

**Remarks of OPM Director John Berry  
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Hello! It's great to be here with all of you at the Human Capital Management Forum. Thank you, Mike Causey, for the kind introduction.

It's a great time for all of us to be serving as Federal HR professionals because we're at a moment of historic opportunity. Historic opportunity for comprehensive reform of our civil service system.

It's all a little bit unlikely. We have an unlikely President who has redefined what we think of as possible here in America.

And we definitely have an unlikely OPM Director – I was quite happy in my dream job as Director of the National Zoo, thank you very much.

But when you think about it for a moment, the whole story of the civil service is pretty unlikely, similar to the story of America itself. Whether it's Elliot Ness and his handful of Untouchables bringing down a seemingly all-powerful criminal empire, or Neil Armstrong letting a bunch of 26-year-olds – that was the average age in mission control – strap 5 million pounds of rocket fuel to his back and blast him into outer space.

I don't know about you... but I don't think I could have done that.

Whatever challenges our nation has faced, the civil service has been there to meet them. Neil Armstrong was a GS-16. Environmentalists Rachel Carson and Bob Stanton, my friend and the first African American to lead the National Park Service, were also GS employees. And there are many more unsung heroes in the civil service, delivering results for the American people every day.

But we are laboring in a system that is strained to the breaking point. In order to keep attracting the best and the brightest, we need comprehensive reform. And now is the time to do it.

The stars are aligned in a way that occurs only once in a generation. President Obama deeply values service and wants to restore the dignity and respect for our civil service to what it was during Kennedy's stirring call. Congress is willing to help, and the public increasingly recognizes that our current approaches to hiring, appraising and training our employees are inadequate.

The very procedures that were supposed to ensure that job applicants are evaluated based on merit are discouraging applicants from completing the arduous quest of actually getting a civil service job. So we've got a lot of work to do.

First, we must end the denigration of our civil servants and stop using them as political footballs. For 30 years, public servants have been denigrated and maligned by both parties. These attacks weren't only misguided – they were dead wrong. Our people work just as hard as their counterparts in the private sector, if not harder.

We have many examples of excellence where our productivity rivals or surpasses anything the private sector has to offer, in spite of the challenges that come with the Federal government's unique business requirements and the microscope we operate under. Let there be no doubt: the integrity and dedication of civil servants are unsurpassed.

Next, we must address deficiencies in our hiring and recruitment processes. We've been developing these reforms since I came aboard in April. One such deficiency is the low number of veterans we hire outside the defense and national security agencies.

Last week, I stood next to the President as he signed an Executive Order creating a new interagency Council on Veterans Employment that will dramatically increase veterans hiring. This is an exciting initiative to honor their sacrifices and retain their skills and dedication to public service.

Secretaries Shinseki and Solis will co-chair the Council, and I'll be serving as Vice-Chair and Chief Operating Officer. The full Council includes the heads of 23 agencies, and I hope you'll all participate strongly in its work.

Next, before the year is out, I hope to introduce recruitment and hiring reforms that will make us more aggressive in our outreach to the best potential candidates and more competitive with the private sector in our hiring methods and timelines. These reforms will make it easier for applicants to apply for our jobs and easier for hiring managers to hire the best and the brightest.

These reforms prepare us to tackle our next major challenge, which I will spend the bulk of my time on today: reinvigorating merit for the 21<sup>st</sup> century.

Let me tell you why this is so important. There is so much entrepreneurial energy in America. So much dynamism. So many people who are hungry for a challenge and an opportunity to meet it. But right now, government is missing out on too much of that energy because of an outdated merit system.

We need to get the best people into the Federal government. And once they're here, we need to get them to the right places and channel their energy into solving our nation's problems. We need to build the eye for talent that elevates the wheat and tosses out the chaff.

Getting the best people into the positions where they're most needed is, in my opinion, one of the greatest organizational challenges facing the Federal government today.

Let me be clear: the problem here is the systems, not the people. We have great employees and great managers, but they're hamstrung by regulations that are unnecessary or have outlived their usefulness. I believe deeply in public service. I had my dream job running the National Zoo, but I left it to serve the people who serve America – because public servants are my heroes.

We are a strong, professional public service. We do not need to be reinvented.

But we do need to reinvigorate and unshackle our best resource – our people. It has been five decades since the last major attempt at pay reform, and the cracks are showing. A significant and growing number of our employees are not in the GS pay system. This system cannot stand another three decades, let alone five. We could limp along for a few more years in the current GS system, or we can seize this moment to build something new.

The central question I ask all of you today is: “How do we practice the principle of merit in the 21<sup>st</sup> Century?” To unpack that question, how do we define and appraise merit today? How do we make our system flexible enough to let the best workers and managers run as fast and as far as their talent and drive can take them, but fair enough to keep the system from running amok? How do we motivate and reward good performance, and address poor performance, without cronyism or favoritism? How do we train, educate, and develop workers over the course of their careers to make the most of their abilities?

These are the four questions I propose. I certainly don’t have all the answers, and that’s why I’m searching far and wide – discussing these issues not only within OPM but also with agency leaders like you, academics and students, our labor unions, and some of America’s most innovative private sector employers.

Last month, my staff and I participated in a roundtable discussion with leaders from these different stakeholder groups. I was there to listen, and what I heard very clearly from them is that our people are our first asset. They are an investment and not a cost, and we need to get back to treating them that way.

Earlier this month, I took these questions to the Maxwell School at Syracuse University and got detailed input from faculty and students there.

Now, I’m looking forward to hearing from you. This is just the beginning; we’ve got a long way to go in developing this initiative and I need your help. So I will lay out some initial thoughts on these questions – foundations, if you will, for four pillars of civil service reform – and then we’ll open it up for discussion.

So first: How do we define and appraise merit today? How have changes in the world around us redefined merit in the Federal workplace?

By way of background, when the professional civil service was first established 125 years ago, there were no nuclear power, pharmaceutical, telecommunications, or financial derivatives industries. And if Enron didn’t destroy the notion that these businesses could police themselves, surely the events of the last two years have.

I don’t have to tell you that our Federal workforce today needs people who can understand all aspects of our rapidly evolving economy, provide expert advice to our elected and appointed officials, and serve as cops on the beat, faithfully executing our laws to protect the American people. Our 21<sup>st</sup> century definition of merit must be geared towards them.

It must assess critical thinking and problem-solving skills. It must assess how well a worker has kept up with changes in his or her field, and that worker’s contributions to the field beyond the immediate requirements of the job. Shouldn’t a good appraisal system evaluate the whole worker, and do so over the entire course of one’s career?

Instead of meticulously parsed grades and steps, maybe we should consider career ladders with just three stages: apprentice, journey-level, and expert. What if we drew bright lines between these stages, and had a high bar to enter each? Would having your rank follow you no matter what job you’re doing, instead of having it tied to a specific position, be more appropriate for the 21<sup>st</sup> century? What if you could go from one job to the next at the level you belong, without the HR staff needing to shoe-horn a justification for it?

Maybe such a three-stage system could help ensure that we’re promoting the best people, and it would take some of the pressure off of the hiring decision. We don’t want hiring managers to be paralyzed by the thought that they’re hiring people for life.

Maybe the entire apprentice stage is probationary, or maybe the probationary period is shorter, but instead we require an affirmative step to keep someone on at the end of their probation instead of automatically tenuring them.

So we have the concept of setting a high bar at the beginning of each of the three stages. What might that bar look like? For me, the three most important qualities are fairness, comprehensiveness, and transparency. Fairness means that we build workable standards, apply them uniformly, hear all voices, and do not leave ultimate decisions at one person's discretion.

Comprehensiveness means that we look at the entire breadth of your professional contributions, both inside and outside the office.

What training courses have you taken? Where have you published and presented? Who have you mentored or recruited? What volunteer work have you done? We can't be so zealous in avoiding irrelevant factors that we neglect to look at the whole person.

Transparency means that the promotion process and criteria are clearly spelled out for people, and the results explained. Transparency is key to getting buy-in from workers, and from the public.

One possible way to achieve these goals might be through performance review boards. They could be composed of colleagues from the employee's field, managers, labor representatives, or the public. What if boards could review personnel files, do their own research and listening, and reach independent judgments that would be accepted by all stakeholders?

Their operation could reinforce the underlying principle that seniority may, but does not always equal merit.

Our next pillar is flexibility. How do we give our people room to run, but not to run amok?

One thing I think we need to consider is a results-only work environment, or ROWE. This is what they did at Best Buy – the “work sucks” model, where you throw out the time clock, unchain people from their desks, and say “we don't care where or when or how you work, as long as you get the job done.” Why can't we let folks pick up their kids from school and then finish work once the kids are in bed?

A ROWE system would treat our employees like responsible adults, and if we do it right, with proper training for workers and managers and flexibilities like telework and alternate work schedules, it will boost morale, increase productivity, and deliver good value to our taxpayers.

Switching gears, another idea for increasing flexibility might be entirely eliminating the classification system. It was built with the best intentions, but when it prevents managers from adapting their job responsibilities to the ever-shifting responsibilities of their departments, it becomes a millstone.

Classification today is not protecting the equal pay principle. But it is taking up a lot of time, and it is limiting our flexibility to define jobs properly and promote the best people quickly.

I spoke a few minutes ago about the high bar to get from stage to stage – from apprentice to journey-level to expert. But what about within stage – what happens in between those big promotions? A lot of people will retire at journey-level after a long, fulfilling career. Not everyone will want to be an expert, so they'll only face the promotion board once in their career.

How do we motivate and reward good performance, and address poor performance?

I don't think anyone, private sector or public, would come up to you and say "we've nailed performance appraisal, here's the solution." Parents don't like to go home and tell their kids when they're messing up; we shouldn't expect it to be easy in the workplace.

But we're going to take a shot at it. Building a new performance appraisal system, getting agency, manager, and worker buy-in, and backing it with the training and resources it needs to succeed, will pay huge dividends now, and far into the future.

What if managers and employees together had to craft the "must-dos" and the "nice-to-dos" of the job from the beginning? What if managers were actually given training on how to have difficult conversations in the workplace? What if we mandated a six-month and year-end review where the employee was clearly told that they were in one of three categories:

"In good standing" – for the 80-90% of workers who are doing a solid job. This rating should come with a pat on the back and the regular COLA.

"Outstanding" – for the 5-10% who have really helped move the ball on achieving core agency mission and results. This rating should come with meaningful rewards, and we should think about how to do that within the current agency personnel budgets.

Or "not in good standing" for the 5% of workers who are in need of improvement or removal. Under this rating, the COLA should be withheld, but you should get an opportunity to improve and a timely appeals process that ensures fairness.

What if we modeled something after our jury system? With a panel with representatives from labor, management, and other stakeholder groups that would review your file, hear your case, and get you a quick decision. But frivolous complainers beware, because this panel can move your ratings in both directions, not just up. And managers beware – because they could discipline you too if you weren't doing your job.

As much as we wish it weren't so, in any organization with 1.9 million employees, there are going to be a few bad apples, and it should not take years to fire one of them. The decision to fire someone has to be fair and the reasons have to be clear. It has to be reviewed, because the power to take away someone's livelihood shouldn't rest in one person's hands.

But we have to think of our other workers, too. Nobody likes to carry dead weight and nobody should have to. I've had a couple times in my career where I've had to fire people who just weren't doing the job, and it wasn't easy, but afterward, their coworkers were the ones who came up and thanked me.

So we fire people when we have to, but only as a last resort. First, we want to try giving them training and support to see if that helps them.

The fourth pillar of reinvigorating the civil service is training.

We are the most complex organization in the world, because we face the most complex challenges in the world. And yet, outside of DoD, we don't have a lot of training. It's shameful. Training is always the first thing to get cut from the budget and the last thing to be brought back.

In a way, training is the foundation on which the previous three pillars will rest, because we can devise the greatest system in the world, but if we don't train managers to manage in it and we don't train workers to work in it, it will fail.

So how do we invest in our workers to get the most back from them? Training should be both formal and ongoing. It means taking courses at our Federal Executive Institute and at colleges and universities, but it also means instilling a culture in the office of mentoring and nurturing the up-and-coming staffers.

Those are my initial thoughts on the four pillars of civil service reform and how we build them.

At the core of this vision are principles that are moral truths. Applicants and employees should be judged and paid based on their ability to do the job and nothing else.

By breathing new life into these truths, we breathe new life into our government, our nation, and the principles of America's Founding. And even as our challenges evolve, the charge to each generation remains constant, so much so that we can find it in the annals of classical history.

When the young of ancient Athens became adults and were inducted to full citizenship, they swore an oath.

An oath, to transmit our nation "not only not less, but greater, better and more beautiful than it was transmitted to us."

That is the mission of public service. That is what we will achieve together.

Thank you, God bless you, and God bless America.

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