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Honorable Deborah Lee James,
Chair, Defense Business Board
1400 Defense Pentagon
Arlington, Virginia 22202

Dear Chairwoman James:

On behalf of the American Federation of Government Employees, AFL-CIO (AFGE) which represents over 700,000 federal and District of Columbia employees who serve the American people in 70 different agencies, including approximately 300,000 in the Department of Defense (DoD), we appreciate your support of a strong national defense and your recognition of the importance of a professional, apolitical civil service supporting our uniformed servicemen and women. We very much appreciate your study on “Upgrading DoD Civilian Talent Management,” recently posted on your website and believe it has some key recommendations that are good first steps to improving the ability of the Department to address critical skills gaps. It does so in part by better using the talents and skills of the existing workforce while expanding opportunities for better succession planning to sustain the federal government workforce needed to support the National Defense Strategy. There are, however, a few areas that would benefit from further clarification which I would like to highlight below.

While we understand your recommendation that the Department needs “to shift from managing the position to managing the person,” it must do so in a way that does not artificially inflate a job requirement to what would be required of a member of the military. The military is managed based on end strength levels, and market forces often impede its ability to fully gain access to and retain this form of labor which requires mandated terms of enlistment. On the other hand, the civilian workforce and contract employees are free to leave their employers, and are subject to some overlapping as well as differing civil rights laws, such as the Americans with Disabilities Act, which do not apply to the military. Effective talent management of the Department’s civilian workforce cannot be collapsed into the same cultural preferences, practices and laws applicable to the military without affecting fully burdened costs and the ability to recruit and retain a quality workforce. Military members and their families undergo greater stresses from mandatory relocations and deployments that require significant investments in medical and family support infrastructure, budgeting for a rotation base, an organic training infrastructure, compensation and benefits that make them the most costly labor source when applying the Department’s costing directives. There is a strong cultural bias favoring inflating job requirements unnecessarily to be like military. This tendency should be avoided because of these important distinctions. Your study does recognize that “one size does not fit all” but the bias for unnecessarily inflating requirements similar to military should perhaps be more explicitly acknowledged as undesirable. This is particularly important in three areas:



- The expanded use of telework arrangements has been found to have significant benefits to improved mission performance in many jobs, improved work-life balance in many areas reducing stresses on families, reduced traffic congestion and greenhouse gas emissions, and many other positive side effects. Its expanded use where appropriate is a great recruitment and retention tool.
- The Americans with Disability Act requirements apply to the civilian workforce and if a requirement can be met by a disabled civilian employee, talent management should not be used to inflate a job requirement in a way that would undermine not only the letter of the law but its spirit.
- Similarly, your finding that “civilians aren’t seen as mobile (relocation)” should not suggest that upskilling means that effective employees should be viewed as not “up to par” because they are not willing or able to relocate. “Mobility” is not a performance metric or indicia of the skills a person possesses, and the degree a person is mobile can very much change depending on their changing circumstances over the course of their career. Mobility needs to be voluntary. There should be no stigma if a person changes their mobility desires. Some clarity on this issue would be helpful.

Your study is spot on in its recognition that one of the biggest impediments to identifying talent is the failure to recruit around “competencies,” when far too many jobs are tailored to specific individuals. Your insight that “learning agility” is a competency that needs to be identified to broaden the talent pool and opportunities for civilian employees beyond the pigeonhole of a particular job gets at the root of the problem. Unfortunately, exclusive reliance on expanded use of subject matter expert panels is probably insufficient to efficiently expand the talent pool in this broad manner without also augmenting these panels with more objective assessment tools that are identified in the bipartisan H.R. 6976 and S. 3423 “Chance to Compete Act of 2021.” Strengthening the competitive service, which these bills are intended to do, is a far better model to follow than continuing down the rabbit hole of more excepted service hiring and direct hire authorities that the Department has unsuccessfully relied upon over the course of several years.¹ We agree with your finding that “Title 5 may be unduly maligned with respect to talent management. Despite several generalizations made as part of our interviews, we did not identify a specific portion of Title 5 that inhibits DoD from achieving any of its hiring or talent management goals. In fact, strict adherence to these laws may help, not hurt, the ability of DoD to fulfill its future needs.” To recruit, retain and develop a person with “learning agility” and not strangle creativity and talent as it is learning, the cultural framework of defining job

¹ For example, the Cyber excepted service excludes oversight from the Office of Personnel Management, is exempt from the Classification Act, only allows veterans to appeal to the Merit Systems Protection Board, and has a 3 year probationary period (see 10 U.S.C. 1599f); Various direct hire authorities as exceptions to competitive hiring are authorized for the Secretary of Defense in section 9905 of title 10, including depot maintenance and repair, acquisition workforce, cyber, science, technology and engineering or math positions, medical or health positions, child care positions, financial management, accounting, auditing, actuarial, cost estimation, operations research and business administration.

requirements solely from the standpoint of managerial flexibility and discretion, using performance metrics as means to control rather than empower workers, does not work very well in labor markets where aspiring job applicants and the existing workforce have non-federal options.² And just like “good will” has an economic value for businesses when dealing with customers, so too can it be quantified with respect to how employees are treated. The competitive service is a far more attractive inducement for a person to work within the federal government, with its benefits and protections, than the various workarounds from direct hire to excepted service styles of management, or the creation of artificial barriers to upward advancement through credentialing and certifications rather than allowing experience and “learning agility” to be substituted for credentials.

With regard to expanded use of public-private talent exchanges we appreciate your recognition that the Department must [e]nsure participants from organizations external to the Government follow statutory requirements for financial disclosure to ensure ethics and transparency. However, we believe compliance with these requirements would be greatly facilitated by additionally adhering to public disclosure requirements.

We endorse your recommendation to create a new Under Secretary of Defense for Talent Management, elevating the importance of talent management, which has been fragmented and broken when performed under the Under Secretary of Defense, Personnel and Readiness. We agree with your finding that under the USD (P&R), the Chief Human Capital Officer function has been delegated down to the Civilian Personnel Policy level, producing human capital plans not linked to the Department’s changing strategic priorities. The manpower or total force

² Every demonstration project generated since the “pilot” demonstration projects that laid the seeds for the discredited National Security Personnel System have been discriminatory, administratively burdensome, and counter-productive to their stated goals. Per-capita costs increase disproportionately favoring certain groups over others. A RAND review of the Acquisition Demonstration (Acq Demo) program found that “[f]emale and nonwhite employees in Acq Demo experienced fewer promotions, and less rapid salary growth than their counterparts in the GS system.” The virtues of the current system are rarely acknowledged. A Government Accountability Office (GAO) confirmed that the federal pay system does a far better job of avoiding pay discrimination by gender than private sector pay systems that allow broad discretion in pay-setting and pay adjustments. The GAO study (<https://www.gao.gov/assets/720/711014.pdf>) found that the gender pay gap in the federal government was \$.07 on the dollar as of 2017; similar studies of private sector gender pay gaps that adjusted for occupation and education show the gap at 61% higher than the federal government’s gap: \$.18 on the dollar as of 2018 vs. \$.07. To take this out of the realm of pennies on the dollar: on average, for every \$35,000 earned by males, women in the private sector are paid \$28,700 and in the federal sector are paid \$32,550. Of course, these are broad averages and should not exist at all. But the differential in pay equity between the federal pay system and private sector discretionary pay systems is stark. This relative advantage in the area of pay equity is not the only systemic virtue of the current pay system. Its structure is designed to create a good balance among several factors: market sensitivity, career mobility, internal equity, flexibility and recognition of excellence. All of these are attributes of a functional pay system if the system receives adequate funding. However, budget politics, “bureaucrat bashing,” and lack of understanding of the statistical processes used to measure the federal-non-federal market pay gap combine to deprive a very fair system of the funds it needs to operate at an optimal level. There is no problem with the GS system that adequate funding does not solve.

management function currently buried in the Military Personnel Policy office should be more attuned to the Department's future workforce requirements, and performed that role in a more robust manner when it was not buried under Military Personnel Policy.

For additional information or questions, please contact John Anderson, (703) 943-9438, john.anderson@afge.org or Richard Loeb, richard.loeb@afge.org.

Sincerely,



Julie N. Tippens
Legislative Director

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