

**STATEMENT OF
W. SCOTT GOULD
DEPUTY SECRETARY
U.S. DEPARTMENT OF VETERANS AFFAIRS (VA)
BEFORE THE
Senate Committee on Homeland Security and Governmental Affairs
Subcommittee for Oversight of Government Management, the Federal Workforce,
and DC
UNITED STATES SENATE**

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Good Afternoon, Mr. Chairman, Ranking Member Johnson, members of the Subcommittee. Thank you for inviting me to discuss the implementation of Executive Order 13522, *Creating Labor-Management Forums to Improve Delivery of Government Services*, at the Department of Veterans Affairs (VA).

Since the signing of the Executive Order on December 9, 2009, VA has worked to put in place the right people, policies, and resources for successful implementation. Over the last two years, we have built the foundation on which to establish productive, collaborative relationships with our labor partners, and achieve positive mission outcomes for our Veterans. The leadership of our Secretary, Eric K. Shinseki; Assistant Secretary for Human Resources and Administration, John U. Sepúlveda; and, our Deputy Assistant Secretary for Labor-Management Relations, Leslie B. Wiggins have been key factors in the implementation of the Executive Order.

In VA we realized early that there are some significant differences between Executive Order 13522 and prior Executive Orders. This Executive Order places more emphasis on the involvement of our labor partners pre-decisionally. It specifically calls for the Department to “allow employees and their union representatives to have pre-decisional involvement in all workplace matters to the fullest extent practicable...” It also mandates the establishment of forums in which management and labor create metrics to measure outcomes and impact. Furthermore, it establishes the National Council on Federal Labor-Management Relations (Council). As you know, the Council is chaired by Mr. John Berry, Director of OPM and Mr. Jeffrey Zients, Deputy Director of OMB, and I am proud to represent VA on the Council.

The Council agreed to measure the effect of agency efforts across government by using metrics in three primary categories: mission outcomes, employee satisfaction and labor management relations. VA was able to leverage the Department’s existing Performance Management System (PMS), Strategic Plan and Performance Accountability Report to identify relevant metrics to begin measuring the impact these relationships will have on mission outcomes. We have had some early successes. For example, in our Veterans Benefits Administration (VBA) at the Washington, DC Appeals Management Center, the collaborative relationship between labor and management resulted in an increase in completed appeals cases. The parties avoided the protracted

negotiation process by collaborating and getting the unions involved pre-decisionally, developing the process together and measuring outcomes together. Another example is in our Veterans Health Administration (VHA). In Veterans Integrated Service Network (VISN) 4, which is one of our 21 VISNs that provide integrated VA healthcare across the United States, the Labor Management forum agreed to implement a smoking cessation program. The effort led to a 25% increase in participation and a 40% smoking cessation rate for Veterans and employees. At the same time, VISN 4's employee satisfaction rate increased, especially in the areas of job satisfaction and work family balance. These successes provide clear evidence that pre-decisional involvement (PDI), in a healthy labor-management forum have a positive impact and are part of an effective performance management system. Our experience and observations tell us that employee engagement is a key success factor for performance management reform.

By far the greatest challenge in getting started was making sure that everyone, both management and labor, had the requisite knowledge and mutual understanding of the Executive Order. The majority of our resources during these foundational years have been dedicated to the training and education of both management and labor members of our workforce.

The VA has a long and significant history of working jointly with its labor partners. We have maintained a successful National Partnership Council (NPC) for the past fifteen years spanning three Administrations. The NPC has representatives from all five of our national unions and twelve of our Senior Executives representing all three Administrations, the Office of General Counsel, the Office of Labor Management Relations, and the Office of Information and Technology. The NPC is our national forum which serves as an advisory body to the Secretary and is currently overseeing the implementation of the Executive Order. Having the NPC already in place has been key to the Department's progress to date.

The Executive Order directs us to work with our labor partners collaboratively and look for opportunities to work with them pre-decisionally. At VA, the NPC developed the Department's implementation and execution plan for leadership approval. Our plan requires three levels of forums: a national level forum which is our NPC; intermediate level forums, associated with our VISNs; and, local forums at our medical facilities, regional offices, and cemeteries. This level of inclusion of our labor partners early in the process led to buy-in by all five of our national unions and provided a model for the other approximately 200 forums we expect to see throughout the Department within the next couple of years.

This collaborative approach continues and it was important to the early approval of the Department's plan by the Council. The council used common criteria to evaluate and approve plans from every agency in government.

Our early challenges included overcoming assumptions and fears by both management and labor. Many on the management side thought they would have

limited control over the process; our labor partners feared that this Executive Order did not go far enough in compelling leaders to work collaboratively and that their rights could be compromised. It is important for all parties to understand that the Executive Order does not undermine management's responsibility or authority to manage the workplace, nor does it replace labor's rights to bargain. The Executive Order does require new skills and attitudes as labor and management move toward a more collaborative and productive relationship.

We found that training early and thoroughly was the best approach to mitigate these fears. We developed mandatory web based training for managers and supervisors. The training provided an overview of the Executive Order along with practical information on how to get started. To date over 25,000 managers and supervisors have completed this training. In addition, over 820 labor and management employees have attended joint Executive Order training provided by the Federal Labor Relations Authority (FLRA) and the Federal Mediation and Conciliation Services (FMCS). Labor leaders and managers are required to attend training together. It has proven to be a great motivator for labor/management pairs to return to their institutions and begin taking the steps to build forums consistent with the Executive Order. The Department also provided leadership direction and the resources necessary to act.

VA has also partnered with the FLRA in the development of web based training now available Government-wide to assist Agencies in meeting the requirements of the Executive Order. Through this partnership, VA and the FLRA have been able to make Executive Order training on bargaining over 5 U.S.C. § 7106(b)(1) matters available to all Federal employees, management, and union representatives right at their desks.

With the help of training and our continued emphasis on the importance of the Executive Order, we have successfully stood up over 150 of approximately 200 forums in VA, to date. As the forums mature they are able to begin measuring and documenting specific areas they impact in accordance with Section 3(a)(iii) of the Executive Order, which states the that Department must "evaluate and document, in consultation with union representatives and consistent with the purposes of this order and any further guidance provided by the Council, changes in employee satisfaction, manager satisfaction, and organizational performance resulting from the labor-management forums."

In consultation with our labor partners, VA developed metrics to track changes in customer satisfaction, employee satisfaction, manager satisfaction, as well as organizational performance and outcomes that can be linked back to actions of the forums. These metrics are "SMART", in other words they are Specific, Measurable, Actionable, Relevant and Timely. Our metrics and implementation plan were approved by the Council. As required by the Executive Order, we will be submitting our progress report to the Council in December of this year.

The Executive Order anticipated the need to measure the benefit-net-of-cost of our efforts. Our bottom line is whether improved labor management relationships will

have a positive impact on the delivery of government services – in this case to our customers, the Nation’s Veterans. Preliminary indicators are positive. We recognize there has been and will be costs related to education and training. There is a compelling logic that good communication with front line employees can inform the management decision-making process and that early buy-in will speed implementation of modernization efforts in government. Improved labor-management relationship and employee engagement, will ultimately help us avoid future costs of unnecessary litigation.

Now more than ever we need to be working together to improve our services to Veterans. The Executive Order has directly contributed to stronger labor management relations at VA. After seven years of negotiation, we concluded a new master labor contract with the American Federation of Government Employees (AFGE). We are working with two of our National unions, AFGE and the National Federation of Federal Employees (NFFE) on a (b)(1) pilot to standardize skill levels of all VA Vocational Rehabilitation Counselors. By having an agency-wide certification skill level for our Vocational Rehab Counselors, we will increase accuracy and quality of services provided to Veterans. Furthermore, the VA has invited all of our national unions to participate in PDI to improve working conditions for thousands of employees involved with our 16 major transformation initiatives.

Conclusion

Mr. Chairman, in conclusion, VA has made significant progress, but there is still work to be done. We believe ultimately that working with our labor partners will improve mission outcomes for our Veterans. It makes sense to listen to the front line as we work to a common goal. At VA, we have given our organization the direction, training and tools they need to successfully in implementing this Executive Order.

Most importantly, it is our belief that these collaborative relationships will lead to improved services to our nations Veterans. They will create a more efficient and effective environment for all employees. And finally, we expect to see an overall improvement in the labor management climate leading to decreased conflict, grievances and the time it takes to negotiate needed changes in the Department.

This concludes my prepared statement. Thank you for the opportunity to testify. I am prepared to answer your questions at this time.