



PARTNERSHIP FOR PUBLIC SERVICE

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

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**“Lacking a Leader: Challenges Facing the SSA after over 5 Years of
Acting Commissioners”**

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Chairman Johnson, Ranking Member Larson and members of the subcommittee, thank you for the opportunity to appear before you today. I am Max Stier, President and CEO of the Partnership for Public Service, a nonpartisan, nonprofit organization that works to revitalize our federal government by inspiring a new generation to serve and by transforming the way government works.

The Partnership works to inspire and educate mission-critical talent on the importance and rewards of public service. We also work with government leaders to prepare them to build strong teams, drive innovation, and work across organizational boundaries to deliver results for America. Our work includes all aspects of how the federal government manages people – attracting them to government, leading and engaging them, supporting their development, managing performance – all the essential ingredients for creating, developing and maintaining a world-class workforce. We also honor the important contributions that federal employees make every day to help strengthen and protect our country through our annual recognition of excellence in the civil service with the *Samuel J. Heyman Service to America Medals* program.

The Partnership's programs and activities largely center around the need for strong, capable leaders in the federal government, in both career and political leadership positions. The reason for that is simple and straightforward – leadership is intrinsically tied to the ability of any organization to be successful. I hope that my testimony today will provide insight into the effects that leadership vacancies have on agencies, the crucial need for early and ongoing planning by both presidents-elect and presidents on how to fill those vacancies, ways that the administration and Congress can each work to reduce vacancies in leadership positions, and ways to increase transparency into which important federal positions are vacant.

Impact of Vacancies on Agency Operations

The Subcommittee on Social Security is right to focus on leadership positions left vacant within the Social Security Administration (SSA). SSA is not a cabinet level agency but is more familiar to most Americans than other federal agencies. Americans expect the agency to provide financial security to us in the later years in life and ensure needed support for those who qualify for disability payments.

SSA employs a workforce of more than 60,000 full-time equivalent employees through a network of 1,200 field offices across the country and the world. SSA benefits will reach approximately 71 million individuals this year. Through administration of the Old-Age Survivors Insurance, Disability Insurance and Supplemental Security Income programs, SSA distributed approximately \$985 billion in payments in fiscal year 2017. SSA also in fiscal year 2017 completed 5.6 million survivor claims, 2.4 initial disability claims, over 595,000 disability reconsiderations, and handled over 36 million phone calls through its national 800 number.¹

SSA serves every American at some point in their lives, and its mission requires sustained attention and consistent leadership. Each year, the SSA Office of Inspector General (itself under acting leadership since May of 2016) identifies the top management and performance challenges facing the agency. The list includes:

- improving customer service;
- modernizing information technology infrastructure;
- securing information systems and protecting sensitive data;
- reducing improper payments and increasing overpayment recoveries;
- improving administration of the disability programs;
- strengthening planning, transparency, and accountability; and

¹ “Annual Performance Report FY 2017 – FY 2019.” *Social Security Administration*, February 2018, pp. 3-4, 32-34, 37, <https://www.ssa.gov/budget/FY19Files/2019APR.pdf>.

- strengthening the integrity and protection of the social security number.²

These are daunting challenges, and addressing them successfully starts with a vision and a strategy set by a dedicated team of both political and career leaders.

There are three full-time Senate-confirmed positions within SSA, both the commissioner and deputy commissioner as well as the inspector general.³ Of these positions, there are no nominees for commissioner or deputy commissioner, and the nominee for inspector general has been pending in the Senate since October 2017. The last Senate-confirmed commissioner of SSA left the agency in 2013 and the position has been filled by acting officials over the last five years.

Vacancies in presidentially-appointed Senate-confirmed (PAS) positions across the government are expected, given the short-term nature of political positions. Even so, the number of vacancies and their duration can be diminished through advance planning and effective actions by an administration and the Senate.

Career civil servants are often designated to serve temporarily in vacant Senate-confirmed positions in an acting capacity because they are senior and highly-regarded leaders in their agencies – as is the case of SSA’s current acting commissioner. In other cases acting officials are political appointees who have had distinguished careers and have earned the confidence and trust of the president – as was the case of the previous acting commissioner.

The reality is, though, that acting officials often are not able to operate with the full perceived authority that flows from Senate confirmation. Some acting officials do not feel like it is their place to make long-term policy, operational, or management decisions that will bind their successors. I often make an analogy to substitute teachers here – they are skilled professionals who have much to offer their students, but they are not perceived by those around them as having the full authority of the teacher, and they do not view themselves as having the right to make decisions with long-term impact. Saying “I am acting” is simply not as powerful as saying “I was nominated by the President and confirmed by the U.S. Senate.”

Vacancies in top leadership positions may cause harm to an organization’s ability to carry out its mission. The Partnership has found that high-level vacancies in particular can have the effect of slowing decision-making, ultimately diluting agencies’ ability to best serve the public interest. For example, the Partnership believes that over the years, frequent and often lengthy vacancies at the Department of Homeland Security have been a key driver of the agency’s performance and morale challenges.⁴ Thad Allen, the former commandant of the Coast Guard, has said that when there is a vacancy, “people who are in an acting capacity feel they do not have the power to make long-term changes and do what they need to do.” Another senior official who held positions at the departments of State and Defense under Presidents George W. Bush and Barack Obama characterized agencies as being thrown into neutral gear when there are acting officials. He said that those serving in an acting capacity usually “take the path of least resistance.”⁵

² “Fiscal Year 2017 Inspector General’s Statement on the Social Security Administration’s Major Management and Performance Challenges.” *Office of the Inspector General, Social Security Administration*, November 2017.

³ Three of the seven members of the agency’s part-time advisory board are also Senate-confirmed positions.

⁴ Written testimony of Max Stier, prepared for the House Committee on Homeland Security hearing entitled, “Help Wanted at DHS: Implications of Leadership Vacancies on the Mission and Morale.” *Partnership for Public Service*, December 12, 2013.

⁵ “Government Disservice: Overcoming Washington Dysfunction to Improve Congressional Stewardship of the Executive Branch.” *Partnership for Public Service*, September 2016, p. 29, <https://ourpublicservice.org/publications/viewcontentdetails.php?id=589>

Another impact of long-term vacancies at the top of an agency is that decisions about filling other senior leadership positions are sometimes put on hold. An agency's ability to recruit the best candidates for these jobs is diminished without permanent leadership. A big factor for anyone considering a job is who the boss will be. Uncertainty created by temporary leadership exacerbates what is already a tough recruiting environment.

The vacancy at the top is likely contributing to the existence of vacancies in other political or career leadership positions within SSA. The position of deputy commissioner for operations is vacant, having previously been held by the individual now serving as the acting commissioner. As of January 2018, the position of acting associate commissioner for international programs is vacant, and acting officials are serving as the deputy chief information officer and associate commissioner for information security/chief information security officer – two key positions responsible for taking on the agency's enormous challenges with information technology modernization and ensuring the agency's cybersecurity. Other positions filled by acting officials include three of the agency's ten regional commissioners, the deputy commissioner for communications, and the deputy commissioner for legislative and congressional affairs.⁶

And finally, vacancies also create ripple effects that can cause stress on the agency. When leadership positions are vacant, employees may feel uncertainty about the future direction of their agency. Also, each level of leader must move up a notch in a temporary capacity when there is a vacancy. This disrupts agency operations and in reality puts many leaders in the position of being “dual-hatted” – they assume duties of the position one notch above but are expected to ensure the execution of their regular jobs. In particular, oversight of an agency's management can suffer when the deputy – who is supposed to be the chief operating officer of the agency – must serve as the acting head of the agency.

Importance of Transition Planning

While presidents should be prepared to fill vacancies at any point in an administration, the need for attention to vacancies obviously becomes more acute during presidential transitions. The task of a U.S. presidential transition is one of the greatest organizational challenges in the world. There are about 1,200 Senate-confirmed positions and about 4,000 politically appointed positions overall.

The Partnership and *Washington Post* have been tracking the status of nominations and confirmations for 638 key positions requiring Senate confirmation.⁷ For these positions as of March 4, 2018, 273 nominees have been confirmed, 139 have been nominated but not yet confirmed, and eight have been announced but not formally nominated. There are no announced nominees for the other 218 positions.

Vacant positions with significant responsibilities related to security and the economy include the ambassador to the Republic of South Korea, the assistant secretary for nuclear energy at the Department of Energy, director of the National Counterterrorism Center and, of particular note to this committee, numerous top positions at the Treasury Department, including deputy secretary, chief financial officer, undersecretary for domestic finance, and several assistant secretary positions. Other important vacant positions include the commissioner of the Internal Revenue Service, which is undertaking the enormous task of implementing the new tax law, and the director of the U.S. Census Bureau, which is in an intense period of planning for the 2020 decennial census. In total, these widespread vacancies have negative implications on the administration's ability to govern effectively and implement management reforms.

⁶ “Social Security Administration Organization Chart.” *Social Security Administration*, January 5, 2018, <https://www.ssa.gov/org/ssachart.pdf>

⁷ https://www.washingtonpost.com/graphics/politics/trump-administration-appointeetracker/database/?utm_term=.98bffd147095

The number of key nominations put forward by President Trump at this point in the presidency is lower than that of his three most recent predecessors. But it is also important to remember that the average time that it has taken the Senate to confirm President Trump's nominations, 79 days, is also considerably longer than the average time for his predecessors at this point in their terms (60 days for President Obama, 42 for President George W. Bush, 47 for President Clinton, and 51 for President George H.W. Bush). Many non-controversial nominees experience unnecessary delays – delays which have the negative impacts discussed above but also discourage qualified people from wanting to serve in Senate-confirmed positions and place nominees in limbo while awaiting Senate action, often for months at a time.

The nomination and confirmation process is a shared responsibility of the President and the Senate, and the data make clear that there is room for improvement on both ends. Given that the process requires a series of complicated sequential steps—like financial disclosure, a background investigation, and Senate confirmation—it is critical that transition teams begin identifying and vetting potential nominees for these major positions as early as possible during the election and transition period. This reduces the amount of time that these critical positions experience leadership gaps that are dangerous for our country's security and well-being. The Senate also should consider process reforms that would preserve its role of diligent vetting yet ensure that non-controversial nominees are not delayed in the confirmation process.

Importance of Leadership on Agency Morale

The Partnership releases the annual *Best Places to Work in the Federal Government*[®] rankings of federal agencies based largely on the results from the Federal Employee Viewpoint Survey (FEVS) administered by the Office of Personnel Management. We rank agencies by size and function, and we also analyze the key drivers of employee engagement – in other words, the factors that have the biggest impact on how employees view the agencies in which they work.

Employee engagement and commitment are two necessary ingredients in developing high-performing organizations and attracting top talent. The rankings are also an important tool for congressional oversight and for ensuring that employee engagement is a top priority for government managers and leaders. They provide a mechanism for holding agency leaders accountable for the health of their organizations, serve as an early warning sign for agencies in trouble, offer a roadmap for improvement and give job seekers insight into how federal employees view their agencies.

Since the rankings began in 2003, one thing has been clear – leadership is the number one driver of engagement. Employees who hold their leaders in high regard are more likely to be motivated, and that drives better performance.

In the 2017 *Best Places* rankings, SSA ranks 12 out of the 18 large agencies in overall employee engagement, with a score of 63, which is the same score that the agency had in 2013 but is down from a score of 66 two years ago. In the years that we have been tracking *Best Places* scores, SSA's highest score was in 2010, with a score of 71.6. From 2007 to 2016, SSA's engagement score exceeded the median score of large agencies, but dipped slightly below the median in 2016.

The *Best Places* report tracks results of questions related to senior leaders, who are defined in the FEVS survey as the heads of departments and agencies and their immediate leadership team who are responsible for directing the policies and priorities of the department or agency. This "Effective Leadership: Senior Leaders" category measures the employees views on: respect for the organization's senior leaders; how well senior leaders generate high levels of motivation and commitment in the workforce; whether senior

leaders maintain high standards of honesty and integrity; and how well management communicates information to employees.

In this “Senior Leaders” category, SSA ranks 13 out of the 18 large agencies, with a score of 46.5. This marks the second year of a decline in score in this category, from 49.4 in 2015. The highest score in this category over the last decade was 57.4 in 2011. While the score has fluctuated in recent years, the long-term trend shows that SSA was in the upper quartile of large agencies from 2007 to 2012, dropped but was still above the median from 2013 to 2015, and then slipped below the median in 2016. On one of the key FEVS questions about senior leadership in the latest survey, only 37.8 percent of employees agreed that the senior leadership generates high levels of motivation and commitment to the workforce.

A strategy to improve these scores begins with filling key vacancies, starting with the commissioner and the senior leadership team. Permanent leadership would also enable SSA to better address other areas where the *Best Places* scores show need for improvement. For example, SSA ranks 16 out of 18 of the large agencies in the “Empowerment” category, which measures employee satisfaction with their involvement in decisions affecting their work. Improving employee empowerment is particularly important given that the agency has shed nearly 6,000 employees since 2010 while serving an aging population that increases its workload.

Senior leadership performance plans should ensure that the senior leaders are held accountable for improving employee engagement. These efforts should include reducing communications barriers, building employee trust and confidence through open communications, holding employee listening sessions, and taking concrete actions to respond to employee concerns, ideas, and feedback. Broader efforts should include making leadership development a priority and investing in cultivating the next generation of career leaders within the agency. In all these efforts, solicitation of employee feedback and fostering effective working relationships with unions and employee representative organizations can help agency leaders better identify, understand, and respond to employee perspectives. SSA should monitor and measure the results of its employment engagement efforts, including through “pulse” surveys to track progress on key metrics.

Recommendations to Reduce Vacancies and Increase Transparency of Vacancies

Through its Center for Presidential Transition, the Partnership serves as a repository of institutional knowledge from previous presidential transitions and provides hands-on assistance to both outgoing and incoming administrations on the execution of transitions. Filling critical Senate-confirmed positions as quickly as possible with the right people should be a priority of any presidential transition. Through our work with past transition teams of both parties, the Partnership has identified a number of ways to reduce the number of vacancies in Senate-confirmed positions, improve oversight of the transition process and provide transparency into appointments.

1. Congressional committees should perform rigorous oversight.

Congressional committees and subcommittees should do exactly what this subcommittee is doing today – conduct oversight of the operations of their agencies. Committees can help draw attention to the importance of filling key vacancies – as Chairman Johnson and Ranking Member Larson did in their letter of February 2017 to the president urging prompt nomination of a commissioner for SSA, and as the subcommittee is doing today. Congress also should signal to agency leaders, whether acting or confirmed, that they hold them responsible for forward-looking stewardship of the agencies. One of the best ways that members of this subcommittee and staff could do this is to visit SSA field offices and processing centers to meet and see firsthand the work of employees on the front lines, who through their unfiltered views can offer valuable insights that can help guide oversight.

2. *Congress should reexamine the Vacancies Act to ensure clarity in the law and create a central location for reporting vacancies in real time as they occur.*

The Federal Vacancies Reform Act addresses the issues of who can serve in an acting position and how long an individual can serve in an acting capacity. The Act has generated some confusion over where and how its limits are applied. Moreover, agency reporting on vacancies typically is not timely, and therefore no reliable public source for capturing government-wide data on federal vacancies exists. Congress should conduct oversight of the Vacancies Act, ensure that lines of succession are understood, and require real-time reporting into a public database for positions subject to Senate confirmation.

3. *The administration must identify, vet and submit nominees for top Senate-confirmed positions at a quicker pace.*

The president needs to ensure that his White House has a robust system for developing a pipeline of qualified candidates, vetting those candidates, and submitting nominees to the Senate at a much quicker pace to fill existing vacancies.

4. *The Senate should streamline the process for non-controversial nominees.*

Building on an expedited process established in 2011 for certain nominees, the Senate should improve rules that enable prompt confirmation of non-controversial nominees.

5. *Nominee paperwork must be streamlined.*

The amount and complicated nature of the paperwork that a nominee is required to complete is daunting, often duplicative and discourages qualified people from serving in these positions. The paperwork required for both pre-nomination and Senate vetting must be reexamined and streamlined in order to move nominees through the process more quickly and remove some of the overly burdensome disincentives for serving in these positions.

6. *Reduce the number of nominations that require Senate confirmation.*

Currently, the Senate must advise and consent on about 1,200 PAS positions.⁸ Congress should work to reduce this number where possible – either by eliminating the Senate confirmation requirement or converting them to career positions – to enable the White House and the Senate to concentrate vetting on the highest-level positions. For example, the Senate provides advice and consent on a number of positions that are primarily managerial, such as chief financial officers. These types of positions that are less partisan by nature could be converted to career positions, thus reducing the burden on both the White House and the Senate. Congress should also consider whether there are other Senate-confirmed positions that should have fixed terms such as the six-year term that the SSA commissioner has, in order to provide stable, long-term leadership.

7. *The Office of Presidential Personnel and agencies should maintain detailed position descriptions for all priority Senate-confirmed positions, and political appointees should have clear performance plans.*

Transition personnel teams spend much of the initial transition period in trying to understand exactly what each political position does and what qualifications a nominee should possess to succeed in a given

⁸ In addition, more than 900 judicial nominations require advice and consent.

position. The Partnership found in 2016 that the transition teams did not have this information in any comprehensive or consistent way, and so we created over 400 position descriptions for the transition teams with the input of experts and former office holders. Having a comprehensive and up-to-date position description for each of these jobs would allow the transition teams to focus immediately on recruiting and vetting high quality nominees, thus reducing the amount of time needed to identify quality candidates. Also, unlike senior career leaders, who are required to have performance plans, political appointees often lack performance plans, which help hold officials accountable for management responsibilities and employee engagement. Congressional oversight can help ensure that these position descriptions and performance plans are in place.

8. *There should be greater transparency into non-Senate confirmed political appointments.*

Political appointments that do not require Senate confirmation often are not publicly announced. Yet these non-PAS appointees are often very senior officials within agencies, and sometimes can serve as acting officials for unfilled Senate-confirmed positions. The public should have visibility into who the non-PAS appointees are and what positions they hold.

Conclusion

Chairman Johnson, Ranking Member Larson and members of the subcommittee, thank you again for the opportunity to share the Partnership's views on the impacts of vacancies and our recommendations on the way forward to help SAA and the federal government as a whole operate effectively with a core team of leaders in place. We look forward to being of assistance to you as you consider these issues.