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Spotlight: David Chu, Defense Department

Personnel Chief Sees Promise for Reform

Advocate Chu says critics misrepresent proposal

The Defense Department put itself at the center of the growing civil service reform debate this spring when it introduced a sweeping proposal to overhaul how its 746,000 civilian employees are hired, paid, rewarded, promoted and removed.

The proposal has sparked a firestorm of controversy from unions and lawmakers, who are concerned that the plan would roll back many of the employee protections and safeguards put in place over the past 100 years.

The chief advocate for the proposal is presidential appointee David Chu, who was sworn in as the Defense undersecretary for personnel and readiness June 1, 2001. He has testified before several House and Senate panels on the merits of the Defense plan and has been working behind the scenes with congressional staff to iron out differences and advance the proposal.

Chu is Defense Secretary Donald Rumsfeld's senior policy adviser on personnel issues affecting military service members, civilian employees and National Guard and Reserve personnel. He recently took on an additional responsibility as Defense's chief human capital officer, a new position created within each department by Congress last fall to elevate work-force management.

Chu, whose career with the Defense Department began 35 years ago with a two-year stint in the Army, also held leadership positions in the Pentagon under Presidents Reagan and George H.W. Bush.

In a recent interview with *Federal Times* Staff Writer Tim Kauffman, Chu expressed his disappointment with the personnel proposal's negative reception in Congress, explained why Defense needs the management reforms it seeks, and addressed the state of work-force management reforms governmentwide. Following are edited excerpts:

***Federal Times*: Are you surprised the Defense civilian personnel proposal has provoked the interest and concern from lawmakers it has?**

Chu: I'm actually delighted it has provoked interest. I think the subject of how we mass-manage our civilian work force has too often been a neglected topic in this given department and I fear in others as well. There's a long set of good-government reports that urges the federal executive to improve that management and modernize the rules under which we operate. So we're delighted for this debate.

We recognize we're going to have different perspectives in this debate. We are obviously hopeful about how it will come out. We think that is essential to restore the civil service to an equal footing with other possible ways of accomplishing the mission of the Department of Defense, and that's the intent of the package that we've put forward.

***FT*: Some of the concern seems to stem from a mistrust of what Defense would do with some of these**

flexibilities. Why do you think there is this level of mistrust?

Chu: I'm disappointed in the mistrust that's been expressed. I think it results from people not reading the legislation and reacting, and not studying the legislation, specifically to employee rights. They are guaranteed under a specific chapter of Title 5 of the U.S. Code. We reiterate those guarantees in our proposal. It is the case those same issues are addressed elsewhere and it is the case that some, I regret to say, have demagogued the proposal by pointing to the proposal to waive those other chapters as a sordid way of cutting those rights.

I'm disappointed. That is not helpful to the debate. We need to have a debate about what the right way to go forward might be. That's constructive. Misrepresenting the proposal is not. That's destructive. That's a recipe for status quo, and we think the status quo disadvantages the civil service.

***FT:* It appears likely that Defense will not get everything from Congress it asked for. If that is the case, will that give you the needed flexibility that you're seeking?**

Chu: Well, the short answer is, it won't. As you know, there are restrictions in current law that we find actually disheartening in terms of investing in the civil work force. There are restrictions under current law that in effect preclude you from training someone for a job he or she doesn't already hold. We run a much larger personnel system even than the civil service . . . the military personnel system. In that system, the ethos of the training system is exactly what's precluded in Title 5 of the U.S. Code, and that is we constantly are supposed to be investing in your preparation for the next job. The last thing I would want is to have a military person arrive on the scene not trained for the job. But that is the civil service rule: Once you've been assigned something I can train you, but before that happens I can't do it. There are some exceptions to that generalization. We had asked as part of our proposal to have that section of Title 5 waived so we could invest in the civil service in the kind of modern, progressive way that we've be doing for decades now for the military system. I regret to say that didn't make it.

***FT:* The Senate's version is even more restrictive than the version passed by the House. It has restored some appeal rights or made explicit some provisions that perhaps were not explicit in the Defense request.**

Chu: The real difference between us and the Congress on the civilians is once again why we cannot manage the civil service using the same basic governance construct that Congress has already given us many years ago for the military. In the military case, the appeals process is managed by an independent set of institutions entirely within the Department of Defense. It is within the department and therefore it takes on the mission orientation and the ethos of the department, which is what ultimately the citizens expect. In contrast, in the civil service, the critics want the appeals process to be outside the department. I frankly don't understand that. We are entrusted with literally issues of life or death as far as the military personnel are concerned. We do have an appeals process entirely within the department, but somehow for our civilians the same level of trust doesn't exist.

I think frankly this is tradition. The way it was done back many, many decades ago, before the United States was a world power, before we had a department that is the size and complexity that we have today, and I fear that the critics are stuck in a different era.

***FT:* What is the advantage of doing it in-house?**

Chu: I think we're more likely to avoid what has happened in recent years with Merit System Protection Board cases. There are two problems. One is they tend to go on forever. Justice delayed is indeed justice

denied. Second, there is a great reluctance to come to grips with bad behavior. We have documented cases, which I have testified to, where there is egregious behavior. It's agreed the behavior existed, the events took place, the only issue is the remedy. And the Merit System Protection Board has been unwilling to say that if your conduct is bad enough we'll dismiss you.

It's demoralizing to the work force to see people do things that are blatantly wrong and not have it dealt with properly and in an appropriate fashion. And it leads people to say, "Well, for lesser stuff I won't file a grievance because it's not worth the hassle."

***FT:* One of the main selling points you've been making for these flexibilities is it would allow you to rely less on contractors and more on civilians. Does that mean we're going to see a situation where lots civilians are being deployed overseas for various military operations?**

Chu: We have always deployed civilians and we have long used civilians in theaters of operation. In fact, one of the ironies of the current operation is most of the civilians deployed in support of the Operation Iraqi Freedom were contractors, largely for the reasons you have properly touched on. You can tell a contractor, "I need a complete helicopter repair team, I need all the skills represented." Ironically, I cannot direct the federal civilian team to the Persian Gulf. I can invite volunteers and I'm delighted at the number of those who have been willing to step forward, but I cannot direct, and I think that a more flexible set of rules would allow me to.

***FT:* It seems like there's going to be a blurring of the lines between the three groups: the military, the civilians and the contractors.**

Chu: Our challenge is to coordinate the forces. We have one group that is governed by a very inflexible set of rules, how we hire people, how we assign people, how we promote people and remove those who perform poorly. And another set of rules for the military and contractor force where it's much more flexible.

Our proposal is an effort to rebalance the equation, to give the civil service a much better platform with which to proceed. This is in the end a proposal that we believe will make the civil service a more attractive choice for a variety of situations.

***FT:* What is keeping Defense agencies from getting to green on the president's management scorecard for human capital?**

Chu: To get to green on status is a challenging assignment for any agency. It's an economist's proposition. You're not allowed partial credit. You can't be almost green. You have to get every element in the list right. There are areas where maybe we're in good shape, we have one or two areas of weakness— that's going to keep us from getting to green.

***FT:* You recently took on an additional task as Defense's chief human capital officer. What will that role enable or require you to do that you aren't doing now in your present capacity?**

Chu: What it does is enable us to participate in the interagency council that the statute [calling for chief human capital officers at each agency] creates. I think that will be instructive because it gives us an opportunity to share in a more effective way with our fellow . . . agencies our perspectives on the issues in front of us and how we'd like to work together in collaboration with our fellow agencies to make change.

***FT:* So the council will have the larger impact?**

Chu: As far as DoD is concerned. For other agencies, human capital— and I don't want to make this sound critical of our sister agencies— human capital may not have been a subject people have focused on. It is a subject the [Defense] department has long been concerned with. It's something the secretary is very concerned with. So it's useful to have the actual enforcing function in making that point and creating this office, but where the big opportunity for us at Defense arises is this chance to participate with our fellow agencies in the deliberation of best management practices.

FT: **During the first Chief Human Capital Officer Council meeting on June 11, you suggested that the council should focus on improving the way the government recruits people. Is this something that is a particular problem at Defense, or do you see this as a chance to share your knowledge with other agencies?**

Chu: This reflects our efforts here at DoD to look out over the next 10 years or so at what our challenges are in the human-capital arena, especially for our civilians. We've been trying to create a strategic plan for each element of our force here.

One of the things that comes out of that process is the sharpened realization of the challenge all agencies face in replacing the current generation of employees. While we have a very balanced age distribution, the average age is getting quite high and that implies the large fraction of the work force will retire over the next seven to 10 years. We have not been hiring a great deal.

It's not just hiring. It is recruiting.

We need to get a new generation of workers who are going to equal and indeed surpass the accomplishments of the present generation, which are significant. To do that, we need to go out in the marketplace and compete.

We need to do some midcareer recruiting, too, to fill in that void that exists because of the fact that the department did not hire many people.

Recruiting is not trivial. You can get people to sign up for your post, but the real trick is to get the right person into that post. We need to be strategic about this.