

**National Council on Federal Labor-Management Relations
16th Public Meeting
November 16, 2011**

The National Council on Federal Labor-Management Relations (NCFLMR) held its 16th meeting on November 16, 2011, at the American Institute of Architects building at 1725 New York Avenue NW., Washington, D.C. Mr. John Berry (Director, Office of Personnel Management (OPM)) chaired the meeting. Co-Chair Jeffrey Zients (Deputy Director for Management and Chief Performance Officer, Office of Management and Budget) was unable to attend, but Dr. Shelley Metzenbaum (Associate Director for Performance and Personnel Management, Office of Management and Budget) sat in for him.

The following Council members also attended:

Member Name	Member Title
Ms. Carol Bonosaro	President, Senior Executives Association
Mr. William Dougan	President, National Federation of Federal Employees
Mr. Michael Filler	Director of Public Services, International Brotherhood of Teamsters
Mr. David Holway	National President, National Association of Government Employees
Mr. H.T. Nguyen	Executive Director, Federal Education Association
Ms. Patricia Niehaus	National President, Federal Managers Association
Ms. Carol Waller Pope	Chair, Federal Labor Relations Authority

Ms. Gail Amidzich, Assistant Director of Legislation, National Treasury Employees Union (NTEU) sat in for Ms. Colleen M. Kelley, National President, NTEU.

Mr. Rafael Borrás, Under Secretary for Management, Department of Homeland Security (DHS), sat in for Ms. Jane Holl Lute, Deputy Secretary, DHS.

Mr. Faraz Khan, International Federation of Professional and Technical Engineers (IFPTE), sat in for Mr. Gregory Junemann, President, IFPTE.

Ms. Terry Rosen, Labor Relations Specialist, American Federation of Government Employees (AFGE), sat in for Mr. John Gage, National President, AFGE.

Mr. John Sepúlveda, Assistant Secretary for Human Resources and Administration, Department of Veterans Affairs (VA), sat in for Mr. W. Scott Gould, Deputy Secretary, VA.

Ms. Lynn Simpson, Chief of Staff, Office of the Under Secretary of Defense for Personnel and Readiness, sat in for Mr. Ashton B. Carter, Deputy Secretary of Defense.

Mr. Dan Tangherlini, Assistant Secretary for Management and Chief Financial Officer, sat in for Mr. Neal Wolin, Deputy Secretary, Department of the Treasury.

About 36 members of the public attended the meeting, including 4 representatives from the media.

Agenda Item I: Welcome

At 10:06 a.m., Mr. Berry said, “Welcome to the last meeting of 2011.” He reminded everyone that, in planning its meetings for 2011, the Council agreed it would not meet in August or December, and he said the next Council meeting would be January 18, 2012. He said the Council was working on finding a suitable Government location for future meetings, and he asked the Council members to let him know if anyone has a room large enough to accommodate Council meetings.

Mr. Berry acknowledged agency and labor representatives sitting in for Council members, and mentioned that Dr. Metzenbaum was sitting in for Mr. Zients. Dr. Metzenbaum said Mr. Zients sent his regrets that he could not attend the meeting.

Mr. Berry asked whether any Council members cared to propose edits to the draft minutes of the previous meeting. The Council proposed no edits, unanimously approved the minutes, and proceeded to the next agenda item.

Agenda Item II: Employee Performance Management Workgroup -GEAR Pilots

Mr. Berry reminded everyone of the draft report the Employee Performance Management Working Group presented in the last meeting (“Report to the National Council on Federal Labor Management Relations on Employee Performance Management”). He said that he hoped everyone had a chance to review the draft report. He said the draft report was revised based on Council comments, and that today the Council would hear the results.

Mr. Berry said he was pleased that six agencies would pilot the recommendations of the report, and that five of the agencies are OPM and the Departments of Energy, Housing and Urban Development, Labor, and Veterans Affairs. He asked Mr. Borrás to confirm that the Coast Guard could be added to the list, and Mr. Borrás said DHS agrees.

Mr. Berry said, “This is a really strong group to do a really strong pilot.” He said work on piloting the recommendations was already underway, and that after hearing an update on the Employee Performance Management Working Group Report the Council would hear status reports on pilot efforts at OPM and Energy. He turned the floor over to Mr. Filler.

Working Group Report

Mr. Filler talked about the months of hard work and in-depth Council discussions culminating in the draft report, and said it is important to keep in mind that the Council is now at the 2-year mark from the time Executive Order 13522 was issued. He said the Council’s work on metrics months ago was the first of two pillars, and that the second pillar was the performance framework recommended in the draft report. He said the performance framework resulted from a focused, collaborative effort, and is a comprehensive roadmap for agencies to follow. He said the working group envisioned the labor-management forums shepherding the implementation of

the performance framework. He added that through “clever ingenuity” the name of the proposed performance framework was changed from the Performance Management Accountability Framework (PMAF) to Goals, Engagement, Accountability, and Results (GEAR). He said Mr. Justin Johnson, OPM Deputy Chief of Staff, would now provide an update on the working group report.

Mr. Johnson thanked Mr. Filler, and said it was true that the working group had been hard at work on the report for quite some time. He said he would now provide an update on the working group’s efforts, and he began a presentation accompanied by slides entitled “Goals-Engagement-Accountability-Results (GEAR): Employee Performance Management Working Group” and dated November 16, 2011.

Mr. Johnson said that, after discussions in the last Council meeting about the draft working group report, the working group reconvened to address Council input and revise the report. He said the working group met on October 28 and November 7, 2011, to discuss revisions, develop a high-level summary of the report, and formulate strategies for a culture implementation plan. He said that, on November 9, 2011, the working group circulated draft documents for final working group review and approval, which led to—

- The revised report (The Council Document entitled “Goals-Engagement-Accountability-Results: Getting in GEAR for Employee Performance Management”),
- The high-level summary in Appendix D of the report, and
- The separate Council Document entitled “Culture Implementation Plan.”

Mr. Johnson said Council feedback on the report led to notable changes, including the name change from PMAF to GEAR. He said, “PMAF sounded like stuff the Government already had. For better marketing, we wanted a fresh acronym.” He said the name really captures the way the working group imagines the model, i.e. that Goals, Engagement, and Accountability are three gears that need to mesh smoothly in order to produce good results.

Mr. Johnson said the GEAR model still reflects the five major recommendations the working group presented in the previous meeting—

1. Articulating a high performance culture;
2. Aligning employee performance management with organizational performance management;
3. Implementing accountability at all levels;
4. Creating a culture of engagement; and
5. Improving the assessment, selection, development and training of supervisors.

He said that, based on Council feedback, the working group had refined its presentation of the recommendations. He said, for example, that for the “accountability at all levels” recommendation, the revised report has language to clarify that employees should only be held accountable for activities within their control. He said the revised report also points out to readers the importance of understanding that the recommendations are not to be understood as requiring implementation as sequential steps, but rather as interrelated aspects of good performance management.

Mr. Johnson said the working group had extensively discussed the recommendation to improve the assessment, selection, development and training of supervisors. He stressed that people often become supervisors with little training and with the same nonsupervisory duties remaining on their plate, and that the working group believes better preparation of supervisors is essential to improving performance management.

Mr. Johnson said the high-level summary in Appendix D of the draft report provides an overall snapshot of recommendations, key actions, and important steps for implementation, and is a helpful checklist, but not a substitute for reading the full report. He said the working group included the summary in the report appendices rather than as a separate document so people would not be encouraged to read the summary but skip the full report.

Mr. Johnson said the Culture Implementation Plan provides recommendations on implementing cultural accountability, such as—

- Establishing dedicated implementation team;
- Providing “culture” training to senior leadership;
- Providing clear communication of agency’s strategic priorities;
- Creating clear understanding of what new culture looks like – involve employees and employee representatives;
- Ensuring SES participation in 360 degree review as a developmental tool;
- Communicating responsibilities and culture of accountability; and
- Improving accurate monitoring of results.

(As Mr. Johnson mentioned on his slides and during his presentation, the above list does not include all the recommendations in the “Culture Implementation Plan” Council document.)

Mr. Johnson stressed that the report puts forth recommendations for agencies to consider, not mandates. He added, however, that all Executive Branch agencies are strongly encouraged to start adopting the recommendations at the earliest opportunity. He listed the six agencies that agreed to pilot GEAR, which Mr. Berry had listed earlier (OPM; the Departments of Energy, Housing and Urban Development, Labor, and Veterans Affairs; and the Coast Guard component of DHS).

Mr. Johnson talked about recommended next steps. He said the pilot agencies should meet to discuss issues and plan a way forward. He said that labor-management forums should be involved in all discussions, that the working group should advise the pilots as they implement the recommendations, and that OPM subject matter experts should serve as policy advisors to the pilots. He said a status report on the pilots should be on the agenda for the next Council meeting. He then offered to take questions.

Ms. Bonosaro expressed concern about Point 3 in the Culture Implementation plan, i.e.—

Ensure participation by Senior Executive Service (SES) leaders in a 360 degree review to be used as a developmental tool for improving their management and leadership skills over time as well as coaching and mentoring.

Ms. Bonosaro said she had not raised concern on this point before because she had not seen the plan in writing until now. She said she felt blindsided, and that regarding Point 3 the Senior Executive Association's expectation would have been to see a more general point about training and development for managers and supervisors, including SES members. She said many others are working on training and development for SES Members, and she mentioned the Presidential Management Council's Senior Executive Service Initiative.¹

Mr. Johnson asked whether Ms. Bonosaro could clarify her concerns a little. Ms. Bonosaro said she would have thought that 360-degree reviews be reported more as a potential tool.

Mr. Berry said he agreed with Ms. Bonosaro. He said, "I agree. My understanding is this is not an attempt to mandate. As you said, multiple groups are working on this. We don't want to overlap and duplicate. I'd be comfortable if we dropped the 360 degree line. Would you be comfortable with that?" Ms. Bonosaro said that she would, and Mr. Berry said, "We'll do it." Since there was no further discussion on the report at this time, Mr. Berry turned the floor back over to Mr. Johnson for an update on the OPM pilot.

OPM Pilot

Mr. Johnson said OPM began its efforts to implement the working group recommendation by looking at metrics from the 2010 Employee Viewpoint Survey (EVS). He said that while OPM's Employee Services organization ranks in the top EVS tier for supervisors and leaders, another OPM organization, which he left unnamed, ranked at the very bottom. He said this pointed up the need for consistency of application, and that OPM was now working to learn practices from the best and then figure out how to achieve the same results throughout the agency. He said discussions with senior leaders are underway, and that what comes up a lot as a best practice is use of frequent feedback.

Mr. Johnson said that one key piece of OPM's efforts to achieve consistent application of best practices has been involving OPM's labor-management forum in all aspects. He said buy-in to

¹ A description of this PMC cross-agency initiative can be found in the February 18, 2011, OMB-OPM [Memorandum for the Senior Executive Service](#). The memorandum summarizes the proposals of three PMC-chartered working groups consisting of a range of experts from various organizations, including the Senior Executives Association.

the idea of spreading best practices is agencywide, and that all parts of OPM are already at the table. He said OPM plans to use existing structures and processes to reach its goals for the pilot, and as an example he added that OPM's labor-management forum is a powerful resource already in place. Concluding his presentation, he said, "Those are our initial thoughts for OPM," and turned the floor over to Mr. Berry.

Department of Energy Pilot

Mr. Berry welcomed Mr. Michael Kane, Chief Human Capital Officer, Department of Energy, and said, "Thank you on behalf of the whole Council and the whole Government!" Mr. Kane said that many people have been helping with the Energy pilot, and then he began his presentation.

Mr. Kane said that, like OPM, Energy began by looking at EVS metrics, which he said are about where they have been for several years. As an example of goals set based on analysis of EVS data, he said, "Employees are telling us the senior management piece is not working, so we're working on the engagement piece for senior leaders."

Mr. Kane said Energy is focusing on all aspects of the "care and feeding" of employees, and that Energy has been looking at related budget items to try to figure out what effect they have on the agency's ability to reach certain milestones.

Mr. Kane said Energy has revamped its training sessions on performance, and is now using agency SES members and subject matter experts to do the training rather than bringing in people from outside the agency. He said that, by the next Council meeting, he should be able to let the Council know how well the revamped training is working.

Mr. Kane said another experiment underway at Energy is using 360 degree review processes. He said Energy started the experiment with SES members, would try it with the Excepted Service next, and then would move down through all levels. He said that, in addition to reporting on initial results of the revamped training on performance, by the next Council meeting he should have some results to report on 360 degree review processes.

When Mr. Kane concluded his presentation, Mr. Berry said Mr. Stephen Shih, OPM Deputy Associate Director for Executive Resources and Employee Development, would now provide an overview on tools the Council can use to assess the results of the performance pilots.

Pilot Evaluation

Mr. Shih said he would talk about strategies for evaluating the performance pilots that involve using EVS data and Performance Appraisal Assessment Tool.

Mr. Shih said he was struck by a question Ms. Rosen had once asked: "We've done this before. How's this going to be different?" He said one thing different about the GEAR model is that the strategies can be implemented mainly by applying common sense that is not always common practice, and that no regulatory change is required. He said that when it comes to telling whether

the results of GEAR are different, an effective measurement tool is needed. He then described OPM's Performance Appraisal Assessment Tool (PAAT.)

Mr. Shih said OPM, OMB, and the Government Accountability Office jointly developed 10 criteria for good performance management, and that they form the foundation for OPM's PAAT, a framework for assessing the effectiveness of agency performance management. He said PAAT involves evaluating a number of performance areas and draws from a number of data sources, including the EVS.

Mr. Shih listed the 10 criteria PAAT is based on:

1. Alignment of Employee Performance to Organizational Performance;
2. Results Focus;
3. Credible Measures of Performance with Clear Targets;
4. Distinctions in Performance;
5. Differentiation in Recognition Based on Performance;
6. Feedback;
7. Employee Involvement;
8. Training;
9. Organizational Performance Assessment and Guidelines to Stakeholders; and
10. Accountability.

Mr. Shih suggested that PAAT, which OPM now uses to evaluate new performance appraisal systems for General Schedule employees, can be the basis for measuring the effectiveness of the performance pilots. He then turned the floor over to Mr. Berry.

Further Discussion of Working Group Report

Mr. Berry proposed the Council receive the Working Group Report, with edits discussed earlier with Ms. Bonosaro, as a final product. He said that, once the Council agreed, the report would be posted on the Council website. He asked if anyone cared to propose changes or raise other issues about the report.

Ms. Rosen said she was uncomfortable with applying the term *final* to the report. She said a lot of key people were missing, and that there were some concerns within AFGC that the current version of the document may not be something frontline workers would accept. She said that receiving the document is one thing, but that she was uncomfortable with calling it "final."

Mr. Berry said, "Let me withdraw the word *final*. What I want to do is remove the word *draft*." He said he wanted the Council to provide a structure so agencies can get to work now. He added, "Many different tools can grow out of this. This effort to focus on accountability is really where we want to go as a Council."

Dr. Metzenbaum suggested the Council think of the document as a pilot, i.e. accept the document and publish it now, but make changes as needed as the Council goes forward.

Mr. Berry requested the Council receive the document as a Council product, with the understanding that changes can be made if needed. The Council unanimously agreed. Mr. Berry thanked everyone involved, and among those he named was Mr. Filler, who in turn thanked his fellow working group members, and said that regretfully he needed to leave the meeting early to catch a flight.

Mr. Berry said the report would be posted on the Council website, which he said was very exciting, since the report would provide agencies with a solid, consistent framework. He said it was great that agencies can get to work immediately, without needing to wait for a change in law, as Mr. Shih mentioned earlier.

Mr. Sepúlveda suggested the Council develop a strategic communication strategy to present the report. He said that, otherwise, people outside the room might not understand the report. He suggested the Council bring in the appropriate people to develop accompanying messages to clarify the purposes of the report. He added that the report is truly a milestone, real progress and not just another performance management tool, and that its potential for agency performance should be well communicated. Mr. Berry agreed that the report was a monumental step forward, and he said the Council would make sure the report was presented with the appropriate accompanying messages. He then turned to the next agenda item.

Agenda Item III: Council's Report to President

Mr. Berry reminded everyone that, in the last Council meeting, Ms. Bonosaro asked what steps the Council can take to meet the upcoming requirement to report to the President on (b)(1) bargaining pilots. He said that Mr. Tim Curry, OPM Deputy Associate Director, Partnership and Labor Relations, would provide an overview of the requirements for the report, a proposed schedule for meeting the requirements, and some recommendations for the way forward.

Mr. Curry made a presentation accompanied by slides entitled "Report to the President" and dated November 16, 2011. He began by reviewing the language in Executive Order 13522 that requires the report, i.e.

No later than 18 months after implementation of the pilot projects, the Council shall submit a report to the President evaluating the results of the pilots and recommending appropriate next steps with respect to agency bargaining over the subjects set forth in 5 U.S.C. 7106(b)(1).

He said that the pilot projects were implemented in November 2010, that metrics from the pilot projects are due by March 31, 2012, and that the report to the President is due by May 1, 2012. He recommended the following schedule for getting the work done:

- **November 2011:** establish working group on report
- **December 2011 – April 2012:** working group meets regularly and drafts report

- **April 18, 2012:** working group presents draft report to Council at the April 2012 meeting
 - If necessary, Council approves final report via e-mail subsequent to April 18 meeting after consideration of Council comments
- **May 1, 2012:** Council sends final report to the President

Mr. Curry said there would be challenges in providing the report. He said the schedule is tight; and that metrics from the pilots are not due until the end of March 2012, which leaves little time to finalize the report for the April Council meeting. In addition, he said the pilots generally are not far enough along to have produced significant results, and some pilots may not have final results by the end of March 2012.

Mr. Curry suggested that next steps include establishing a working group to draft the report, and that perhaps a Council member should be selected now to lead that group. He said the first working group meeting should probably be to discuss the schedule and begin planning a general framework for the report, and also to discuss other reports suggested at the previous Council meeting last month.

Mr. Berry agreed that establishing a working group and selecting a leader now would be best. At Mr. Berry's request, Mr. Dougan agreed to lead the working group. Mr. Berry thanked him, and asked that other members sign up as soon as possible. Mr. Curry asked that any volunteers send him an email message.

Ms. Bonosaro said she thought the proposed schedule would need a refinement or two. She suggested there be an interim step where the working group would report to the Council with an outline. She said this would be better than not seeing anything until there is a complete draft document, which might then require substantial revision shortly before the due date. She suggested the working group propose an outline in the January 2012 Council meeting.

Mr. Berry said he was sure Ms. Bonosaro would be an active participant in the working group, and that the working group could certainly refine the schedule. He said Mr. Curry was just providing a general outline for what needs to be done and when. He said he would defer to the working group as to a refined, more detailed schedule. Ms. Bonosaro responded that she just wanted to make sure the Council was not in the position of not seeing anything until a full report is drafted right before the due date.

Commenting on Mr. Curry's remark that the lack of progress in the pilots could be a challenge, Mr. Khan said the lack of results is a result as well, and that if necessary the Council can make the point in the report that there has not been enough time for the pilots to generate conclusive results. Mr. Berry agreed with Mr. Khan's point, and then turned to the next agenda item.

Agenda Item IV: New Business

Mr. Berry mentioned again that this was the last meeting for the calendar year, and said the next Council meeting is on January 18, 2012. He said that meeting will probably be at OPM, and that once the construction schedule is known the Council can discuss where to hold meetings.

Mr. Berry said the Council was emailed a question about the expiration of the Council, and whether it would be renewed. (The Council is set to expire on December 9, 2011.) He said the White House is following routine procedures to renew the Council, and that he anticipates no problems. He said renewals often happen at the last minute, sometimes on the expiration date, and that everything should be fine. Dr. Metzenbaum agreed.

Mr. Berry said he was closely following Deficit Reduction Committee efforts, and that he hoped the efforts would succeed. He then asked if anyone cared to raise new business. No one spoke up, and Mr. Berry said it was now time for the Council to hear any public submissions.

Agenda Item V: Acknowledgement/Receipt of Public Submissions

Mr. Ed Hilz took the opportunity to address the Council. He said he was a board member of the Washington, DC, Chapter of the Labor and Employee Relations Association (DC LERA), and that he was addressing the Council as part of an outreach effort for that organization. He said DC LERA is an organization under whose sponsorship Washington professionals and scholars concerned with industrial relations and human resources gather to discuss news and debate policy. He said the organization has members and speakers from government, academic, union, think tanks, and policy advocate organizations, and from the Executive branch and Congress. As examples of distinguished Government speakers at DC LERA events, he said the Deputy Secretary of Labor and Secretary of Labor had spoken at recent DC LERA events.

Mr. Hilz handed out the DC LERA brochure posted on the organization's website at http://www.dclera.org/LERA_Brochure.pdf. He said the organization would like to network with the Council. He said, "We look forward to learning from you." Mr. Berry thanked Mr. Hilz, and said he would talk to Mr. Curry.

Mr. John Garrity, IFPTE Local 3 President, provided an update on his local's efforts to establish a forum, which he addressed the Council about in its September 21, 2011, meeting. He said, "We're still having problems. We're working with the CO to discuss workplace concerns. Hopefully we can revisit the charter later." Mr. Berry wished him well in his discussions.

Agenda Item VI: Adjournment

After confirming there was no additional public comment, Mr. Berry wished everyone a happy holiday season and said, "See you in the new year!" He adjourned the meeting at 10:56 a.m.

CERTIFIED

John Berry
Co-Chair

Jeffrey Zients
Co-Chair