.¹ DOC has been

¹ While OPM has identified 14 individual steps to the 80-day model, *see*, OPM, *The End-to-End Hiring Initiative*, at 27, online at <https://www.opm.gov/policy-data-oversight/human-capital-management/talent-management/end-to-end-hiring-initiative.pdf>, OPM also acknowledges that agencies "may have more, fewer, or a different order of steps." <https://www.opm.gov/policy-data-oversight/human-capital-management/hiring-reform/hiring-process-analysis-tool/>. The DOC's 11-steps incorporate all of the elements of OPM's 80-day model.

a participant in OPM's HR Stat review from its inception and we report those results quarterly with the Principal Human Resources Directors and other senior management.

There are three steps in the 80 day hiring model where DOC can improve: 1) the rating and ranking of applications. This is the step where the pool of applicants is narrowed down to the best qualified applicants to be referred to the hiring manager. It's also the step where applicants are informed of the Department's continued interest; 2) the management review and interview of applicants and the job offer. In this step the hiring manager makes the decision on which candidate to hire and works with the staffing specialist to extend a tentative offer. References are checked and compensation is decided at this point; 3) the security clearance process. The background investigation is the most sensitive part of the hiring process, because it will determine whether the applicant is suitable for federal service. All three of these areas require the applicant, the manager and the hiring specialist to work together in a timely fashion to complete and submit the required documents. Delays in any of these three steps can result in losing qualified candidates, especially those who are in mission critical occupations (MCOs) which can directly impact mission accomplishment.

DOC constantly monitors all of the 11 steps in the 80 day hiring model, but pays particular attention to the three mentioned above. Managers are required to check in regularly as to their progress and in some cases ask for permission to extend a deadline. When a problem is identified, it is escalated through the appropriate management channels.

There are approximately 120 different hiring flexibilities, some of which apply to specific job series. DOC tailors its use of these flexibilities to the type of position the manager is trying to hire. In some cases, we'll use 'superior qualifications' to match compensation; we may increase leave if an applicant's private sector experience qualifies for more than 4 hours per pay period, etc.

Training for managers and supervisors for hiring varies by Bureau. Each Bureau annually conducts mandatory training in: 1) Uniformed Services Employment and Reemployment Rights Act (USERRA); 2) Veteran's Employment Training and 3) A Roadmap to Success: Hiring, Retaining, and Including People with Disabilities. Beyond that, Bureaus offer a variety of courses in interviewing, job analysis, special hiring authorities and merit system principles, just to name a few. DOC's goal is to standardize training so that a consistent message is being given to managers and supervisors on the hiring process.

Training is conducted through several channels which include: computer based training, instructor led training, subject matter expert panels and informal events like brown bag lunches.

Enterprise Services:

One important new tool for increasing the efficiency and effectiveness of human resource management at DOC is our Enterprise Services office. Our goal is to standardize and streamline transactional tasks currently performed in each Bureau through the adoption of Department-wide shared services.

Early on, DOC made the decision to seek out a third-party provider, and 18 months ago Enterprise Services awarded a contract to outsource our transactional work. Initially, we transferred our strategic sourcing program (large purchase items, such as, laptops, monitors, phones, etc.) to Enterprise Services. An Enterprise Services vendor subsequently took over responsibility for personnel action requests (PARs) such as promotions, reassignments, and awards. With respect to the transactional work for personnel actions, there has been a learning curve – as there is for most new enterprises – but we have been working closely with the vendor to improve the process and that collaboration has recently begun to show results. The next scheduled transition is for compensation and benefits in the spring of this year, followed by recruiting and hiring actions.

Maximizing Employee Performance:

Last April, OMB released M-17-22, which requires agencies to develop a plan to maximize employee performance and design a workforce to meet the needs of today and the future. DOC is developing a plan, that when completed, will ensure:

- Updated policies are in place to address poor performance
- Performance standards are comprehensive and ensure alignment between employee qualifications and position duties and responsibilities
- Performance management training exists to maintain high standards
- Management and supervisory workforces are equipped and supported to execute performance management responsibilities.

The first step DOC took was to conduct an inventory across all 12 Bureaus on topics related to performance management. The result of this inventory indicated that the Department is fully engaged in managing employee performance. DOC does this through its Administrative Orders, HR policies and bulletins, performance management systems for GS, SES, SISL/ST and the Alternative Personnel systems. Many Bureaus have developed toolkits to assist managers, supervisors and employees and the DOC issues mid-year and end-of-year guidance. DOC also surveyed nearly 7000 managers and supervisors on performance management. With a 34% response rate, we found: an understanding of the performance management process; managers and supervisors know the difference between performance and conduct issues; understand the criteria for the performance improvement process and understand the rules around the probationary process. DOC also found that managers and supervisors felt the process for implementing a PIP or a conduct based action took too much of their time. They also requested more training on motivating staff through the performance management process, and the development of effective performance plans/reviews.

The survey results will guide DOC in developing a new training program for performance management.

Workforce Management:

DOC is committed to ensuring we have a long-term plan for the workforce of the 21st Century. Over the next ten years, the government will transition fully from the ‘baby boom’ generation of

civil servants to the 'millennial' generation. To address this change, DOC is working with its Bureaus in the five key areas outlined in OMB's M-17-22: governance - the approval mechanism for the DOC workforce planning model and change management methodology; human capital management - the collection and analysis of workforce data as it applies to mission critical occupations and vacant positions; policy creation - policy review and recommendations to the governance body; workforce planning and budget integration - alignment with the FY 18 and 19 budget submission for DOC.

Our goal is to focus on what people, technology and acquisitions the Department needs to accomplish its various missions and identify where the gaps are and develop a strategy to close them. This is particularly important where there is a gap in competencies needed to perform work and our current workforce. Our first step is to identify emerging skillsets and competencies and then conduct a gap analysis. This analysis will lead to a model for workforce planning that DOC can use agency-wide.

Again, thank you for inviting Commerce to be part of this important discussion and I look forward to your questions.