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Chairwoman Jo Ann Davis
Subcommittee on Civil Service and Agency Organization
"Decision Time: A New Human Resources Management System
At the Department of Homeland Security"
Opening Statement
October 29, 2003

Thank you all for joining us today at this important hearing. When Congress created the new Homeland Security Department last year, we included in the legislation a directive to the Secretary and the head of the Office of Personnel Management to develop a new, modern system of personnel management that would fit the unique needs of the new department. We hold this hearing today at a point in time when the establishment of that system is nearing.

Last week, a Senior Review Committee, made up of officials from DHS and OPM, the employee unions and outside experts, met for three days in public to discuss the many options – 52 in total – that are on the table. These proposals would affect pay, classification, employee appeals, adverse actions and labor-management relations – every major element of a human resources system.

I applaud the design team and the Senior Review Committee for the many months of work on this issue. We gave you an important task, and you have taken it very seriously – that was illustrated very clearly by the sessions last week.

We are holding this hearing now, while the decision-making progress is ongoing, due to the significance of this process. I think all of us are aware that the choices made by Secretary Ridge and Director James are likely to reverberate throughout the federal government. Homeland Security is viewed as a test to see how the principles of performance-based management work when put into practice on a large scale. If the new department does indeed move away from the General Schedule and some of the statutory civil service provisions of title 5, its success or failure in doing so will be a lesson for other departments and agencies.

So, it's important that we get this right. I say "we" because, after all, Congress gave the department this authority to waive several provisions of title 5, and we specifically required the department to develop a new personnel system. We have a lot invested in this process, too. We want this to be a success. We want the department to have the flexibility it needs to meet its critical mission, and we want it to do so while creating a workplace environment where good

workers are rewarded and poor performers are rehabilitated or removed.

One of the interesting items to emerge from last week's public review sessions, I believe, was the wide agreement that poor performers have no business working for the federal government. I think this issue really gets at the essence of creating a real, credible performance-based management system, and an effective pay-for-performance plan.

Such a system begins with an effective way to measure performance. Managers must be accustomed to giving real performance ratings, not simple pass/fail marks, to their employees, and these ratings must have a direct relation to duties and responsibilities of each employee. This takes training, to be sure, but it also requires a willingness to make hard choices, and it demands that managers are held accountable for their decisions.

Once you have a credible tool for measuring performance, and managers who understand the system and want to implement it, it is fairly logical to have a system that rewards the best performers and does not coddle the worst. I hope and expect this is the direction the Department of Homeland Security is heading. I look forward to our discussion today. Thank you.

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