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before the

SUBCOMMITTEE ON OVERSIGHT OF GOVERNMENT MANAGEMENT,  
THE FEDERAL WORKFORCE AND THE DISTRICT OF COLUMBIA  
COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS  
UNITED STATES SENATE

on

WORK-LIFE PROGRAMS: ATTRACTING, RETAINING AND EMPOWERING  
THE FEDERAL WORKFORCE

May 4, 2010

Good afternoon Chairman Akaka, Ranking Member Voinovich, and distinguished members of the Subcommittee.

I am pleased to be here today on behalf of John Berry, Director of the Office of Personnel Management (OPM), to discuss the work we have been doing at OPM in the areas of work-life balance and wellness for attracting, retaining and empowering a 21<sup>st</sup> Century Federal workforce.

I commend the Subcommittee for your leadership in supporting and honoring the important work of our nation's public servants by holding timely this hearing during our annual Public Service Recognition Week. This year's theme, "Innovation and Opportunity," gives OPM the opportunity to highlight our new Results Only Work Environment (ROWE) and campus wellness pilot programs.

We all understand that work is a fact of life. For most of us, this will never change. What is changing, however, is the **way** we work – i.e., **when, where, and how** we work. Technology has provided us with options we never imagined twenty years ago. Who would have ever guessed that you could carry with you everything you need for your job in a piece of equipment the size of a small notepad?

Not only is it easier for us to do our work almost anywhere, it is easier for us to do our work any time. This means that we can schedule our work around responsibilities and events that in the past would have required us to take time off from work. The Federal government offers a variety

of flexible work arrangements that, when fully integrated into the day-to-day way of doing business, allow employees to continue making productive contributions to the workforce while also attending to family, pursuing higher education, and taking care of other responsibilities. These flexibilities include alternative work schedules (AWS), part-time schedules and job sharing. As part of the ROWE program, OPM is reviewing its current regulations and guidance on AWS to provide maximum flexibility to Federal agencies to assist them in implementing these flexible arrangements. The availability of these flexible work options makes the Federal government a key player in a competitive market looking to attract and retain the best and the brightest employees, a win-win situation for the American taxpayers.

## **Telework**

Telework is one of the many flexibilities offered by the Federal government. We know that telework is vital for the recruitment and retention of Federal employees. We are aware that it mitigates environmental damage from commuter traffic and it can help employees balance work and other life responsibilities. Unless telework is viewed as a good business practice by incorporating it as an integral part of doing business in the Federal government, we will continue to ignore an important tool. If implemented effectively governmentwide, telework can make the difference between shutting down Federal government services in emergency situations and continuing to operate with minimal interruption. Telework enables agencies and businesses to continue services and operations without jeopardizing the safety of its employees.

For example, while Federal offices in the Washington metro area were closed during this past February's storms, we believe that at least 30 percent of Federal employees worked during the snow days, mostly from outside the office. During the snow event, 30 percent of OPM and General Services Administration (GSA) employees logged on to their respective networks. OPM's request for information on remote access during the February storms to the Chief Information Officers of executive branch agencies revealed similar employee logon rates. In addition, OPM's data analysis team estimated that the Federal government offset approximately \$30M per day in lost productivity during the February storms as a result of telework.

These past winter storms have demonstrated not only the need for teleworking, but also the incredible potential of telework to support the Federal government's operations. Therefore, I want to take this opportunity to reaffirm Director Berry's commitment to advancing telework in the Federal government. OPM has set a strategic goal of increasing the number of eligible Federal employees who telework by 50 percent by fiscal year 2011. To meet this goal, we continue to work on the telework initiative Director Berry introduced on Capitol Hill last year. Although we recognize that we have many obstacles to overcome, we are optimistic that given the right support and resources, teleworking will become a commonplace practice in the Federal government. The results from the 2008 governmentwide annual call for telework data showed that 49 percent of agencies reported that management resistance remains a major barrier to telework. In addition, 32 percent reported that information technology (IT) security and IT funding are each significant barriers to the use of telework.

With the importance of overcoming these barriers in mind, OPM, in partnership with GSA and the U.S. Patent and Trademark Office, held a Federal Telework Leadership Thought Forum on

March 10. This Forum was sponsored by an interagency White House Task Force on Telework of which Director Berry is the chair. This task force is analyzing barriers to the adoption and promotion of telework programs in the Federal sector. The Forum had more than sixty participants governmentwide, which included representatives from labor. It was designed to solicit from the participants solutions to agency barriers frequently identified in research and practice. Results will be used to guide and model effective telework strategies governmentwide.

We believe that we can move telework to where we never again need to close the Federal government for an emergency. By creating a mobile workforce, employees will always be able to work no matter where they are located. With the proper training, equipment and the right emergency planning, we need only to declare a mobile work day and the Federal government will be able to seamlessly conduct business as usual.

### **Workforce Flexibility Initiative Pilot Program**

As part of our mission to be a model employer for the 21<sup>st</sup> Century, on March 31<sup>st</sup>, Director Berry announced OPM's new ROWE pilot program, the "Workforce Flexibility Initiative" that will go beyond existing telework and workplace flexibility programs. We hope that it will be successful and serve as a model for the rest of the Federal government. I am pleased to give you more details today on this new initiative.

OPM has hired two groups of contractors to implement and independently evaluate the pilot project. ICF International will lead the project implementation, and they have subcontracted with CultureRx, a company founded by Cali Ressler and Jody Thompson, co-creators of the ROWE and authors of the book, "Why Work Sucks and How to Fix It." This is the first attempt to implement a version of ROWE in the Federal government, although a successful project is underway with more than 2,000 participating employees at a county agency in Hennepin County, Minnesota.

Nearly four hundred OPM employees ranging from retirement and benefits claims processors to policy makers, including union and non-union employees, are in the pilot and were selected to represent the whole spectrum of positions available in the Federal government. Approximately half of the participating employees are based in Boyers, Pennsylvania, and the other half are based in Washington, D.C. OPM components involved include Retirement and Benefits, HR Solutions, Communications, and the Director's Office.

In general, ROWE allows employees to work whenever they want and wherever they want, as long as the work gets done. Managers are expected to manage for results rather than process. Employees are trusted to get the work done. This is a shift in culture from permission granting (e.g., granting leave, permission to telework, etc.) to performance guiding.

A major principle of the project is that all employees in a participating group are included in the pilot without exception. ROWE is not a perk given to some employees and not to others. It is a management strategy that is applied to all members of a coherent work team. Employees who must be physically present to do their jobs now must be physically present when working in ROWE. Remember the guiding principle: "as long as the work gets done."

Implementing ROWE is more challenging in the Federal government than in a private corporation because of the restrictions that Federal law places on some aspects of the workplace flexibilities that are usually implemented under ROWE. ICF and CultureRx will work with OPM management and our unions to implement a version of the Results Only Work Environment that is consistent with all current Federal laws. Any changes to existing practices will be agreed upon by labor and management representatives, and the design of the program will be reviewed by OPM's General Counsel to ensure its consistency with Federal law.

This pilot program will be implemented in various phases consisting of assessment in April, education in May, commencement of the pilot in June (lasting through the end of the year), and beginning of evaluation in July with final evaluation in February 2011.

#### Assessment in April

During this month of April, the contractors have been visible in the pilot areas in both Washington, D.C., and Boyers, PA. ICF and CultureRX are assessing the current work climate and attitudes toward work in the participating offices. This involves surveys, focus groups and job shadowing.

#### Education in May

In May and June, ICF and CultureRX will work with OPM labor and management to shift our culture toward the general principles of ROWE. There will be much more information developed as the pilot project progresses, including a password-protected website for participating employees and managers, as well as a general webpage for all OPM employees and the general public.

#### Start of Pilot in June

The shift to ROWE really begins in the summer in June and it will continue through the end of the year. The heart of the training is aimed at equipping employees and managers to change how they spend their time and how they communicate with one another to produce results.

#### Evaluation by Deloitte

The project will be independently evaluated by Deloitte, who will assess the project on the basis of its effect on employee performance and morale. Currently, Deloitte is studying available data and using surveys and focus groups to establish a baseline for employee performance and morale among the participating offices. The metrics used to determine those elements will not change throughout the pilot project. Their evaluation will help OPM determine how performance metrics could be improved.

Deloitte will begin assessing the effect of the pilot in late July and will periodically evaluate its effects. A final report is expected in February 2011.

The evaluation will include recommendations for making ROWE more effective in the Federal sector, including potential changes to laws and regulations and improvements to internal policies, training and IT infrastructure.

If the pilot project increases employee performance and morale, as we hope, OPM will expand it within our own agency and encourage Federal agencies to adopt this system across the government.

## **Wellness**

OPM has recognized that worksite wellness programs are also another way of attracting and retaining a strong Federal workforce. As you know, on May 12, 2009, President Obama met with CEOs from several major corporations to discuss their initiatives to improve employee health and reduce health care costs through worksite wellness and other initiatives. Following this meeting, he requested that OPM, the Office of Management and Budget (OMB), the National Economic Council, and the Department of Health and Human Services (HHS) explore the development of similar programs for the Federal workforce.

### Campus Wellness Pilot Project

As a result, in the summer of 2009, OPM, GSA, and the Department of Interior (Interior) agreed to operate as a combined “campus” with respect to several work-life initiatives, including a comprehensive health and wellness program, at their downtown Washington headquarter locations. OPM received funding within its FY 2010 appropriation to implement this health and wellness prototype and was authorized to spend these funds on behalf of GSA and Interior employees for the purposes of this demonstration. The President’s FY 2011 budget includes a \$10 million appropriation request at HHS for continuation of the GSA/OPM/Interior campus program, the funding of two additional prototypes, and a rigorous evaluation of all three prototypes. This evaluation will be used to determine if the prototypes represent a viable approach for the government as a whole.

In advance of the implementation of the prototype, the OPM/GSA/Interior campus currently offers limited on-site health and wellness services, including urgent care, routine blood pressure checks, allergy shots, immunizations and routine injections, employee assistance programs (mental health and other behavior-related counseling), walking clubs, and periodic health education lectures or web-based information exchanges. All three agencies have health units staffed by at least one nurse and a part-time doctor. GSA and Interior have fitness centers, while OPM is developing a fitness room for group classes.

The core difference between the current service level and the new prototype is that we will offer a comprehensive worksite wellness program that will track employee progress in a systematic way. Employees enrolled in the program will complete a health risk appraisal (HRA) in the form of a questionnaire that asks about health history, health-related behaviors (e.g., exercise), and current health status. Additionally, employees will be given certain biometric tests (e.g., cholesterol screening) to establish their baseline health status. Based on the results of the HRA and biometric testing, employees may be referred to individual health coaching and/or specific

on-site programs such as smoking cessation, weight management, chronic disease management or stress management. Health coaches will work with employees to achieve individualized goals.

Results from the annual HRA and biometric testing will be reported to employees to measure their individual progress and will be reported on an aggregate, non-identifiable basis to the agencies to measure collective progress.

Participation in the program is voluntary. Employees who participate in the program will be eligible for certain non-monetary incentives such as free or discounted fitness center memberships.

The worksite program does not replace the employee's primary care provider or the benefits they receive through the Federal Employees Health Benefits (FEHB) Program. Rather, we expect that the worksite service provider will coordinate with the employee's primary care provider and FEHB plan to optimize use of resources.

We are currently using a competitive procurement process to select a service provider to provide the comprehensive service package. We expect the service provider to begin providing services before the end of May.

We are working with HHS to identify and fund two additional worksite wellness demonstration projects on Federal campuses. These sites will be outside the Washington, D.C. area.

Studies in the private sector have yielded promising, though inconclusive results regarding the positive health and fiscal outcomes of these types of programs. For example, in a February 2010 *Health Affairs* article, researchers from Harvard School of Public Health and Harvard Medical School found that "medical costs fall by about \$3.27 for every dollar spent on wellness programs and that absenteeism costs fall by about \$2.73 for every dollar spent."<sup>1</sup> However, most programs have been implemented selectively, so further research is needed to determine the potential effects of large-scale adoption.

This demonstration represents the first study of its kind for the Federal government with its unique employment landscape. As a result, we recognize the importance of a valid and robust evaluation, and are contracting with an external evaluator to measure our progress according to the metrics described previously. The evaluation design will include interim reports that will enable us to receive ongoing feedback.

Savings from worksite health promotion programs generally become apparent within three to five years of the investment. However, for some programs, such as those aimed at better management of diabetes or other chronic diseases, the payoff can occur in less than three years; on the other hand, the results from better nutrition intake for people without serious health problems may take longer to show a benefit.

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<sup>1</sup> Baicker, K., Cutler, D., and Song, Z. "Workplace Wellness Programs Can Generate Savings." *Health Affairs*, Vol. 29, No. 2 (2010): 304.

## OPM's Governmentwide Wellness Initiatives

OPM is also getting the message out to Federal agencies and employees about health and wellness activities and programs. OPM's health and wellness promotion activities include requiring agencies to establish and implement a comprehensive health and wellness program, providing agency guidance, offering training opportunities for agency work-life coordinators, keeping communications lines open with agency coordinators, and coordinating governmentwide health and wellness activities in conjunction with other Federal partners.

OPM has set a high priority goal of requiring all executive agencies to establish and implement a plan for a comprehensive health and wellness program that will achieve a 75 percent participation rate by the end of FY 2011. OPM will provide agencies guidance on the definition of a comprehensive health and wellness program and other resources to aid with the development of their plans.

OPM provides guidance through one-on-one consultation with agencies on program development and improvement and through information posted in the Health and Wellness section of our website ([www.opm.gov/worklife](http://www.opm.gov/worklife)).

OPM works closely with agency work-life coordinators to improve the quality of worksite wellness programs and promote their wider use by employees. OPM offers training opportunities to agency coordinators. They include:

- The Cooper Institute for Aerobics Research Health Promotion Director Training and Certification course for select agency coordinators. Successful completion of this course results in a nationally recognized credential (Certified Health Promotion Director). Twenty-eight Federal agency coordinators successfully completed this course.
- The Business Case for Breastfeeding training for workplace staff. This training includes the elements of a good lactation support program at a workplace. Training was completed by 35 Federal agency staff.
- HealthyPeople (HP) 2010/2020 training. This training provided an overview of the Elements of a Comprehensive Worksite Wellness Program. Training was provided to 40 attendees through OPM's fall training for Federal Benefits Officers.
- Wellness as part of the entire workplace work-life portfolio. This is one of 4 courses toward professional work-life credentialing. Twenty Federal agency staff attended.
- Employee Assistance Program (EAP) administrator training developed in collaboration with HHS. This training provides an overview of effective EAP programs. EAP administrators from 60 Federal agencies have completed this training.
- HP 2010/2020 workshop in partnership with the OPM Benefits Officers Group and HHS. This training explains each of the elements of HP2010/2020 and gives practical implementation strategies for Federal workplaces. This training will be offered in May 2010.

We keep the communication lines open to agency coordinators via:

- E-mails with updates on governmentwide initiatives, upcoming conferences and events in health, wellness and EAP
- Agency “best practices” and unique programs
- A listserv that allows subscribers to share problem and solutions
- Regular meetings to share best practices, ideas, upcoming initiatives
- Expert speakers who present on a wide variety of health promotion topics

OPM also coordinates governmentwide health and wellness activities such as physical activity challenges, tobacco cessation (which is currently underway), and Feds Get Fit. OPM launched Feds Get Fit in October 2009 with a walk around the National Mall led by OPM Director John Berry and involving employees from a dozen or more agencies. The Feds Get Fit wellness campaign is intended to raise employee awareness about wellness through fun and interactive events. In March and April, Feds Get Fit sponsored a recipe challenge where more than 500 Federal employees from across the country submitted healthy recipes. A celebrity panel awarded prizes to those recipes that were the most nutritious and best tasting.

The messages communicated through the Feds Get Fit campaign highlight the four pillars of a healthy lifestyle: physical activity, nutrition, healthy choices, and prevention.

Thank you for holding this important hearing. I would be happy to address any questions that you may have.