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DEPARTMENT OF HOMELAND SECURITY

DHS's Efforts to Improve Employee Morale and Fill Senior Leadership Vacancies

Statement of David C. Maurer, Director
Homeland Security and Justice Issues

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GAO Highlights

Highlights of GAO-14-228T, a testimony before the Committee on Homeland Security, House of Representatives

DEPARTMENT OF HOMELAND SECURITY

DHS's Efforts to Improve Employee Morale and Fill Senior Leadership Vacancies

Why GAO Did This Study

DHS is the third-largest cabinet-level department in the federal government, with more than 240,000 employees situated throughout the nation. Employees engage in a broad range of jobs to support its missions, including aviation and border security, emergency response, cybersecurity, and critical infrastructure protection, among others. Since it began operations in 2003, DHS has faced challenges in implementing human capital functions, and its employees have reported having low job satisfaction. In addition, Congress has raised questions about DHS's ability to hire and retain senior executives.

This testimony addresses (1) how DHS's employees' workforce satisfaction compares with that of other federal government employees and the extent to which DHS is taking steps to improve employee morale, and (2) vacancies in DHS senior leadership positions. This statement is based on products GAO issued in February 2012 and September 2012 and selected updates conducted in December 2013. GAO analyzed FEVS results and DHS vacancy data for fiscal years 2012 and 2013 and interviewed DHS officials.

What GAO Recommends

GAO has made recommendations in prior reports for DHS to strengthen its analysis of low employee morale, and identify clear and measurable metrics for action plan success. DHS concurred with these recommendations and has reported actions under way to address them. GAO provided a copy of new information in this statement to DHS for review. DHS confirmed the accuracy of this information.

View GAO-14-228T. For more information, contact David C. Maurer at (202) 512-9627 or maurerd@gao.gov

What GAO Found

In September 2012, GAO reported that Department of Homeland Security (DHS) employees identified having lower average morale than the average for the rest of the federal government, but morale varied across components. Specifically, GAO found that, according to the Office of Personnel Management's 2011 Federal Employee Viewpoint Survey (FEVS), DHS employees had 4.5 percentage points lower job satisfaction and 7.0 percentage point lower engagement—the extent to which employees are immersed in their work and spending extra effort on job performance. Several components with lower morale, such as the Transportation Security Administration, made up a substantial share of FEVS respondents at DHS and accounted for a significant portion of the overall difference between the department and other agencies. In September 2012, GAO recommended that DHS take action to better determine the root cause of low employee morale, and where absent, add benchmarking against similar organizations, among other things. Since September 2012, DHS has taken a number of actions intended to improve employee morale, such as directing component human capital officials to reevaluate their action plans to ensure that metrics of success are clear and measurable. In December 2013, GAO found that DHS has actions underway to address GAO's recommendations but DHS has not fully implemented them. It will be important to do so, as DHS employee job satisfaction declined in fiscal years 2012 and 2013 FEVS results. Specifically, 2013 FEVS data show that DHS employee satisfaction decreased 7 percentage points since 2011, which is more than the government-wide decrease of 4 percentage points over the same time period. As a result, the gap between average DHS employee satisfaction and the government-wide average widened to 7 percentage points. DHS has also consistently scored lower than the government-wide average on the FEVS Leadership and Knowledge Management index, which indicates the extent to which employees hold their leadership in high regard. Since 2011, DHS's scores for this index have decreased 5 percentage points, widening the gap between the DHS average and the government-wide average to 9 percentage points.

In February 2012, GAO reported that DHS Senior Executive Service (SES) vacancy rates, while reaching a peak of 25 percent in 2006, had generally declined, reaching 10 percent at the end of fiscal year 2011. GAO also reported that component officials identified a number of factors that may have contributed to component SES vacancy rates during that time period, including increases in SES allocations, events like presidential transitions, and organizational factors such as reorganizations. To help reduce SES vacancy rates, DHS has (1) implemented a simplified pilot hiring process aimed at attracting additional qualified applicants and planned to expand the method for all SES, and (2) implemented a centralized SES candidate development program aimed at providing a consistent approach to leadership training. As of December 2013, DHS had made the pilot process available to all components, but had not yet performed analysis of these efforts' effectiveness at reducing SES vacancy rates which, according to DHS data, have remained relatively steady since GAO's February 2012 report—11 percent at the end of fiscal year 2013.

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Chairman McCaul, Ranking Member Thompson, and Members of the Committee:

I appreciate the opportunity to discuss our work on morale and senior leadership vacancy rates at the Department of Homeland Security (DHS).

DHS is the third-largest cabinet-level department in the federal government, employing more than 240,000 staff in a broad range of jobs, including aviation and border security, emergency response, cybersecurity, and critical infrastructure protection. The DHS workforce is situated throughout the nation, carrying out activities in support of DHS's missions to (1) prevent terrorism and enhance security, (2) secure and manage the nation's borders, (3) enforce and administer immigration laws, (4) safeguard and secure cyberspace, and (5) ensure resilience to disasters.

Since it began operations in 2003, DHS has faced challenges in implementing its human capital functions, and federal surveys have consistently found that DHS employees are less satisfied with their jobs than the government-wide average of federal employees. For example, DHS's scores on the 2012 and 2013 Office of Personnel Management (OPM) Federal Employee Viewpoint Survey (FEVS)—a tool that measures employees' perceptions of whether and to what extent conditions characterizing successful organizations are present in their agency—and the Partnership for Public Service's 2012 rankings of the *Best Places to Work in the Federal Government*, were lower than government-wide averages. For example, DHS ranked 36th of the 37 agencies that participated in the 2013 FEVS when it came to both the Leadership and Knowledge Management Index, which indicates the extent employees hold their leadership in high regard, both overall and on specific facets of leadership, and the Job Satisfaction Index, which indicates the extent employees are satisfied with their jobs and various aspects thereof. In particular, DHS's percentage of positive responses for the Leadership and Knowledge Management Index was 9 percentage points below the government-wide average and 7 percentage points below the government-wide average for the Job Satisfaction Index.[1] We

[1]In the 2013 FEVS, 50 percent of DHS's employees gave positive responses on the Leadership and Knowledge Management Index whereas 59 percent of employees government-wide gave positive responses. Similarly, 57 percent of DHS employees gave positive responses on the Job Satisfaction Index, compared with the government-wide average of 64 percent.

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have previously reported that successful organizations empower and involve their employees to gain insights about operations from a frontline perspective, increase their understanding and acceptance of organizational goals and objectives, and improve motivation and morale.[2]

In addition, Congress has raised questions about DHS's ability to hire and retain senior executives. For example, a May 2013 report from the House Committee on Appropriations raised concerns about the number of vacant senior leadership positions at DHS.[3] DHS has also, in its human capital strategic plan, reported on facing challenges in recruiting and hiring qualified individuals to fill vacancies at the senior executive level. As we reported in March 2003, high-performing organizations understand that they need senior leaders who are accountable for results, drive continuous improvement, and stimulate and support efforts to integrate human capital approaches with organizational goals and related transformation.[4]

Within DHS, the Office of the Chief Human Capital Officer (OCHCO) is responsible for implementing policies and programs to recruit, hire, train, and retain DHS's workforce. As the department-wide unit responsible for human capital issues within DHS, OCHCO also provides guidance and oversight related to morale issues to the DHS components. In addition, OCHCO provides OPM with a DHS-wide action plan every other year and provides a survey analysis and action planning tool to components that they are to use in response to FEVS results to develop action plans for improving employees' positive scores.

My testimony today focuses on key findings of our prior work related to morale and leadership vacancies at DHS, and addresses (1) how DHS's employees' workforce satisfaction compares with that of other federal government employees and the extent to which DHS is taking steps to improve employee morale, and (2) vacancies in DHS senior leadership

[2]GAO, *High-Risk Series: Strategic Human Capital Management*, GAO-03-120 (Washington, D.C.: Jan. 2003).

[3]See H.R. Rep. No. 113-91, at 14-15 (May 29, 2013) (Dep't of Homeland Security Appropriations Bill, 2014, H.R. 2217, 113th Cong. (2d Sess. 2013).

[4]GAO, *Results-Oriented Cultures: Creating a Clear Linkage between Individual Performance and Organizational Success*, GAO-03-488 (Washington, D.C.: Mar. 14, 2003).

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positions. This statement is based on our February 2012 and September 2012 reports and selected updates conducted in December 2013 related to DHS efforts to address recommendations we made in our prior work.[5] For our February 2012 and September 2012 reports, among other methodologies, we analyzed survey evaluations for the 2011 FEVS, reviewed senior leadership vacancy and attrition information for DHS and selected DHS components, and interviewed DHS officials. We further reviewed DHS and component 2011 action planning documents from U.S. Immigration and Customs Enforcement (ICE), the Transportation Security Administration (TSA), the Coast Guard, and U.S. Customs and Border Protection (CBP). To determine Senior Executive Service (SES) vacancy rates from fiscal years 2006 through 2011, we analyzed departmental and component information on senior-level allocations from OPM and onboard data by pay period from the National Finance Center. More detailed information on the scope and methodology appears in our February 2012 and September 2012 reports. For the selected updates, we analyzed results for the 2012 and 2013 FEVS and DHS leadership vacancy data, and interviewed agency officials on the reliability of these data and DHS's progress in implementing our recommendations. We provided information in this statement to DHS for review to ensure its accuracy. The department provided technical comments, which we incorporated, as appropriate. We conducted the work on which this statement is based in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

[5]GAO, *Department of Homeland Security: Taking Further Action to Better Determine Causes of Morale Problems Would Assist in Targeting Action Plans*, GAO-12-940 (Washington, D.C.: Sept. 28, 2012) and *DHS Human Capital: Senior Leadership Vacancy Rates Generally Declined, but Components' Rates Varied*, GAO-12-264 (Washington, D.C.: Feb, 10, 2012).

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Fully Implementing GAO's Prior Recommendations for Better Determining Causes of Morale Problems Would Assist in Targeting Action Plans

In September 2012, we found that DHS employees reported having lower average morale than the average for the rest of the federal government, but morale varied across components and employee groups within the department.[6] Specifically, we found that DHS employees as a whole reported lower satisfaction and engagement—the extent to which employees are immersed in their work and spending extra effort on job performance—than the rest of the federal government according to several measures. In particular, the 2011 FEVS showed that DHS employees had 4.5 percentage points lower job satisfaction and 7.0 percentage points lower engagement. Although DHS employees generally reported improvements in Job Satisfaction Index levels from 2006 to 2011 that narrowed the gap between DHS and the government average, employees continued to indicate less satisfaction than the government-wide average.[7] For example, DHS employees reported satisfaction increased by 5 percentage points, from 59 percent in 2006 to 64 percent in 2011, but scores in both years were below the government-wide averages of 66 percent and 68 percent, respectively. As we reported in September 2012, the Partnership for Public Service analysis of FEVS data also indicated consistent levels of low employee satisfaction for DHS relative to those of other federal agencies. As with DHS's 2011 ranking, 31st of 33 large federal agencies, the Partnership for Public Service ranked DHS 28th of 32 in 2010, 28th of 30 in 2009, and 29th of 30 in 2007 in the Best Places to Work ranking on overall scores for employee satisfaction and commitment.[8]

As we reported in September 2012, our analyses of 2011 FEVS results further indicated that average DHS-wide employee satisfaction and engagement scores were consistently lower when compared with average non-DHS employee scores in the same demographic groups, including supervisory status, pay, and agency tenure groups. For example, within most pay categories, DHS employees reported lower

[6] GAO-12-940.

[7] Two thousand six is the first year in which Job Satisfaction Index data were made available and can be compared between DHS and the rest of the federal government.

[8] Partnership for Public Service and the Institute for the Study of Public Policy Implementation at the American University School of Public Affairs, *The Best Places to Work in the Federal Government*. The Partnership for Public Service's ranking cited here is composed of rankings of large agencies, defined as agencies with more than 2,000 full-time permanent employees. The Partnership for Public Service did not publish Best Places to Work rankings in 2008.

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satisfaction and engagement than non-DHS employees in the same pay groups. In addition, we reported that DHS was not more likely than other agencies to employ the types of staff who tended to have lower morale across all agencies. Instead, employees in the various groups we analyzed had lower morale at DHS than the same types of employees at other agencies. We concluded that the gap between DHS and government-wide scores may be explained by factors unique to DHS, such as management practices and the nature of the agency's work, or by differences among employees we could not analyze.

In September 2012, we also found that levels of satisfaction and engagement varied across components, with some components reporting scores above the non-DHS averages. For example, employees from CBP and the Coast Guard were 1 and 1.5 percentage points more satisfied than the rest of the government, respectively, according to the 2011 FEVS Job Satisfaction Index. We further reported that several components with lower morale, such as TSA and ICE, made up a substantial share of FEVS respondents at DHS, and accounted for a significant portion of the overall difference between the department and other agencies. For example, survey respondents representing the approximately 55,000 employees at TSA and approximately 20,000 employees at ICE were on average 11.6 and 7.9 percentage points less satisfied than the rest of the government, respectively.[9] Job satisfaction and engagement varied within components as well. For example, employees in TSA's Federal Security Director staff reported higher satisfaction (by 13 percentage points) and engagement (by 14 percentage points) than TSA's airport security screeners. Within CBP, Border Patrol employees were 8 percentage points more satisfied and 12 percentage points more engaged than CBP field operations employees.[10] On the basis of our findings we concluded that given this variation across and within components, it was imperative that DHS understand and address employee morale problems through targeted actions that address employees' underlying concerns.

[9]Estimates of job satisfaction have a 95 percent margin of error of no more than plus or minus 6.3 percentage points.

[10]All the differences within components discussed here are distinguishable from zero at the 0.05 level.

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In our September 2012 report, we also found that DHS and the selected components had taken steps to determine the root causes of employee morale problems and implemented corrective actions, but that the department could strengthen its survey analyses and metrics for action plan success. To understand morale problems, DHS and selected components took steps, such as implementing an exit survey and routinely analyzing FEVS results. Components GAO selected for review—ICE, TSA, the Coast Guard, and CBP—conducted varying levels of analyses regarding the root causes of morale to understand leading issues that may relate to morale. DHS and the selected components planned actions to improve FEVS scores based on analyses of survey results, but we found that these efforts could be enhanced. Specifically, 2011 DHS-wide survey analyses did not include evaluations of demographic group differences on morale-related issues, the Coast Guard did not perform benchmarking analyses, and it was not evident from documentation the extent to which DHS and its components used root cause analyses in their action planning to address morale problems. As we reported in September 2012, without these elements, DHS risked not being able to address the underlying concerns of its varied employee population. We therefore recommended that DHS's OCHCO and component human capital officials examine their root cause analysis efforts and, where absent, add the following: comparisons of demographic groups, benchmarking against similar organizations, and linkage of root cause findings to action plans.

In addition, in September 2012, we found that despite having broad performance metrics in place to track and assess DHS employee morale on an agency-wide level, DHS did not have specific metrics within the action plans that were consistently clear and measurable. For example, one way the Coast Guard intended to address low-scoring FEVS topics was through improving employee training options, which it sought to measure by whether it developed e-learning courses for new employees. However, we found that this measure lacked key information that would make it more clear—namely, the course content or the specific training being provided—and did not list quantifiable or other measure values to determine when the goal had been reached, such as a target number of new employees who would receive training. As a result, we concluded that DHS's ability to assess its efforts to address employee morale problems and determine if changes should be made to ensure progress toward achieving its goals was limited. To help address this concern, we recommended that DHS components establish metrics of success within their action plans that are clear and measurable.

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DHS concurred with our two recommendations and has taken steps since September 2012 to address them. However, as of December 2013, DHS has not yet fully implemented these recommendations.

- *Enhancing root cause analysis:* As of December 2013, DHS OCHCO had created a checklist for components to consult when creating action plans to address employee survey results. The checklist includes instructions to clearly identify the root cause associated with each action item and to indicate whether the action addresses the root cause. In addition, according to DHS OCHCO officials, OCHCO, CBP, ICE and TSA completed demographic analysis of the 2012 FEVS results, but were not certain of the extent to which other components had completed analyses. However, according to these officials, difficulties in identifying comparable organizations limited components' benchmarking efforts. For example, while CBP identified a Canadian border security organization with which CBP officials intend to benchmark employee survey results, other DHS components did not find organizations, such as airport security organizations, against which to benchmark. OCHCO officials did not elaborate, however, on why it was difficult to find organizations against which to benchmark. We recognize that there can be some challenges associated with identifying organizations against which to benchmark. However, we continue to believe that DHS components could benefit from doing so as, according to the Partnership for Public Service, benchmarking agency survey results against those of similar organizations can provide a point of reference for improvements. DHS components and DHS-wide efforts have not yet fully examined their root cause analysis efforts and, where absent, added comparisons of demographic groups, benchmarking against similar organizations, and linkage of root cause findings to action plans, as we recommended in September 2012.

- *Establishing metrics of success:* OCHCO officials stated that, as of December 2013, they had directed component human capital officials to reevaluate their action plans to ensure that metrics of success were clear and measurable. However, in December 2013 we reviewed the 2013 action plans produced by the four DHS components we selected for our September 2012 report—ICE, CBP, TSA, and the Coast Guard—and found that their measures of success did not contain clear and measurable targets. Of the 53 measures of success reviewed across the four components, 16 were unclear and 35 lacked

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measurable targets.[11] For example, one action item, to create a clear and compelling direction for ICE, is to be implemented by creating a work group consisting of the top six leaders in the agency together with the heads of ICE's policy and public affairs offices to create a clear and compelling mission and priorities to drive the agency's efforts. To determine whether ICE succeeds in implementing this action item, ICE's measures of success include: (1) agency creates a mission statement and priority that guide employee focus and behaviors; (2) ICE's first several layers of leadership indicate full support for the hard choices the direction-setting causes; (3) test focus group results; and (4) pulse survey. However, it is not clear, for example, what the "test focus group results" and "pulse survey" measures of success are measuring, and there are no measurable targets against which to assess success. By ensuring that DHS and component action plans contain measures of success that are clear and include measurable targets, DHS can better position itself to determine if its action plans are effective.

Despite DHS's efforts, since publication of our September 2012 report, DHS employee morale has declined, and the gap between DHS and government-wide scores has widened in key areas. Specifically, FEVS fiscal year 2012 and 2013 survey results released since our 2012 report indicate that DHS employees continue to report lower average satisfaction than the average for the rest of the federal government. For example, as shown in figure 1, 2013 FEVS data show that DHS employee satisfaction decreased 7 percentage points since 2011, which is more than the government-wide decrease of 4 percentage points over that same period of time. As a result, DHS employee satisfaction in 2013 is 7 percentage points lower than the government-wide average, a difference not seen since 2006.

[11]In November 2002, we identified nine attributes of successful metrics that allow agencies to better determine whether they are meeting their goals while holding agency staff accountable for improving performance. Of these nine attributes, we determined three—linkage, clarity, and measurable targets—are relevant to our September 2012 evaluation. The six attributes that we did not evaluate were objectivity, reliability, core program activities, balance, government-wide priorities, and limited overlap. We did not include these six attributes because they were not relevant to employee morale action planning efforts. The two attributes evaluated here are defined as follows: clarity: determines whether the performance measures are clearly stated, and measurable target: determines whether performance measures have quantifiable, numerical targets or other measurable values, where appropriate. See GAO, *Tax Administration: IRS Needs to Further Refine Its Tax Filing Season Performance Measures*, GAO-03-143 (Washington, D.C.: Nov. 22, 2002).

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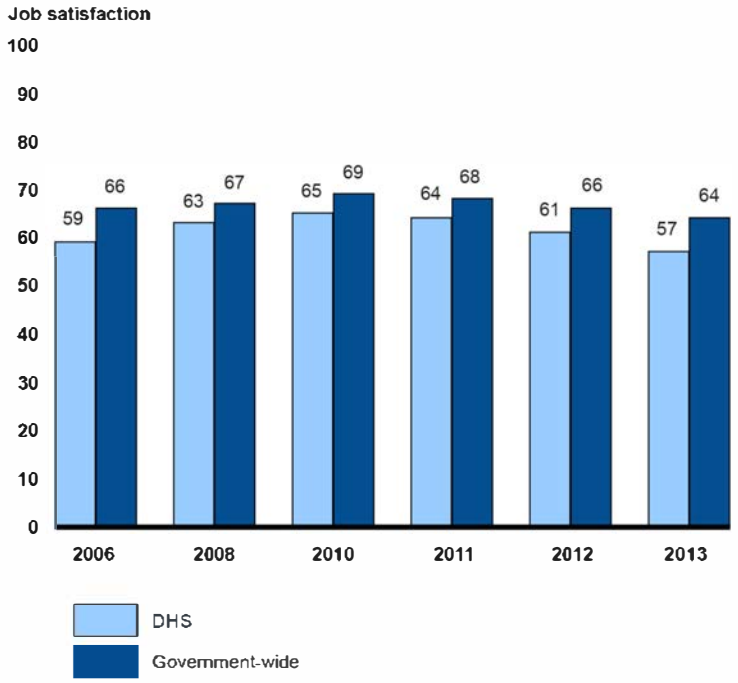
Figure 1 Department of Homeland Security (DHS) Employee Job Satisfaction Index Scores Compared with Government-wide Averages, 2006, 2008, 2010, 2011, 2012, and 2013



Source: U.S. Office of Personnel Management.

Note: Data are estimates of the Job Satisfaction Index from the U.S. Office of Personnel Management Federal Employee Viewpoint Surveys of federal employees. Because the surveys interviewed a sample of employees, the estimates have a margin of sampling error equal to plus or minus 1 percentage point for the population of all permanent, nonseasonal federal employees. The surveys prior to 2012 included these employees if they worked full-time, whereas the 2012 and 2013 surveys included part-time employees. Because the Federal Employee Viewpoint Survey was not administered each year, the Job Satisfaction Index and DHS versus government-wide averages are available for 2006, 2008, 2010, 2011, 2012, and 2013.

Moreover, consistent with our reporting in September 2012, morale varied across components, as shown in table 1. For example, while the Federal Law Enforcement Training Center and U.S. Citizenship and Immigration Service scored above the government-wide average with respect to employee satisfaction, the TSA and the National Protection and Programs Directorate scored below the government-wide average.

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Table 1: Department of Homeland Security (DHS) Component Job Satisfaction and Engagement Scores, 2013, sorted by Job Satisfaction Index score

Component	Employee Satisfaction Index (percentage points)	Difference from government-wide average (percentage points)	Employee Engagement Index (percentage points)	Difference from government-wide average (percentage points)
Federal Law Enforcement Training Center	72	8	68	4
U.S. Citizenship and Immigration Service	69	5	67	3
U.S. Coast Guard	66	2	70	6
Inspector General	65	1	64	0
U.S. Secret Service	62	-2	62	-2
Federal Emergency Management Agency	60	-4	57	-7
Office of the Secretary	59	-5	62	-2
U.S. Customs and Border Protection	58	-6	54	-10
Under Secretary for Management	56	-8	59	-5
Office of Intelligence and Analysis	56	-8	55	-9
U.S. Immigration and Customs Enforcement	54	-10	52	-12
Transportation Security Administration	54	-10	54	-10
National Protection and Programs Directorate	54	-10	51	-13
Science and Technology Directorate	52	-12	49	-15
DHS-wide	57	-7	56	-8

Source: GAO analysis of DHS data.

Note: Estimates are based on the U.S. Office of Personnel Management Federal Employee Viewpoint Surveys of federal employees. Because the surveys interviewed a sample of employees, the estimates have a margin of sampling error equal to plus or minus 1 percentage point for the population of all permanent, nonseasonal federal employees. The surveys prior to 2012 included these employees only if they worked full-time, whereas the 2012 and 2013 surveys included part-time employees. The estimates in this table apply to smaller subpopulations of employees within DHS, and generally will have larger sampling errors than estimates for the entire population targeted by the survey. As a result, some of the differences we report between DHS and non-DHS employees may not be statistically distinguishable from zero.

In addition, DHS has also consistently scored lower than the government-wide average on the FEVS Leadership and Knowledge Management Index, which indicates the extent to which employees hold their leadership in high regard, both overall and on specific facets of leadership. For example, the index includes questions such as whether leaders generate high levels of motivation and commitment in the workforce, and whether employees have a high level of respect for their organization's senior leaders. From fiscal years 2006 through 2013, DHS

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scored lower than the government-wide average each year for which survey data are available.[12] While government-wide scores for this index have declined 3 percentage points since 2011, DHS's scores have decreased 5 percentage points, widening the gap between DHS and the government-wide average to 9 percentage points. See figure 2 for additional detail.

[12]Because the FEVS was not administered each year, the job Leadership and Knowledge Management Index and DHS versus government-wide averages are available only for 2006, 2008, 2010, 2011, 2012, and 2013.

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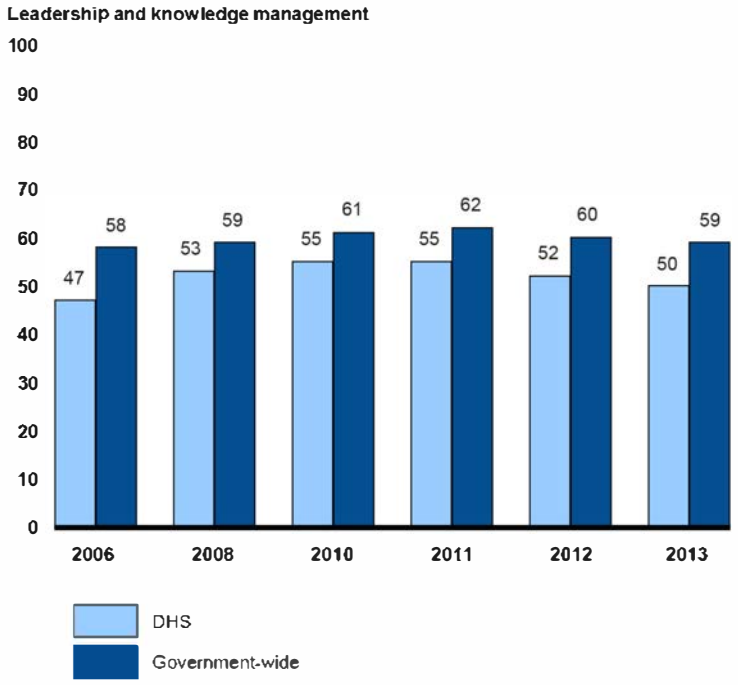
Figure 2: Department of Homeland Security (DHS) Employee Leadership and Knowledge Management Index Scores Compared with Government-wide Averages, 2006, 2008, 2010, 2011, 2012, and 2013



Source: U.S. Office of Personnel Management.

Note: Estimates are based on the U.S. Office of Personnel Management Federal Employee Viewpoint Surveys of federal employees. Because the surveys interviewed a sample of employees, the estimates have a margin of sampling error equal to plus or minus 1 percentage point for the population of all permanent, non-seasonal federal employees. The surveys prior to 2012 included these employees if they worked full-time, whereas the 2012 and 2013 surveys included part-time employees. Because the FEVS was not administered each year, the job Leadership and Knowledge Management Index and DHS versus government-wide averages are available only for 2006, 2008, 2010, 2011, 2012, and 2013.

In December 2013, DHS senior officials provided a recent analysis they performed of 2012 FEVS results that indicated DHS low morale issues may persist because of employee concerns about senior leadership and supervisors, among other things, such as whether their talents are being well-used. DHS's analysis of the 2012 FEVS results identified survey questions that correlated most strongly with index measures, such as the Job Satisfaction and Employee Engagement indexes. As noted in DHS's analysis, the evaluation assessed the correlations among survey items, but did not attempt to identify the root cause for the survey results. For example, DHS found that the survey question, "How satisfied are you with the policies and practices of your senior leaders?" was more strongly

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correlated with the Job Satisfaction Index. However, DHS did not do further research to determine the specific senior leader policies and practices that affected satisfaction or explain why this effect occurred. According to DHS senior officials, on the basis of the results of this analysis and the Acting Secretary of Homeland Security's review of the 2013 FEVS results, the department plans to launch additional employee surveys to probe perspectives on departmental leadership. As we have previously reported, given the critical nature of DHS's mission to protect the security and economy of our nation, it is important that DHS employees be satisfied with their jobs so that DHS can retain and attract the talent required to complete its work. Accordingly, it is important for DHS to continue efforts to understand the root causes behind employee survey results.

Senior Leadership Vacancy Rates Generally Declined, but Components' Rates Varied

In February 2012, we reported that DHS SES vacancy rates, while reaching a peak of 25 percent in 2006, had generally declined since that time—from 25 percent in fiscal year 2006 to 10 percent at the end of fiscal year 2011, as shown in figure 3.[13]

[13]GAO-12-264. DHS relies on four types of senior leadership positions to operate and oversee nearly every activity in the department: (1) presidential appointments (with or without Senate confirmation); (2) SES personnel who carry out managerial, supervisory, and policy advisory responsibilities; (3) senior level personnel who provide expertise in complex areas that generally do not have a managerial focus; and (4) scientific/professional personnel who are specialized professionals who generally have fundamental research and development responsibilities. The senior leadership vacancies and attrition examined in our February 2012 report focus on SES personnel and do not include presidential appointments.

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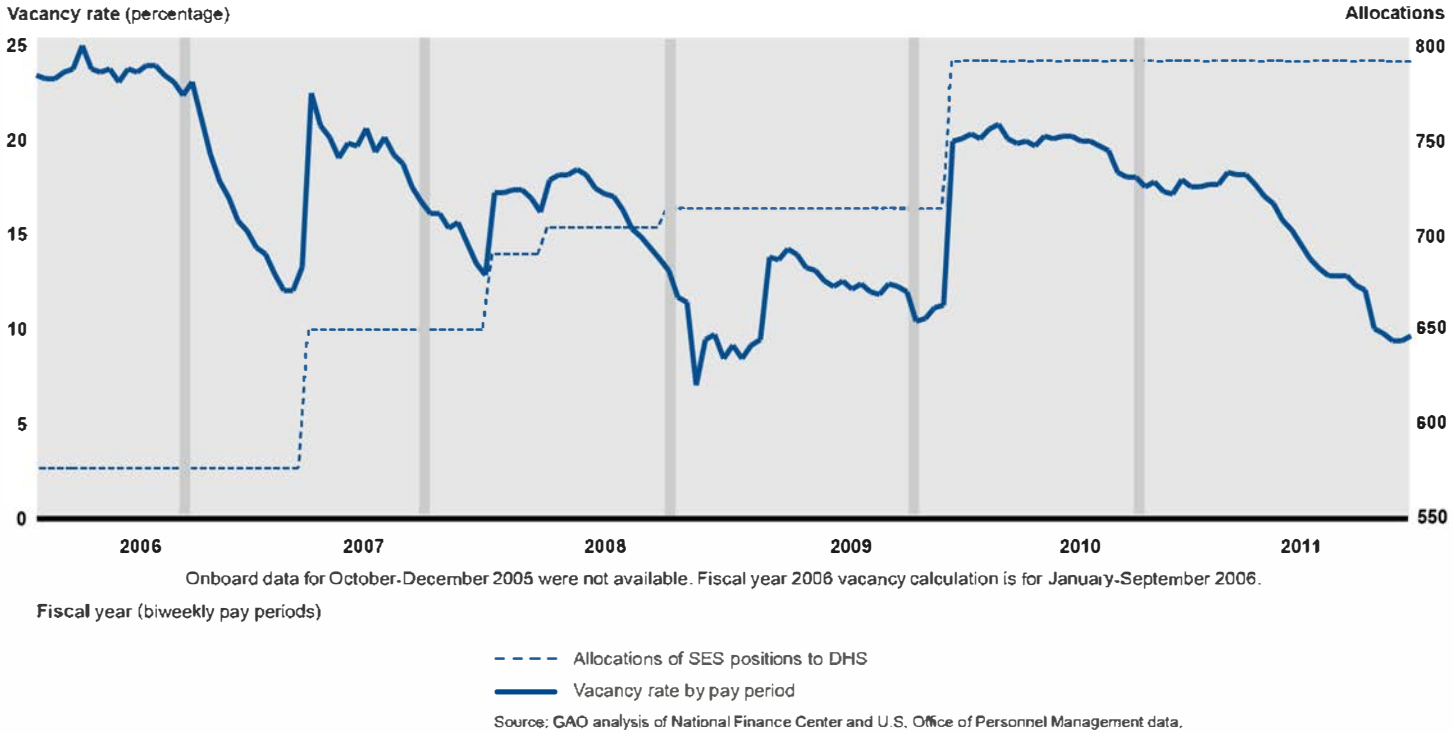
Figure 3: Department of Homeland Security (DHS) Senior Executive Service (SES) Vacancy Rates, Fiscal Years 2006 through 2011



Source: GAO analysis of National Finance Center and U.S. Office of Personnel Management data.

Note: Because of the low number of senior level personnel and scientific/professional positions allocated among DHS components, vacancy rate calculations are for SES positions only. At the time of our February 2012 report, these positions composed less than 8 percent of DHS's 853 senior leadership position allocations.

Since February 2012, DHS data indicate that SES vacancy percentages have remained relatively stable. In particular, according to DHS data, at

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the end of fiscal year 2012 the SES vacancy rate was approximately 9 percent, and approximately 11 percent at the end of fiscal year 2013.[14]

Although there is no generally agreed-upon standard for acceptable vacancy rates, to provide perspective, in our February 2012 report we compared DHS's rates with those of other agencies subject to the Chief Financial Officers (CFO) Act of 1990, as amended.[15] From fiscal years 2006 through 2010—the most recent year for which federal-wide vacancy-rate data were available at the time of our February 2012 report—DHS vacancy rates were at times statistically higher than those at other CFO Act agencies.[16] For example, in fiscal year 2010, the DHS SES vacancy rate at the end of the year was 17 percent and ranged from a low of 8.4 percent to a high of 20.7 percent during the course of the year. This compares with an average vacancy rate across other CFO agencies of 9.0 percent at the end of fiscal year 2010. Further, as we reported in February 2012, vacancy rates varied widely across DHS components. For example, at the end of fiscal year 2011, 20 percent of SES positions at the Federal Emergency Management Agency (FEMA) and 19.5 percent of SES equivalent position at TSA were vacant, compared with 5 percent at the Coast Guard and zero percent at the U.S. Secret Service. Vacancy rates at components generally declined from 2006 through 2011.

In February 2012, we reported that component officials identified a number of different factors that may have contributed to component SES vacancy rates during that time period, including increases in allocations,

[14]The 2006-2011 data that we reported in February 2012 presented vacancy rates by pay period as reported by the National Finance Center and OPM. The data for vacancy percentages at the end of fiscal years 2012 and 2013 were reported to us by DHS. To determine the reliability of the fiscal years 2012 and 2013 data, we interviewed DHS officials responsible for maintaining the data. DHS officials stated that they have controls in place to ensure the accuracy of these data. For example, officials stated that they compare vacancy data in DHS's database, which is electronically populated by the National Finance Center's database, with personnel data they collect from across the department and track manually. When they identify a discrepancy, they research and correct it, if necessary. On the basis of controls in place as described by DHS, we determined that these data are sufficiently reliable for the purposes of illustrating changes in vacancy rates since 2011.

[15]See 31 U.S.C. § 901 (identifying 24 agencies subject to requirements of the CFO Act). As of 2009, CFO Act agencies employed 98 percent of all federal employees.

[16]GAO-12-264.

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events like presidential transitions, and organizational factors such as reorganizations. We also found that in fiscal year 2010, DHS's senior leadership attrition rate was 11.4 percent, and that from fiscal years 2006 through 2010, the most frequent separation types were retirements and resignations.[17] DHS's attrition rates were statistically higher than the average of other CFO agencies in 2006, 2007, and 2009, but not statistically different in 2008 and 2010. OCHCO officials told us in December 2013 that while they no longer identify increases in allocations or organizational factors as significant to SES vacancy rates, budgetary constraints can present challenges. For example, these officials stated that budgetary constraints make it difficult for the department to fund allocated positions.

In addition, DHS data provided in December 2013 indicate that the number of vacant DHS political positions, including positions that do and do not require Senate confirmation, doubled from 13 in fiscal year 2012 to 26 in fiscal year 2013.[18] From fiscal year 2012 to 2013, the total number of filled political positions decreased from 73 to 56.[19] In addition, some political positions were filled temporarily through employees serving in "acting" positions. In particular, DHS data provided in December 2013 indicate that 3 of 13 vacated positions were filled with personnel in acting positions at the end of fiscal year 2012 and 10 of 26 positions were filled in this manner at the end of fiscal year 2013.

DHS has efforts under way to enhance senior leadership training and hiring, but it is too early to assess their effectiveness at reducing vacancy

[17]Vacancies are created primarily in two circumstances. First, vacancies are created when employees separate from the organization, leaving a position unfilled. Second, vacancies are created when positions are created but not yet filled—such as when agencies receive additional allocations of senior leadership positions for which employee have yet to be hired.

[18]DHS officials explained that the data they provided represent political positions that have been filled in the recent past, but were vacant at the end of fiscal years 2012 and 2013. According to these officials, when political positions that are not established by statute are vacated, they may be filled by career incumbents, reallocated, or not backfilled.

[19]According to DHS data, four positions were eliminated between the end of fiscal year 2012 and the end of fiscal year 2013. According to DHS, these positions were noncareer Senior Executive Service positions that were not backfilled. This included one position in the Office of General Council, one position in the Office of the Secretary, one position at the Federal Emergency Management Agency, and one position at U.S. Citizenship and Immigration Services.

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rates. In February 2012, we reported that DHS had (1) implemented a simplified pilot hiring process aimed at attracting additional qualified applicants and planned to expand the method for all SES, and (2) implemented a centralized SES candidate development program aimed at providing a consistent approach to leadership training. According to DHS officials, as of December 2013, the pilot hiring process had been made available to all DHS components, but the department had not performed analysis to assess the process' impact on hiring. In addition, officials stated that in 2013, the first class of SES candidates had completed the candidate development program; however, the program's impact on leadership training could not yet be determined.

Chairman McCaul, Ranking Member Thompson, and members of the committee, this completes my prepared statement. I would be happy to respond to any questions you may have at this time.

GAO Contact and Staff Acknowledgments

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