

WRITTEN STATEMENT OF
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DEPARTMENT OF DEFENSE
BEFORE THE
COMMITTEE ON GOVERNMENT OVERSIGHT AND REFORM
SUBCOMMITTEE ON FEDERAL WORKFORCE, U.S. POSTAL SERVICE AND
LABOR POLICY
UNITED STATES HOUSE OF REPRESENTATIVES
ON
“BACK TO THE BASICS: IS OPM MEETING ITS MISSION?”
NOVEMBER 15, 2011

Chairman Ross, Ranking Minority Member Lynch, and Members of the Subcommittee:

On behalf of the Secretary of Defense, Leon E. Panetta, thank you for inviting the Department of Defense (DoD) to appear at this hearing today to discuss the U.S. Office of Personnel Management's (OPM) efforts to modernize the federal government's hiring and retirement claims systems, with specific focus on the Department's combined efforts with OPM to address the technical problems associated with the recent launch of USAJOBS 3.0. Thank you also for the opportunity to testify regarding DoD's current benefits and retirement practices.

INTRODUCTION – USAJOBS 3.0

DoD is one of the world's largest civilian employers, with close to 1 million civil servants proudly supporting our warfighters. We processed approximately 245,000 civilian hiring actions in FY2010, and 200,000 in FY2011. The high volume of hiring actions that passes through DoD each year underscores the importance of USAJOBS and its ability to help improve hiring timeliness. The Department appreciates the opportunity to discuss OPM's management of this mission-critical system, including its ability to prioritize resources, address management weaknesses, and achieve planned capabilities. My testimony includes background regarding DoD's participation in the USAJOBS 3.0 project, and the context for DoD's decision to support that project. Before discussing those details, I would like to provide a snapshot of DoD's current operating status for

USAJOBS and our back-end systems for the time period after the USAJOBS 3.0 transition.

From October 11th to November 3rd, 2011, DoD has:

- posted over 6,500 new job announcements to USAJOBS;
- received and processed more than 150,000 job applications;
- issued nearly 13,000 referral certificates;
- made over 5,700 selections.

These statistics indicate to me we have not been hampered in our hiring efforts by the deployment of USAJOBS 3.0. These numbers tell me that while we experienced some challenges at the start, DoD, in partnership with OPM, has confronted those challenges head-on, dealt with them quickly and effectively, and we are no longer experiencing significant system problems in DoD.

HIRING REFORM AT DoD BY THE NUMBERS

DoD has made great strides in reforming the hiring process by reducing hiring timelines, streamlining the hiring process, and focusing on efficient hiring practices. Prior to implementing the May 2010 Presidential Memorandum for Improving the Federal Recruitment and Hiring Process, measurement of all hiring practices was inconsistent and lacked critical input from individual Components and Servicing Agencies. In 2010, we adopted standard measurement practices that enabled our

leadership to analyze and measure hiring timelines across multiple dimensions, and to drive mission-critical changes.

Before adopting these changes, and prior to the implementation of hiring reform efforts, the average time to complete a competitive hire was estimated at 155 days in FY2009. Competitive hires were the primary focus of the Presidential mandate. This timeline was subject to the highest level of scrutiny across DoD. The reported average timeline for 2011 was 107 days - a 31% reduction from the 2009 figure. Furthermore, in the last quarter of 2011, the time to complete a competitive hire was further reduced to 91 days, a 59% reduction from the 2009 figure. The positive improvement in these hiring timelines is expected to continue in 2012 as further hiring reforms are implemented across DoD.

In early 2010, we began to measure hiring timelines beyond delegated examining. For example, it took approximately 95 days for the Department to successfully hire an individual into DoD from outside the Federal Government, known as an 'External hire.' By 2011, the average time to complete an External hire was 85 days - an 11% reduction. For 2012, we are targeting an average time of 80 days for External hires.

Internal hires, i.e., those initiating from within the Federal Government (including DoD), took 60 days to complete in 2010. By the end of 2011, the DoD was able to reduce these timelines by 4 days or 7%. The aggregate hiring timeline for All Hires (Internal and External combined) in 2010 was measured at 73 days. Through targeted process reforms and implementation of best practices, by the end of 2010, the measured

time to hire was 66 days - a 10% reduction. Overall, all of the trend lines are moving in the right direction.

DoD's hiring volume progression is consistent with priority goals and an increased focus on efficient hiring practices. We reduced hiring levels in 2011, indicating these mission-critical efforts have enabled the DoD to utilize fewer resources in support of the warfighter. While External and Internal hires have decreased in volume, the volume of competitive hires has increased by 7%. DoD set a mission goal to "Hire the Best," and the increase in competitive hires is indicative of the civilian population's steadfast dedication to this effort. When combined with improvements in hiring timelines, DoD has improved its ability to quickly get the best talent into the right jobs to support the men and women of the United States Armed Forces.

HUMAN RESOURCE (HR) PROCESSING ACROSS THE DOD ENTERPRISE

In order to fully discuss the impacts of OPM's initiatives to the Department, it is necessary to provide a clear picture of how HR processing occurs across DoD. In the current civilian hiring environment, each Component (Army, Navy, Air Force, National Guard, DFAS, and DLA) manages its own hiring process. Roles and responsibilities vary within DoD between Human Resources, Security, Functional Communities and Component Major Commands. The method in which regulations are implemented adds further complexity. With disparate and complex hiring processes and systems across DoD, it was imperative that we develop and maintain a common business process for

hiring applicants and a streamlined automated solution to support and institutionalize that process across our enterprise.

In 2010, the Department participated in multiple Lean Six Sigma process improvement sessions to streamline standardized hiring processes into a clear 10-step, end-to-end process. This standardization enabled more accurate hiring timeline reporting and increased internal and external visibility of the hiring process. Through standardization efforts over the past year, DoD's toolkit of hiring-related metrics and measurements has grown, further enabling transparency and targeted improvements to the hiring process and employment lifecycle.

While DoD was implementing its standardized hiring process, a Presidential mandate was established to drive improvements to the overall Federal hiring process. The Presidential mandate issued six key directives for Agencies to execute no later than November 1, 2010. In compliance, DoD has focused its Hiring Reform implementation efforts on three major areas – improving the applicant experience, attracting and obtaining top talent, and improving hiring timelines. Underlying all DoD Hiring Reform Initiative efforts and workforce lifecycle improvements has been a concentrated focus on data and metrics to monitor progress and inform decision-making.

IMPROVING DOD'S HR AUTOMATED SOLUTIONS:

THE ROAD TO USAJOBS 3.0

A key component of DoD's Hiring Reform efforts is a focus on improving the enterprise automation that supports our hiring and staffing processes. Our efforts in this

area pre-date OPM's 2009 Hiring Reform efforts by several years. From 2007 to 2009, select DoD Components independently pursued pilot implementations of USA Staffing. Separately, DoD pursued the pilot implementation of a commercially available system in 2008 and 2009, which ultimately did not meet our needs. When OPM began its hiring reform activities in late 2009, DoD had just terminated the above referenced software deployment to replace its aging staffing automation tools with a commercial application. Our experiences highlighted many of the unique attributes and challenges of the Federal hiring process. These challenges were made apparent during the deployment process in the form of cost-overruns and unsupported functional requirements. DoD turned toward OPM's hiring tool – USA Staffing – which supports the Federal hiring process at a lower projected cost when compared to the failed deployment previously mentioned. Use of USA Staffing has improved DoD's hiring timeliness and enabled HR professionals to manage the end-to-end process more effectively as demonstrated in DoD's hiring metrics referenced earlier. DoD's success in the area of hiring reform has been aided significantly by the USA Staffing system.

As OPM's Hiring Reform initiative began, the Chief Human Capital Officers (CHCO) Council discussed problems similar to DoD's that were experienced by other large Federal Departments. Based on these shared experiences, and the desire to improve the entire Federal hiring infrastructure, the CHCO Council commissioned a study that recommended improvements to USAJOBS. This decision was made in reaction to many of the same problems that the Department experienced with its failed deployment. DoD

participated in the study, and as a result of the recommendation, has participated and supported the USAJOBS program from that moment forward.

DoD has been a full partner with OPM throughout the USAJOBS 3.0 design and development process. OPM has been receptive and responsive to our needs. DoD supports all of the objectives outlined in the OPM's Concept of Operations developed to govern USAJOBS reform initiatives, and provides OPM with assistance in multiple arenas of the USAJOBS 3.0 project. DoD-assigned resources participated on eleven Integrated Project Teams, including leading the team created to manage specific functional areas of the project. Our participation included detailees from all of the major Commands, as well as DoD's smaller servicing agencies. In addition, DoD has provided 1 Full-Time-Equivalent, each for a period of 1 calendar year, and 2 contractor resources from June 2011 to the present time. All of these resources provide dedicated support to the USAJOBS program office during this critical period.

THE USAJOBS 3.0 RELEASE AND IMPACTS TO DOD

OPM deployed USAJOBS 3.0 site in four days with a 100% successful data migration and all vendors connected within 24 hours of system launch. Nearly immediately, problems surfaced for job seekers attempting to access the new site and agency staff attempting to post Job Opportunity Announcements (JOA) to USAJOBS through their talent acquisition systems (TAS). DoD experienced duplicate JOA

postings, delays in JOA announcement postings, and user confusion over what was being returned on job searches.

In the first weeks after the initial launch, OPM reported an inordinate amount of traffic to the site, reportedly 3 to 5 times the numbers reported by the vendor in previous iterations of the system. Job seekers experienced long disruptions in service, as well as complete inability to access the site. As these problems were diagnosed, newer and more complex issues arose, including confusion surrounding job locations and search queries returning unexpected results.

OPM responded promptly and professionally to each issue that surfaced. Within the first week, the USAJOBS team installed additional hardware and software to resolve capacity issues to handle the traffic to the site. OPM established a Command Center to communicate with job seekers and agency representatives. Additional resources were deployed to identify and correct user issues and OPM established daily meetings with CHCO representatives across the Federal Government to track agency issues.

DoD conducted daily meetings with Component Human Resources lead representatives and provided daily updates to Component Human Resources executives on issues and progress. I issued a memorandum requesting Components to extend job announcements an additional 10 days where practical, at the discretion of the Component. Our Components in turn issued guidance and personnel bulletins to their employees, unions, HR professionals, and hiring managers. While OPM conducted webinars on location codes and delivered Advisory Board notices, guides, YouTube videos, and information on the USAJOBS site, DoD alerted staff through Component HR home page

messaging, Civilian Personnel Office notices, corporate communications, and HR Officers bulletins.

The issues experienced with USAJOBS 3.0 implementation are not unlike the complexity of the software issues I have experienced as a Major Defense Acquisition Program Executive. In each case, OPM responded quickly and aggressively to connect job seekers with job opportunities across the federal government. Our decision was, and continues to be, to stay the course with OPM, as our goal of consistently posting announcements with confidence to reach top-quality job seekers is being realized and we have the utmost confidence in OPM's ability to implement successful solutions to federal HR challenges.

DOD BENEFITS AND RETIREMENT PROCESSING

Turning to the issue of retirement processing, in the mid 1990's, DoD began to consolidate benefits processing in all of our Components by maximizing the use of automation and technology. We currently have three large regional benefit centers located in Norfolk, Virginia, Fort Riley, Kansas, and San Antonio, Texas, which collectively process approximately 24,000 retirements a year. These centers perform benefits processing for most of the DoD workforce, and our operations are very successful due to the hard work of the benefits advisors at those locations and the human resources representatives providing front line service to our customers.

Over the past several years, DoD has consistently exceeded OPM's Aging of Separations performance requirement with the timely processing of retirement claims in

the first 32 days following an employee's separation. The standard established by OPM requires agencies to submit 80% of retirement claims within 32 days.

We credit our overall success to the Retirement Readiness Programs that include new employee orientation, on-going employee benefits counseling and pre-retirement seminars and counseling. DoD is committed to ensuring that our workforce is properly educated and skilled in making informed decisions in the areas of Financial Fitness and Retirement Readiness.

Processing of retirement claims requires collaboration between our personnel and payroll offices as well as the OPM. However, we acknowledge that some employees have experienced extreme delays in having their claims adjudicated by OPM. As a result of ongoing concerns, OPM has taken a number of steps to address the current backlog including allocating additional staff resources, and implementing technology and data enhancements. OPM is partnering with DoD and other Federal agencies to transform business processes by migrating from a paper-based environment to an electronic system of retirement data management that will improve retirement processing and enhance customer service.

CONCLUSION

DoD is committed to sustaining our efforts to attract the highest caliber applicants, providing hiring managers a superior set of tools to meet their hiring needs and sustaining a flexible set of information technology tools that can be modernized as needed. We look

forward to sustaining our partnership with OPM in this regard. We remain committed to providing the highest level of service to all job seekers.

In addition, as we look towards the future, we believe that OPM's efforts toward eliminating technology gaps will lead to more efficient processing of retirement claims and additional staff will help improve customer service. DoD will work with OPM to ensure that we have the capability to transfer data as accurately and expeditiously as possible to further expedite the processing of claims.

Thank you again for the opportunity to speak with you on this important topic. I am pleased to take your questions.