



PARTNERSHIP FOR PUBLIC SERVICE

Testimony of

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

Before the

**Subcommittee on the Oversight of Government Management,
the Federal Workforce and the District of Columbia
Committee on Governmental Affairs
United States Senate**

on

**The 9/11 Commission Human Capital Recommendations:
A Critical Element of Reform**

September 14, 2004

Good morning Mr. Chairman, Madame Chairman and Members of the Subcommittee. I am Max Stier, President and CEO of the Partnership for Public Service. I appreciate your invitation to testify today and welcome this opportunity to discuss the workforce challenges involved in implementing the recommendations of the 9/11 Commission.

One of the key findings to come out of the Commission's work is that our failure to "connect the dots" left our country vulnerable to attack.

We must be careful not to have history repeat itself.

The 9/11 Commission laid out a number of missed opportunities or "dots" if you will:

- There were multiple instances where we simply failed to put known terrorists on watch lists.
- There were intercepted communications regarding 9/11 that weren't translated until after the fact due to a lack of Arabic translators.
- There was the failure to follow-up on the now-famous memo by a Phoenix FBI agent warning of a connection between Al Qaeda and Arabs taking flight classes.
- There was the FBI's failure to quickly grant a warrant to examine Zacarias Moussaoui's laptop, because FBI lawyers misinterpreted the Foreign Intelligence

Surveillance Act thinking that the law required the target to be a suspected member of a “recognized” foreign power – a longstanding myth that had no basis in the law.

- There was inadequate analysis at the FBI due to the practice of promoting clerical workers from within to fill key positions.

If you look at the missed opportunities, you will see one dominant continuing theme – people.

But you wouldn't know that from the response thus far to the Commission's report. To the casual observer, it would appear that the only recommendation coming out of the Commission is a structural change – the creation of a National Intelligence Director.

But as important as this recommendation is, we cannot let it cause us to lose sight of what the “dots” are telling us. And what the “dots” are telling us is that getting the right people with the right skills into the right positions in government must be a primary focus of our response to the 9/11 Commission.

Mr. Chairman, today's hearing proves that you understand this key point, and it's our job today to persuade others as well.

Let's be clear about one thing. We are vulnerable to terrorism not because federal employees are doing a bad job. OPM Director Kay Coles James often describes the U.S.

civil service as the envy of the world, and she is right. We are fortunate to have some of the best and brightest minds in the country working to defeat terrorists and meet the many other demands placed on government by the executive branch, Congress and the American people. The point is that an under-trained, understaffed, under-resourced, and under-prioritized workforce cannot hold off determined terrorists indefinitely. The failures of the federal workforce in the weeks and months leading up to September 11th were not simply the failure of individuals, but symptoms of a systemic problem that plagues not just the intelligence community, but the whole of government: that is, the failure to prioritize people.

The 9/11 report says it best: “The quality of the people is more important than the quality of the wiring diagrams.” That includes all aspects of how we manage people, from attracting them to government, leading them, supporting their development, and managing their performance.

One problem we face is that focusing on people takes time, energy and a sustained effort, as the Members of this Committee can well attest. In short – these issues are hard. And because they are hard, they are often dealt with at the margins. More effort is devoted to moving boxes and creating new organizational charts because they give a sense of accomplishment – but they must be viewed as a means to an end. The goal of restructuring should and must be to create an environment where people can perform at their best.

We applaud this Committee for your continuing efforts to ensure that the importance of a high-performing federal workforce remains front and center as you work to draft legislation implementing the 9/11 Commission's recommendations. As you go forward, we appreciate this opportunity to suggest and offer support for several high-impact actions to help make sure that we have the right people in place to do the job of protecting our country.

- First, we urge the Committee to use its oversight authority to hold agency leaders accountable for making people management a priority. Managing people should be embraced as a core management function, not a transactional human resources function. In other words, leaders and managers at all levels must take responsibility for recruiting, developing and effectively deploying top talent. This is true across government, not just in the intelligence community. I mention this recommendation first because we believe that getting agency leaders to take ownership of the talent function would do more than any other recommendation to help the federal government compete for and retain talent.
- The first point really ties into the second point which is that we need to fix the federal hiring process. Candidates for federal jobs must routinely wait for six months before receiving an offer, and many wait more than a year. The federal government has to simplify and shorten this process. But the key point about fixing this process is that this is not just about speed. As I suggested earlier, we need to get managers involved in the process. We also need to do a better job of

assessing candidates' skills. Currently, much of government relies on the self-assessment of applicants to determine if they can do the job. There are more effective ways to assess talent, and government should use them.

- The Commission cited a lack of imagination within government and the FBI's tradition of promoting unqualified candidates from within as major problems. The government should seek out talent everywhere it exists, and recruiting more outside candidates for senior jobs may help inject new ideas and different skills at government's managerial levels.
- The appointment process for candidates that require Senate confirmation now takes about eight months. As others on this panel have testified, that is too long. A president-elect should submit lists of possible candidates immediately after the election for security clearances, submit the nomination of the entire national security team before inauguration day and the Senate should confirm or reject within 30 days.
- One disincentive for talented Americans to serve is the extraordinarily long time it takes the federal government to process security clearances. More than 480,000 employees and contractors are currently waiting for their security clearance to be completed, and the clearance process routinely takes more than a year. Many of America's best and brightest will not, or cannot, wait that long and the government loses them to the private sector. To accelerate the process, we

strongly endorse the concept of a single federal agency to perform and maintain security clearances.

- We applaud the Committee for including performance management standards for the intelligence community. Managers must set clear, fair and transparent performance standards, and employees must be a part of that process and have an opportunity for ongoing feedback. To that end, we encourage the Committee to consider regular employee surveys as one way to achieve this. We further suggest that requiring survey results to be reported to Congress and the public would better enable Congress to conduct needed oversight of the organization's performance management.
- The Partnership has long been a strong supporter of efforts to improve the effectiveness of existing tools to help the federal government recruit and retain top talent. We were very pleased to support S. 512, legislation introduced by Chairman Voinovich which provides that federal employees who receive loan repayment assistance from their agencies will not be taxed on that assistance. We think this legislation would dramatically improve the federal loan repayment program as a recruitment and retention tool. While we continue to support its application government-wide, we enthusiastically endorse a version of loan repayment tax relief targeted toward employees in the intelligence community where the need and urgency are highest. We also encourage Congress to use its

oversight authority to ensure that the intelligence community actually uses this authority and other tools available to recruit, train and retain top talent.

- Mr. Chairman, you have long been a proponent of improving training across government, and it is clear from the findings of the 9/11 report that you are on to something. Many of the failures or missed opportunities that led up to the attacks can be traced back to personnel poorly trained and equipped to do their jobs. We are pleased to support proposals to vest in the National Intelligence Director the authority to establish standards for recruiting and training in the intelligence community. As the front line in our war against terror, it is essential that these employees have the tools and the training they need to get the job done. We further suggest that the Committee consider establishing a Chief Human Capital Officer to assist the NID in the performance of these functions. Given the many responsibilities of the NID, we strongly believe that a Chief Human Capital Officer is necessary to provide expertise and to support the NID in his or her standards-setting and oversight responsibilities.
- The Partnership is very pleased to support programs to improve intelligence training and collaboration across agencies and among levels of government. Such provisions recognize that we need not just an organizational change, but a cultural change within the intelligence community if the reforms being considered by the Committee are to succeed. People training together, and training for joint missions with other federal agencies and with other levels of government, will go

a long way toward shifting the intelligence workforce toward the “need to share” mindset that is so critical. We believe that new programs in this area should include the continued development of mid-career personnel for new assignments and the development of new intelligence community leaders through a leadership training program.

- Finally, we applaud the Committee for considering a scholarship program to recruit and prepare students for civilian careers in the intelligence community. The federal government needs every tool available to help it recruit the best and brightest. Scholarship programs are popular with students and we think they are an excellent way to reach a new generation of talent in our nation’s colleges and universities.

A main point of the 9/11 commission report was to identify the mistakes that made the attacks possible so that we would never repeat them. That’s why it’s imperative that we follow where the dots are leading us this time and launch a comprehensive plan to recruit and retain high-caliber talent in the federal government at all levels. Failure to do so is roughly the equivalent of taking the Phoenix memo and ignoring it. We can’t let a mistake like that happen again, and with this Committee’s leadership, I am confident that we won’t.

Thank you.