

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 FOURTEENTH CONGRESS SECOND SESSION

APRIL 27, 2016

Serial No. 114-65

Printed for the use of the Committee on Oversight and Government Reform



Available via the World Wide Web: <http://www.fdsys.gov>
<http://www.house.gov/reform>

U.S. GOVERNMENT PUBLISHING OFFICE

20-557 PDF

WASHINGTON : 2016

For sale by the Superintendent of Documents, U.S. Government Publishing Office
Internet: bookstore.gpo.gov Phone: toll free (866) 512-1800; DC area (202) 512-1800
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THE BEST AND WORST PLACES TO WORK IN THE FEDERAL GOVERNMENT

Wednesday, April 27, 2016

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

The subcommittee met, pursuant to call, at 2:03 p.m., in Room 2154, Rayburn House Office Building, Hon. Mark Meadows [chairman of the subcommittee] presiding.

Present: Representatives Meadows, Jordan, Walberg, Mulvaney, Buck, Carter, Grothman, 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.

After a downward trend for the last few years, the results of the Federal employees' survey sent to some 840,000 Federal employees reveals a 1 percent increase in both employee engagement and global satisfaction scores. And of that number, nearly 421,000 people replied, and this data was sorted by OPM to provide a number of useful metrics, some that are quite encouraging. For example, 96 percent of Federal employees surveyed are willing to put in the extra effort necessary to get the job done. Ninety percent are consistently looking for ways to do better and feel that the work that they do is important.

And I must stress that, as I have talked to Federal employees, that this does not come as a surprise to me, and it is something that we need to do a better job in Congress of sharing with the American taxpayer that we have committed Federal employees.

Yet some employee perceptions—and I am sad to say perceptions by some in Congress—of agency leadership continue to struggle. Only 50 percent of employees had positive things to say about the honesty and integrity of their leadership. This should remain as a concern for agency leaders with managing our nation's more than 2 million public servants.

And in the area of promotions and dealing with poor performers, survey results are even more alarming. Only 33 percent of the workers agreed with the statement that promotions in their work unit are based on merit. Twenty-eight percent of the employees said that the necessary steps are taken to deal with poor performers. And only 21 percent of employees across the government said that pay raises depend on how well the employees perform their jobs.

So over the past year, I have had the pleasure and honor of visiting numerous Federal agencies, the most recent just a couple of days ago, across the Washington, D.C., area. I have had the opportunity to discuss a variety of topics with Federal employees, including employee engagement and satisfaction. I have met with Federal employees from NASA, the GAO, the Archives, MSPB, CBP, Air and Marine Operations, and I have always enjoyed it and appreciated the opportunity to visit with our Federal workforce.

This week, as I was just mentioning, I was able to visit the Air and Marine Operations Manassas air branch, where I had the opportunity to meet and speak with AMO pilots and those that serve in that capacity, as well as serve the operation. I was highly impressed not only by their commitment to serving and protecting the American people, but I also wanted to thank them for sharing more with me about their mission because it was one of those things a lot of people don't know about, even Members of Congress. And so today, we are joined by a number of agencies near the top and bottom of the Best Places to Work rankings, as well as the most-improved agencies from 2015.

NASA has ranked number one for large agencies in the Best Places to Work ranking for the past 4 years with an index score of 76.1 out of 100. Congratulations. Last year, I had the opportunity to not only meet with employees at NASA, enjoying that visit with staff and learning more about the mission and vision. I would like to hear more about NASA's employee engagement efforts undertaken at the agency that allows them to remain at the top of the rankings.

The Department of Homeland Security, who also joined us last year, continues to remain last in the rankings with an index score of 43.1 out of 100. DHS has ranked 19 of 19 in large agencies on factors such as effective leadership, fairness, empowerment, and skills to match the mission.

As many of you know, we have had Secret Service hearings. I have had a number of Secret Service employees who have reached out to me personally about just concerns that they have had, and the Secret Service employees rank their workplace as 319th out of 320 in the agency's subcomponent.

Additionally, Immigration and Customs Enforcement ranked 318 out of 320. Both of those areas have been areas that we have addressed in this particular committee, and I am hopeful that we will be able to discuss those today, Ms. Bailey, as we look at DHS to have a plan to take ownership to ensure that its employees are engaged and how DHS plans to improve the employee satisfaction and commitment at the agency.

The Department of Labor is the most-improved large agency for 2015 with an index score of 63.1 out of 100. DOL has improved from 17th in the 2013 Best Places to Work to a ranking of 8th in 2015. So congratulations.

HUD is the most-improved midsize agency for 2015 with an index score of 52.3 out of 100, and HUD is ranked 21st out of 24 for midsize agencies, and had an 8 point increase in their index score.

For both DOL and HUD, I hope to hear about some of the initiatives that your agencies have undertaken that has led to the sig-

nificant increase in the employee satisfaction and commitment. Obviously, the Partnership for Public Service also joins us today, perhaps can share some of your observations on employee engagement and offer some suggestions for agencies to improve the employee engagement efforts.

Before I close, I wanted to also mention at the last hearing there were two different things that came out of that. We had different people testifying. The Archive, as I talked to him the other day, he mentioned a 4 point increase in their score that they are paying attention to. We are paying attention to this in a bipartisan way.

The other thing that came out with Secretary Johnson, we had the title of this was "The Worst Places to Work in the Federal Government," and he admonished me both privately and publicly that we ought to change the title of that. So indeed, we have listened to that and have changed the title, but I also want to stress today that the fact that you are here as witnesses and joining us here today is an important part of making sure that we address the concerns that have been raised by the rank-and-file. And I want to thank you for that.

Mr. MEADOWS. And with that, I would like to recognize the ranking member of the Subcommittee on Government Operations, my good friend, Mr. Connelly, for his opening statement.

Mr. CONNELLY. Thank you so much, Mr. Chairman. And I can only imagine with others what the change of title might have been, so maybe we are lucky with the title we had.

Employee engagement plays an important role in agencies' mission success. The more employees are engaged, the more invested in the operation and productive they become.

As the subcommittee charged with oversight of government operations, it seems to me we should be encouraging such engagement to ensure that the Federal workforce is motivated to deliver quality services for our constituents just as we do in the private sector.

Today's hearing brings together a range of agencies, those with the highest and lowest scores, as well as those most improved, as you indicated, Mr. Chairman. 2015 rankings show signs of improvement with 70 percent of agencies improving their satisfaction and commitment scores. That is a welcome turnaround from the 43 percent comparable figure in 2014 and the mere 24 percent in 2013.

However, obviously, there is always room for improvement. I am encouraged by the 2015 government-wide result showing a 1.2 point increase from 2014. This is the first increase following 4 straight years of decline since 2010.

It is about time we see some positive signs, and I am hopeful maybe the tide is turning. Not only did employee satisfaction improve, but so did scores in all 10 workplace categories such as effective leadership, employee skills, and agency mission matches, pay, teamwork, training, development, and work-life balance.

We all congratulate NASA, which again ranks number one among large agencies for the 4th year in a row. Its successful record of fostering employee engagement is credited to matching employee skills with agency mission, fostering teamwork and innovation, and satisfaction with pay. And I am going to be particularly interested, Max, in your analysis of that and yours as well. But

how much of that is the mission that just elevates, whistling when I go to work every day? Because other agencies can't compete with that if that is the dispositive factor. But it is worthy of some examination.

The Department of Labor is once again the most-improved large agency. This can be attributed in part to new workplace flexibility and telework initiatives. As the co-author of the telework legislation back in '09, '10, I am delighted to hear that. Expanding the use of telework has been such an important part of trying to improve actually workplace productivity and morale. So congratulations on taking advantage of the Telework Enhancement Act, which requires all agencies to incorporate telework into their Continuity of Operations plan.

The Department of HUD is the most-improved midsize agency, and I am pleased to see Secretary Castro utilizing innovative online communication tools and town hall meetings to solicit employee feedback.

Unfortunately, the Department of Homeland Security continues to struggle with employee morale and satisfaction, but I want to make clear that the purpose of this hearing is not to browbeat. We want to better understand and see what we can do to try to help.

We must remember that DHS was created under the most intense pressures following 9/11 and combined all or part of 22 Federal agencies under one roof with the incredibly difficult mission of protecting the American people from a variety of threats. As the newest Cabinet level agency, DHS continues to experience growing pains and in some cases the lack of logical glue for why something fits within DHS, or at least arguably so. So obviously we want to learn a lot more today about the recently created Employee Engagement Steering Committee and how it might help.

It is our hope that we use today's hearing to better understand the challenges you all face and to identify best practices that could be helpful to improve employee engagement. I thank the partnership for its work. These rankings in the Office of Personnel Management's Federal Employee Viewpoint Survey, upon which they are based, are very powerful tools and again often used in the private sector as well.

Mr. Chairman, employee engagement is not an issue about which only agencies need to be concerned. Congress also has a vested interest in the satisfaction of Federal employees as we are their employer. And I want to commend you for your efforts to visit Federal agencies to hear employee concerns firsthand. I, of course, do that going home every night. But really, you have done a great job in making that part of your mission so that you are getting firsthand evidence and information, and sometimes that changes our perspective and our opinion. And Chairman Meadows deserves great credit for doing that.

I am also heartened by the progress made. We must not forget the tremendous difficulty that Federal employees have faced over the last few years. Sequestration cuts imposed by Congress caused nearly 1 million Federal employees, 1 million to be furloughed for some time, and the uncertainty and anxiety that created.

A budget standoff led by some in this body forced a 16-day government shutdown in 2013, the first in 17 years. Federal employee

pay was frozen 3 consecutive years, retirement benefits were reduced for new employees, and training budgets were slashed. In all, Federal employees were hit with more than \$180 billion in compensation cuts, the only group of Americans targeted by Congress to contribute to deficit reduction explicitly. So it should come as little surprise that Federal employees during that time period were feeling unappreciated and often demoralized. As Congress prepares for the annual appropriation process to fund the government, let's learn from the painful experience of recent history.

I would like to remind everyone that next week is Public Service Recognition Week. I feel that Congress should give Federal employees credit and recognition for the incredible work they do day in and day out serving the American people, our constituents.

So as we approach Public Service Recognition Week, let's commit to engaging in fairly compensating our dedicated public employees to ensure that the Federal Government continues to provide the critical programs and services upon which the American people depend.

Thank you, Mr. Chairman. I look forward to the testimony.

Mr. MEADOWS. I thank the gentleman for his kind remarks, and I will keep the record open for 5 legislative days for any member who would like to submit a written statement.

We will now recognize our panel of witnesses. I am pleased to welcome Ms. Lauren Leo, chief human capital officer at the National Aeronautics and Space Administration; Ms. Angela Bailey, chief human capital officer at the U.S. Department of Homeland Security; Ms. Sydney Rose, chief Human Capital Officer at the U.S. Department of Labor; and Ms. Towanda Brooks, chief human capital officer at the U.S. Department of Housing and Urban Development; and Mr. Max Stier, President and Chief Executive Officer of the Partnership for Public Service, of whom a lot of this actually started in an in-office visit with me many months ago. Welcome to you all.

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

[Witnesses sworn.]

Mr. MEADOWS. All right. Let the record reflect that the witnesses answered in the affirmative. Thank you. You may please be seated.

In order to allow time for discussion, I would ask that you would limit your oral testimony to 5 minutes, that your entire written statement will be made part of the record.

And so without objection, we will go ahead and start. Ms. Leo, you are recognized for 5 minutes.

WITNESS STATEMENTS

STATEMENT OF LAUREN LEO

Ms. LEO. Chairman Meadows and members of the subcommittee, thank you for the opportunity to appear before you today on the topic of the 2015 Best Places to Work in the Federal Government.

Today, I'd like to share with you what makes NASA such a great place to work, as well as what we've learned along the way about employee engagement and using the Federal Employee Viewpoint

Survey result as a mechanism to continually improve NASA's work environment.

First, I have to admit that I have one of the best jobs in the world. My job is to care for and support the agency's most valuable asset, our amazing workforce, the brilliant rocket scientists, innovative engineers, dedicated support and administrative professionals, and every employee and contractor that make up the NASA family.

I work for an agency that inspires, challenges, and empowers our employees daily to carry out missions that benefit us here on Earth. I feel extremely fortunate to wake up every morning to serve NASA's employees who are truly a tremendous asset to our country and the world.

Given that NASA is strongly mission- and project-focused, our employees believe in the importance of the mission and are heavily engaged in their work. They come to work at NASA because they want to be part of something bigger, not just because it's a job.

Every NASA employee impacts the agency's mission daily, no matter his or her pay grade or area of expertise. NASA's employees consistently cite shared values, shared commitment to the mission, and loyalty to the agency as reasons why they feel positively engaged in their jobs. This sense of belonging fuels a deep sense of community at NASA, and this begins at the top. Administrator Charlie Bolden fundamentally believes that his communication is a cornerstone to connecting employees to NASA's mission, and he never misses an opportunity to tell employees that their work is important.

Because our employees feel connected to the mission and to each other, we have a very positive work culture with a high level of employee engagement. But we are not satisfied with the status quo, and we are constantly searching for better ways to work.

The health of our workforce is a top priority for NASA leadership. Our leadership pays attention to the Federal Employee Viewpoint Survey data and other indicators to monitor the state of the agency and to develop strategies for continually improving employee engagement, connection, and effectiveness.

NASA believes that leaders and particularly supervisors play a unique role in creating a positive work environment for employees, so we continue to invest in a number of leadership development programs and activities across the agency from early career to executive, better designed to better equip current and future agency leaders to carry out our mission.

While our 2015 survey results were extremely positive, we observed a few areas where we can continue to improve. In particular, we are currently working to improve the experience across our geographically dispersed centers so that we can close the gap on how employees feel they are valued and recognized. We also want to continue to focus on improving in areas where we've made progress such as innovation and performance management.

Additionally, as part of the broader Federal Government community, NASA believes that we need to work together to leverage what's working across all Federal Government agencies. To that end, we are working with the Partnership for Public Service to find new and innovative ways to share promising practices across Fed-

eral agencies and to develop solutions that demonstrate how agencies can take action on those promising practices.

In summary, NASA employees raise the bar of human achievement every day. They are passionate and dedicated men and women who overcome the huge challenges of exploring space and improving life on Earth. This is a workforce that is dedicated to ushering in the future of our nation, including developing new technologies with the goal of one day landing humans on Mars. NASA's employees are building a brighter future for us all and are extremely proud to be part of the NASA family.

In my role, I am very privileged to have regular conversations with the many men and women who support and enable NASA's mission. We talk about what inspires them to show up to work every day, what commits them to stay engaged throughout their careers, and what new challenges they are up against. These people are NASA's most valuable asset and my number one priority. That is why I am proud of NASA's robust strategy to engage our workforce and create a culture of innovation. When I am asked why NASA is such a great place to work, I say it's about our people. Without them, nothing would be achieved.

Mr. Chairman, thank you for the opportunity to appear before you today to share the story of NASA's workforce. I will be pleased to answer any questions you may have.

[Prepared statement of Ms. Leo follows:]



National Aeronautics and
Space Administration

Hold for Release Until
Presented by Witness

April 27, 2016

Subcommittee on Government Operations Committee on Oversight and Government

U.S. House of Representatives

Statement by:
Lauren Leo
Assistant Administrator
Office of Human Capital Management
National Aeronautics and Space Administration

HOLD FOR RELEASE
UNTIL PRESENTED
BY WITNESS
April 27, 2016

**Statement of
Lauren Leo
Assistant Administrator
Office of Human Capital Management
National Aeronautics and Space Administration**

before the

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

Chairman Meadows, Ranking Member Connolly and members of the Subcommittee, thank you for the opportunity to testify before you today on the topic of the 2015 Best Places to Work in the Federal Government.

In my role as Assistant Administrator for NASA's Office of Human Capital Management, I'm regularly approached with questions about why NASA is ranked as the Best Place to Work in the Federal Government. Today, I'd like to share with you what makes NASA such a great place to work, as well as what we have learned along the way about employee engagement, leadership development and incentivizing innovation.

First, I have to admit that I have one of the best jobs in the world. NASA is the world leader in space exploration and cutting-edge science missions, and our work contributes directly to the economic vitality of our great Nation. My job is to care for and support the Agency's most valuable asset – currently a community of about 17,100 civil servants and 40,000 contractors located at nine NASA Centers and one Federally Funded Research Center who make up the NASA workforce. This includes brilliant rocket scientists, innovative engineers, dedicated support and administrative personnel and every employee and contractor that makes up a community that is often referred to as “the NASA family.” I work for an Agency that inspires, challenges and empowers our employees daily to carry out missions that benefit humankind here on Earth. What job could be better than that?

Simply put, NASA has an awesome mission!

Last year, for example, the entire world watched as New Horizons sent back the first close-up images of Pluto, and we continued to make new discoveries about Mars that will help inform human missions there. This year, the world watched as American Astronaut Scott Kelly returned home from the International Space Station after 12 months of working off the Earth for the Earth. Additionally, this year in space will pay scientific and medical dividends for years to come, helping pave the way for future astronauts to travel to Mars and beyond. The Orion spacecraft and the Space Launch System rocket that will carry us again to deep space continued to reach new milestones. In cooperation with our industry partners, Boeing and SpaceX, we moved closer to commercial launches of astronauts from American soil. We are formulating missions to study dark energy, perform galactic and extragalactic surveys and to explore

exoplanets. We learned more about our home planet and our challenging climate as newer Earth science missions began to return their data. Technology continues to drive exploration – in space and in the air – and we made advances toward a future in which we make air travel safer, cleaner and more efficient. All of this work begins and ends with the hard work and innovation of NASA's employees.

NASA Culture

Given that NASA is strongly mission and project focused, our employees believe in the importance of the mission and are heavily engaged in their work. They come to work at NASA because they want to be part of something bigger, not just because it's a job. This applies to every employee – from the scientists and engineers to the support personnel and contractor community. Every NASA employee impacts the Agency's mission daily, no matter their pay grade or area of expertise.

NASA employees consistently cite shared values, shared commitment to the mission, and loyalty to the Agency as reasons why they feel positively engaged in their jobs. This sense of belonging fuels a deep sense of community at NASA and this begins at the top. NASA Administrator Charlie Bolden fundamentally believes that communication is his cornerstone to connecting employees to NASA's mission, and he encourages every NASA employee to use his or her voice. NASA senior leaders visit employees in their labs and other worksites to hear from them directly about their work and their work life.

Because our employees feel connected to the mission and to each other, we have a very positive work culture with a high level of employee engagement. But we are not satisfied with the status quo, and are constantly searching for better ways to work. When NASA failed to achieve the rating of Best Place to Work in the Federal Government in 2011, we went back to the drawing boards, analyzed our results, and took action on items that were important to employees. I am now proud to say that NASA has been named the Best Place to Work in Government (Large Agency) by the Partnership for Public Service for four straight years.

While NASA's astronauts are understandably our most recognized employees from a public viewpoint, NASA recognizes that our mission would not be accomplished without the tireless work of all our employees. NASA is fortunate to attract and employ the Nation's top scientists and engineers – not just in human spaceflight, but also in robotics and life sciences, aeronautics and much more. In truth, NASA would not be able to accomplish the amazing things we do without the dedication of our professional and administrative personnel, information technology and human resource specialists, accountants, writers, technicians and many other kinds of people who make up the NASA family. Their passion for NASA is just as contagious as that of our astronauts, scientists and engineers – and it's that passion which is exemplified by our employees that makes NASA such a great place to work. We see this in our unusually low attrition rates – rarely higher than 5.5 percent – because our employees love what they do. Some of them come to us right after college and then stay until retirement. Our oldest NASA employee right now is an 89-year-old engineer who has served with us for 49 years. Ultimately, there are so many stories like this and we are constantly looking for new ways to share those stories.

We also take pride in highlighting our employees and their diversity. For example, we recently launched Women@NASA (women.nasa.gov) as a platform for the women of NASA to share their experiences. This website includes a stunning collection of 64 videos and essays from women across the agency who contribute to NASA's mission in many different ways. It is a small glimpse of the talent that we have at the Agency today. We hope that these stories will inspire girls everywhere to reach for the stars and explore the myriad of opportunities available to them through pursuing careers in science, technology, engineering and mathematics.

Beyond NASA's normal public messaging channels such as our website, our social media channels, and NASA TV, our Agency utilizes innovative storytelling and new media communication mechanisms to ensure employee viewpoints are heard and to let them know what is happening across the Agency. We are continually experimenting with new technology and approaches to help our employees communicate. These channels allow our Administrator to communicate through video, blogs and emails. We have "Ask Me Anything" sessions to engage employees directly on any question they have and we make great use of virtual technologies to facilitate employees connecting with each other no matter where they work.

Measuring Employee Satisfaction

NASA has learned that measuring the health of our workforce is critical to understanding employee engagement and satisfaction. The annual Federal Employee Viewpoint Survey (FEVS) is a valuable tool that we use to continuously improve by understanding long-term trends

NASA recently completed analysis of our 2015 FEVS and results tell us we're on the right track in terms of employee morale. Our Agency-wide response rate was just under 60 percent – an increase of about 5 percent over 2014. We also saw an increase in favorable response across 93 percent of survey questions. The survey results reveal that our employees believe they are valued and recognized; that performance is managed and measured; and that quality training and development opportunities are available to employees.

Overall, the FEVS is like a barometer that helps us understand where to focus our attention. Rather than focusing on a single number for any question or index, we use the results of the survey as an invitation to be curious about the "why" behind the number. During 2015 we created *The NASA Leader's Handbook*, which was developed as a direct result of FEVS feedback. It guides supervisors and leaders through identifying and assessing the many factors that affect organizational health – with practical solutions for improvement. The handbook is posted to NASA's online HR Portal and is accessible to all employees to provide them with actionable ideas that can be implemented at any level in the organization. At NASA, we pay particular attention to the areas on Innovation, Engagement, and Inclusion. Based on these indicators, the NASA leadership team has introduced new initiatives related to leadership and supervisory development; diversity and inclusion; and innovation and performance management over the past several years.

While our 2015 survey results were extremely positive, we observed a few areas where we can continue to improve. In particular, we are currently working to improve the experience across our geographically dispersed Centers so that we can close the gap in how employees feel they are valued and recognized. We also want to continue to focus on improving in areas where we've made progress such as innovation and performance management.

Additionally, as part of the broader Federal Government community, NASA believes that we need to work together to leverage what's working well across all Federal agencies. To that end, we are working to find new and innovative ways to share promising practices across Federal agencies and to develop solutions that demonstrate how agencies can take action on those promising practices. For example, we just recently hosted a collaborative workshop with leaders from 10 agencies called "RE:THINK." The event was a forum for agencies to share promising practices in employee engagement and to find ways to embed those practices across agencies.

Investing in Leadership Development

The health of our workforce is a top priority for NASA leadership. Our leadership pays attention to FEVS data and other indicators to monitor the state of the Agency and to develop strategies for

continually improving employee engagement, connection and effectiveness. NASA continues to invest in a number of leadership development programs and activities across the Agency -- from early career to executive -- that are designed to better equip current and future Agency leaders to carry out our mission. While development opportunities exist for a broad spectrum of employees, NASA has recently placed an intentional focus on first-line supervisory development. Supervisors are the touch point with every employee, and they play a unique role in creating a positive work environment that supports employee connection, satisfaction, and engagement, ultimately yielding increased productivity, delivery on the mission, and general employee happiness. For example, the LASER (Leveraging Agency Supervisory Excellence and Resilience) program aims to develop a community of current supervisors who have a full understanding of the Agency's vision and mission areas. This program looks at supervision as something that can be learned and done well, like other technical or professional disciplines. Built and designed by model NASA supervisors, the program is geared toward helping individual supervisors address their unique growth and development needs within the complex discipline of supervision through face-to-face week-long development sessions, mentoring sessions with senior leaders, coaching, hands-on experiences, and peer teaching.

Recognizing and Rewarding Performance

As we continue to build a workforce that is deeply connected to our mission, NASA is constantly exploring new incentive models to recognize and reward our employees for their achievements. This process starts simply by asking our employees to tell us what kinds of rewards they find most meaningful. While monetary awards are always nice to receive, we have found that recognizing an employee's creativity and allowing that creativity to be incorporated into one of our exciting missions is an amazing incentive for employees. There is no greater pride than being able to describe one's contributions to the public for friends and family, whether someone is a security officer providing perimeter patrol at a Science mission payload launch, or a procurement official ensuring that NASA's dollars are spent legally and wisely on a necessary purchase order, or whether that person is an astrophysicist studying how our universe originated. Each of these employees takes great pride in talking about what they do at NASA when asked by friends and family, and often members of the public. NASA encourages our employees to share their NASA stories through a variety of means, including social media, inviting the public into NASA's exploration adventure.

Leveraging Technology

As a generation of digital natives enter the workforce, expectations about how we use technology and innovation to make our employees' work environments more productive and more enjoyable is becoming increasingly important. NASA is on the forefront of introducing new ways to work, and has championed a successful "work from anywhere" initiative that provides work-life balance for our employees. With the appropriate policies in place to ensure productivity while away from their NASA facility, NASA empowers its employees to telework whenever possible, letting the work drive where the job gets accomplished and moving away from the mindset that you must be "in the office" to get work done. NASA has also introduced a series of Virtual Collaboration Tools to give employees a more seamless experience working in a distributed work environment and to provide access to development resources wherever they are. These tools include the Virtual Executive Summit, Mobile Access to Resources in our Learning Management System (SATERN), Science Communications, and Supervisory Development Curriculum. Additionally, to recognize and reinforce our innovation agenda, we have introduced new programs such as annual Innovation Awards and we signed a Memorandum of Understanding with our unions through the Labor Management Forum on defined styles of innovation. For example, we developed two innovation awards, the Lean Forward; Fail Smart Award and the Champion of Innovation Award. These awards recognize, encourage, and celebrate the spirit of innovative behavior that 1) propels individuals to lean forward, in spite of risk, and consequently learn from the experience, and 2) is

demonstrated by supervisors/managers who build a culture of appropriate risk taking and who support and encourage creative and innovative behaviors from their employees. One very unique feature of the award selection process is that the NASA workforce ultimately selects the winner in each category.

Conclusion

In summary, NASA employees raise the bar of human achievement every day. They are passionate and dedicated men and women who overcome the huge challenges of exploring space and improving life on Earth. This is a workforce that is dedicated to ushering in the future of our Nation, including developing new technologies with the goal of one day landing on Mars. They are building a brighter future for us all and are extremely proud to be part of the NASA family.

As the Assistant Administrator for NASA's Office of Human Capital Management, I have regular conversations with the many men and women who support and enable NASA's missions – we talk about what inspires them to show up to work, what commits them to stay engaged throughout their career, and what new challenges they are up against. These people are NASA's most valuable asset and are my number one priority. That is why I am proud of NASA's robust strategy to engage our workforce and create a culture of innovation. When I'm asked why NASA is consistently ranked one of the Best Places to Work in the Government, I respond by emphasizing our people. Without them, nothing would be achieved.

Mr. Chairman, thank you for the opportunity to appear before you today to share the story of NASA's workforce. I would be pleased to answer any questions you may have.

Mr. MEADOWS. Thank you, Ms. Leo.
 Ms. Bailey, you are recognized for 5 minutes.

STATEMENT OF ANGELA BAILEY

Ms. BAILEY. Thank you. Chairman Meadows, Ranking Member Connolly, and members of the subcommittee, thank you for the opportunity to appear before you today to address our efforts to enhance employee engagement at DHS.

I joined DHS in January of this year as a career Federal executive with nearly 35 years of service. Most of those years have been spent in human resources in the field and at agency headquarters. I'm responsible for the Department's overall human capital program, including providing human resource solutions for DHS headquarters employees.

My office also supports employee engagement efforts led by the Secretary and Deputy Secretary. In fact, in my discussions with DHS prior to even coming on board and taking this job, the Under Secretary for Management made it very clear that employee engagement was a top priority for the Secretary and the Department, as a whole, and as you can imagine, it is also one of my top priorities.

DHS is a large and complex agency that holds an extraordinary set of missions. Our employees, many of whom are on the frontlines, conduct difficult work under challenging circumstances.

Recently, the Secret Service successfully protected 32 heads of state during the 2016 Nuclear Security Summit in Washington, D.C.

Transportation security officers discovered 58 firearms in carry-on bags around the Nation just last week, 49 of which were loaded, and 20 had a round chambered.

The Coast Guard safely returned more than three dozen migrants found drifting in the Caribbean back to Cuba.

The Immigration and Customs Enforcement officers, Customs and Border Protection officers, and Border Patrol agents and their partner agencies seized more than a ton of marijuana in a tunnel connecting California with Mexico. These are only a few examples.

Clearly, DHS personnel, including those who provide critical assistance behind the scenes, do amazing work, are our greatest strength, and deserve all the support that we can give them.

In my short time at DHS, I can tell you that from the top to the bottom, this department is laser-focused on supporting our workforce so that they can accomplish their missions. Engagement is a mission-critical leadership issue. I have seen firsthand how engaged our leaders are in embracing our workforce, and it is clearly a top priority.

I was also encouraged to see that two of our components—Coast Guard and Citizenship and Immigration Services, with a combined total of 22,000 civilian employees—consistently score above the government-wide average on the Federal Employee Viewpoint Survey. We are leveraging their successful practices across the Department.

The Secretary, Deputy Secretary, and the Under Secretary for Management have conducted numerous town halls across the country, thanking employees for their service, recognizing achieve-

ments, responding to questions, and receiving direct feedback on how we can improve our policies, our services, our operations, and even our opportunities for our employees.

Both the Secretary and the Deputy Secretary have also employed “undercover boss” experiences to literally walk in the shoes of frontline employees and show their respect and appreciation for the tough jobs that they perform daily.

DHS component leadership has also reached out directly to their employees during town halls. They have implemented crowd-sourcing idea-gathering. They have developed DHS-wide and component-specific leadership development to all levels of leadership.

Since last year’s testimony on this issue, we have accomplished quite a lot, including this year for the first time actions plans were signed by component leadership and submitted to the Under Secretary ensuring senior leaders’ commitment and support.

The Under Secretary and I are also working with representatives from all of the components through our Employee Engagement Steering Committee to ensure implementation of their plans and to share lessons learned and successful practices.

A new department-wide employee engagement action plan, reflecting input from across DHS has three major focus areas: selecting and empowering high-performing leaders, developing excellent leaders at all levels, and enhancing communications. This has led to the deployment of new initiatives, including behavioral interview questions for all senior leadership positions ensuring we hire high-performing and engaged leaders, an online leadership resource center, which provides guidance and resources for all of DHS leaders covering a number of areas, including innovation toolkits, how to conduct meaningful town hall meetings, and stay interviews; and finally, accountability for SES with an engagement element added to our 2016 SES performance plans.

In addition, we’re working with components to encourage employees to participate in the upcoming survey through messaging that states how feedback leads to ideas, and ideas leads to change, and change then leads to a more engaged workforce and increased morale.

Every day, the men and women of DHS carry out difficult and 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 efforts dedicated to employee engagement, we are determined to enhance their work experience and honor the contributions of our hardworking and dedicated workforce.

Thank you again for supporting our employees, who protect us and our great Nation.

[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
WEDNESDAY, APRIL 27, 2016**

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 (CHCO). I joined DHS in January of this year as a career federal executive with nearly 35 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, employee development, executive resources, labor relations, diversity and inclusion, and human resources operations for DHS Headquarters employees.

My office also supports employee engagement efforts led by Secretary Johnson and Deputy Secretary Mayorkas. In fact, in my discussions with DHS prior to arriving, the Under Secretary for Management (USM) made it clear that employee engagement is a top priority for the Secretary, the Department, and accordingly, the Under Secretary for Management. Therefore, as the DHS CHCO, employee engagement is now one of my priorities.

DHS is a large and complex agency that holds an extraordinary set of missions. Our employees, many of whom are on the front lines, conduct difficult work under challenging circumstances. Every day they interact with the American public and people from around the world to prevent terrorism and enhance security, secure and manage our borders, enforce and administer our immigration laws, safeguard and secure cyberspace, and ensure resilience to disasters. In short, our employees do amazing work and are our greatest strength.

For example, recently within the past few weeks, the Secret Service successfully protected 32 Heads of State during the 2016 Nuclear Security Summit in Washington, D.C.; Transportation Security Officers discovered fifty-eight firearms in carry-on bags around the nation last week, 49 of which were loaded and 20 had a round chambered; the U.S. Coast Guard safely returned more than three dozen migrants found drifting in the Caribbean to Cuba; the crew aboard the U.S. Coast Guard Cutter Dependable seized over \$10 million worth of cocaine and marijuana within one week; U.S. Immigration and Customs Enforcement Officers, U.S. Customs and Border Protection Officers

and Border Patrol Agents and their partner agencies seized more than a ton of marijuana in the discovery of a tunnel connecting Calexico, California with Mexicali, Mexico; and U.S. Customs and Border Protection officers at the Eagle Pass Port of Entry seized more than \$300,000 in heroin hidden in a car battery.

In summary, DHS personnel deserve all the support that we can give them.

As Secretary Johnson said recently in his “State of Homeland Security” address, “our people do extraordinary work every day to protect the homeland. Please consider thanking a TSO, a Coastie, a Customs officer, or a Border agent next time you see one.”

Despite my relatively short three months as CHCO, I am impressed by how aware leadership is of the extraordinary work our employees conduct every day to protect our nation. And, just as importantly, I can tell you that, from top to bottom, this Department is laser-focused on supporting our workforce so that they can accomplish their missions. Engagement is a mission-critical leadership issue. I have seen firsthand how engaged our leaders are in embracing our workforce, and it is clearly a top priority.

I was also encouraged to see that two of our Components – U.S. Coast Guard, with over 8,000 civilian employees, and U.S. Citizenship and Immigration Services with over 14,000 employees – consistently score above the government-wide average on Federal Employee Viewpoint Survey (FEVS) indices. We are looking at their promising practices to see if we can leverage them for Department-wide use.

For example, Secretary Johnson, Deputy Secretary Mayorkas and the Under Secretary for Management have conducted numerous town hall meetings across the country, thanking employees for their service, recognizing achievements, responding to questions and receiving direct feedback on how we can improve our policies, services, and opportunities for our employees. Both the Secretary and the Deputy Secretary have also employed “undercover boss” experiences to literally walk in the shoes of frontline employees and show their respect and appreciation for the tough jobs they perform daily.

DHS component leadership has also reached out directly to their employees during town halls and other engagement events to keep the lines of communication open to ensure their employees know that they are valued, appreciated, and that their voices are heard.

Since last year’s testimony on this issue, we have accomplished quite a lot, including:

- Exhaustive work by my office to support components through multiple levels of review and refinement as they revised prior employee engagement action plans based on the 2015 FEVS results. This year, for the first time, action plans were signed by Component heads and submitted to the Under Secretary for Management Russell Deyo to ensure senior leader commitment and support. Under Secretary Deyo and I met with leadership in TSA, CBP and ICE to further discuss their action plans and engagement challenges. The Under Secretary and I are also working with representatives from all of the components through our Employee Engagement Steering Committee to oversee implementation of their plans and to share lessons learned and best practices.
- A new Department-wide employee engagement action plan, reflecting input from the

DHS Employee Engagement Steering Committee, based on three major focus areas: selecting and empowering high performing leaders, developing excellent leaders at all levels, and enhancing communication. Some of these focus areas are a continuation of activities from previous years, including full implementation of our leader development framework. Other areas are leading or have led to new initiatives, including:

- A virtual leadership resource center, which provides guidance and resources for leaders located throughout the country on a number of areas including toolkits on innovation, conducting great town hall meetings, and stay interviews.
 - Guidance to all components outlining expectations for leadership on engagement and performance management, and included a new leadership competency to evaluate engagement efforts in FY2016 SES Performance Plans.
- We are in the process of hiring a Chief Learning and Engagement Officer (CLEO), whose responsibility will be to grow and adapt DHS leadership's engagement strategies.
 - As we head into the next cycle of FEVS administration, which at DHS begins next week, we are working intensively with Components to encourage employees to participate in the survey through messaging that states how feedback leads to ideas, which leads to change, which leads to a more engaged workforce and increased morale.

Every day, the men and women of DHS carry out difficult and often 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.

Mr. MEADOWS. Thank you, Ms. Bailey.
 Ms. Rose, you are recognized for 5 minutes.

STATEMENT OF SYDNEY ROSE

Ms. ROSE. Thank you so much. Good afternoon, Chairman Meadows, Ranking Member Connolly, and the distinguished members of the subcommittee. Thank you so much for the opportunity to participate in today's hearing.

As the chief human capital officer for the United States Department of Labor, it is my privilege to report on the Department's climb in Best Places to Work rankings and to share our efforts of the past few years.

In 2015, the Labor Department ranked 8th best place to work in the Federal Government. This was an improvement over our 2014 ranking where we finally broke into the top 10. The Department received recognition from the Partnership for Public Service for receiving the most-improved scores for 2014 and 2015. This was an incredible accomplishment for us.

Our ranking and survey results have dramatically improved since 2013. Nearly 70 percent of the Department's sub-agencies improved in their 2015 rankings, and in fact, the Department's Bureau of International Labor Affairs was recognized as the most-improved subcomponent, having improved its ranking by an incredible 165 places.

Secretary Tom Perez has made improving employee morale and engagement a top priority since the minute he arrived at the Department of Labor, and he has continually reinforced his commitment towards building a better DOL through employee input and feedback. He came to the Department with the belief that an engaged workforce is a more productive workforce. Virtually all communications from the Secretary's office now reinforce his commitment to and the importance of employee feedback.

With his vision and well-communicated interest in improving workforce engagement, he appointed his deputy chief of staff, several members of the Secretary's office, and myself to lead employee engagement efforts. The team continues to meet weekly to discuss progress with regard to communications and various workplace initiatives and provides regular briefings to DOL leadership on a variety of workforce initiatives.

One of the most important strategies was for the Department to improve our response rates. In 2013 the Department's response rate was 44.7 percent. In 2014, we increased to 71.7 percent, and unbelievably, in 2015 we increased further to 76.5 percent. To improve response rates, we sent out communications to employees throughout the year informing them how the survey was being used to implement changes.

During the survey period, we sent frequent reminders from the Secretary, Deputy Secretary, and DOL senior officials reminding them of the importance of the survey. We also used regularly scheduled meetings to remind agency leadership to encourage their employees to participate.

Beginning in the summer of 2013, we conducted extensive data analysis and research, which included interviews with other agencies such as the Departments of Transportation and Justice in

hopes of identifying strategies that we could consider and implement. Our efforts also focused on our labor-management relations. We worked closely with our labor unions to implement important workplace flexibilities and to develop and project positive workplace behaviors. Where possible, we tried to obtain pre-decisional input and engage in informal dispute resolution, as well as to utilize labor-management forums. In March, unions representing DOL employees were even invited to submit survey questions, eight of which we have included in this year's Federal Employee Viewpoint Survey.

In addition, we've worked to increase communication across the Department. We've held numerous town hall meetings and listening sessions and have visited all of DOL's regional offices. Employee questions are invited in advance and during the meetings. Electronic suggestion boxes are implemented, and we have even replaced those boxes now with IdeaMill, which is an electronic suggestion box and crowd-sourcing tool.

Based on employee feedback we've received, we've implemented a number of new initiatives at the Department of Labor. We have a new policy that allows up to 40 hours of duty time for employees to participate in management-improved professional development activities. We created the ROAD program, which stands for Repository of Opportunities, Assignments, and Details. This allows managers to post opportunities that can be short-term and allow employees to apply.

It goes without saying our civilian workforce is our greatest asset, and we continually strive to increase their engagement. We welcome your questions.

[Prepared statement of Ms. Rose follows:]

STATEMENT
OF
SYDNEY T. ROSE
CHIEF HUMAN CAPITAL OFFICER
U.S. DEPARTMENT OF LABOR

BEFORE THE
SUBCOMMITTEE ON GOVERNMENT OPERATIONS
COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM
U.S. HOUSE OF REPRESENTATIVES
April 27, 2016

Introduction

Good afternoon, Chairman Meadows, Ranking Minority Member Connolly and distinguished Members of the Subcommittee. Thank you for the opportunity to participate in today's hearing. As the Chief Human Capital Officer for the U.S. Department of Labor (DOL or Department), I appreciate the opportunity to discuss the Department's leadership and performance with regard to the 2015 Best Places to Work in the Federal Government.

It is my personal privilege to report on the Department of Labor's climb in Best Places to Work rankings and to share our efforts over the past few years.

2015 Best Places to Work in the Federal Government

Every year, Federal Agencies participate in the Federal Employee Viewpoint Survey (FEVS) which is administered by the U.S. Office of Personnel Management (OPM). The survey period for the Labor Department was from April 27, 2015 to June 5, 2015. OPM compiled the survey responses and issued many reports over several months beginning in late summer. The Partnership for Public Service gains access to the FEVS data and derives the Best Places to Work in the Federal Government.

For both years, 2014 and 2015, the Department received recognition from the Partnership for Public Service for receiving the most improved score for departments and large agencies. In 2015, the Labor Department ranked as the 8th Best Place to Work in the Federal Government (BPTW) of 19 departments and large agencies. This was an improved ranking over the 2014 ranking where we broke into the top ten departments and large agencies, at number 10, and an even more significant accomplishment when compared to our 2013 ranking of 17th.

Our survey results have dramatically improved since the 2013 FEVS. Nearly seventy percent of the Labor Department's subagencies improved their 2015 BPTW subcomponent ranking in comparison to 2014. Four Labor subagencies were ranked among the top 100 subcomponents: Office of the Solicitor, Bureau of Labor Statistics, Office of Administrative Law Judges and the Mine Safety and Health Administration. The Department's Bureau of International Labor

Affairs (ILAB) was recognized as the most improved subcomponent, having improved its ranking by 165 places from 2014 to 2015. ILAB moved from 303rd place to 138th.

The BPTW analysis indicates that we are making progress in all BPTW categories (Effective Leadership, Skills-Mission Match, Pay, Strategic Management, Teamwork, Innovation, Training and Development, Work-Life Balance, Support for Diversity and Performance Based-Rewards and Advancement.) For example, the Labor Department was ranked 7th out of 19 departments and large agencies with regard to Effective Leadership, a category which saw dramatic improvement for each of the four subcomponents: Empowerment, Fairness, Leaders and Supervisors. Previously, the Labor Department ranked 13th in 2014 and 17th in 2013. Another area of improvement was Teamwork. The Labor Department's 2015 Teamwork ranking was 7th compared to the 2014 ranking at 10th and the 2013 ranking at 15th. Another category of significant improvement was Performance-Based Rewards and Advancement – the 2015 ranking was 8th compared to 2014 at 9th and 2013 at 18th. The Labor Department scored in the top ten rankings for the following BPTW categories: Effective Leadership (7), Skills-Mission Match (10), Strategic Management (5), Teamwork (7), Work-Life Balance (10) and Performance-Based Rewards and Advancement (8). While we are pleased with our improved rankings in all BPTW categories, the Labor Department continues to strive toward top ten ranking in all categories. The Labor Department has focused resources toward improving our rankings for Innovation (15); Training and Development (15), and Support for Diversity (14).

Improving Workforce Engagement at the Department of Labor

Secretary Thomas E. Perez, who was confirmed in July 2013, made improving employee morale and engagement a top priority and has continually reinforced his commitment toward building a better DOL through employee input and feedback. Secretary Perez came to the Department with a belief that an engaged workforce is a more productive. Since his appointment, virtually all communications from the Secretary's Office reinforce the importance of employee feedback. With the Secretary's vision and his well communicated interest in improving workforce engagement, he appointed his Deputy Chief of Staff and several members of the Office of Secretary including the Office of Public Affairs and Human Resources Center leaders, to lead employee engagement efforts. The team meets weekly to discuss progress with regard to communications and various workplace initiatives. The team provides regular briefings to DOL leadership on a variety of workforce initiatives, oversees progress and authors many employee communications.

Our work began in the summer of 2013. We conducted extensive data analysis and research, which included interviews with other agencies including the Department of Transportation and the Department of Justice, to identify several strategies that we would consider and implement. The Secretary also met with union leadership and invited them to submit "white papers" articulating their concerns relating to low employee morale and how to improve employee engagement efforts. The Secretary received ideas and suggestions from our unions: National Federation of Federal National Council of Field Labor Locals (NCFLL); Local 12, American Federation of Government Employees; AFL-CIO; and National Union of Labor Investigators

(NULI). The most prevalent suggestions related to improving supervisory training and accountability.

In addition to data gathering efforts, the team worked with program leaders and others to increase communication efforts. Numerous town hall meetings and listening sessions were conducted throughout the Department, including visits to all of DOL regional offices. Sessions were conducted by the Secretary, Deputy Secretary, Chief of Staff, Deputy Chief of Staff, the CHCO and other staff members from the Office of Secretary, either singly or in groups. The frequency and comprehensive coverage of these employee meetings lead to more meetings being conducted by DOL senior and regional leaders. Employee questions were invited in advance of and during meetings. Electronic suggestion boxes were implemented, subsequent written communications included descriptions of suggestions and actions taken. Later, suggestion boxes were replaced with the Department's implementation of IdeaMill, an electronic suggestion/crowd-sourcing tool.

Based on feedback received through various engagement methods, we implemented several new initiatives in 2014. For instance, in response to concerns from employees that they could not participate in training programs they found relevant to their work, we implemented a new policy that allows up to 40 hours of duty time to participate in management-approved professional development activities. In response to feedback that details were not advertised and were hard to find, we implemented the ROAD (Repository of Opportunities, Assignments and Details) program that allows managers to post on an intranet site opportunities that can be short term and allows employees to "apply." This program has been very well received by our workforce. In the less than two years since the program has been implemented, over 300 employees have completed detail assignments, usually of 120 days. Employees have indicated that the temporary assignments enable them to refresh themselves with new skills, new programs and even new co-workers. Several ROAD assignments have also led to permanent placements. The Department also implemented a Bicycle Reimbursement subsidy, a new employee Innovation award, greater access to telework and flexible work schedules, a greater use of time-off awards to recognize superior performance, an emergency dependent care back up program, improved accommodations and facilities for nursing mothers, and improved leadership training for managers. We have also recently implemented a mentoring program pilot.

We have worked closely with the Partnership for Public Service to create customized training offerings to our SES, to our supervisors and to aspiring leaders. The SES Onboarding training is a tailored program that includes executive management workshops, mentoring, executive coaching, and coach-led action learning. The program offers a unique developmental experience for new SES to transition into their new role within DOL and will provide strategic development opportunities. This is required training for all new SES hired on or after December 29, 2013. DOL also worked with the Partnership for Public Service (the Partnership) to design a customized training program called Leading@Labor. This program aims to develop an effective supervisory corps across the Department with a shared vision of supervisory success, supported by a common set of tools, skills, language and knowledge. The program includes a one-day intensive program for all supervisors and an in-depth, four-day program for more experienced supervisors and managers.

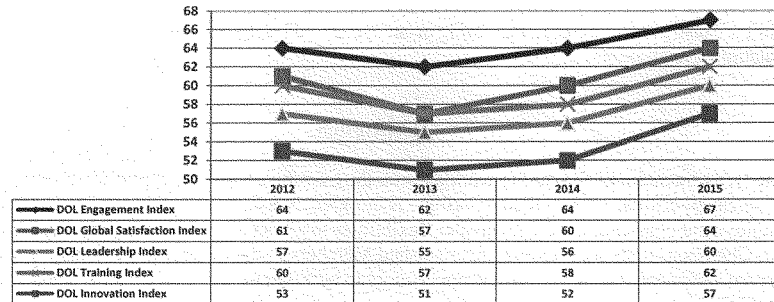
In addition to the enterprise-wide efforts, we also spurred all of DOL's agencies to develop their own engagement goals. Early in 2014, we began requiring every DOL agency to produce EVS annual action plans that react to the FEVS results and organizational needs. After our extensive data gathering efforts, we focused our Department-wide efforts on three areas: leadership, training and innovation. We created our own index of survey items under each of these areas. We track our progress and issue reports to each DOL Agency about their results. We issue templates for them to use to create action plans and then post action plans to our internal website alongside survey results. We have consistently maintained focus on these three areas. This consistent approach allows our DOL Agencies to focus on meaningful solutions that may extend beyond the year of the survey timeframe and continue to measure progress. Our leadership office routinely reviews the agency-specific action plans and results in management meetings to discuss progress on various agency goals.

We recently formed an EVS Community of Practice within DOL. At these meetings, DOL Agencies share progress, challenges and different initiatives which have improved networking and provided another forum for input on Department-wide initiatives.

DOL Results

One of the most important strategies for the Department was to improve our response rates. In 2013, the Department's response rate was 44.7%. In 2014, we increased to 71.7%, and last year, 2015, we increased to 76.5%. To improve the response rates, we sent out communications to employees throughout the year informing them how the survey was being used to implement changes outlined above. During the survey period, we sent frequent reminders from the Secretary, Deputy Secretary, and other DOL leaders, reminding them to fill out the survey. We also used regular leadership meetings to remind agency leadership to encourage employees to fill out the survey.

The Department uses the data reports compiled by OPM to measure progress. We track our progress with various OPM indices for: workforce engagement, global satisfaction, diversity and inclusion, leadership and knowledge management, results-oriented performance culture, talent management and job satisfaction. The Department has developed its own indexes, compiling FEVS results, with regard to Leadership, Training and Innovation. Using OPM's index for workforce engagement, the Department improved its score from 62 in 2013 to 64 in 2014 to 67 in 2015. Our global satisfaction score also increased over the same time period from 57 in 2013 to 60 in 2014 and 64 in 2015. We have seen progress with our own indexes. For leadership, we have increased our score from 55 in 2013 to 56 in 2014 to 60 in 2015. For training, we have increased from 57 in 2013 to 58 in 2014 to 62 in 2015. Finally for innovation, we have increased from 51 in 2013 to 52 in 2014 to 57 in 2015. A line chart is provided below to show our improvement.



Our efforts to focus on the workforce have also focused on our labor-management relations. We work with our labor unions to implement important workplace flexibilities and to develop a project on positive workplace behaviors. Where possible, we have strived to obtain pre-decision input and informal dispute resolution, as well as to utilize labor-management forums. In March, the union was invited to submit survey questions, eight of which have been included in the 2016 survey.

DOL Participation in Government Wide Efforts

In late February the Department hosted an event with OPM and OMB for Senior Accountable Officials (SAOs) engaged in workforce engagement efforts. The Department provided presentations from the Office of Solicitor and our Deputy Chief of Staff, and a panel presentation from the President of NCFLL and me. We focused our presentations on useful practices and recommendations. Among the recommendations were to:

- Seek commitment from senior leadership that engagement is important, and back up that commitment with regular communications with staff.
- Increase workforce communications.
- Engage in listening sessions and, to the extent possible, act on the feedback you receive. Both the unions and employees are delighted to provide feedback. Take actions to respond to what you hear and improve their experience.
- Implement actions, even those actions that don't seem on the surface to be big hitters. Examples are us putting microwaves in the lunch area or increasing signage in the building. They may be small actions but, are seen by employees and, are signals that leadership is listening.
- Be consistent. Identify what you are measuring and stay with it. Provide data and updates to leadership regularly.

In addition to this event, I participated in a GSA webinar to share best workforce engagement practices with other Federal leaders. I am scheduled to attend an upcoming event sponsored by

the Potomac Forum to cover best practices in workforce engagement. The President of NCFLL and I are also presenting at an upcoming event sponsored by the Society of Labor and Employee Relations Practitioners.

Conclusion

The Department looks forward to working with the Committee and to support workforce engagement efforts. Our civilian workforce is our greatest asset. We must continually address employment obstacles and create greater flexibilities to attract and retain a quality workforce. Mr. Chairman, Ranking Member, distinguished Members of the Committee, this concludes my written statement. Thank you for the opportunity to be a part of this hearing. I welcome your questions.

Mr. MEADOWS. Thank you, Ms. Rose.
 Ms. Brooks, you are recognized for 5 minutes.

STATEMENT OF TOWANDA BROOKS

Ms. BROOKS. Chairman Meadows, Ranking Member Connolly, and members of the subcommittee, thank you for the opportunity to appear before you today to testify on behalf of the Department of Housing and Urban Development regarding the Best Places to Work in the Federal Government.

I became the chief human capital officer for the Department of Housing and Urban Development in 2015 and have been a member of the Senior Executive Service since May 2009. As CHCO, I lead HUD's Office of the Chief Human Capital Officer and oversee implementation of the Department's human capital management strategies, policies, and initiatives in support of HUD's mission.

HUD's mission is to create strong, sustainable, inclusive communities and quality affordable homes for all. It is our nearly 8,000 employees who carry out the Department's mission on behalf of millions of hardworking American families in all 50 states, the District of Columbia, U.S. territories and the four insular areas every day.

The link between an employee's engagement and mission accomplishment is well documented in private and public sector research, as well as in HUD's own experience. When we use employee engagement as a measure of success for the Department, we make HUD a better workplace and in turn improve outcomes for the American people.

The best available measure for employee engagement in the Federal service is the Federal Employee Viewpoint Survey. In 2015, HUD was recognized by the Office of Personnel Management as the most-improved agency for employee engagement and by the Partnership for Public Service as the most-improved midsize agency on their annual Best Places to Work in the Federal Government index.

The Department improved its EVS scores on 69 out of 71 questions, with an average increase of nearly 5 percentage points. Two indicates significant movement. Notably, our employee engagement score rose to 61.8 percent, HUD's second-highest mark since OPM began keeping records and just short of our all-time high in 2012.

HUD also was the most-improved agency in the government on the "New IQ," a measure of workplace inclusion and empowerment. HUD increased a full 5 points, while the government overall only increased 1 point. Employees ranked their leaders and supervisors 6 percent and 5 percent higher than the prior the year, and their overall view of their jobs improved 5 percent.

And a record number of employees filled out the survey. HUD achieved its highest participation rate on record, as 74 percent of its employees took the survey. In 2014, HUD's level of participation was just 51 percent.

HUD's improved employee engagement scores are due in large part to the commitment made by HUD's most senior leaders. Secretary Castro and Deputy Secretary Coloretti have made employee engagement a sustained priority, and they have shown employees that their feedback is taken seriously. The Secretary and Deputy

Secretary placed a strong emphasis on responding to employees' requests through HUD's internal social media tools, including HUDConnect, which provides ways to directly solicit and receive employee feedback. They also prioritize meeting with employees in HUD headquarters and in its regional and field offices and through regional town halls. In addition, the Deputy Secretary is carrying out an ambitious management agenda through a series of collaborative deep-dive projects aimed at strengthening the Department.

We also attribute HUD's increase in employee engagement to proactively sharing the 2014 and 2015 EVS results with employees. We provided opportunities to all HUD employees to access and interpret the EVS results. In particular, we provided detailed briefings for managers, identifying not just areas of strength and opportunity, but appropriate peer offices for comparisons and sharing best practices. As a result, managers were able to learn more about the experiences of their career employees, not just at the agency level, but often at the individual office and division levels. These steps have led to real change in our various program offices.

In conclusion, currently HUD is engaged in a planning process that ensures employee engagement will remain a priority in 2016 and beyond. OCHCO is continuing to provide all HUD employees with access to HUD's EVS data so they understand the opportunities and challenges in their work unit and how the changes they make contribute to HUD's ability to meet our mission.

I've served 26 years in the Federal Government, and I know from experience that having a committed workforce is essential to delivering the best service to the American people. One of the most important measures of the quality of a Federal workplace is engagement of its employees. As such, while managing OCHCO operations, I have also championed leadership development, diversity and inclusion, and employee engagement.

HUD's employees are essential to fulfilling our mission. Their success is HUD's success, and I'm proud to serve them and the American people.

Again, thank you for the opportunity to appear before you today. I look forward to answering your questions.

[Prepared statement of Ms. Brooks follows:]



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-1000

Testimony of Towanda A. Brooks
Chief Human Capital Officer
U.S. Department of Housing and Urban Development

Before the U.S. House of Representatives
Committee on Oversight and Government Reform,
Subcommittee on Government Operations

On

“Best Places to Work in the Federal Government”

April 27, 2016

Chairman Meadows, Ranking Member Connolly, and Members of the Subcommittee, thank you for the opportunity to appear before you today to testify on behalf of the Department of Housing and Urban Development (HUD) regarding the best places to work in the federal government.

I became the Chief Human Capital Officer (CHCO) for the Department of Housing and Urban Development in 2015 and have been a member of the Senior Executive Service since May 2009. As CHCO, I lead HUD’s Office of the Chief Human Capital Officer (OCHCO), and oversee implementation of the Department’s human capital management strategies, policies and initiatives in support of HUD’s mission. I am also responsible for the delivery of HUD-wide human capital programs including the senior executive program; learning and development; recruitment and staffing; employee and labor relations; performance management; and overseeing the shared service provider

HUD’s mission is to create strong, sustainable, inclusive communities and quality affordable homes for all. It is our nearly 8,000 employees who carry out the Department’s mission on behalf of millions of hard-working American families in all 50 states, the District of Columbia, U.S. Territories and the four Insular Areas every day. The link between an employee’s engagement and mission accomplishment is well documented in private and public sector research, as well as in HUD’s own experience. When we use employee engagement as a measure of success for the Department, we make HUD a better workplace and in turn improve outcomes for the American people.

The best available measure for employee engagement in the federal service is the Federal Employee Viewpoint Survey (EVS). In 2015, HUD was recognized by the Office of Personnel Management (OPM) as the most improved agency for employee engagement and by the Partnership for Public Service as the Most Improved Mid-Sized Agency on their annual Best Places to Work in the Federal Government index. The Department improved its EVS scores on 69 out of 71 questions – with an average increase of nearly five percentage points (two points

indicates significant movement). Notably, our Employee Engagement score rose to 61.8 percent, HUD's second highest mark since OPM began keeping records and just short of our all-time high in 2012. HUD also was the most improved agency in the government on "The New IQ," a measure of workplace inclusion and empowerment. HUD increased a full five points, while the government overall only increased 1 point. Employees ranked their leaders and supervisors 6 percent and 5 percent higher than the prior the year, and their overall view of their jobs improved 5 percent. And a record number of employees filled out the survey – HUD achieved its highest participation rate on record, as 74 percent of its employees took the survey. In 2014, HUD's level of participation was just 51 percent. After HUD's 2015 EVS results, the Office of Management and Budget Office of Performance and Personnel Management requested that HUD present to the employee engagement senior accountable officials in order to highlight how the Department increased its FEVS response rate, which was recognized as a best practice.

HUD's improved employee engagement scores are due in large part to the commitment made by HUD's most senior leaders. Secretary Castro and Deputy Secretary Coloretti have made employee engagement a sustained priority, and they have shown employees that their feedback is taken seriously. The Secretary and Deputy Secretary placed a strong emphasis on responding to employees' requests through HUD's internal social media tools, including HUDConnect, which provides ways to directly solicit and receive employee feedback. They also prioritize meeting with employees in HUD Headquarters and in its Regional and Field Offices and through regular town halls. These efforts have provided HUD employees with the opportunity to tell senior leadership about what is working well as well as the challenges and concerns they might face. In addition, the Deputy Secretary is carrying out an ambitious management agenda through a series of collaborative Deep Dive projects aimed at strengthening the Department. Findings and recommendations resulting from the Deep Dive projects are shared with employees so they can see what decisions were made, and more importantly, why they were made.

We also attribute HUD's increase in employee engagement to proactively sharing the 2014 and 2015 EVS results with its employees. We provided opportunities to all HUD employees to access and interpret the EVS results. In particular, we provided detailed briefings for managers, identifying not just areas of strength and opportunity, but appropriate peer offices for comparisons and sharing best practices. As a result, managers were able to learn more about the experiences of their career employees – not just at the agency level, but often at the individual office and division levels. These steps have led to real change in our various program offices. For example, an office within the Federal Housing Administration (FHA) saw that their staff desired more robust communication from managers in order to perform their jobs more effectively. To address this concern, FHA created more avenues for communication, including putting up office white boards to track progress towards office goals, providing information about office-wide updates, and to share some fun information for co-workers.

Currently, HUD is engaged in a planning process that ensures employee engagement will remain a priority in 2016 and beyond. OCHCO is continuing to refine its communication skills and listening approaches to make sure that employees and leadership receive timely, accurate information. OCHCO is the primary point of contact for OPM's administration of the EVS to HUD employees, with responsibility for communications and guidance around employee participation. We are continuing to provide all HUD employees with access to HUD's EVS data

so they understand the opportunities and challenges in their work unit, and how the changes they make contribute to HUD's ability to meet our mission.

I have served 26 years in the federal government, and I know from experience that having a committed workforce is essential to delivering the best service to the American people. One of the most important measures of the quality of a federal workplace is the engagement of its employees. As such, while managing OCHCO operations, I have also championed leadership development, diversity and inclusion, and employee engagement.

Every day, HUD is working to strengthen the housing market to bolster the economy and protect consumers; meet the need for quality affordable rental homes; utilize housing as a platform for improving quality of life; build inclusive and sustainable communities free from discrimination; and transform the way HUD does business. HUD's nearly 8,000 employees are essential to fulfilling our mission. Their success is HUD's success and I am proud to serve them and the American people.

Again, thank you for the opportunity to appear before you today. I look forward to answering any questions you may have.

Mr. MEADOWS. Thank you, Ms. Brooks.
Mr. Stier, you are recognized for 5 minutes.

STATEMENT OF MAX STIER

Mr. STIER. There we go. Thank you so much, Chairman Meadows, Ranking Member Connolly, Congressman Mulvaney, for having this hearing. It's phenomenal that you're shining a spotlight on such an important issue. Thank you also for the trips you've been taking to Federal agencies. It's a really terrific thing. I've heard great feedback, and building more relationships between Congress and the executive branch is absolutely vital.

Ranking Member Connolly, you raised the question in your opening statement about is it NASA's mission? I would tell you it is not the mission; it's leadership. What the data says across the board is you've got a highly committed workforce, whatever they're doing, if they're working at GSA or HUD. But where you have great leadership, you have engaged employees. And when I say great leaders, that really breaks down to a set of different issues that includes the ability to communicate effectively, get good information out, build trust with the employees, and also create a performance culture that's absolutely essential.

And I would note that, again, Chairman Meadows, you cited some terrific stats at the front end. There are some good stories, some bad stories. There's a lot of room for improvement, and I think focusing on agencies—I'm proud to be on this panel of all the folks here who are great public servants. It's a great way of bringing up the good things that our folks are doing that they can spread across government.

I want to focus my time, however, on making four recommendations of things that I think you all can do to help improve government management through improving government employee engagement. And the first and foremost, that would be modernizing the statute that is the basis for the information and all the work that you're doing here right now, the Federal Employee Viewpoint Survey.

The statute was part of the 2004 NDAA and now needs to be modernized for four different reasons, most important, and that is that OPM is in the process right now of rewriting the regulations. There are 45 required questions. They're bringing that down to 11. A number of the questions that you cited, Chairman Meadows, in that beginning, will not have to be required going forward if those regulations go through.

I think it's essential that this committee weigh in on making sure that critical information is actually gathered. OPM has done a terrific job. This is a change that I think unfortunately would unravel some important things, including our ability to do the Best Places to Work rankings, because one of our three key questions would be removed from the regulations as well. So we hope that the committee will look, number one, at trying to ensure that the right questions are actually included in the survey.

Number two, the survey needs to be conducted every year by the Office of Personnel Management. The statute currently does not require that to happen. Kudos, frankly, to OPM under the Obama administration, they've chosen to do it every year. Clearly, it's a more

efficient operation to have one entity do the survey for all of government, and it's both cost-effective and it enables comparison across agencies, which you lose if OPM isn't required to do it for everybody. So that would be the second point on change that we think would be really important.

The third piece which is absolutely vital is getting the information out much faster. OPM has accelerated the time, and you'll see some nodding heads here about that. The truth of the matter is that you ask someone's opinion about what can be improved in their agency, and if they don't see anything done with that opinion for 6 months or 7 months or 8 months, that's a real problem. The only way the agencies can actually do anything with this is if that that information is turned around a lot faster. And therefore, I think that's a place, again, where you could legislatively put some, you know, incentives to make sure that it's getting out there much faster, not just the agencies, but to the public for organizations like the Partnership for Public Service.

And finally, we think information should actually be reported by occupation because that would enable really critical comparisons across the board wherever feasible.

So three other very quick suggestions for improvements that this committee could lead the way on, and the second one would be making sure that political leaders are actually held accountable for addressing engagement.

So one interesting thing that goes on here, we talk about a performance culture. In any other organization I've seen, you have the top leadership that has certain expectations that cascade down to the rest of the organization. The career workforce have performance plan obligations. The political workforce doesn't. Some agencies require performance plans for political appointees, but that's frankly a rarity. That ought to be done across the board so the career workforce can actually see how their work lines up against the priorities at the top for the agencies. And that should include a focus on talent management and employee engagement.

Number three would be improving the effort to create a culture of recognition and improve manager performance. So this is an area that I hope I can come back to. But we should be switching to probation period presumption that you automatically become non-probationary after you come through a year. Rather, our view is that a manager should actually have to make that choice. And the same goes for someone coming into a management position. If we have time at the end here or during your questions, I'd love to get into that.

And then the last piece I would like to focus on is just what you're seeing here, the sharing of best practice. To my mind, everything that should happen in the Federal Government is happening somewhere, just not in all the places it needs to. And we need to figure out ways to scale best practice, and that's a place your oversight can make a very big difference.

Thank you very much.

[Prepared statement of Mr. Stier follows:]



PARTNERSHIP FOR PUBLIC SERVICE

**Written 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 27, 2016

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 2015 *Best Places to Work in the Federal Government*[®] rankings data and best practices for improving federal employee engagement.

I am Max Stier, President and CEO of the Partnership for Public Service. The Partnership is a nonpartisan, nonprofit organization that works to revitalize our federal government by inspiring a new generation to serve and transforming the way government works. We pursue this goal by helping federal agencies inspire and hire mission-critical talent, develop strong leaders, modernize critical management systems supporting the federal workforce, build networks of support for good government, and, most importantly for the Subcommittee's purposes today, engage employees in achieving their organization's mission.

Employee Engagement is Critical to Effective Government

One trait that nearly all top-performing organizations have in common is a highly-engaged workforce. Employee engagement refers to the connection an employee feels to their organization, its mission, and its customers, and his or her willingness to give discretionary effort, or "go the extra mile." In an environment of constrained budgets and increased mission demands, the willingness of employees to put in the effort needed to get the job done is crucial to successful mission outcomes for agencies. In its July 2015 report, *Federal Workforce: Additional Analysis and Sharing of Promising Practices Could Improve Employee Engagement and Performance*, GAO noted that "a growing body of research on both private- and public-sector organizations has found that increased levels of engagement...can lead to better organizational performance."¹ The Merit Systems Protection Board found that high levels of employee engagement correlated with better mission achievement and program outcomes, reduced intent to leave, fewer days of sick leave used, reduced equal employment opportunity (EEO) complaints, and lower rates of work-related injury or illness.²

The Obama administration, recognizing the value of a more engaged workforce, has committed to strengthening employee engagement. The President's Management Agenda's Cross-Agency Priority (CAP) Goal around "People and Culture" includes creating "a culture of excellence and engagement to enable higher performance" as one of its key objectives, and sets measurable goals for the federal government to achieve in improving engagement.³ Under the CAP goal, agencies are required to review and analyze engagement data to determine areas of strength and weakness, gather input from employees, implement strategies to improve engagement, and continuously review progress to adjust and inform future actions.⁴

These efforts are a good start and have delivered promising results, but improving engagement will require a sustained commitment both from the current administration and the next. Congress, and this Subcommittee especially, plays a crucial role in providing continuity across administrations for maintaining a focus on engagement. The Subcommittee deserves credit for its commitment to an engaged,

¹ United States of America. U.S. Government Accountability Office. *Additional Analysis and Sharing of Promising Practices Could Improve Employee Engagement and Performance*. Washington, D.C.: GAO, 2015.

² United States of America. Merit Systems Protection Board. *The Power of Federal Employee Engagement*. By John M. Ford and Laura Shugrue. Washington, D.C.: MSPB, 2008.

³ United States of America. Executive Office of the President and Budget and Office of Personnel Management. *Memorandum for Heads of Executive Departments and Agencies: Strengthening Employee Engagement and Organizational Performance*. Shaun Donovan, Beth Cobert, Katherine Archuleta, and Meg McLaughlin. Washington, D.C.: EOP and OPM, December 23, 2014.

⁴ Ibid.

efficient, effective, and accountable federal workforce. I know that Chairman Meadows and Ranking Member Connolly have visited several federal agencies to understand better how federal employees view their organizations and the important work those organizations do. We have been extremely pleased to witness your real and continuing commitment to our federal workforce and commend you for your efforts. I hope that you both will continue to visit federal agencies and interact directly with federal employees and that you will encourage your colleagues to do the same. Many federal employees are doing extraordinary work in service to the American people; we should all work together to celebrate excellence in the federal workforce, and find a way for others to replicate it.

The Partnership is Committed to an Engaged Federal Workforce

An engaged federal workforce guided by effective career and political leaders is an essential part of the Partnership's mission, but leaders can only drive increased employee engagement when they have the data and tools necessary to take action. Providing these tools is the purpose that underlies the *Best Places to Work in the Federal Government* rankings (BPTW).

The *Best Places to Work* rankings, based on data from the Office of Personnel Management's (OPM) *Federal Employee Viewpoint Survey* (FEVS), provide managers and leaders with a way to measure and improve employee satisfaction and commitment and are an important tool for ensuring that employee satisfaction is a top priority. The rankings provide a means by which to hold agency leaders accountable for the health of their organizations, serve as an early warning sign for agencies in trouble, and offer a roadmap for improvement.

The 2015 rankings reflect the views of more than 433,300 federal employees from 391 agencies and subcomponents. The Partnership ranks participating federal agencies according to overall employee satisfaction and commitment and in ten workplace categories including leadership, innovation, work-life balance and strategic management. Agencies are also ranked using data from demographic and occupational groupings. Employee responses to the FEVS, along with responses from employees of agencies which do not participate in the FEVS but choose to take part in the *Best Places to Work* rankings, are used to calculate an index score measuring overall employee satisfaction and commitment and scores for the ten workplace categories. The index score is based on employee responses to three survey questions to calculate overall satisfaction and commitment and intent to remain.⁵

Since the first rankings in 2003, the Partnership has continued to expand and innovate *Best Places*. For the 2015 rankings, the Partnership has added groupings of agencies by mission area, allowing for comparisons of organizations with similar missions in areas such as public health, law enforcement, national security, energy and environment, financial regulation, and oversight. This year's rankings also feature, for the first time, satisfaction and commitment data for five mission-critical occupations across government: auditors, contract/acquisition specialists, economists, human resources specialists, and information technology/cybersecurity specialists. The Chief Human Capital Officer Council (CHCOC) and OPM have focused on these occupations because shortages or a loss of staff in these job categories could interfere with the ability of agencies to accomplish their missions effectively. Satisfaction and commitment data for these occupations offer agency leaders and Congress additional insight on how to manage and retain this critical talent.

The Federal Employee Viewpoint Survey Statute Needs to be Modernized

⁵ The three questions used to calculate the index score are: "I recommend my organization as a good place to work." (Q. 40), "Considering everything, how satisfied are you with your job?" (Q. 69), and "Considering everything, how satisfied are you with your organization?" (Q.71)

The FEVS is an invaluable source of information for federal managers and leaders, Members of Congress, the general public, and key good government stakeholders. The FEVS, and the *Best Places to Work in the Federal Government* rankings, which make use of these data, have prompted career and political leaders to assign a higher priority to employee engagement. The experience of the last 13 years demonstrates that the survey is not just about satisfied employees, but improving government effectiveness.

Both the survey and the focus on employee engagement more broadly are bipartisan initiatives that have spanned administrations of both parties. The Bush administration implemented the FEVS successfully for several years, and the current administration has improved the administration of the FEVS and how it is used to drive change. OPM's efforts to make the survey a more useful government-wide management tool through resources such as UnlockTalent.gov have made the FEVS more central to the federal government's management strategies than ever before. The decision to administer the survey annually through OPM saves money as the most efficient way to measure progress over time, discern trends, and gather data that is comparable across agencies.

On February 8, 2016, OPM issued draft regulations to reduce the number of questions asked in the FEVS. While we appreciate OPM's desire to ensure that the survey remains a valid source of data, we have serious concerns that the reduction in questions from the current 45 to just 11 puts at risk the usefulness of the survey as a tool for improving the management, satisfaction, and commitment of the federal workforce.⁶

It is not unreasonable to shorten the survey by removing questions; unfortunately, the questions proposed by OPM for removal are some of the most critical to the survey. These questions include those used to calculate the *Best Places to Work* index score, satisfaction with leaders, views on performance management, along with other questions that provide important context to agencies' understanding of the state of their workforces. The Partnership would like to see OPM keep in regulation questions used to measure the *Best Places* index score and others used to gauge employee views of leadership effectiveness, performance management, and other topics. The Partnership has submitted these comments to OPM as part of the rulemaking process.

The changes now under consideration would have a significant, and, we believe, detrimental, impact on the extent to which concerned parties both inside and outside of government could conduct comprehensive analyses of FEVS data. Further, these changes would have an adverse impact on agencies' use of the survey to understand the state of employee morale as it relates to key drivers of employee engagement such as effective leadership, alignment between employee skills and agency mission, and pay, as well as other important subcategories of engagement. Bearing this in mind, the Partnership urges this Subcommittee to conduct careful and thorough oversight to ensure that OPM's proposed changes do not jeopardize the ability of agencies and external stakeholders to manage and support the federal workforce.

To reinforce and institutionalize the current survey process, we recommend Congress advance legislation to modernize and strengthen the current survey statute. This legislation should codify current practice by mandating that OPM is required to conduct the survey on an annual basis. The statute should also be amended to make explicit that the purpose of the survey is to measure employee engagement as well as satisfaction and commitment. In addition, the legislation should include a requirement for OPM to make

⁶ Office of Personnel Management. "Proposed Rule: Personnel Management in Agencies". *Federal Register* 81, no. 25 (February 8, 2016): 2016-02112.

results of the survey available to agencies and interested parties within three months so that leaders and managers have more time to act on their data before the next year's survey is in the field. The FEVS could also have greater value if it were conducted as a yearly census so that every federal employee can make his or her voice heard, and by having OPM report survey results by occupation to the extent feasible. These changes would enhance the usefulness of the survey as an oversight and accountability tool for Congress and offer more value to agency leaders and managers who are using the survey to improve satisfaction and commitment within their organizations.

The State of Employee Engagement

Overall, 2015 was a good year for employee engagement across government. The 2015 *Best Places to Work in the Federal Government* data show a slight increase in employee satisfaction and commitment, a welcome change after four years of declining scores. Across government, federal employee job satisfaction and commitment also increased 1.2 points from 2014 to 58.1 out of 100. Even more promising is the fact that 70.4 percent of federal organizations saw their scores go up. By comparison, only 43.1 percent of federal organizations improved their score in 2014.⁷

The Partnership also measures employee views in ten workplace categories, such as training and development and performance-based rewards and advancement. Impressively, the scores for each of these ten workplace categories increased in 2015, with the category of "Training and Development" seeing the largest increase (1.8 points). The category of "Effective Leadership", which the Partnership has found time and again to be the single biggest driver of employee satisfaction and commitment, saw a small improvement over 2014, increasing 1.2 points to 51.6 out of 100. Notably, the "Effective Leadership" subcategory of "Senior Leaders", which is particularly important to overall employee perceptions of leadership, rose by 1.4 points, but only to a total of 43.8. Government as a whole has historically performed poorly in this category. Another important driver of employee satisfaction, "Employee-Skills Mission Match", which measures the extent to which employees feel that their skills and talents are used effectively, and is a category in which agencies typically perform well, rose by 0.8 points to 75.2 out of 100. Unfortunately, the government continued to struggle in the category of "Performance-Based Rewards and Advancement", which measures the extent to which employees feel they are rewarded and promoted in a fair and timely manner for their performance and innovative contributions to the workplace. This category ranked last among all workplace categories with a score of just 42.4 out of 100.⁸

Employee responses to specific questions of the FEVS offer useful context for these scores. Partnership analysis of the OPM data found in response to the statement that "Pay raises depend on how well employees perform their jobs" only 19.2 percent of employees responded positively. In response to the statement "In my work unit, steps are taken to deal with a poor performer who cannot or will not improve," barely more than a quarter of federal employees, 25.8 percent, responded positively. Also troubling is the fact that fewer than half (45.5 percent) of employees believe senior leaders "maintain high standards of honesty and integrity." On the other end of the scale, 94.8 percent of employees indicated they are willing "to put in the extra effort to get a job done" and 88.1 percent believe the work they do is important. These data reinforce the commitment of federal employees to their agency's mission, but also their dissatisfaction with senior leaders and performance management practices.

⁷ "Best Places to Work in the Federal Government." Partnership for Public Service. December 14, 2015. Accessed April 25, 2016. <http://bestplacestowork.org/BPTW/index.php>.

⁸ Ibid.

Despite a positive year overall, the government still lags far behind the private sector. According to data from survey research firm Sirota, which surveyed 1.5 million employees from 115 organizations around the world and across a broad range of industries, private sector employee satisfaction and commitment were 76.1 out of 100 in 2015 compared to just 58.1 for the government. The federal government scores well below the private sector on all survey questions that we compared to the private sector by an average of 13 points. Particular trouble spots appear to be in the areas of resources and performance management. For example, only 59 percent of government employees say they receive constructive feedback compared with 74 percent of workers in the private sector, a 15-point difference, and only 44.4 percent of federal employees feel recognized for high-quality work, compared to 67 percent of employees in the private sector. As long as this gap exists, it will serve as an impediment to the government in competing with the private sector for talent.⁹

Best Practices for Improving Federal Employee Engagement

That the majority of federal organizations have seen their engagement scores increase over the past year bodes well for the chances of further progress this year. As we speak, this year's survey is going into the field. For the results of the 2016 FEVS to be truly meaningful, they should capture the views of as many federal employees as possible. Last year's response rates showed a wide variation among agencies, from 88.3 percent at the U.S. International Trade Commission to 28.2 percent at the Department of the Air Force. The government-wide response rate was 49.7 percent. Agency leaders should now be developing and implementing strategies to maximize their organization's responses to the survey through agency-wide marketing campaigns, comprehensive and integrated action plans, and constant messaging at all levels and through multiple channels about the importance the agency places on the survey and how responses will be used to address employee concerns. Other methods of promoting survey participation include voicemails for every employee or all-staff emails from the agency head communicating the value of the FEVS; creating a recognizable agency brand around the survey; removing barriers to employees taking the survey; and promoting participation throughout the survey period. The most important method by which leaders can drive survey participation, however, is by using the survey to improve agency management; if employees see that agency leaders are listening to their feedback, they know that their views matter and will be encouraged to take the survey.

For employees to believe that leadership is using the data in a meaningful way to improve the agency, results must be communicated clearly, unambiguously, and promptly. Agencies struggling with low engagement and trust must openly address problems identified by the rankings and avoid becoming defensive or qualifying results. Overall, communication and acting on results is still an area where government as a whole can improve. According to the Partnership's analysis of 2015 FEVS data, only 34.6 percent of employees, barely a third, agreed that the results of the survey would be used to make the agency a better place to work, a troubling number suggesting that employees do not believe their collective voice can improve the workplace.

In December 2013, the Partnership for Public Service published, *Ten Years of the Best Places to Work in the Federal Government Rankings: How Six Federal Agencies Improved Employee Satisfaction and Commitment*.¹⁰ The report outlined several strategies used by agencies which had experienced sustained success in increasing or maintaining employee engagement. By utilizing these tested and proven

⁹ Ibid.

¹⁰ *Ten Years of Best Places to Work Rankings: How Six Federal Agencies Improved*. Publication. Washington, D.C.: Partnership for Public Service, 2013.

strategies, we believe all agency leaders and managers can achieve real change in employee satisfaction, commitment, and performance. Each of the strategies is described in more detail below.

1. Leadership Matters Most

Employees at every level play a role in creating an engaged workforce, but, ultimately, it is up to leaders to make engagement a priority and encourage others across the organization to do the same. The FEVS and *Best Places to Work in the Federal Government* rankings can be used to guide decision-making and identify areas to target for improvement. Former Secretary of Transportation Ray LaHood provided an example of “owning the change” during his tenure. Secretary LaHood held executives accountable for addressing morale and engagement in their annual performance plans, and regularly gauged progress. Executives and managers were responsible for taking steps to improve engagement by, for example, conducting listening sessions and brown-bags with staff and creating action plans for increasing morale. The strategy proved to be incredibly successful – the Department’s *Best Places* index score rose from 52.2 during Secretary LaHood’s first year to 60.9 at the time of his departure. And Transportation’s score has since continued to increase; the Department posted an index score of 63.1 in 2015. This practice is also highly replicable across government, and we encourage the Subcommittee to consider legislation mandating that leaders, both political and career, have performance plans and are held accountable as part of those plans for taking steps to address employee morale and engagement. Further, Congress, and this Subcommittee especially, can contribute to a culture of accountability by asking agency leaders about the state of their workforce, how morale is contributing to agency performance, the steps they are taking to improve employee satisfaction and commitment, and the metrics being used to measure their success.

2. Build Connections through Communication

After leadership, communication is perhaps the most important way by which an agency can engage employees. According to the Partnership’s analysis of the 2015 FEVS, 69.3 percent of employees across government believe they have the information needed to do their job well. The comparable figure in the private sector is 77 percent, a gap of 7.7 points. The numbers are worse on the FEVS question, “How satisfied are you with the information you receive from management on what’s going on in your organization?” Just 44.5 percent of federal employees responded positively to this question while 53 percent of private sector workers did so. Effective organizations in both the public and private sectors build real internal communications capability and put it to use. Having these systems in place is important because employees may perceive poor communication as an intentional lack of transparency on the part of the agency. With the proliferation of social media and new modes of communication, agencies can and should be active in responding to employee feedback and concerns. Brief pulse surveys, town hall meetings, brown-bag sessions with senior leaders, video conferences, and websites offering employees the opportunity to submit ideas are all potential avenues of communication with employees. In some agencies, leaders have promoted communication and transparency by opening senior-level meetings to all employees on a limited basis, so that staff can witness and better understand the conversations occurring at the highest levels of the organization. However, effective communication practices are ultimately a decision by leaders to be open and transparent with employees about challenges and opportunities that confront the organization. As the FEVS and private sector data show, government still has ground to make up.

A few notable examples of effective communication practices are found in the Food Safety and Inspection Service (FSIS) in the Department of Agriculture and the Department of Education’s Office of Postsecondary Education (OPE). FSIS, which has a large and diverse field staff, uses employee engagement conference calls to talk about specific topics raised by employees and give them an

opportunity to ask questions of senior leaders about what is going on in the agency. OPE uses targeted pulse surveys to supplement the FEVS and capture more detailed information about employee views on specific issues. In one case, the pulse survey gave the agency a means to evaluate employee attitudes towards a recent office relocation, and whether leaders did enough to communicate with and support employees. It is worth stating that OPE was also the most improved subcomponent within the Department, increasing an impressive 14.4 points in 2015. (In full disclosure, the Partnership is working with the Bill and Melinda Gates Foundation on a long-term engagement to help create a more innovative, collaborative and results-oriented U.S. Department of Education by providing training and technical assistance to help the U.S. Department of Education improve its employee engagement and organizational effectiveness.)

3. *Partner with Employee Organizations*

In many agencies, employee organizations such as unions serve as an important voice of the employee and can amplify the relationship between employees and leaders in either a positive or negative way. A positive relationship between agency leadership and the union builds trust and respect, which can pay off when it is time to negotiate a collective bargaining agreement or address workplace issues. For example, involving unions at an early stage can make bargaining around new initiatives easier because employee feedback was incorporated from the outset. Under former Under Secretary of Commerce for Intellectual Property David Kappos and former Commissioner for Patents Margaret Focarino, the Patent and Trademark Office (USPTO) collaborated closely with the Patent Office Professional Association to re-engineer the patent examination system, create new performance requirements for examiners and increase employee training and leadership opportunities. It was a relationship built on trust and shared values. As Commissioner Focarino noted, “We started talking principles and what the union and management wanted. The basic principles were pretty much the same.”¹¹ Partly as a result of this collaboration, USPTO rose from the 105th ranked subcomponent in 2009 to the highest ranked subcomponent in 2013.

4. *Go for Quick Wins*

Short-term activities that directly address employee feedback are a powerful way for agency leaders to demonstrate that they are listening to employees and are committed to addressing their needs and concerns. These “quick wins” can be no or low-cost but still deliver high impact across the organization. In fact, a “quick win” can be as simple as saying “thank you.” These activities are most effective when they are genuine, and when they are raised and driven by employees. Examples of such practices include celebrating the oath of office by having it administered to new employees by a senior agency leader, conducting “stay” interviews to determine how to keep high-performers satisfied and engaged, and encouraging senior leaders to make themselves available to employees by walking the halls or holding open office hours. A great example of a “quick win” comes from the Nuclear Regulatory Commission (NRC). When survey results found that employees were not fully aware of the range of family and health benefits currently available, the agency developed written materials and held seminars to educate them. The initiatives showed that leadership had heard the concerns of employees and was taking action.¹²

But agency leadership should keep an eye on the long view as well. By focusing too much on annual survey data, leaders can lose sight of the broader cultural factors that may be impacting engagement levels and fail to take actions that will be truly impactful and longer-lasting. Agencies should view the FEVS results not as the final goal, but as a periodic check-in on progress towards bigger and more long-

¹¹ Ibid. 6

¹² Ibid. 25

term goals. The short-term mentality and its consequences are evident within agencies that place great focus on the survey but do little in the way of substantial follow-through.

5. Invest in Employees

Investing in training is one of the best ways by which agencies can demonstrate that they value employees. Leadership development, technical training, and mentorship opportunities all offer ways for employees to grow, improve their skills, and become more deeply invested in the work of the agency. Investments in training also benefit the organization by making employees better in performing their work. Training can also take the form of rotational assignments within the organization or outside of it. The U.S. Mint, for example, developed a program of cross-training workers on different machines, which gave the Mint more flexibility in shifting employees between production lines and gave employees a greater breadth of expertise.¹³ And USPTO offered patent examiners new training opportunities to improve their interview techniques and help them identify issues earlier in the review process.¹⁴ However, in difficult budget times, training is typically one of the first items to be cut. Congress should take care that agencies have the resources they need to provide high-quality training to staff.

Recommendations

1. Modernize the Federal Employee Viewpoint Survey Statute

The Federal Employee Viewpoint Survey, which serves as the basis for the *Best Places to Work in the Federal Government* rankings, is crucial to assessing employee satisfaction and commitment, addressing low morale, and highlighting bright spots and best practices like those identified above. However, more can and should be done to ensure that the survey instrument remains up-to-date and of real value to agency leaders and managers, Congress, and key stakeholders. An important first step would be to codify OPM's current role as the survey administrator and make explicit in statute that the survey is conducted on an annual basis. Congress should also mandate that the data be turned around within three months, require that the survey is performed as a government-wide census, and have OPM report survey results by occupation to the extent feasible. Given OPM's recent proposed changes to the FEVS regulation, congressional action to protect and strengthen the FEVS has never been more critical. I have attached a draft legislative proposal as an appendix to this testimony.

2. Hold Political and Career Leaders Accountable in Performance Plans for Employee Engagement

The Partnership's *Best Places to Work in the Federal Government* rankings have consistently found that effective leadership is the most important driver of employee satisfaction and commitment. Though government as a whole performs poorly in this area, agencies like the Department of Transportation, the U.S. Patent and Trademark Office, and the Nuclear Regulatory Commission have seen significant improvements in employee satisfaction by holding leaders accountable in their annual performance plans for taking steps to address employee morale. The responsibility for building a high-performing and engaged workforce exists at all levels of the agency, but ultimately leaders and managers, both political and career, must own and drive engagement efforts. Evaluating leaders on their organization's performance, as measured by the FEVS and *Best Places* rankings, will ensure they are invested in improvement.

In implementing this recommendation, we recommend that Congress require political leaders undergo an annual performance appraisal process like that of their career counterparts and that those performance

¹³ Ibid. 18

¹⁴ Ibid. 6

plans hold them accountable for taking steps to address employee morale and engagement. Political appointees play an undeniably important role in their agency's efforts to meet mission and business priorities, of which employee engagement is an inseparable component, and should be similarly held accountable for their performance and contributions to the goals of the organization.

3. Create a Culture of Recognition

I noted above that the area in which employees hold perhaps the most negative views is the manner in which their organizations manage performance. Managing performance is not just about holding poor performers and those involved in misconduct accountable, but rewarding and encouraging high-performers and fostering a culture of recognition. Agencies can do more within current authorities to improve the state of performance management. These include creating a culture of recognition through some of the "quick wins" outlined above, the use of monetary and non-monetary awards, and increasing support for training (e.g., by protecting training funds).

4. Improve Manager Performance

Congress can undertake reforms now to improve how agencies manage their workforces. One notable and potentially high-impact legislative reform would be to change the assumption regarding the probationary period so that it is viewed as a continuation of the hiring and assessment process, as it was originally intended to be. Too often, employees pass through their probationary period with no action on the part of their supervisor to determine whether they are an effective fit with the agency and the job. We believe that supervisors and managers should be required to make an affirmative decision that an employee has completed the probationary period successfully and deserves a permanent position in the agency. Congress should make these reforms in conjunction with improvements to government-wide manager training programs which shift the focus of training from the purely technical to the interpersonal skills that make a great manager. These skills include managing performance, dealing with whistleblower and harassment complaints, mentoring and motivating employees, communicating goals and priorities, and fostering a fair and productive work environment.

Further, Congress should look at ways to ensure that agencies are recruiting and promoting only the most effective managers. Not all employees belong in or want to take on supervisory and managerial roles, yet many supervisors in government are selected for technical expertise rather than leadership skills because it is the only way they can be promoted. The result is a supervisor poorly suited to the task of managing performance or building teams, suboptimal organizational performance, and low morale. But employees who may not be right for supervisory roles can still possess expertise essential to the agency's mission. To address this, Congress should mandate that agencies develop separate promotional tracks for technical experts and ensure that individuals selected for management roles have both the technical and leadership competencies necessary for success. Significant improvements in these areas are the surest paths to a more healthy and engaged workforce.

5. Share best practices in engagement

The examples I have presented here demonstrate the many success stories of agencies which have improved the engagement and morale of their workforces in innovative ways. More importantly, all of these practices are replicable and deserve to be shared more widely at the enterprise level so that leaders and managers across government can benefit from the practices of their peers. Through its broad jurisdiction, this Subcommittee should continue to encourage sharing of best practices and asking agency leaders what they are doing to bring great ideas into their agency or, alternatively, to export those ideas to

other organizations. The Subcommittee is uniquely suited to this role, and I hope hearings like this will remain part of your oversight efforts.

Conclusion

Chairman Meadows, Ranking Member Connolly, members of the Subcommittee, thank you for holding this important hearing and for the opportunity to share the Partnership's views on the state of employee engagement in the federal workforce. I very much look forward to working with you on this and other issues. I am happy to answer any questions you may have.

Appendix I

P.L. 108-136 National Defense Authorization Act for Fiscal Year 2004

SEC. 1128. EMPLOYEE SURVEYS.

(a) ~~IN GENERAL.—Each agency~~The Office of Personnel Management shall conduct an annual federal employee viewpoint survey of its federal employees (including survey questions unique to the agency and questions prescribed under subsections (b) and (c) to assess—

(1) leadership and management practices that contribute to agency performance and employee engagement; and

(2) employee satisfaction with—

(A) ~~agency political and career leaders~~leadership policies and practices;

(B) work environment;

(C) rewards and recognition for professional accomplishment and personal contributions to achieving organizational mission;

(D) opportunity for professional development and growth; and

(E) opportunity to contribute to achieving organizational mission.

(b) REGULATIONS.—The Office of Personnel Management shall issue regulations necessary to implement this section, including regulations prescribing survey questions that shall be included in each survey conducted and their format that should appear on all agency surveys under subsection (a) in order to allow interested parties to conduct a comparison across agencies.

(c) AGENCY-SPECIFIC SURVEY QUESTIONS. — In consultation with the Office of Personnel Management, the head of a federal agency may add questions specific to that agency to the survey under subsection (a).

(d) OCCUPATIONAL DATA.— To the extent feasible, the Office of Personnel Management shall collect and report on the results of each agency survey described in subsection (a) by occupation.

(e) AVAILABILITY OF RESULTS.—The Office of Personnel Management shall take steps to make the results of the survey conducted of employees of each agency surveys under subsection (a) shall be made available to the agencies, interested parties and the public within three months. Each agency shall post its survey results and posted on the agency website of the agency involved, unless the head of such agency determines that doing so would jeopardize or negatively impact national security.

(f) AGENCY DEFINED.—For purposes of this section, the term “agency” means an Executive agency (as defined by section 105 of title 5, United States Code).

Mr. MEADOWS. Well, I thank each of you for your testimony.

Max, obviously, some of those recommendations are spot on, but I would like to share that in other hearings other than those with a title like we have today, employee engagement continues to be a big issue.

After my visit to NASA, I can tell you that we had a few others that were here, and I suggested that they get with NASA in terms of that employee engagement component to see what they are doing. Now, I wrote myself a note so I am going to see the next time they come back if they actually got with you.

But with that, I am going to go ahead and recognize the gentleman from South Carolina, Mr. Mulvaney, for 5 minutes for his opening questions.

Mr. MULVANEY. I appreciate that. Thank you, Mr. Chairman.

Ms. Bailey, I don't want to appear to be beating up on you, but I don't know if you are—the coincidence of your being here today, we just had a hearing this morning regarding TSA, which I think is in your department, isn't it?

Ms. BAILEY. Yes, it is.

Mr. MULVANEY. Okay. That didn't go very well. They weren't very happy. The subject matter of the hearing—were you here for that?

Ms. BAILEY. No, sir, I wasn't.

Mr. MULVANEY. The —

Ms. BAILEY. No, sir, I was not.

Mr. MULVANEY. Okay. The subject of the hearing was some of the issues that we have been facing with whistleblowers and so forth. We had two folks here who feel like they had been mistreated, and I had some stories from my district about folks—and I am not laying blame because I know that is not your department, but that was the subject matter of this morning's hearing is how could TSA be run a little bit better. And I listened to what the chairman had to say about DHS, what you had to say about DHS, and, again, I can't blame you because you have only been there for, what, 3 months or something like that?

Ms. BAILEY. Yes, sir.

Mr. MULVANEY. And I get that. So I guess if I wanted to skip all of the rhetoric and get down to the bottom line, when is it going to get better at DHS? You all are last. When can we expect you to, say, be in the top half judged by your own employees' feedback on what kind of place this is to work? Top half by when?

Ms. BAILEY. I do believe, sir, that with all of the efforts that we have actually put in—put forth within this last year and actually for the last couple of years, I do think that what we're going to see is actual improvement in our EVS scores. There is an absolute dedicated commitment. We agree leadership matters most. We have—from the Secretary to the Deputy Secretary to the Under Secretary and on down, we've made a concerted effort to get out and listen to the employees and find out —

Mr. MULVANEY. And, Ms. Bailey, again, I don't want to cut you off, that is fine. That is what we call rhetoric. That is not really—everybody says that. Everybody says it is a critical thing—everybody says the same thing now. At NASA and DOL and HUD, it is actually working. They made it a priority and they have listened

to the people. Everybody uses words we have had town hall meetings with our employees. We get that, okay, and that is the right thing to do. But our question is when is it actually going to work? All right.

So let's pretend that we are not a congressional hearing and you are a private company. You are working with Google and you are the human resources chairman at Google, and everybody and Google hates working at Google. And you come into the board of directors and you say, okay, here is what we are going to do to fix it. We are going to do our town hall meetings and we are going to do all these wonderful things. And we turn to you and say, okay, when will it get better? What is your answer?

Ms. BAILEY. Well, if I may, sir, everybody does not hate coming to work to DHS. In fact, most of the men and women at DHS are incredibly proud to work at DHS. When things get better actually is whenever we're able to make concrete changes that affect their lives positively.

Mr. MULVANEY. How did you all do on the percentage of employees who had a positive thing to say about the honesty and integrity of leadership? The average across the whole system is 50. How did you all do?

Ms. BAILEY. I'm not sure, sir.

Mr. MULVANEY. Probably worse than 50? Maybe? Probably? I don't have the numbers in front of me. But again, you are last, and if that is average, it is fair to say that you are last. And again, we are not trying to beat up on you. All we want to know is when is it going to get better? And just let us know. If it is a year, that is fine, if it is 3 years, that is fine, but I will let you know the next question is, okay, if you tell us it is going to be 3 years, what is the penalty for when it isn't? Because at some point—in fact, the gentlemen who were here this morning, very insightful, down-to-earth guys, they said, look, the only way it is going to get better at TSA is when we have accountable leadership. That is it, period, end of story.

So my question is when are we going to have accountable leadership? And if we don't, who pays the price? Because right now, I think the people who are paying the price, at TSA at least, are the employees and the public, which that is a really bad group to have to pay the price. The people who are running the organization at DHS and TSA are not paying the price. The people who work there are paying the price. The people they are supposed to serve are paying the price.

And we are going to try to turn that upside down to where the people who pay the price for failure are the people who are responsible for failure. At TSA, the people who wait in line to get through the security are not the ones who are not doing their job. In fact, what we heard today, and if you believe them—and I tend to do it—is the folks who actually work there on the line. The folks meeting face-to-face with the public are not the folks who are not doing their job. It is the folks, no offense, at your level and higher who are not doing their job. And what we are interested in is trying to create a system where the people who are screwing up are the people who pay the price and not the people who are sort of the victims or the folks who are ending up on the short end of the stick.

So my question to you before my time and out is, give us a date. When will you all get better?

Ms. BAILEY. I believe that we will make incremental improvements beginning this year.

Mr. MULVANEY. Okay. That is great. And I look forward to the hearing next year, and if you are not last here, I will be the first to congratulate you. I would love to see you in the most-improved categories like DOL and HUD.

I am sorry. I didn't want to focus on the negative, but we did just have this hearing this morning. But if you are last here or you haven't made—you know, if you are next-to-last, this hearing might be less fun than it was this year.

Thanks very much, Mr. Chairman.

Mr. MEADOWS. I thank the gentleman.

The chair recognizes the ranking member of the subcommittee, Mr. Connelly, for questions.

Mr. CONNOLLY. I thank the chair.

And I think my friend from South Carolina makes some very important points, and in listening to his questioning, I reflected on the 20 years I spent in the private sector in management. And one of the principles certainly that I think is applicable is that you have to differentiate between performers and nonperformers, people with stellar performance and people with adequate or sub-adequate performance. If you treat everybody's performance the same when it comes to recognition, you are saying to your stellar performers I can come in early and stay late, I can donate time on the weekends and it doesn't matter. I am going to be treated like Harry Houdini there who is a clock-watcher, shows up at 9:00 and leaves promptly at 5:00 and never volunteers for anything. And as far as management is concerned, we are the same.

And, Mr. Stier, I am looking at a statistic that says 73 percent of private sector workers believe management recognizes superior performance, but in the public sector, only 44 percent believes that. That tells me there is a problem if we are going to get at what Mr. Mulvaney was talking about, which is, okay, give me a time frame where we want to see this improve. Part of the solution, it seems to me, or part of the problem is this recognition-of-performance problem. Do you want to comment on that, Max?

Mr. STIER. I think you're 100 percent right. I think, frankly, you need definitely to be able to recognize good performance if you want to encourage that to be the norm. And we don't have a culture of performance recognition in government, and that's one of the reasons why I think Federal employees are risk-averse. They see real downside and no real upside. So you have to provide that upside in order to be able to get the innovation that you want. Again, I think—not to pick on NASA in this context, but that's an area that they focus a lot on, and I think that's extremely important.

If I might also add, it's also very important not to roll up too much in the way of the data. So we talk about Department of Homeland Security being last. It's a very large organization and with multiple subcomponents, some of which are doing extremely well like the Coast Guard, which we heard about earlier. And so I think you need to disaggregate to some degree. Certainly, you

need to hold top leadership accountable for the whole thing, but there are bright spots at DHS that ought to be, you know, recognized, as you're suggesting here.

But your point is phenomenally important. We have the Service to America medals, the CMEs where we find extraordinary people. Next week, we have a breakfast—the 4th, the 3rd. I hope you'll be there, just awesome stories about what you get when government is doing really right.

Mr. CONNOLLY. I remember once in the private sector working with somebody, the head of a big division, and he had a bonus pool that year, at bonus time, and he decided to give everyone a \$250 bonus rather than make the tough decision of Mr. Meadows gets one because of stellar performance and Mr. Connelly doesn't because we know what. He is a Democrat.

[Laughter.]

Mr. CONNOLLY. No, no, that is not true. But if you don't do that differentiation, you are saying to everybody, we are going to dummy down to the mean, and that is not how to get high performance, and it actually has a morale effect on the high performers because I feel unappreciated.

All right. I want to push back just a little bit, Mr. Stier, about you are saying, well, it is really about leadership more than mission. That is a little hard to believe. So, Ms. Leo, how many agencies were kind of put together to form NASA? How many agencies do you represent here?

Ms. LEO. One agency.

Mr. CONNOLLY. One. You have got a lot of missions? I mean, you go to Mars, get a man on the moon—so I was a person—space shuttle is over, I mean, are you doing oceanographic research, climate change research. I mean, have you got a lot of missions that —

Ms. LEO. We're doing a plethora of missions.

Mr. CONNOLLY. Plethora —

Ms. LEO. Yes.

Mr. CONNOLLY.—of missions. Ms. Bailey, I guess you get a plethora of missions?

Ms. BAILEY. Yes, sir.

Mr. CONNOLLY. So you have got TSA, you have got Customs?

Ms. BAILEY. Correct.

Mr. CONNOLLY. You have got Border Control?

Ms. BAILEY. Yes.

Mr. CONNOLLY. You have got Secret Service?

Ms. BAILEY. Correct.

Mr. CONNOLLY. What else did you get? You got 22 agencies when you were formed?

Ms. BAILEY. Yes, we have 22 agencies.

Mr. CONNOLLY. So that is a world of difference than sort of the cohesive mission that helps provide an organizing principle for NASA.

Ms. BAILEY. Well —

Mr. CONNOLLY. Would that be fair?

Ms. BAILEY. That is fair.

Mr. CONNOLLY. How many employees you got?

Ms. BAILEY. Close to 240,000.

Mr. CONNOLLY. And how many have you got, Ms. Leo?

Ms. LEO. About 17,000 civil servants.

Mr. CONNOLLY. A quarter of a million almost, 17,000.

Well, I am going to accuse my friend Max Stier of oversimplifying. I think DHS has a much more difficult task from day one. That is not to let anyone off the hook, but many orders of magnitude different than NASA's wonderful success. And good for you. I would bet you Ms. Bailey is sitting there thinking I wish I had Ms. Leo's problems because trying to bring all this together in one happy family when it—and I was in the private sector, and we were a contractor to the administration trying to figure out this new thing called the Department of Homeland Security. I remember looking at the org charts and trying to figure out, well, what would go where and who would go where and what is the logic of it? And sometimes there was logic and sometimes there wasn't. So trying to cohere all of that and infuse it with mission and morale and productivity is a challenge. And, Max, you want to redeem yourself a little bit?

Mr. STIER. I do. I feel like the ranking member —

Mr. CONNOLLY. And then I will —

Mr. STIER.—has filibustered here and not offered me an opportunity to respond here.

Mr. MEADOWS. That would never happen.

Mr. CONNOLLY. We don't filibuster here in the House of Representatives, Mr. Stier.

Mr. STIER. All right.

Mr. CONNOLLY. We are not the Senate.

Mr. STIER. All right. Well, so if I might, Mr. Chairman, respond?

Mr. MEADOWS. Yes, go ahead and respond quickly.

Mr. STIER. Okay.

Mr. MEADOWS. I think we have got votes pretty soon —

Mr. STIER. Okay.

Mr. MEADOWS.—so that's why I'm —

Mr. STIER. Just very quickly in all seriousness, there's no question that an organization of 240,000 people is a much trickier proposition than an organization of 17,000. However, that's a different question about saying whether it's the mission or it's the leadership. If you look across this table and you ask each of these individuals, are they at their agency because they want to be at their agency, my bet is they'll say they care about housing, they care about labor, they care about, you know, homeland security, they care about the issues at NASA.

The Federal workforce, if you look at the data, says that by and large the employees are as mission-committed across the board as any organization. Where you see the differential is in their perspective of their leadership, not in their mission commitment. And that is true, and to your point earlier in the private sector, same thing. People who care about NASA issues are at NASA. People who care about homeland security, law enforcement, whatever issues are at DHS. What differentiates their views about their work environment and whether they're engaged is whether they believe that their leadership is giving them the resources they need to do their jobs well, whether they can see from what they do how they're connected to the overall mission, whether they, you know—on and on and on. That's where the clear—that's what the data shows.

I'd love to continue this conversation further. The turnaround issue is a separate one about the size that DHS has to deal with. That's one reason why I say break it into blocks, into the sub-components. Thank you.

Mr. MEADOWS. All right. Thank you. The chair recognizes himself for a series of questions.

So I will give you a soft ball. So, Mr. Stier, is it always the large agencies that perform the poorest, or have we had examples of very small agencies that have had very poor rankings in the past, so like Chemical Safety Board?

Mr. STIER. Well, or, you know, bluntly, I'm—you know, I will take a DHS example. Look at the Secret Service, which was an organization that actually had very high scores that you've seen decline over the course of the last 4 and 5 years. And I would posit that that's about leadership again. When you look at the—you know, the FDIC and the SEC, they swapped places in our rankings. I think that's about leadership. One was on the top, one was at the bottom. They flipped it, and that—so that's what you see.

The large—I mean, this is a statistical issue. The larger you get, the more close to the mean you're likely to get, and so that's going to drive your —

Mr. MEADOWS. Is that why we rank them out as most improved for large agencies —

Mr. STIER. Absolutely.

Mr. MEADOWS.—medium-size, small agencies, et cetera?

Mr. STIER. Absolutely. And at some point you slice it too much so the reality is we keep getting asked, well, we're not—we're a large agency but we're 240,000, we're not like 15,000, but you can only do so much —

Mr. MEADOWS. Right. If you get it down small enough, you become the best and worst of the subsets.

Mr. STIER. Super large, exactly.

Mr. MEADOWS. So —

Mr. STIER. But I think the bottom line here is that you look at the data, leadership is like two-thirds of what's driving what we're seeing here. And that's, you know, political leadership—and there's things you can do, which is what I've suggested, to help encourage the better behaviors.

Mr. MEADOWS. All right. So, Ms. Leo, when you are on the top, everybody guns for that top position. So how have you managed to stay on the top for 4 years running? Because some of the most critical surveys in the automobile industry actually go towards Lexus and Mercedes-Benz and some of the ones that you would think of very high quality because the expectation rises along with that. So the expectations are that you are going to be number one from here on out. How do you manage that expectation and continue to deliver satisfaction to your employees?

Ms. LEO. Well, thank you for the question. We are really focused on our trend, and so we want to see our trend continue to go up. And so I think—we think that if someone overtakes us because their trend goes—they increase more than ours, as long as we're still increasing and listening to the feedback of our employees, that's a good-news story because —

Mr. MEADOWS. All right.

Ms. LEO.—it really is about the health of the Federal Government.

Mr. MEADOWS. Valid point. All right. So, Ms. Rose, your energy was obvious in your testimony earlier, so, you know, I wish you would get a little energetic.

[Laughter.]

Mr. MEADOWS. But how do you make that energy—obviously you have—contagious in the Department of Labor? I mean, we have talked about engagement and other things, but how have you been able to do that, you know, other than town hall meetings and things? Why do they feel like they are important, your rank-and-file?

Ms. ROSE. I think it's because we're not just listening but we're doing as a result of our listening.

Mr. MEADOWS. All right. Now, that was the answer that I wanted to hear, and so thank you for that response.

Ms. ROSE. You're welcome.

Mr. MEADOWS. Because here is the interesting thing is we can do a number of surveys, and I used to be in that business. You would send the surveys out. If you got the information, you checked the box, you did the surveys, and if nothing happened with those results, two things happened. One is employee morale went down. Two, I guess the participation rates in subsequent years went down.

And so if you are doing that, I saw the recommendation is that the feedback gets quicker and then everybody started nodding and getting quicker. And I see some people in the audience nodding as well when I say that now. How do we do that effectively without making it a management—well, without making it laborious on management where then we are essentially surveying to survey to make sure that we are checking the box? And, Max, how do we make it quicker?

Mr. STIER. I think, one, to recognize OPM has made it faster already but there's more that can be done. An example is the survey is held open for 3 months. It doesn't need to be that way in my view in today's day and age. There's a lot of technology and methodology that allows it to be done in a shorter time horizon.

So if you start asking people in the beginning of April, which is what's happening right now, surveys in the field, and you're not done until the end of June, that already means that folks that got their opinion asked in April are waiting forever before their information is actually collected.

I think that, like with a lot of things, this is a place where you can legislate and say this is our expectation, that this is the private sector benchmark and we expect the government to meet it. And if you did that, I think we would wind up with a faster turnaround and, as I might add, it should be public as well.

Mr. MEADOWS. Well, and as you know, we are going to continue to highlight this not for the benefit of this committee but for the benefit of the workforce, the 2 million Federal workers that I continue to hear each and every day of both wonderful applause and frustration sometimes going hand-in-hand, and that is why we are going to do it.

So let me close before I recognize the gentleman from Wisconsin, Mr. Grothman.

Ms. Bailey, let me come to you, and one is a positive and one is a negative. So let me give you the positive first.

I was able to hear from the Coast Guard here recently, and one of the wonderful parts of your group is the Coast Guard and their ranking being much higher than some of the others within your purview of 22 different agencies. So as we see the Coast Guard, one of the things that impressed me was the number of volunteer hours that the Coast Guard has put in place right here in the District. I mean, the numbers were mind-boggling, and in fact, the gentleman I saw had a sunburn because he had been out volunteering on a weekend to actually clean up a park here in D.C.

And so I want to just publicly say thank you for—if you will pass along my thank you and recognition to the thousands of hours, not just with the Coast Guard but that was a particular example because it seemed above and beyond in terms of the average, but the thousands of volunteer hours that have been put forth from the Department of Homeland Security, so applause there.

Ms. BAILEY. Thank you.

Mr. MEADOWS. My concern—and so we will come to the other second part of this—is that in March of this year the commissioner for CBP actually told agents, and I will quote when it was with regards to President Obama's Executive order, he says, well, if you don't like it, it is time to "look for another job." Can you imagine in any place where that would be encouraging to employee morale?

Ms. BAILEY. Sorry about that. I wasn't sure with the button.

I do understand with regard to that situation. We have had conversations with Customs and Border Protection, and they're working with them on ways to engage with the workforce with regard to the policies that they carry out and to ensure that everybody really kind of in some way sees engagement as a team sport and

Mr. MEADOWS. So engagement means engagement at another agency?

Ms. BAILEY. No —

Mr. MEADOWS. Because looking for another job that would—and here is my concern, and so here I want to make the message clear. Secret Service, CBP, you know, when we look at some of those, the bottom four in terms of the component, we have to see improvement there. We get more whistleblowers and concerns from people out of those particular components under your supervision than any others in the entire Federal workforce. And because of that, it lets me know that there is a big problem.

And so do I have your commitment that within the next 120 days that you will have a plan on how we are going to address those four lowest in terms of improvement? Do I have your commitment to do that?

Ms. BAILEY. Yes, sir, absolutely, because we are actually—we have quite a few things underway right now.

Mr. MEADOWS. All right. Thank you, Ms. Bailey.

And I will recognize the gentleman from Wisconsin, Mr. Grothman for 5 minutes.

Mr. GROTHMAN. Sure. I want to talk to Ms. Rose a little bit. You are kind of one of the stars of the day because your satisfaction scores are some of the biggest increases out here. Could you just give us a general background on some of the initiatives that you may have started in the last few years that are reasons for the big increase in your scores?

Ms. ROSE. Yes, I would be delighted to. The listening sessions which started the whole thing were extremely —

Mr. GROTHMAN. See, that is the nicest question asked by any of them, so —

Ms. ROSE. Which started the whole thing, and it goes back to what Chairman Meadows discussed with me. We gathered data and we looked for things that we could do, things we could do right away based on employee feedback and suggestions and things that were longer term. Employees told us we think you could do a better job training supervisors and managers, preparing people to be leaders at DOL. So we built a curriculum specifically to address that, and we call it Leading at Labor. And we just started an Emerging Leaders program, which gives people who have aspirations towards leadership roles at the Department a chance to start acquiring some skills in that direction.

We did simple things. People said, can we have a microwave in the cafeteria? It would be really nice to have someplace to warm our food at lunchtime. We put microwaves in the cafeteria. We did small things, we did large things, we did long-term things, and then we kept telling people what we were doing. You said this, we did this. You suggested this, we're looking at this. So it's a continual dialogue with our workforce.

Mr. GROTHMAN. Okay. Is there anything you did in particular to address leadership styles among your folks?

Ms. ROSE. The leadership training that I mentioned is really focused more on soft skills. Most of our leaders are in the positions they're in because they are very good at the technical aspects of the work they do. But we decided to offer a curriculum that really addressed the soft skills, the soft side of leading, how to communicate, how to inspire, how to challenge, how to lead.

Mr. GROTHMAN. Okay. Now, I see on the screen next to me that they are calling votes on the Floor. That is what they pay us the big bucks for. Mr. Chairman, you want to take over?

Mr. MEADOWS. Sure. If the gentleman yields back, the chair will recognize Mr. Jordan for a few questions, and then we will —

Mr. JORDAN. Thank you, Chairman.

Mr. Stier, the Partnership for Public Service, so here is what I want to know. So we got this survey and we are talking to Federal employees and we do it every year and we find out, you know, the satisfaction, what they think about their working environment and everything else. Is there work that you have done that actually looks at it from the taxpayer perspective, from citizens who have to interact with these Federal agencies?

And do you see a correlation between agencies that have dissatisfied employees and the satisfaction or lack of satisfaction taxpayers and citizens experience when interacting with that respective agency?

Mr. STIER. That's a terrific question, and the answer is yes, you do see that correlation. We don't have as much research done in the public sector as I'd like to see done, but in the private sector, there's a ton of data that show improved employee engagement, shows improved performance, increases bottom line —

Mr. JORDAN. Which is what we would all expect.

Mr. STIER. The VA actually has some good data that shows in those hospitals where they have higher employee engagement rates, you have higher customer service —

Mr. JORDAN. Exactly what we would expect.

Mr. STIER. Yes. It's what you would expect and it's there. What's also interesting is, subsequent to our starting the Best Places to Work rankings, the Government of Great Britain, Australia, Canada, you're now seeing this as a global phenomenon where other countries are recognizing that a good way to hold leadership accountable is to listen to the employees and to focus on employee engagement. So it —

Mr. JORDAN. So the fact that DHS continues to be at the bottom, the worst, employee satisfaction is the lowest at that particular agency also most likely means that the taxpayers who have to interact with them, as Mr. Mulvaney pointed out today, specifically taxpayers have to interact with TSA probably also aren't too satisfied with the kind of service they are getting from that particular agency?

Mr. STIER. I would say it is slightly differently, and I'll give you the reason why.

Mr. JORDAN. Okay.

Mr. STIER. I think that there is an opportunity to improve taxpayer results by improving the quality of the leadership experience of the employees at DHS.

Mr. JORDAN. Well, that is good. I mean —

Mr. STIER. Yes.

Mr. JORDAN.—you said it —

Mr. STIER. But I say that because I think it's still the case—I mean, that's one of the reasons why I'm all for the best places to work and not the worst places. I still think that the American taxpayer is getting a lot of good service from DHS.

Mr. JORDAN. Well —

Mr. STIER. There's an opportunity to make it better is my only point.

Mr. JORDAN. Well, I am not saying—you said it in —

Mr. STIER. Yes.

Mr. JORDAN.—the glass-half-full way. That is fine.

Mr. STIER. That's the way my mom taught me.

Mr. JORDAN. No, that is good, and I appreciate that. Some agencies I would use the glass half full, others I wouldn't. And one I wouldn't is the Internal Revenue Service.

I notice on the list, Department of Treasury, 16 out of 19 when it comes to the big agencies, and more specifically, an agency that every single taxpayer has to interact with, some of these—I bet I don't have that many people who have to interact with NASA, right, taxpayers, probably just doesn't. But I know I have got a bunch of folks I get the privilege to represent who have to interact with the Internal Revenue Service. And they are in the lower third

when it comes to employee work satisfaction, and they are going down.

And meanwhile, we have this same agency, when you talk to any taxpayer out there, the answer, lack of answers to questions, and you talk to some who have been systematically targeted by the Internal Revenue Service, I mean, this to me is an important correlation where IRS is way down the list and then when you talk to taxpayers, oh, my goodness, when they have to deal with that agency, their level of dissatisfaction, probably off the charts, too. Do you have any specific information or data on that particular one?

Mr. STIER. Well, first and foremost, you noted, you know, IRS is part of Treasury. It's the biggest part of the Treasury Department.

Mr. JORDAN. Yes.

Mr. STIER. It drives the numbers there. You know, one thing I would note is we think there's an opportunity to actually —

Mr. JORDAN. And I would say this —

Mr. STIER. Yes, please.

Mr. JORDAN.—just to interrupt, when you look at the numbers of the lower four, DHS being the last, but the lower four, two of them are going up in satisfaction of employees. IRS is going down even—their employee satisfaction with their working environment is going down even faster and lower than DHS. So they are moving—if this continues, it will be a couple of years where Ms. Bailey won't have to take all the tough questions; it will be Mr. Koskinen from the IRS taking it. If he is not already gone, he will be the one having to answer the tough questions.

Mr. STIER. Well, two quick things, the one is that we think there is an opportunity at the Partnership to do something around customer service similar to best places around employee engagement, and that would be to create a common customer service index for the Federal Government. And that would be a way that you would get more of your, you know, better correlations, but frankly, it would provide good accountability information for government agencies. That's a conversation that we would welcome to have. So that'd be terrific. Thank you.

Mr. MEADOWS. I thank the gentleman. Ms. Brooks, let me ask you one question because obviously you have got a long ways to go but you have made unbelievable improvements. So what one piece of advice maybe to Ms. Bailey or others who are watching saying what one piece of advice if we were to give them one thing to improve that you have seen make the biggest difference at HUD? What would that be?

Ms. BROOKS. Leadership involvement and looking at the data and understanding the data.

Mr. MEADOWS. So getting leadership to actually look at the data and then actually having interaction with the team?

Ms. BROOKS. Yes.

Mr. MEADOWS. Because I have experienced that in a personal way with Ms. Leo and the team there at NASA. I mean, we were teleconferenced all over. And we didn't have some of the leadership in there even though it was a leadership part because they wanted to free it up to allow for very candid discussions with a Member of Congress.

But what you are saying is having leadership involved and then having it open and transparent where there is no retaliation with regards to what the comments that are made?

Ms. BROOKS. Yes. First and foremost, we wanted to make sure that we had full participation from employees, so we got the participation up so we could have the data. And then we had all leadership involved to be able to look at the data and metadata available to everyone. And we broke the data down to—for every organization within HUD and had employees at every level to be able to look at the data and broke it down into engagement plans for every organization.

Mr. MEADOWS. Well —

Ms. BROOKS. And I think that was the biggest gain for our organization was to be able to look at the data, understand it, and act on it.

Mr. MEADOWS. Well, thank you, Ms. Brooks. I want to just say thank you so much. Does the ranking member have a comment?

Mr. CONNOLLY. Well, thank you, Mr. Chairman.

I just wanted to follow up a little bit on the IRS, Mr. Stier, because, presumably, if your agency were called before Congress on real and bogus allegations for dozens of times, if over \$1 billion of your budget was slashed, if people couldn't fill vacancies even through attrition because of those cutbacks, if your technology was getting more and more ancient every day and you have, you know, hard drive collapses and all kinds of problems integrating systems and so forth, and you couldn't even meet customer satisfaction standards because of inadequate resources, presumably, that might have an impact on your morale and your productivity every day and your job satisfaction if you worked for that agency. Fair enough?

Mr. MEADOWS. I think a smile says all it needs to say. I thank the ranking member.

Mr. CONNOLLY. I have got to go vote.

Mr. MEADOWS. I am thanking the ranking member.

Mr. CONNOLLY. But there can't just be one point of view about IRS around here, and as long as I am here, there won't be.

Mr. STIER. And I think it's important to be focused on the employee engagement because all of us benefit with more engagement that way.

Mr. MEADOWS. And I do want to stress that —

Mr. STIER. Thank you.

Mr. MEADOWS.—I have had the opportunity to meet with IRS employees and found them very engaging and willing to look for real responses, and so on that, I think it gets back to management again. And all of you have said that.

And so we are going to give you a few additional questions. We are going to vote right now, and that way we don't hold you. So we are going to go ahead and finish up this hearing.

But I want to say thank you. Thank you for not only being here today, thank you for your testimony, but thank you to the great Federal workers that are out there that are serving the American taxpayer each and every day.

If there is no further business, without objection, the subcommittee stands adjourned.

[Whereupon, at 3:20 p.m., the subcommittee was adjourned.]

