

STATEMENT OF CHAIRMAN DANIEL K. AKAKA

Labor-Management Forums in the Federal Government

Hearing

Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia, Senate Committee on Homeland Security and Governmental Affairs

Aloha and good afternoon. I would like to thank all of our witnesses for joining us today to examine labor-management partnerships in the federal government.

In December 2009, President Obama signed an Executive Order to improve government services by creating federal labor-management forums. The Executive Order is similar to my 2007 bill, the Federal Labor-Management Partnership Act, and a previous Executive Order during the Clinton Administration. The Executive Order established the National Council on Federal Labor-Management Relations and required Federal agency heads to establish labor-management forums of employee representatives and agency officials.

President Obama's Executive Order emphasizes a critical point about government performance – that a non-adversarial forum for employees, managers, and agency officials to discuss government operations will improve the services our government provides. Employees are in the best position to inform executives about the details of operational problems or inefficiencies. In addition, labor-management partnerships improve employee morale, which also helps drive better performance.

Data has shown that once established, effective labor-management partnerships will reduce costs. In 1998, the U.S. Customs Service obtained an independent cost-benefit analysis of its labor-management partnership with the National Treasury Employees Union. This analysis showed that the partnership produced \$3 million in net savings between 1993 and 1998. For every dollar the Customs Service invested in its labor-management partnership, it received a 25 percent return on its investment.

More recently, we have seen examples of cost savings and increased government efficiency as a result of labor-management partnerships at the Pearl Harbor Naval Shipyard – in my home state of Hawai'i – and at the United States Forest Service. I look forward to hearing about these recent success stories today. As labor-management partnerships are re-established throughout the Federal government, I expect that we will learn of many more partnerships creating short- and long-term cost-savings.

I have long understood that its employees are the Federal government's greatest asset. A fair, efficient, and effective government requires that Federal employees have a voice in their workplace.

I am looking forward to hearing from Director Berry about the recent work of the National Council on Federal Labor-Management Relations. I know that he has worked hard in his role as co-chair of that body, and I commend him for his dedication to this issue.

I am also excited to learn more about the current efforts at the Department of Defense (DoD), where labor and management are working together to establish a new performance management system and hiring process. As our nation's largest agency –performing critical functions – I believe that DoD can serve as an example to the rest of the federal government on how employees and management can work together to achieve positive results.

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