

**WRITTEN TESTIMONY  
FOR JAMES F. MCDERMOTT, DIRECTOR  
OFFICE OF HUMAN RESOURCES  
UNITED STATES NUCLEAR REGULATORY COMMISSION  
TO THE  
COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS  
SUBCOMMITTEE ON OVERSIGHT OF GOVERNMENT MANAGEMENT, THE FEDERAL  
WORKFORCE, AND THE DISTRICT OF COLUMBIA  
UNITED STATES SENATE**

**RECRUITING AND HIRING THE NEXT GENERATION OF FEDERAL EMPLOYEES**

**May 8, 2008**

Mr. Chairman and Members of the Committee, it is a pleasure to appear before you today on behalf of the U.S. Nuclear Regulatory Commission (NRC) to share some of our successful recruitment strategies.

To give some context to our recruiting efforts, let me note that the NRC is covered by most provisions of civil service law, including those pertaining to retirement, benefits, leave, work schedules, training, and many other flexibilities available government-wide and important to our recruiting efforts. In addition, Section 161d. of the Atomic Energy Act of 1954, as amended, permits the Commission, to the extent it deems necessary to the discharge of its responsibilities, to appoint staff in the excepted rather than competitive service and, within limits, to set employees' compensation. The NRC makes merit-based, excepted service appointments and has an interchange agreement with the U.S. Office of Personnel Management that permits movement of employees between the competitive civil service and NRC positions. The NRC's authority to fix compensation has allowed it to establish higher salary schedules for scientific and technical positions, including entry level science and engineering positions, and resident inspectors stationed at nuclear power plants and fuel facilities. The ability to use a special salary schedule for entry level scientists and engineers is an important component of NRC's ability to make competitive offers in disciplines for which the demand exceeds the supply of recent graduates.

With the worldwide increase in electricity demand, the NRC is preparing for the so called "nuclear renaissance". Until recently the NRC had not received an application for a nuclear power plant in over 25 years, and we have few remaining staff members who were engaged in licensing reactors in the 1970s. So far we have received 9 Combined Operating Licenses (COL's) for 15 units and are expecting to receive 11 more applications for 16 more units by the end of 2009. This will bring our projected workload to 20 COL applications for 31 units by the end of 2009. In order to fulfill our mission of protecting the public health and safety of the environment, the NRC has needed to increase substantially its highly skilled workforce to respond to renewed interest in new nuclear power plants while ensuring the continued safe operation of licensed nuclear reactors. The NRC expects to continue its focus on recruitment for the next several years as the expansion intensifies competition for qualified individuals to serve as technical staff for both the NRC and the industry. We anticipate that the agency's attrition rate, which has historically been approximately 6 to 6.5%, will rise as a result of increasing competition and staff retirements.

To meet this challenge, the NRC established a goal of hiring a net gain of 200 employees in Fiscal Years 2006, 2007, and 2008. The Commission recognized that this was necessary in order to address the influx of new work and to offset expected losses, primarily due to retirements. There was some skepticism about the agency's ability to grow that rapidly. As Senator Voinovich may remember, I was one of the skeptics. Historically, the NRC had been hiring a little over 220 employees a year. To experience a net gain of 200, we would need to hire twice that number. Senator Voinovich asked me if NRC could hire 350 people. At the time, I responded that NRC would break 300, but that 350 would be a stretch. In the end, the agency hired 371 new employees for a net gain of 175. In FY 2007 NRC hired 441 employees for a net gain of 216. For FY 2008 NRC is on track for slightly more than 400 new hires and should achieve the net gain target of 200.

Experienced individuals comprised 73% of the professional and administrative staff hired in FY 2007. Approximately 60% are minorities or women; overall, minorities and women comprise approximately 52% of the staff. As you would expect, hiring to replace retiring staff has resulted in an overall decrease in the average age of staff. The agency's current average age is about 47 years old, which is down from nearly 50 years old three years ago.

The NRC maintains a vigorous and successful recruitment program by participating in approximately 80 recruitment events each year at colleges, universities and professional gatherings. In selecting of our calendar of recruiting events each year, the NRC considers the disciplines to target for each event, past success at obtaining well qualified individuals through the events, and the ability to reach diverse candidates. In addition to attending recruitment events sponsored by others, NRC hosts agency recruitment events to discuss employment opportunities and benefits and conduct screening interviews.

I believe there are four key factors that make the most important contribution to the NRC's successful hiring program: (1) a mission that attracts a broad range of individuals to public service; (2) strong, top-to-bottom management involvement and support; (3) creative use of hiring tools and flexibilities; and (4) worklife culture that has garnered the NRC its number one rating as the best place to work in the Federal government.

The key foremost factor is NRC's mission. Protecting the public health and safety and the environment is a challenge that attracts individuals to public service, perhaps more so today than in the past. The NRC finds itself positioned at the intersection of concerns about safe and reliable energy supplies as well as the environmental implications of various energy sources. The NRC's mission resonates with the young and with the not so young. Of the 441 people the agency hired last fiscal year, 214, or nearly half, were over the age of 40. The Commission advertises the value of a career at the NRC, through our ads, displays, and videos around a consistent message: "Make Our Mission Yours."

The second key factor to the NRC's success is recruiting is management commitment and involvement from the top to the bottom of the organization. Chairman Klein frequently introduces himself, as he did when he met recently with the Chief Human Capital Officers Council to talk to them about hiring, as my Chief Recruiter. We are lucky to have Commissioners and the Chairman actively engaged in workforce issues.

NRC senior executives and managers also participate actively in recruitment activities. They identify the critical skill areas the NRC needs to target. They give presentations and work the booth at recruitment events. They participate personally in interviews and follow up contacts with prospects. Just as importantly, they sustain momentum and attention through the selection

process to the job offer. Finally, their commitment is not lost on candidates, who cannot fail to recognize that investing time in people is a top priority at NRC.

The third major factor in the NRC's recruitment strategy is to make maximum use of the hiring flexibilities available to the NRC and to other agencies. The NRC offers recruitment bonuses to new graduates, as needed, as well as competitive salaries. Government benefits, such as flexible work schedules and telework, appeal to both new and experienced candidates. The OPM initiative permitting credit for private sector experience in determining the amount of leave a new employee can earn has eliminated what had been a show-stopper for some experienced candidates. I mentioned earlier that about half our new hires last year were over forty. For them, the Federal Health Benefits program, which includes guaranteed health benefits coverage in retirement, is a huge attractor.

The NRC, thanks largely to enactment of the Energy Policy Act of 2005, has some hiring tools not generally available to others. Like many private as well as public sector organizations, the NRC builds a pipeline of entry-level employees by engaging students in cooperative education arrangements during their college years. The Act gave the agency the authority to cover some housing and transportation expenses for these students during their work periods, making it economically viable for students outside the Washington, DC, metropolitan area to join us. The Act also greatly enlarged our potential target population by providing the NRC authority to waive the Federal pension salary offset when hiring retirees. The NRC uses this cautiously, but its value in meeting sudden critical skill needs or for short-term knowledge transfer efforts to mitigate the loss of critical skills through retirement is enormous.

Congress has also provided the NRC authority and funding for grants to support nuclear-related education. Last year we awarded 27 grants to academic institutions in 17 states for fellowships, scholarships, and curriculum development. Response to this year's invitation for proposals is running 50% higher than last year. In addition to this \$5 million dollar program, NRC has been charged by Congress to distribute another \$15 million this year to support the development of academic and trade skills essential to the safe and effective expansion of nuclear technology applications. Both programs are providing us opportunities to access wider pools of potential applicants.

Finally, the fourth key factor the NRC uses in recruiting is our reputation as a great place to work. We are very proud of, and seek to leverage, our ranking as the Best Place to Work in the Federal Government, according to the 2006 Federal Human Capital Survey, and a Best Diversity Company by Diversity Careers Magazine. The Commission realizes that the success of the agency depends on the talent and commitment of its employees. We strive to create a workplace rich in opportunity where employees are fully engaged in meaningful and challenging work. To do this the agency fosters a climate that values adaptability to change and builds organizational capacity by tapping into the full potential of all staff. The NRC values a healthy balance between professional and personal life, and fosters it by openness to flexibility in work schedules and telework opportunities.

One result of our employee-friendly culture is that we have 3000 or so auxiliary recruiters marketing a career with the NRC. We find that, next to the internet, word of mouth is our most prolific source of actual hires. Our employees reach out to former colleagues and associates with whom they would like to work and promote the NRC.

With all this said, the NRC's hiring program is still very much a work in progress. We are engaged in OPM's end-to-end hiring process improvement initiative. We have completed one

and embarking on two more Lean Six Sigma reviews to identify ways to improve hiring cycle times. We have established improvement targets and incorporated them in agency operating plans. We intend to improve the quality of a new hire's first day and pay closer attention to them during their first months of employment.

The NRC is not alone in this. Through the efforts of the Chief Human Capital Officers Council and the support of OPM, we are seeking and sharing the best practices that can make the Federal government as a whole an employer of choice.

Mr. Chairman and Members of the Committee, I hope my testimony provides you with an understanding of the NRC's recruitment strategies. I would be pleased to respond to your questions.