Final Findings and Recommendations

Blue Ribbon Panel for the Transportation Security Administration (TSA)

Human Capital Service Delivery Evaluation

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Executive Summary

The Transportation Security Administration (TSA) has faced numerous challenges with human capital policy, operations, and services to support mission requirements. The Agency determined it needed a third-party review to identify the underlying problems and recommend solutions. ICF was contracted to perform the work and convened a Blue-Ribbon Panel (the Panel) to review, analyze, and make recommendations for improvements. This Report documents the "As Is" state and recommendations for improvement. It is based on extensive interviews with Office of Human Capital (OHC) and other headquarters (HQ) stakeholders, interviews with airport leaders, and focus groups with the National Advisory Council (NAC) and Transportation Security Officers (TSOs). In addition, the Panel reviewed documents and data provided by TSA. ICF also analyzed TSA data to look for trends, corroboration, or potential root causes of identified issues.

Because of the nature of the Panel's work – identifying problems and recommending solutions – this report documents difficult, long-standing challenges. The Panel also found areas of excellence. The TSO workforce, for example, demonstrates a remarkable level of dedication to their work. Even during the seven-week partial government shutdown, the vast majority of TSOs showed up and did their jobs. Some even participated in recruiting events to help TSA recruit new officers. Given the low pay and difficult working conditions that are inherent in TSA's screening work, the dedication these officers show is extraordinary.

TSA's low ranking in the Partnership for Public Service's *Best Places to Work in the Federal Government* may lead some to conclude that there are no great leaders in TSA. That is not true. The Panel found there are airports with outstanding leaders whose work clearly demonstrates excellence. The challenge facing TSA is to take the lessons learned from those airports, feedback from employees and stakeholders, and Panel recommendations to transform human capital operations agency-wide.

The Panel's key findings and recommendations are categorized into two major areas: Examining Human Capital Service Delivery and Supporting the Transportation Security Officer (TSO) Workforce.

Human Capital Service Delivery

TSA human capital challenges include ineffective use of Aviation and Transportation Security Act (ATSA) flexibilities, an ill-defined service delivery model that relies on contractors with insufficient oversight and inadequate Human Capital Information Technology, poorly trained field staff, and a headquarters human capital office that lacks strategic focus and demonstrates insufficient teamwork.

The policy and human capital operations challenges appear to result from deficiencies in the Office of Human Capital (OHC) and an inconsistent approach to field delivery of human capital services. The OHC suffers from a lack of teamwork and leadership challenges. Interviews with customers, stakeholders, and OHC staff make clear that human capital programs are not designed in the context of a cohesive strategy. OHC customers gave negative feedback on key programs, particularly human capital information technology systems, classification and position management, and hiring and pay, with a few bright spots in employee relations and training. OHC leaders consistently reported a culture where cooperation across OHC organizations was lacking and peer relationships are poor.

TSA's Human Capital Office issues are significant, but the Panel has encountered other human capital organizations with such issues that have been transformed into effective units. With

significant leadership support, the Panel believes the improvements in Human Capital Office leadership, work processes and policies required for TSA to have acceptable human capital services are achievable and has included recommendations for implementable and substantive changes that will provide a way forward for TSA. This report includes multiple recommendations. The most pressing among those recommendations are the need for more effective human capital leadership, a well thought out process for human capital service delivery, greater use of ATSA flexibilities, modern human capital technology, and standardizing and realigning the field human capital structure. Adoption of these recommendations, coupled with actions TSA is already taking to make improvements, should result in significantly improved human capital policies and services.

Supporting the Transportation Security Officer (TSO) Workforce

The 2018 TSA Exit Survey report indicated employees were concerned about leadership issues, having experienced a "lack of management skills," "unfair practices (e.g., in performance appraisal, disciplinary actions, career advancement, etc.)," "unequal levels of respect," a "hostile work environment," and "inadequate communication with the workforce." TSOs perceive favoritism and express an inability to voice complaints about issues.

The Panel believes the systemic problems with TSO pay may be a major contributor to some of those perceptions, due to the inability of TSOs (even those with exceptional performance ratings) to advance within their pay bands. Employee perceptions of leadership and organizational fairness may undermine their commitment to stay at TSA.

Surveys and Focus Groups reveal that TSO pay is a key issue for the screening workforce, and a complex problem. These officers work long hours, have difficult working conditions, and are the backbone of the TSA mission. By some measures, TSO annual pay in some locations lags well behind industry counterparts. TSO perceptions regarding inequity in their pay are aggravated by the fact that their pay averages about one-third of that of TSA employees in Management, Administration and Professional (MAP) positions. The Panel recognizes that the nature of the TSO's work and that of employees in MAP positions means a disparity in pay is always going to exist. While there is no indication it was deliberate, TSA's use of its flexibilities has boosted MAP pay above government averages, with TSO pay remaining below those averages for comparable jobs.

The disparity is driven in part by a pay and performance management process that provides little hope of movement, especially within the E-Band. A TSO at the bottom of the E-band, even with exceptional performance ratings year after year, would take more than 30 years to reach the top of the E-Band. This produces the effect that the E-Band pay range is illusory, with few TSOs in the middle or at the top of the band.

TSO turnover is high in the first three years in comparison to other positions in TSA and in the federal workforce. TSO turnover is somewhat consistent with other low wage jobs in the private sector with comparable skill requirements for initial hiring, where annual turnover rates of 20 percent or more are common. That does not mean TSA should accept high turnover as a given. The cost of turnover (in terms of recruiting, hiring and training replacement officers and lower productivity of newer and less skilled officers) is high and the effect on the workforce which carries the screening workload in absence of a full TSO cohort is significant. If TSA can retain Officers beyond the first three years, turnover reduces to a much more manageable level.

Turnover among longer term employees may be driven by the stability of employment and benefits TSOs receive. Although TSA operates outside of the general government pay and classification statutes found in Title 5 of the U.S. Code, the agency offers the same or better benefits as other agencies and provides greater job security than many private sector

employers. As a result, if TSA can address pay, leadership, and turnover issues, the Panel believes the agency will see reduced costs, better morale, and a more stable workforce.

This report includes recommendations to address TSO pay and advancement, and other critical issues for the TSO workforce. Although we often find that pay is a secondary issue for employees and other leadership issues tend to drive turnover, Focus Group findings highlight pay as the greatest issue driving turnover.

The Panel acknowledges that TSA recognizes the pay issues and is seeking ways to address them. The scale of TSA operations means that even small across-the-board pay increases can cost tens of millions of dollars. The Panel recommends targeted pay raises, rather than across-the-board increases that might consume precious salary dollars to raise pay in locations where pay is not a problem.

Although TSOs identify pay as the key driver of turnover, the Panel believes other problematic issues must be addressed as well. If pay problems are reduced, the other issues will continue to affect morale and turnover. Other key recommendations address the hiring process, which the Panel believes should be significantly modernized, and leader selection and development, which is essential to address many of the morale issues that are contributors to morale problems and turnover. The Panel also recommends changes to the promotion process and support for Information Technology improvements that can simultaneously increase operational efficiency and transparency, likely reducing concerns of favoritism expressed by the TSO workforce.

One recommendation the Panel heard repeatedly from employees was moving TSA into the General Schedule (GS). The Panel does not agree. The General Schedule is a 70 year-old classification and compensation system from the last century and is the subject of countless studies and recommendations from good government organizations who consistently find it is too inflexible to meet the needs of the 21st century workforce. A better course of action is to use existing ATSA flexibility to improve the TSA pay system so that it operates at a level superior to the GS system.

This Report provides a high-level roadmap for changes to TSA's Human Capital policies and processes, which if adopted, should have a significant positive impact on TSA workforce and mission operations.