SOCIAL SECURITY

Date: July 21, 2004   Refer To:

To: The Commissioner

From: Acting Inspector General

Subject: The Social Security Administration's Efforts to Address Its Future Workforce Needs
        (A-13-03-13064)

The attached final report presents the results of our review. Our objective was to assess the Social Security Administration's (SSA) plans to address its future workforce needs, which would enable it to manage its workloads and continue providing quality customer service. Specifically, we determined whether certain SSA planning documents complied with Presidential guidance and SSA had implemented selected action items in its Future Workforce Transition Plan.

If you wish to discuss the final report, please call me or have your staff contact Steven L. Schaeffer, Assistant Inspector General for Audit, at (410) 965-9700.

Patrick P. O'Carroll, Jr.

Attachment

OFFICE OF
THE INSPECTOR GENERAL

SOCIAL SECURITY ADMINISTRATION

THE SOCIAL SECURITY
ADMINISTRATION'S EFFORTS
TO ADDRESS ITS FUTURE
WORKFORCE NEEDS

July 2004   **A-13-03-13064**

EVALUATION
REPORT

Mission

We improve SSA programs and operations and protect them against fraud, waste, and abuse by conducting independent and objective audits, evaluations, and investigations. We provide timely, useful, and reliable information and advice to Administration officials, the Congress, and the public.

Authority

The Inspector General Act created independent audit and investigative units, called the Office of Inspector General (OIG). The mission of the OIG, as spelled out in the Act, is to:

- ❍ Conduct and supervise independent and objective audits and investigations relating to agency programs and operations.
- ❍ Promote economy, effectiveness, and efficiency within the agency.
- ❍ Prevent and detect fraud, waste, and abuse in agency programs and operations.
- ❍ Review and make recommendations regarding existing and proposed legislation and regulations relating to agency programs and operations.
- ❍ Keep the agency head and the Congress fully and currently informed of problems in agency programs and operations.

To ensure objectivity, the IG Act empowers the IG with:

- ❍ Independence to determine what reviews to perform.
- ❍ Access to all information necessary for the reviews.
- ❍ Authority to publish findings and recommendations based on the reviews.

Vision

By conducting independent and objective audits, investigations, and evaluations, we are agents of positive change striving for continuous improvement in the Social Security Administration's programs, operations, and management and in our own office.

Executive Summary

OBJECTIVE

Our objective was to assess the Social Security Administration's (SSA) plans to address its future workforce needs, which would enable it to manage its workloads and continue providing quality customer service. Specifically, we determined whether certain SSA planning documents complied with Presidential guidance and SSA had implemented selected action items in its Future Workforce Transition Plan. We selected 10 of 54 action items based on their potential effect on the recruitment, development and retention of Agency staff.

SSA's planning documents we reviewed and the Future Workforce Transition Plan action items selected do not specifically address the State Disability Determination Services (DDS). As such, our review does not include an assessment of the adequacy of SSA's planning documents and the implementation of action items as they relate to State DDSs. The General Accounting Office reviewed the human capital challenges facing State DDSs and issued a report *Strategic Workforce Planning Needed to Address Human Capital Challenges Facing the Disability Determination Services* in January 2004.

BACKGROUND

SSA has an extensive history of providing its customers program-related services. However, the Agency's ability to provide these services may be severely challenged in the future. The aging of the baby boom generation, those individuals born between 1946 and 1964, will have a significant impact on the growth of the Agency's disability and retirement programs. By 2012, participation in the Disability Insurance program is expected to increase by 35 percent, and beneficiaries of the Retirement and Survivors Insurance program are expected to increase by 18 percent. SSA estimates that 18,786 employees will retire between Fiscal Years 2004 and 2010.

RESULTS OF REVIEW

The SSA planning documents we reviewed complied with Presidential guidance to integrate human resources management into planning processes. In addition, SSA has implemented 4 of the 10 action items we reviewed and continues to take action on the other 6 items. These action items pertained to staff recruitment, development and retention.

CONCLUSIONS

SSA continues to be a leader in addressing its human capital challenges. The planning documents we reviewed complied with guidance contained in the Fiscal Year 2002 President's Management Agenda. Further, SSA has taken and continues to take actions to address its human capital challenges. We believe the Agency is committed to meeting its human capital challenges to enable it to keep providing the services its customers deserve.

AGENCY COMMENTS

SSA agreed with our analysis and the conclusions presented in the report. See Appendix D for the full text of SSA's comments.

Table of Contents

Acronyms

ALP	Advanced Leadership Program
ASP	Agency Strategic Plan
CES	Center for Employee Services
DDS	Disability Determination Services
ECQ	Executive Core Qualifications
FWTP	Future Workforce Transition Plan
FY	Fiscal Year
GAO	General Accounting Office
LDP	Leadership Development Program
OPM	Office of Personnel Management
OT	Office of Training
OWA	Office of Workforce Analysis
PMA	President's Management Agenda
SCEP	Student Career Experience Program
SES	Senior Executive Service
SSA	Social Security Administration
STEP	Student Temporary Employment Program
WRP	Workforce Recruitment Program

Introduction

OBJECTIVE

Our objective was to assess the Social Security Administration's (SSA) plans to address its future workforce needs, which would enable it to manage its workloads and continue providing quality customer service. Specifically, we determined certain SSA planning documents complied with Presidential guidance and SSA implemented selected action items in its Future Workforce Transition Plan (FWTP). We selected 10 of 54 action items based on their potential effect on the recruitment, development and retention of Agency staff.

SSA's planning documents and the FWTP action items we reviewed do not specifically address the State Disability Determination Services (DDS). As such, our review does not include an assessment of the adequacy of SSA's planning documents and the implementation of action items as they relate to State DDSs. It should be noted that the General Accounting Office recently reviewed the human capital challenges facing the State DDS. The report, *Strategic Workforce Planning Needed to Address Human Capital Challenges Facing the Disability Determination Services,* was issued in January 2004.[1]

BACKGROUND

In January 2001, the General Accounting Office (GAO) designated human capital[2] as a Government-wide high-risk area.[3] In March 2003 testimony prepared for the House Subcommittee on Government Efficiency and Financial Management, GAO noted that, "Although progress has been made, it remains clear that today's federal human capital strategies are not appropriately constituted to meet current and emerging challenges or drive the needed transformation across the federal government."[4]

The Fiscal Year (FY) 2002 President's Management Agenda (PMA) addressed strategies for improving the Government's management and performance.[5] One of the five Government-wide initiatives contained in the PMA is Strategic Management of Human Capital. The PMA identifies short- and long-term results as well as expectations for each initiative. For example, the PMA indicates that "Agencies will use strategic

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[1] GAO, *SOCIAL SECURITY ADMINISTRATION: Strategic Workforce Planning Needed to Address Human Capital Challenges Facing the Disability Determination Services*, (GAO-04-121), January 2004.
[2] Human Capital refers to the skills, abilities, and contributions of employees in an organization/agency.
[3] GAO, *High-Risk Series-An Update* (GAO-01-263), pp. 18-21, January 2001.
[4] GAO, *MANAGEMENT REFORM: Continuing Progress in Implementing Initiatives in the President's Management Agenda* (GAO-03-556T), p.4, March 2003.
[5] Executive Office of the President, Office of Management and Budget, *The President's Management Agenda*, Fiscal Year 2002.

workforce planning and flexible tools to recruit, retrain, and reward employees and develop a high-performing workforce."[6]

SSA has an extensive history of providing its customers various program-related services. However, the Agency's ability to provide these services may be severely challenged in the future. The aging of the baby boom generation (those born between 1946 and 1964) will have a significant impact on the growth of the Agency's disability and retirement programs. By 2012, participation in the Disability Insurance program is expected to increase by 35 percent, and the number of beneficiaries of the Retirement and Survivors Insurance program is expected to increase by 18 percent.[7] SSA estimates that 18,786 employees will retire between FYs 2004 and 2010.

In addition to the workload increase and retirement of staff, SSA reports customers' expectations as to how they want to conduct business will change. Technological advances continually provide SSA's customers alternatives to the traditional methods of service. For example, the Internet allows the public to access information on SSA's programs and submit information for a benefit claim from home. This in turn will challenge SSA's information systems staff to develop and implement new technologies to serve the public in a more convenient, cost-effective and secure manner.

The Deputy Commissioner for Human Resources is designated as the Chief Human Capital Officer[8] for SSA and is responsible for assisting the Commissioner and other Agency officials in carrying out SSA's responsibilities for selecting, developing, training and managing a high-quality productive work force in accordance with merit system principles. The Offices of Personnel, Civil Rights and Equal Opportunity, and Training assist the Chief Human Capital Officer in carrying out this responsibility.

One of the initiatives the Human Capital Officer oversees is the FWTP. The FWTP has a variety of action items whose implementation will facilitate transitioning SSA's workforce of today to the workforce of tomorrow. Multiple offices and their components have been designated as the leads for implementing and monitoring these items.

See Appendix A for information on the Scope and Methodology for this review.

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[6] Executive Office of the President, Office of Management and Budget, *The President's Management Agenda*, Fiscal Year 2002, p.14.
[7] *Social Security Administration Strategic Plan 2003-2008*, p.9, March 31, 2003.
[8] Homeland Security Act of 2002, Public Law No. 107-296 § 1302(a), 5 U.S.C. § 1401.

Results of Review

The SSA planning documents we reviewed complied with Presidential guidance to integrate human resources management into planning processes. In addition, SSA has implemented 4 of the 10 action items reviewed and continues to take action on the other 6 items. These action items pertained to staff recruitment, development and retention (see Appendix B).

SSA HAS TAKEN CERTAIN ACTIONS TO ADDRESS ITS FUTURE WORKFORCE NEEDS

SSA developed plans and initiated other actions pertaining to the recruitment, development and retention of staff. For example, the Agency completed studies to predict, on an annual basis, staff retirements and attritions[9] for major job positions.[10] SSA has also developed a document detailing how it envisions the Agency will function in the future.[11]

SSA Planning-Related Documents Complied with Presidential Guidance

SSA planning documents indicate the Agency's compliance with Presidential guidance concerning human capital. On June 9, 2000, the President directed the heads of each executive department and agency to fully integrate human resources management into their planning processes. According to the guidance, agencies were to clearly state specific management goals and objectives in their strategic and annual performance plans. In addition, the FY 2002 PMA directed that human capital strategies be linked to the organization's mission, vision, core values, goals and objectives among its expected near-term results.

During our review, we determined specific SSA planning documents[12] complied with the President's guidance and have assisted the Agency in achieving certain near-term results related to the strategic management of human capital.[13] For example, the

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[9] Attrition refers to employees leaving SSA for reasons other than retirement.

[10] SSA, Office of Workforce Analysis, *Predicting Retirement Attrition for a Maturing Workforce*, October 1998. SSA, Office of Workforce Analysis, *Updated Retirement Projections for a Maturing Workforce*, December 2000.

[11] SSA, Social Security 2010 Vision, August 25, 2000.

[12] Id. *Social Security Administration Revised Final Performance Plan for FY 2003*, May 2003; *Social Security Administration Strategic Plan 2003-2008*, March 31, 2003; FWTP, June 5, 2000 (and subsequent issued versions dated through September 30, 2003).

[13] Executive Office of the President, Office of Management and Budget, *The President's Management Agenda*, FY 2002, p.14. The expected near-term results are (1) human capital strategies will be linked to organizational mission, vision, core values, goals, and objectives; (2) agencies will use strategic workforce planning and flexible tools to recruit, retrain, and reward employees and develop a high-performing workforce; (3) agencies will determine their "core competencies" and decide whether to build internal capacity, or contract services from the private sector; and (4) the statutory framework will be in place to make it easier to attract and retain the right people, in the right places, at the right time.

Agency Strategic Plan 2003-2008 (ASP) addresses anticipated growth in the Disability and Supplemental Security Income workloads[14] and the expected loss of institutional knowledge from its workforce. One of the goals identified within the ASP is to strategically manage and align staff to support the Agency's mission. An objective related to this goal is the recruitment, development, and retention of a high-performing workforce.

The FWTP was developed as a result of the ASP.[15] Specifically, it originated with the ASP objective "to create a workforce to serve SSA's diverse customers in the 21st century." In addition, SSA's Annual Performance Plan is driven by the five goals in the ASP and the President's Government-wide management reforms.

SSA Has Implemented and Continues to Take Actions to Address its Future Workforce Needs

The Agency's FWTP encompasses a variety of human capital action items. These actions are intended to address the anticipated retirement wave of SSA employees and facilitate the transitioning to the workforce needed for the future. At the time of our review, the FWTP contained 54 action items. We reviewed 10 of the 54 action items. These 10 items related to the recruitment, development, and retention of Agency staff. We selected 10 of 54 action items based on their potential effect on the recruitment, development and retention of Agency staff. SSA has implemented 4 of the 10 items and continues to take action on the other 6 items.[16]

Several examples of actions SSA has taken follow.

- Headquarters' recruiters visited colleges and university campuses offering potential candidates full or partial payment of tuition, fees and books. Twenty-two individuals had been recruited in Headquarters through mid-October 2003.

- SSA used its authority in FY 2002 to reemploy 169 annuitants.[17] Of the 169 employees, 145 (86 percent) were hired for 6 of 14 mission-critical positions.

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[14] The Supplemental Security Income program provides payments to aged, blind and disabled persons whose income and resources are below specified amounts.

[15] Social Security, *Mastering the Challenge,* Strategic Plan 2000-2005, September 2000.

[16] We reviewed four action items that have been implemented: (1) Using Model Develop Competency Based Tool for External Hiring to Ensure Quality of New Hires; (2) For Claims Representative, Service Representative, and Tele-Service Representative positions, Examine What Attracts Applicants to SSA, Why New Hires Stay and Why New Hires Leave. Data Can be Used to Focus Recruitment and Retention Efforts; (3) Issue National Recruitment Model, Including Recruiting Practices Such as, Have Employees from Diverse Groups on Recruitment Teams, Emphasize What is Attractive to the Audience from Which We are Recruiting, Send Follow-up E-mail to Desirable Candidates, etc.; and (4) Plan for A Comprehensive Work/Life Fair.

[17] A reemployed annuitant is a former Federal employee who is separated from Federal service under an Optional, Discontinued Service or Disability Retirement, receives a retirement annuity from the Government as a result of prior service, and is reappointed to the employment rolls of the Government.

- SSA reported that 74 employees completed the Advanced Leadership Development Program in May 2003. In June 2003, SSA issued a request for candidates for another Advanced Leadership Development Program class.

See Appendix B for the status of all 10 FWTP action items we reviewed.

Conclusions

SSA continues to be a leader in addressing its human capital challenges. Its planning documents we reviewed complied with guidance contained in the FY 2002 PMA. Further, SSA has taken and continues to take actions to address its human capital challenges. We believe the Agency is committed to meeting its human capital challenges to enable it to keep providing the services its customers deserve.

AGENCY COMMENTS

SSA agreed with our analysis and the conclusions presented in the report. See Appendix D for the full text of SSA's comments.

During this evaluation, we identified several matters outside the scope of our review. These matters are not necessarily indicative of deficiencies in SSA's Human Resource Strategy; rather, they identify the potential for SSA to expand on its efforts to meet its human capital challenge. We are sharing these matters to encourage management to continue identifying core competencies and use recruitment and retention flexibilities to ensure staff has the knowledge, skills and abilities needed to meet its future workload demands.

SSA Had Not Identified Core Competencies for All Mission-Critical Positions

The PMA identified Human Capital as a Government-wide initiative. One of the expected near-term results of this initiative is that Agencies will identify core competencies and decide whether to build internal capacity or contract services from the private sector. SSA defines core competency as an individual's knowledge, skills, abilities, and behaviors.

During our review of the action item *Using Model Develop Competency Based Tool for External Hiring to Ensure Quality of New Hires*, we determined that SSA had not identified the core competencies for all of its mission-critical positions. Congress and GAO emphasized the importance of hiring, retaining and developing employees according to competencies. Both emphasized building and maintaining a highly-skilled and efficient workforce. GAO reported that it is necessary to identify the knowledge, skills, abilities and behaviors that will be needed to meet an agency's mission and goals. The recruitment, development and retention of staff, should then be targeted to build and sustain those competencies.

SSA has identified 14 positions it considers as critical to its mission (see Appendix C). Of the 14 critical positions, SSA has identified core competencies for 3 positions. Specifically, the Agency has identified competencies for a segment of the Social Insurance Specialist position.[18] In addition, SSA identified core competencies for the Computer Specialist and Actuary positions. As of December 2003, the Agency reports it has not developed core competencies for the remaining mission-critical positions. After we completed our field work, SSA informed us it had identified the core competencies for the teleservice representative position.

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[18] The Agency has identified core competencies for the claims representative position.

| **SSA Used Recruitment and Retention Flexibilities** | The Federal Employees Pay Comparability Act of 1990[19] contains a number of provisions designed to help Federal agencies recruit, retain, and relocate employees. For example, the Act provides agencies the ability to offer one-time bonuses of up to 25 percent of basic pay to recruit and relocate employees for hard-to-fill positions.[20] Additionally, agencies were given the |

authority to offer retention allowances of up to 25 percent to be paid in the same manner and at the same time as basic pay.[21] These provisions assist agencies in retaining employees with unusually high or unique skills and qualifications and/or fulfilling a special agency need with an employee that would be likely to leave Federal service.

Through FY 2002, SSA had approved 3 recruitment bonuses totaling about $35,800 and 15 retention allowances totaling about $141,300. SSA has primarily used retention allowances to retain mission-critical employees with specialized computer skills and attract individuals who, because of salary considerations, would otherwise seek private employment. Further, the Agency had approved 10 relocation bonuses totaling about $110,600 through FY 2002.

SSA has used recruitment bonuses and retention allowances to hire and retain staff. The number of recruitment bonuses and retention allowances used by SSA appears to be relatively small proportionate to the number of individuals hired annually. However, SSA management indicated recruitment bonuses and retention allowances are used with other hiring and retention flexibilities. For example, SSA may use the Student Career Experience Program, Student Temporary Employment Program or other programs to recruit employees. Consequently, the Agency may not need to use many recruitment bonuses and retention allowances to hire and retain staff.

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[19] Pub. L. No. 101-509.
[20] 5 C.F.R. §§ 575.101-105.
[21] 5 C.F.R. § 575.306.

Appendices

Scope and Methodology

To accomplish our objectives, we:

- Reviewed various Social Security Administration (SSA) documents related to Human Capital.[1]

- Reviewed relevant reports and information from other Federal agencies and entities.[2]

- Interviewed staff in the Office of the Deputy Commissioner for Human Resources' Office of Personnel concerning SSA's recruitment and retention strategies and staff responsible for implementing the action items.

- Obtained a list of SSA's mission-critical occupations, as previously reported in a General Accounting Office report[3] (see Appendix C).

- Reviewed and analyzed Fiscal Year (FY) 2000 - 2002 SSA recruitment and retention data.[4]

- Selected a non-statistical sample of 10 action items for review from the 54 items listed in SSA's Future Workforce Transition Plan.[5] We selected these items based on their potential effect on the recruitment, development and retention of Agency staff.

We conducted this review in Baltimore, Maryland. The entity reviewed was the Office of the Deputy Commissioner for Human Resources. We performed our review from December 2002 to December 2003 in accordance with the *Quality Standards for Inspection*s issued by the *President's Council on Integrity and Efficiency*.

We did not assess internal controls. Further, we did not determine the reliability of the computer processed data. We did not test for completeness, accuracy, or validity.

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[1] Social Security, Mastering the Challenge, Strategic Plan 2000-2005, September 2000; Social Security 2010 Vision, August 25, 2000; Performance and Accountability Report Fiscal Year 2002, November 2002; and SSA's Revised Final Performance Plan for FY 2003, May 2003.

[2] We reviewed numerous General Accounting Office reports on human capital and reports from the Offices of Personnel Management and Management and Budget.

[3] GAO, FEDERAL EMPLOYEE RETIREMENTS, *Expected Increase over the Next 5 Years Illustrates Need for Workforce Planning* (GAO-01-509), April 2001.

[4] We did not verify these data. The data comprise the total number of employees hired, retired or separated.

[5] Action items were selected from the following report sections: Recruitment and Retention (seven items), Training (two items) and Work/Life (one item). We obtained the report used from the Internet on January 6, 2003.

However, we were able to use the data for their intended purpose. The data obtained were used to report on SSA's progress in meeting the target dates established for each of the 10 action items and to report on staffing in SSA's mission-critical positions.

We obtained information on the Student Career Experience Program and overall Agency staffing from the Agency's Human Resource Management Information System. We obtained information pertaining to staff hired, those who separated from the Government, and salary information for reemployed annuitants with dual compensation waivers from the Agency's Federal Personnel Payroll System. Salary information for staff receiving hiring incentives was also verified through Federal Personnel Payroll System.

Future Workforce Transition Plan Action Items

Social Security Administration (SSA) has implemented 4 of the 10 action items reviewed and continues to take action on the other 6 items. These action items pertain to staff recruitment, development and retention.

We discussed the results of our work with the appropriate SSA staff. At that time, SSA staff provided updates on the status of action items in the Future Workforce Transition Plan (FWTP).

Student Career Experience Program

The Student Career Experience Program (SCEP) is a nationwide program to recruit and train college students pursuing either an associate or baccalaureate degree. The program gives the student work experience and the opportunity to use his or her academic skills in a Government environment.

In Fiscal Year (FY) 2001, SSA had 200 students in SCEP with 180 of the students located in field components and 20 at Headquarters. During FY 2001, 94 of these students converted into full-time positions with 88 in mission-critical positions. In FY 2002, SSA had 215 students in SCEP with 176 in the field and 39 at Headquarters. Of these students, 68 converted into full-time positions in FY 2002, and 66 were in mission-critical positions.

SSA reports, as of September 30, 2003, that Headquarters' recruiters visited colleges and university campuses offering potential candidates full or partial payment of tuition, fees and books. Twenty-two had been recruited in Headquarters through mid-October. Eleven students were converted to permanent positions in FY 2003. SSA has also implemented a service agreement. Under the agreement, students agree to remain with the Government for a period of 12 months after they convert to a permanent position or, upon failing to fulfill the terms of the agreement, will repay SSA any money expended from Federal funds for tuition and books (unless separated for reasons beyond their control).

Reemployed Annuitants with Waivers of Dual Compensation Salary Reduction

The Office of Personnel Management (OPM) grants waivers of dual compensation salary reductions to agencies in 1-year increments. Normally, the salary of an annuitant reemployed by a Federal agency is reduced by the amount of Federal civilian retirement income. However, an agency can request delegated authority from OPM to waive dual compensation salary reduction for annuitants hired to perform certain mission-critical functions. Annuitants are hired under a temporary appointment not to exceed 1 year.

Waivers are granted for only the following mission-critical functions:

- training or mentoring employees;

- writing procedures, operating guidance or training manuals;

- backfilling a position on a short-term basis during a period needed to complete recruitment and/or staffing actions to fill the position;

- completing projects that were initiated before the annuitant's retirement;

- serving as a consultant or expert on a project; and

- filling in at peak workload periods.

In FY 2001, SSA used its authority to waive dual compensation salary reduction to hire 152 former employees as reemployed annuitants. Of the 152 employees, 136 (89 percent) were hired for 6 of 14 mission-critical positions. Figure 1 details the breakdown of reemployed annuitants by SSA component, General Schedule (GS) Series and position for FY 2001.

Figure 1: FY 2001 Reemployed Annuitants

Headquarters/ Field	General Schedule Series	Position	Number Reemployed
Office of Finance, Assessment and Management	GS-0105	Social Insurance Specialist	1
Office of Operations	GS-0105	Social Insurance Specialist	58
	GS-0334	Computer Specialist	1
	GS-0962	Contact Representative	10
	GS-0998	Claims Clerk	1
Office of Disability and Income Security Programs	GS-0105	Social Insurance Specialist	2
Office of Hearings and Appeals	GS-0998	Administrative Law Judge	20
	GS-0950	Paralegal Specialist	15
	GS-0986	Legal Clerical and Assistant	28
Total			136

SSA used authority in FY 2002 to employ 169 annuitants. Of the 169 employees, 145 (86 percent) were hired for 6 of 14 mission-critical positions. Figure 2 details the breakdown of reemployed annuitants by SSA component, GS Series and position for FY 2002.

Figure 2: FY 2002 Reemployed Annuitants

Headquarters/ Field	General Schedule Series	Position	Number Reemployed
Office of Finance, Assessment and Management	GS-0105	Social Insurance Specialist	1
Office of Operations	GS-0105	Social Insurance Specialist	71
	GS-0962	Contact Representatives	13
	GS-0998	Claims Clerical	1
	GS-2210	IT Specialist	1
Office of Disability and Income Security Programs	GS-0105	Social Insurance Specialist	1
Office of Hearings and Appeals	GS-0935	Administrative Law Judge	20
	GS-0950	Paralegal Specialist	12
	GS-0986	Legal Clerical & Assistant	24
Office of Systems	GS-2210	IT Specialist	1
Total			145

In FY 2001, the Agency began using its authority to employ annuitants. Annuitants are either hired part-time or full-time under a temporary appointment not to exceed 2 years or as intermittent employees. Intermittent employees may continue working indefinitely provided they do not exceed 1,040 hours in a year. The 1,040 hours starts from the date of their appointment. For FY 2002, SSA reported 87 annuitants had their appointments extended from FY 2001, and 58 new annuitants were hired.

SSA reported that it continues to review and approve requests for dual compensation waivers and, as of December 2003, 173 annuitants had been approved or extended.

Federal Workforce Recruitment Program for College Students with Disabilities
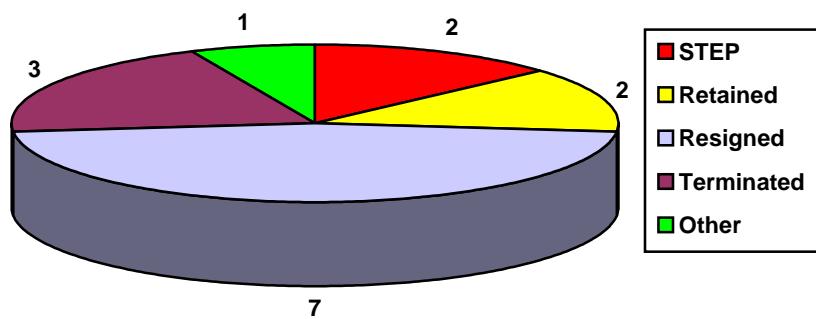
The Workforce Recruitment Program (WRP) is designed to assist students with disabilities in finding employment with the Government. The Office of Disability Employment Policy, Department of Labor, and Department of Defense coordinate the WRP. Partnerships are developed with other Federal agencies, each of which makes a commitment to provide summer jobs and a recruiter. Each year, the recruiters

interview students at approximately 200 colleges/universities nationwide. A database is then developed with each student's qualifications and provided to all participating Agencies.
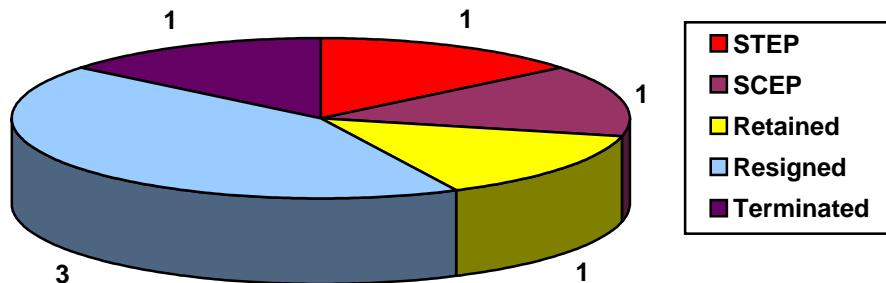
WRP serves individuals with severe disabilities who are full-time students enrolled at an accredited institution of higher learning seeking a degree or have graduated from such a program in the last year. SSA hired 10 individuals through WRP in FY 2000. In FY 2001, SSA hired 15 students and retained 2, both in mission-critical positions in field locations (see Figure 3).

Figure 3: FY 2001
Federal Workforce Recruitment Program

SSA staff informed us that, because of budget restrictions in FY 2002, seven students with disabilities were hired and one was retained. The one employee who was retained is a Management Assistant in SSA Headquarters. One student is employed under the Student Temporary Employment Program (STEP) and one under SCEP (see Figure 4).

Figure 4: FY 2002
Federal Workforce Recruitment Program

As of August 13, 2003, eight students had been hired through the WRP.

Competency-based Tool for External Hiring

In his December 2000 report to the President, Senator Voinovich provided 10 principles of human capital management that are common in high-performing organizations. One of those principles is that, as Federal Agencies try to improve their own human capital strategies, they should "Identify the competencies – knowledge, skills, abilities, and behaviors – needed to achieve high performance of mission and goals, and build and sustain the organization's talent pool through recruitment, hiring, development, and retention policies and practices targeted at building and sustaining those competencies."[1]

SSA's Office of Workforce Analysis (OWA) worked with a private contractor to develop a competency assessment process for hiring external applicants. In December 2001, the contractor asked a group of field office managers to identify characteristics, work-related capabilities and performance criteria associated with highly successful claims representatives. They then interviewed a group of claims representatives to determine what behaviors are typical of a high performer.

SSA identified seven competencies and related behaviors from subsequent surveys of field office and regional staff. A draft competency assessment tool was then developed and has been tested through the use of mock interviews.

SSA's initial target completion date for this action item was September 2001. However, as a result of several delays, the completion date was revised to October 2002. SSA reported in its March 24, 2003 FWTP Status Summary Report covering accomplishments through December 31, 2002, that the competency-based model had been developed and was subsequently used to develop the competency-based tool for external hiring.

National Recruitment Model

The June 2000 FWTP set forth the development of a National Recruitment Model as an action item. The targeted completion date was December 2000. SSA staff reported the National Recruitment Model initiative has evolved and is not exactly the same item as originally put forth in June 2000. The current action item is more comprehensive than the initial action item.

The initial effort on developing the model involved pulling together recruitment guides from several Regions and making them available to other Regions through SSA's intranet. SSA also reprinted its recruitment material in large print and Braille.

As part of the groundwork for developing a National Recruitment Model, SSA's Recruitment Strategist initiated a new National Recruitment Strategy and marketing campaign/plan. The recruitment strategy consists of the following elements: development of a marketing plan and campaign, an Internet and Intranet strategy,

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[1] Committee on Governmental Affairs, *Report to the President: The Crisis in Human Capital*, Senator George V. Voinovich, Chairman, Subcommittee on Oversight of Government Management, Restructuring, and the District of Columbia, p.7, December 2000.

coordination of nationwide recruitment, on-campus recruitment, automation of staffing and recruitment, working with OPM on improvements to the hiring process, maximum use of available flexibilities, and maximum use of available hiring authorities and diversity.

SSA recruiters can use the Model to develop their own recruitment strategies to meet their components' hiring needs. The Model codifies recruitment techniques and practices for present and future recruiters to use as needed. SSA staff advised that "the guide describes SSA's marketing campaign and its application, outlines 'best practices' that may be adopted locally or Agency-wide, provides guidelines for the development of effective recruitment strategies, and identifies varied outreach sources to ensure the recruitment of a highly capable, diverse workforce, including persons with disabilities." Before this guidance was issued, SSA did not have uniform national guidance on recruitment. The lack of such a Model could result in recruitment practices not being consistently applied and an ineffective use of SSA resources. SSA completed the National Recruitment Model in September 2003 and released it to SSA staff in December 2003.

Study of New Hires

OWA examined SSA's attrition rates and determined what attracts potential employees to SSA, what causes new employees to leave or stay, what factors are important to retaining new hires, and which employees are choosing to leave.[2] Surveys were sent to claims representatives, service representatives and teleservice center representatives hired between FYs 1998 and 2000. Separate surveys were sent to those employees who stayed, those employees who left, and the supervisors of those employees who left.

Approximately 50 percent of the employees who were surveyed indicated they chose to work for SSA because of a genuine desire to serve the public. New employees left SSA because of problems with supervisors or co-workers, a desire for a higher paying job, or family or personal problems. About 93 percent of SSA's employees have no plans to leave the Agency in the coming year.

The report has been completed, and baseline attrition rates established. These baseline rates are being used as a benchmark to measure annual progress in new hire attrition.

Retention Allowances and Recruitment Bonuses

Recruitment bonuses have not been used extensively at SSA. Through FY 2001, SSA approved one recruitment bonus of $8,314 to a Presidential Management Intern in the Office of Disability and Income Security Programs. For FY 2002, two recruitment bonuses totaling $27,500 were approved to fill the mission-critical positions Social Science Research Analyst and Computer Specialist.

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[2] SSA, Office of Human Resources, *New Hire Attrition and Retention at the Social Security Administration: 1998-2000 New Hires*, March 2003.

SSA has primarily used retention allowances to retain mission-critical employees with specialized computer skills and to attract individuals who, because of salary considerations, would otherwise seek private employment. Before FY 2001, SSA used retention allowances to retain five Computer Specialists at a total cost of $53,113. SSA used its retention allowance authority in FY 2001 to approve the retention of four employees in the Computer Specialist position (GS-334-13) and a GS-1035-011 Public Affairs Specialist. The cost incurred by the Agency totaled $46,126.

In FY 2002, SSA used its retention allowance authority to approve the retention of a GS-1035-11 Public Affairs Specialist and four Computer Specialists (GS-2210-9, and 2210-13) at a total cost of $42,078. See Figures 5 and 6.

SSA has used its relocation bonuses to relocate staff in mission-critical positions. Before FY 2001, SSA used one relocation bonus to relocate a Deputy Assistant Regional Commissioner. In FY 2001, SSA approved the relocation of six employees in the Social Insurance series GS-0105-11/14 at a total cost of $67,894. For FY 2002, SSA relocated a District Manager and two Claims Representatives at a cost of $26,775.

Figure 5: Recruitment, Retention, and Relocation Incentives Approved in FY 2001

Title	Series	# of Recruitment Bonus	Grade GS	Retention Allowance	Grade GS	Relocation Bonus	Grade GS	Total Incentive Paid
Public Affairs Specialist	1035			1	11			$9,657
Social Insurance Specialist	0105					6	1-11 3-13s 2-14s	$67,894
Computer Specialist	0334			4	4-13s			$36,469
Presidential Management Interns	0301	1	09					$8,314
Total		1		5		6		$122,334

Figure 6: Recruitment, Retention, and Relocation Incentives Approved in FY 2002

Title	Series	# of Recruitment Bonus	Grade GS	Retention Allowance	Grade GS	Relocation Bonus	Grade GS	Total Incentive Paid
Social Science Research Analyst	0101	1	12					$10,000
Public Affairs Specialist	1035			1	11			$9,657
Computer Specialist [3]	0334	1	13	3	3-13			$44,919
Information Tech. Specialist	2210			1	9			$5,002
Social Insurance Specialist	0105					3	2-11 1-13	$26,775
Total		2		5		3		$96,353

In Calendar Year 2003, SSA gave two recruitment bonuses, two relocation bonuses and six retention allowances.[4] The five retention allowances for FY 2002, noted in Figure 2, have been extended to FY 2003.

Training in Leadership Competencies to Supervisors and Executives

In FY 2001, the Office of Training (OT) sponsored *Executive Core Qualifications* (ECQ) training.[5] The ECQ chosen for training was *Results Driven.* The Leadership Competencies that make up the ECQ were accountability, customer service, decisiveness, entrepreneurship, problem solving and technical credibility. OT funded the tuition and travel for the 2,000 managers who attended 1 of the 30 seminars.

In FY 2002, the ECQ chosen was *Building Coalitions/ Communications.* The Leadership Competencies that make up the ECQ are influencing/negotiating, interpersonal skills, oral communication, partnering, political savvy, and written communication. OT funded the tuition and related travel expenses for approximately 2,500 managers who attended 1 of the 35 seminars.

In December 2003, SSA reported eight Basic Leadership and Teambuilding classes and three Mid-level Supervisory classes were conducted for new Office of Hearings and Appeals and Central Office employees.

Leadership Development Programs

In 1997, SSA implemented three national career development programs: the Senior Executive Service (SES) Candidate Development Program, the Advanced Leadership Program (ALP), and the Leadership Development Program (LDP). Leadership

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[3] In June 2002, employees in the General Schedule 0334 job series were converted to General Schedule job series 2210.

[4] Quarterly Status Report on the Social Security Administration's Future Workforce Transition Plan, December 1, 2003.

[5] The ECQs include *Leading Change, Leading People, Results Driven, Business Acumen, and Building Coalitions/Communication.*

programs provide employees with training and development experiences designed to afford them the necessary skills to become more effective in their jobs and ultimately in leadership positions. The programs are competency-based and encourage participants to take on challenging leadership assignments outside their home organization. Leadership competencies serve as a guide, during the selection process and the program, for areas to be developed or enhanced.

The SES Candidate Development Program is conducted over a period of 12 to 18 months and is designed to develop the skills of GS-15 employees to prepare them to assume executive responsibilities. Candidates must prepare an Individual Learning Plan that identifies developmental assignments and formal training that is in alignment with organizational goals. Candidates who complete all elements of the program may request SES certification from OPM. However, candidates who are approved for certification are not guaranteed placement in an SES position.

The ALP is an 18-month program designed to provide GS-13 and 14 employees with training and higher level developmental experience designed to prepare them to be future Agency leaders. Participants select a mentor who will assist them in creating an Individual Learning Plan that identifies a variety of rotational assignments as well as training and developmental experiences directed toward developing leadership competencies. Candidates who successfully complete the ALP receive a 3-year Certificate of Eligibility at the completion of the program.

The LDP is a 1-year program that provides participants with training and developmental experiences designed to enhance the participant's leadership abilities. Developmental experiences include individual and core training and participation in rotational assignments. Candidates who successfully complete the LDP receive a 3-year Certificate of Eligibility for one non-competitive promotion to a position at the next higher grade.

Figure 7 provides information on the number of vacancies announced in each program for the years shown and the number of candidates selected.

Figure 7: National Leadership Development Programs Summary

National Program	Vacancies Announced	Total Applicants	Total Selected	Permanent Promotions
1998 SES CDP	30	121	37[1]	30
2002 SES CDP	38	125	43	17
1998 ALP	25	249	35	26
2001 ALP	70	324	74[2]	53
2000 LDP	25	781	61[3]	48
2002 LDP	100	886	100	31

[1] One SES CDP selectee declined participation in the program.
[2] Two ALP selectees declined participation due to receipt of a permanent promotion.
[3] Three LDP selectees declined participation because of receipt of permanent promotions.

OT staff noted that the ultimate goal of these programs is to provide a cadre of future leaders.[6] The programs are not intended to provide permanent promotions. However, those participants who do not receive a promotion after the completion of the program return to their component with a broadened organizational perspective and enhanced leadership skills that will prepare them for future leadership positions.

SSA reported that 74 employees completed its ALP in May 2003. The program "reopened' in June 2003.

Plan for a Comprehensive Work/Life Fair

The Office of Personnel's Center for Employee Services (CES) plans, develops and implements a variety of employee and family-oriented programs and services. In this regard, CES is planning to conduct a work/life fair to provide Agency employees with information on health, child, and elder care; fitness; and the Employee Assistance Program. The fair, originally scheduled for May 15, 2003, had to be rescheduled for September 18, 2003 because of a conflict over the availability of the location.

On September 16, 2003, SSA notified its employees that it was postponing the SSA Wellness Renaissance Fair scheduled for September 18, 2003 because of the inclement weather forecast. The fair is now postponed indefinitely due to budget constraints.

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[6] The total participants shown in the chart for each of the programs was provided by SSA in December 2003.

The Social Security Administration's Mission-Critical Occupations

Occupational Title	General Schedule Series
Social Science Research	0101
Social Insurance Specialist[1]	0105
Economist	0110
Computer Specialist	0334
Telecommunications	0391
General Telecommunications	0392
General Attorney	0905
Administrative Law Judge	0935
Paralegal Specialist	0950
Contact Representative	0962
Legal Clerical and Assistant	0986
General Claims Examiner	0990
Claims Clerical	0998
Actuary	1510

The Social Security Administration (SSA) employed 64,406 individuals in Fiscal Year (FY) 2000, and 54,208 (84 percent) were in mission-critical positions. SSA gained 487 employees in 5 of the 14 mission-critical occupations and lost 522 employees in 9 of its mission-critical occupations, a net overall loss of 35 employees. A total of 5,106 employees were hired and 3,073 (60 percent) were in mission-critical positions.

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[1] This occupation category includes several positions including the claims representative position.

Recruitment and Retention Data on the Mission-Critical Occupations for FY 2000

Title	Series	Hired[2]	Separated	Net +/-[3]	Number in Series (end of FY 2000)[4]
1. Social Insurance Research Analyst	0101	7	4	+3	58
2. Social Insurance Specialist	0105	1,094	1,351	-257	26,896
3. Economist	0110	8	0	+8	39
4. Computer Specialist	0334	152	95	+57	2,386
5. Telecommunications	0391	2	5	-3	87
6. General Telecommunications	0392	2	3	-1	49
7. General Attorney	0905	69	76	-7	1,576
8. Administrative Law Judge	0935	23	65	-42	1053
9. Paralegal Specialist	0950	0	53	-53	1,373
10 Contact Representative	0962	1,203	785	+418	10,813
11 Legal Clerical and Assistant	0986	154	168	-14	3,163
12 General Claims Examiner	0990	118	128	-10	3,390
13. Claims Clerical	0998	236	371	-135	3,288
14. Actuary	1510	5	4	+1	37
Net Gain Net Loss				+487 -522	
Totals		3,073	3,108	-35	54,208

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[2] SSA obtained the numbers shown in the tables for FYs 2000 through 2002 under the columns "Hired" and "Separated" from the Federal Personnel Payroll System (FPPS).

[3] Net Gain and Net loss totals reflect the difference in Hired and Separated totals obtained from the FPPS listings. The totals do not reflect the number of employees who were promoted or reassigned into or out of the series during the FY.

[4] SSA obtained the numbers shown in the tables for FYs 2000 through 2002 under the column "Number in Series" from the Human Resource Management Information System. The totals under the column "Number in Series" reflect the end of FY totals and include the information shown in the "Hired" and "Separated" columns. The totals do not reflect the number of employees who were promoted or reassigned during the FY.

SSA employed 65,620 individuals in FY 2001. Of those, 55,265 employees (84 percent) were in 14 mission-critical occupations and 10,355 were in non-mission-critical or support occupations.

SSA gained 1,105 employees in 4 of the 14 mission-critical occupations and lost 301 employees in 8 of its mission-critical occupations, a net overall gain of 804 employees. A total of 5,700 employees were hired and 3,723 (65 percent) were hired in mission-critical positions.

Recruitment and Retention Data on the Mission-Critical Occupations for FY 2001

Title	Series	Hired	Separated	Net +/-	Number in Series (end of FY 2001)
1. Social Insurance Research Analyst	0101	3	7	- 4	51
2. Social Insurance Specialist	0105	1,218	1,345	- 127	26,920
3. Economist	0110	0	3	- 3	35
4. Computer Specialist	0334[5]	162	102	+ 60	3,058
5. Telecommunications	0391	1	1	0	29
6. General Telecommunications	0392	1	6	- 5	36
7. General Attorney	0905	163	77	+ 86	1,635
8. Administrative Law Judge	0935	28	41	- 13	1,029
9. Paralegal Specialist	0950	18	52	- 34	1,681
10 Contact Representative	0962	1,517	648	+ 869	11,470
11 Legal Clerical and Assistant	0986	279	189	+ 90	3,069
12 General Claims Examiner	0990	73	136	- 63	3,264
13. Claims Clerical	0998	256	308	- 52	2,951
14. Actuary	1510	4	4	0	37
Net Gain Net Loss				+1,105 - 301	
Totals		3,723	2,919	+ 804	55,265

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[5] In June 2002, employees under this job series were reclassified under Grade Schedule Series 2210. The total under the Number in Series column reflects employees under both series 0334 and 2210.

SSA employed 65,005 individuals in FY 2002. Of those, 55,631 employees (86 percent) were in 14 mission-critical occupations, and 9,374 were in non-mission-critical or support occupations.

SSA gained 846 employees in 5 of the 14 mission-critical occupations and lost 468 employees in 9 of its mission-critical occupations, a net overall gain of 378 employees.

Recruitment and Retention Data on the Mission-Critical Occupations for FY 2002

Title	Series	Hired	Separated	Net +/ -	Number in Series (end of FY 2002)
1. Social Insurance Research Analyst	0101	4	6	-2	51
2. Social Insurance Specialist	0105	1,022	1,296	-274	27,064
3. Economist	0110	1	0	+1	36
4. Computer Specialist	0334	113	121	-8	3,214
5. Telecommunications	0391	0	1	-1	30
6. General Telecommunications	0392	1	2	-1	17
7. General Attorney	0905	28	60	-32	1,561
8. Administrative Law Judge	0935	123	33	+90	1,116
9. Paralegal Specialist	0950	1	54	-53	1,631
10. Contact Representative	0962	1,156	633	+523	11,580
11. Legal Clerical and Assistant	0986	76	135	-59	2,940
12. General Claims Examiner	0990	358	128	+230	3,482
13. Claims Clerical	0998	219	257	-38	2,870
14. Actuary	1510	3	1	+2	39
Net Gain Net Loss				+846 -468	
Totals		3,105	2,727	+378	55,631

SSA hired 4,077 employees during FY 2002 with 3,105 (76 percent) of these employees in mission-critical positions.

Agency Comments

SOCIAL SECURITY

MEMORANDUM   32358-24-1018

Date: June 16, 2004   Refer To: S1J-3

To: Patrick P. O'Carroll, Jr.
          Acting Inspector General

From: Larry W. Dye   /s/
          Chief of Staff

Subject: Office of the Inspector General (OIG) Draft Evaluation Report "The Social Security
          Administration's Efforts to Address Its Future Workforce Needs" (A-13-03-13064)--
          INFORMATION

          We appreciate OIG's efforts in conducting this review. Our comments on the draft report are
          attached.

          Please let me know if we can be of further assistance. Staff inquiries may be directed to
          Candace Skurnik, Director, Audit Management and Liaison Staff, at extension 54636.

          Attachment:
          SSA Response

COMMENTS ON THE OFFICE OF THE INSPECTOR GENERAL (OIG) DRAFT EVALUATION REPORT "THE SOCIAL SECURITY ADMINISTRATION'S EFFORTS TO ADDRESS ITS FUTURE WORKFORCE NEEDS" (A-13-03-13064)

Thank you for the opportunity to review and comment on the draft report.

We take great pride in our accomplishments in addressing human capital challenges and appreciate the recognition in this report of our leadership role. As noted in the report, SSA is "committed to meeting its human capital challenges to enable it to keep providing the services its customers deserve."

We agree with the analysis and conclusions presented in the report. We acknowledge that workforce planning is a continuous process that continues to evolve, requiring constant monitoring and development of new ideas. We continue to monitor vigilantly our human capital activities through the Future Workforce Transition Plan and the Agency-Wide Human Capital Plan, which were established in December 2003. These documents help us to ensure that we can produce measurable results that are directly tied to the Agency's mission and goals.

One statistic used in the document, in the Executive Summary and on page 2, should be updated. The statistic that over 28,000 employees will retire by 2010 was reported in the 2000 Retirement Wave Report and is accurate based on that report. However, we have recently published an updated Retirement Wave report which projects that 18,786 employees will retire between fiscal years (FY) 2004 and 2010. This decrease is a result of not including FYs 2000 through 2003, which have since passed.

In addition, we would note that we released the National Recruitment Guide in December 2003. The guide describes SSA's marketing campaign and its application, outlines "best practices" that may be adopted locally or Agency-wide, provides guidelines for the development of effective recruitment strategies, and identifies varied outreach sources to ensure the recruitment of a highly capable, diverse workforce, including persons with disabilities. An on-line version of the Guide is on the Office of Personnel Intranet portal. With URL links to important Internet and Intranet sites, the Guide's resources provide Agency personnel desktop access to the information they need to be successful recruiters.

Further, we would like to report continued progress on the identification of core competencies, as noted on page 7 of the report, under the title "Other Matters." SSA continues to identify core competencies for various positions within the Agency. As noted, SSA had identified competencies for the Title 2 claims representative, Title 16 claims representative, computer specialist and Actuary positions. Additionally, we have now identified competencies for the teleservice representative position.

Finally, the report noted the limited use of recruitment bonuses and retention allowances to hire and retain staff. SSA has chosen to use such flexibilities judiciously and has utilized other flexibilities such as student programs, the Federal Career Intern Program and the Outstanding Scholars Program to help us recruit outstanding employees. Our strong retention rates and

recruitment successes have resulted in a diminished need for bonuses and retention allowances. However, we stand ready to utilize these valuable flexibilities, when they are needed, as we have done in the past.

We appreciate the thorough analysis and the opportunity to provide feedback on the draft report. We remain committed to sustained leadership in the area of human capital management.

OIG Contacts and Staff Acknowledgments

OIG Contacts

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For additional copies of the report/ please visit our web site at **www.ssa.gov.gov/oig** or contact the Office of the Inspector General's Public Affairs Specialist at (410) 966-1375. Refer to Common Identification Number A-13-03-13064.

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Social Security Advisory Board

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OCCIG provides independent legal advice and counsel to the IG on various matters, including statutes, regulations, legislation, and policy directives. OCCIG also advises the IG on investigative procedures and techniques, as well as on legal implications and conclusions to be drawn from audit and investigative material. Finally, OCCIG administers the Civil Monetary Penalty program.

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