

**National Council on Federal Labor-Management Relations
14th Public Meeting
September 21, 2011**

The National Council on Federal Labor-Management Relations (NCFLMR) held its 14th meeting on September 21, 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)) and Mr. Jeffrey Zients (Deputy Director for Management and Chief Performance Officer, Office of Management and Budget) co-chaired the meeting.

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. W. Scott Gould	Deputy Secretary, Department of Veterans Affairs
Mr. David Holway	National President, National Association of Government Employees
Mr. Gregory Junemann	President, International Federation of Professional and Technical Engineers
Ms. Patricia Niehaus	National President, Federal Managers Association
Ms. Carol Waller Pope	Chairman, Federal Labor Relations Authority
Mr. Seth Harris	Deputy Secretary, Department of Labor

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

Mr. Brian DeWyngaert, Chief of Staff, American Federation of Government Employees (AFGE), sat in for Mr. John Gage, National President, AFGE.

Mr. Steve Keller, Senior Counsel, National Treasury Employees Union (NTEU), sat in for Ms. Colleen M. Kelley, National President, NTEU.

Ms. Lynn Simpson, Chief of Staff, Office of the Under Secretary of Defense for Personnel and Readiness, sat in for Mr. William J. Lynn, 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.

Mr. Richard Tarr, Associate General Counsel, Federal Education Association/National Education Association (FEA/NEA), sat in for Mr. H.T. Nguyen, Executive Director, FEA.

About 56 members of the public also attended the meeting, including 4 representatives from the media.

Agenda Item I: Welcome

Mr. Berry began the meeting at 10:05 a.m. He reminded everyone of the Council's continuing collaboration with the Chief Human Capital Officers (CHCO) Council to improve performance management in the Federal Government. He said the Employee Performance Management Working Group had been hard at work through the summer. He stressed that the effort calls for careful work, since much is at stake. He asked if Mr. Zients had opening remarks.

Mr. Zients said he was glad to be in the meeting. He said the President's Plan for Economic Growth and Deficit Reduction was announced on Monday. He explained that the President's plan included achieving a net deficit reduction of about \$3 trillion over the next 10 years, with about half from spending cuts and the other half from revenue. He said that if the \$1 trillion reduction in annual spending required over the next 10 years under the Budget Control Act is added to the \$3 trillion, a total of \$4 trillion could go towards economic growth and deficit reduction over the next decade.

Mr. Zients said the President's plan affects military and civilian Federal employee retirement contributions. He said the plan does not include reduced benefits but does increase employee retirement contributions by 1.2 percent over 3 years beginning in 2013. He said this is not easy for the President, who well knows this is a sacrifice and appreciates how important and hardworking Federal employees are.

Mr. Zients said another piece of the President's plan is establishing a Commission on Federal Public Service Reform, which would be composed of members of Congress, members of the Council, and academics. He said the Commission would look for ways to improve the Federal personnel system, including compensation, benefits (e.g. retirement), hiring, etc. He said the Council should look at this as a great opportunity for the Employee Performance Management Working Group to advance its efforts. He stressed that the work of the Commission would complement, not impede, the working group's efforts. He said the Council's progress so far in working on performance was really a case study in what the Council can achieve administratively.

Mr. Berry said that at 12:30 p.m. he would announce the results from the Feds Feed Families summer food drive, which he said was one more example of how Federal employees meet and exceed challenges. He said that now the country was facing many challenges associated with getting its fiscal house in order, and that we all must share in the necessary sacrifices. He said the President was mindful that the Government's recruitment and retention capabilities are critical, so the President delayed the increases to retirement contributions until after the pay freeze. He said that Federal employees will put their shoulder to the wheel and meet the challenges ahead just as they have all others.

Mr. Berry said the Commission would be a great step forward. He said many have weighed in on how to change Federal pay and benefits, and that by setting up a balanced Commission for rigorous study of Federal personnel issues the President is demonstrating that he understands the vital importance of the Government's recruitment and retention capability. He said that only with a fair and balanced approach and through careful analysis can reform efforts lead to the best

service for the taxpayer. He then opened up the floor for Council discussion of the Co-Chairs' opening remarks.

Ms. Bonosaro asked if there was an intention to pursue executive action to set up the Commission the President called for in his plan. Mr. Zients said the Administration is taking things one step at a time, but he believed there would be legislation.

Mr. Berry said Congress is interested in the Commission concept. He said the goal is to proceed in a thoughtful manner, and he added an effort to reform the Federal personnel system without Congress would suffer from a lack of credibility. He said he had seen countless bills and proposals on Federal personnel reform, and there is a clear need to channel all the Congressional interest.

Mr. Junemann commented that it might be helpful to the President's efforts and to the Council's if the President reached out to the Federal workforce. He said that Federal employees see themselves as "unwitting victims" of the pay freeze. He said that for efforts to reform Federal personnel the best approach would be one that includes the Administration fully informing Federal employees and saying, "I need your help." He said he knew his members would receive the effort much better that way. Mr. Berry thanked Mr. Junemann, and said he would convey the recommendation.

Mr. DeWynngaert said, "We have a different perspective." He said the pay freeze, while not right, is more than sufficient. He said, "Essentially, this is a tax increase on people making \$30,000 to \$50,000 a year." He said taking more money out of Federal employees' pockets is not so good. He said that while he is glad to see the President push for jobs, which is the right emphasis, a strategy to drive down pensions in America is heading in the wrong direction.

Mr. Dougan said he agreed with Mr. DeWynngaert's remarks. He said that lack of predecisional involvement in the President's plan was troubling. He said the unions should not have had to learn of the President's plan in the media. He said that at the very least, the Administration should have briefed its labor partners on what was proposed and why. He said, "We have had this problem before," and he said an example was when the Government was on the verge of a shutdown earlier in the year. He added, "Now here it is again." He said that Federal employees are repeatedly asked to sacrifice, but what is not talked about is the price they pay when agencies' budgets are reduced. He said it would have been appropriate for the President to engage his labor partners before announcing his plan.

There were no additional comments on the Co-Chairs' opening remarks, so Mr. Berry turned back to the agenda. He 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: Status of Metrics Submissions

Mr. Tim Curry, OPM Deputy Associate Director, Partnership and Labor Relations, provided a very brief update. He presented a slide showing that 46 of 51 agencies had submitted reports on

forums' metrics (an increase of 9 agencies since the last meeting). He said that all 12 bargaining pilots had submitted metrics reports.

Mr. Curry said the five remaining agencies all reported intentions or efforts underway to work with their labor partners on metrics. He said that the remaining agencies are mostly small agencies, that these agencies continue to work with their labor partners on metrics, and that OPM continues to offer its assistance to the five agencies. (The five agencies are listed on his slide, which is entitled "Status of Metrics Submissions.")

Mr. Holway thanked Mr. Curry, and commended OPM staff on its efforts. Mr. Curry said, "You're welcome, and kudos to my team!"

Mr. Berry thanked Mr. Curry for the update, and then he said the Council would now hear from Mr. Gould.

Agenda Item III: Metrics Webinar by Veterans Affairs and AFGE

Mr. Gould reported on a metrics webinar he collaborated on with VA AFGE representative Ms. Mary Jean Burke. He stressed that the webinar was very much a team effort, and he thanked AFGE, Mr. Curry and his staff, and the OPM Web Team for their excellent work.

Mr. Gould said the webinar would provide agencies everywhere—

- A general overview of Executive Order 13522,
- Guidance on developing labor-management forums and metrics,
- Discussion of incentives and motivation to further partnership,
- Awareness of the importance of leadership from the top down,
- Examples of success from partnership.

Mr. Gould showed the Council an excerpt from the webinar. The excerpt covered the three main categories of metrics (mission and service delivery, employee satisfaction and engagement, and labor-management relations) and explained the meaning and importance of each.

In the video Mr. Gould asked the audience to remember these critical points:

1. Structured labor-management collaboration can make big differences in mission and service delivery, employee satisfaction and engagement, and labor-management relations;
2. Metrics are essential to success;
3. Dedication of adequate resources and fully engaged leadership are critical; and
4. Many resources are available to support agency efforts in partnership.

Mr. Berry complimented Mr. Gould on an outstanding presentation, and said the webinar was a great step in the Council's efforts.

Ms. Bonosaro asked how people will get the word that the webinar is available. Mr. Curry said the webinar is not quite ready yet, and that the OPM Web Team is working to make it 508

compliant, and as soon as it is it will be posted on the Council website and an announcement will be sent to the Council that the webinar is available.

Mr. DeWynngaert thanked Ms. Burke, his fellow AFGE representative, for her excellent work and commended the Council and OPM staff on a great product.

Mr. Berry thanked everyone involved in the effort, complimented Mr. Gould on his tan in the video, and turned to the next agenda item.

Agenda Item IV: Report of Employee Performance Management Workgroup

Mr. Justin Johnson, OPM Deputy Chief of Staff, provided a report of the Employee Performance Management Working Group. His presentation was accompanied by slides entitled “The Performance Management Accountability Framework (PMAF).” Mr. Johnson’s presentation supplemented the working group’s full written report to the Council, which is entitled “Report to the National Council on Federal Labor Management Relations on Employee Performance Management.”

Mr. Johnson said today would be the unveiling of the working group’s considerable efforts over the summer. He explained why the working group studied performance management (page 3 of slides), who participated in the discussion (page 4), presented five recommendations of the PMAF (page 5), and explained how the working group thought the framework could be implemented successfully (pages 6-9).

Mr. Johnson said there had been many prior efforts to improve employee performance in the Federal sector. He said nearly all of these efforts have focused on the mechanics and levers of performance appraisal systems. He said previous efforts had failed, and did not lead to better performance or employee buy-in.

Mr. Johnson stressed that the working group’s recommendations were not OPM recommendations but were produced by a very large and diverse group of people. He said that “literally a cast of thousands” had taken part in the discussions leading up to the working group report. He said that based on this broad group’s discussions the working group believes a better performance system can result from efforts to—

1. Articulate a High-Performance Culture;
2. Align Employee Performance Management with Organizational Performance Management;
3. Implement Accountability at All Levels;
4. Create a Culture of Engagement; and
5. Improve the Assessment, Selection, Development and Training of Supervisors.

Mr. Johnson summarized how the working group believes those five requirements can be met. (See pages 6-9 of the slides and/or the full report for detail.)

Mr. Zients agreed with Mr. Johnson that aligning employee and organizational performance management is essential, and he asked whether there were agencies that model this and from which the Council can learn. Mr. Johnson responded that doing it well is rare. He added that while many current processes require the alignment, it often is not organic or does not feel right. He said the working group wanted to encourage using labor management forums to get alignment right. He said that at OPM senior management meets twice a month with labor.

Referring to the third bullet on slide 8, Ms. Bonosaro asked why handling poor performance was not included in the working group's list of training topics for supervisors. Mr. Johnson said HR University offered a good course on that topic called Difficult Conversations, and that the working group encouraged supervisors to take it. Ms. Bonosaro said she thought the course should be mandatory. Mr. Berry said that at this point the working group was at the stage of producing an outline, but that the Council would make sure the issue of poor performance is highlighted or addressed.

Mr. Johnson said the working group had already identified a couple of agencies in which to try the PMAF, OPM and the Department of Energy. He said Senior Executive Service (SES) members at OPM had already been briefed. He said the framework provided good management practices that could be applied differently at different agencies.

Ms. Niehaus expressed concern that management associations might not be fully engaged in the PMAF efforts, and she asked Mr. Johnson how he saw the associations being involved. Mr. Johnson said he was not sure how that would work in agencies, but that certainly all should be involved. He added that the working group had been ably assisted by both the Senior Executives Association and the Federal Managers Association. He said that, while the working group did not start off talking about SES members, it became clear as the efforts moved forward that SES performance was a necessary topic. He added that it is important to involve all parties in the effort to improve performance in the Federal workforce.

Mr. Dougan asked if there would be labor representation on the Performance Management Integration Board. (See page 6 of Mr. Johnson's slides.) Mr. Johnson said each agency would need to own the PMAF as applied within the agency, but that the intent is to involve everyone. He added, "Not involving labor would be ignoring an important component of the process."

Mr. Dougan said that one failing in current efforts to align employee and organizational performance is that labor is not often fully engaged. Mr. Johnson said the working group's recommendations came from the idea that involving all parties is essential, and he added that the PMAF provides an opportunity to strengthen forums.

Mr. Junemann said a good way to ensure predecisional involvement and address Mr. Dougan's concern might be to modify item 2.1 on page 6 of the full working group report. He said that Mr. Ben Toyama (Western Federal Vice President, IFPTE) proposed edits to that section of the report. Mr. Junemann said the work on performance was very important, but that he hoped the Council could show some progress on performance soon, since there is a growing public perception that Federal programs are a waste of money.

Mr. Berry said, “We wanted to put this out, but we’re not looking for formal approval today.” He said the work had to be done very carefully, and he asked that everyone think further about bridging employee and organizational performance. He said that Mr. Junemann was right that progress resulting from the Council’s efforts needs to be made clear to the public, which is why the Council had the formal briefing today on the working group’s efforts. Mr. Berry said that, in the next meeting, the Council could tee up the performance issue for deeper discussion. Mr. Zients agreed, and added it might also be a good idea to provide a PMAF briefing in an upcoming Presidential management meeting.

Mr. Berry said that so far OPM and Energy were the agencies willing to try out the PMAF. He asked whether any other agencies cared to volunteer. Mr. Gould said he had not yet studied the full working group report, but that the concepts presented today seemed sensible. He said he would study the PMAF with the hope that VA could be a test agency.

Mr. DeWynngaert said, “This is a big step forward.” He said that bringing organizational and employee performance together is very important, and that if the work is done right, people can stop wasting energy on the conflict arising from current, poorly implemented performance systems. He said employees are very interested in organizational performance, and that when employees are treated as partners in organizational performance objectives they are more engaged and perform better. He said that concept is common sense, but that common sense to common practice is often a tough road.

Mr. Johnson agreed with Mr. DeWynngaert that integration is needed and that putting existing concepts and principles into practice is definitely part of the challenge. He said that the working group had landed on the term *integration* because it was clear that the need is not to create new processes so much as it is to bring existing processes together and ensure they are put into practice.

Ms. Bonosaro asked whether the Council members should submit comments on the full report prior to the next meeting. She said she had some comments and that the Council might end up with a better product if it took time to review the report, submit comments prior to the next Council meeting, and address any substantive issues in the next meeting. Mr. Berry asked that the Council members get any comments on the report to Mr. Johnson within the next 2 weeks, and he agreed the Council would continue its PMAF efforts in the next meeting. This concluded the Council’s discussion of the working group’s presentation.

Agenda Item V: New Business

Mr. Berry said that, before turning to new business, he wanted to announce that within the next week the Council members would receive a proposed schedule of meeting dates for the coming year. He said the Council members could take a look at their calendars and work out a schedule by email.

Mr. Berry said that Ms. Pope wanted to raise as new business an update on FLRA training.

Ms. Pope said the FLRA was proud to announce the second phase of FLRA training. She said that in the first phase, FLRA provided training on Executive Order 13522, predecisional involvement, and metrics. She added that the first phase of training included face-to-face training of about 7,500 people. She said the second phase of training is in partnership with the VA and will be web-based.

Ms. Pope reminded everyone that the web-based training began with a discussion at lunch she had with Mr. Gould and Ms. Julia Clark, FLRA General Counsel. She said considerable progress had been made since then, and that she had many people to thank. She put some highlights of the training on screen for the Council.

Ms. Pope said the purpose of the training is to make it available from everyone's desktop. She said the training takes about 90 minutes and is very helpful to a general understanding of the concepts of matters covered by 5 U.S.C. 7106(b)(1). She said the (b)(1) training is not just geared to Executive Order 13522, and she pointed out that (b)(1) is part of a 1978 statute, and that there is a great deal of case law under the statute. She said the web based training included links to relevant case law, so that users learning a concept within a training module can click on a link and read the applicable FLRA decision. She said there were also helpful links throughout the training to the Council website.

Ms. Pope said the training would be available on the HR University website and on the VA website. She said that FLRA was a small agency, so she very much appreciated Mr. Gould's help on this. She thanked the FLRA attorneys who helped with the case law portions of the training, and she said that while her agency has no large supply of Hollywood talent, FLRA staff had certainly stepped up and helped provide a fine product. She added that OPM staff had been very helpful in the project.

Ms. Pope said FLRA had been getting feedback on the training in the development stage, but that more feedback would be welcome. She said she would be happy to hear any comments people have on the training. She said there were more modules to come, and feedback always leads to a better product.

Mr. Berry thanked Ms. Pope and everyone involved for their work on the training, and he said he thought it had depth and substance, and would be very powerful.

Mr. Berry said he had an announcement about USAJOBS. He said OPM is refreshing and updating the USAJOBS website, and intends to relaunch it next month, over the Columbus Day weekend. He said that during that weekend the website will be down. He said that OPM planned to make a detailed announcement between now and then, but that it would be helpful if the Council could help spread the word.

Mr. Borrás introduced Ms. Catherine Emerson, the new DHS CHCO. He added that DHS had converted the job from a politically appointed slot to a career position. Mr. Berry welcomed Ms. Emerson.

Mr. Junemann said he needed to go back to the FLRA training for just a moment. He asked

Ms. Pope whether the training is to be done individually or in groups, e.g. when a group is trying to resolve a conflict should it take the training together? Ms. Pope said FLRA does not prescribe taking the training individually or in a group, and that she thinks it depends on the context which way is better. She said she could certainly see how group training could be a useful tool in conflict resolution.

Ms. Bonosaro praised the DHS decision to convert its CHCO position to career. She then asked Mr. Berry when the Council meetings would move back to OPM. Mr. Berry said the schedule for doing that had been pushed back a little because of earthquake damage, which while not hazardous needs to be addressed. He said OPM is working with GSA to make repairs.

Since there was no more new business, Mr. Berry opened the floor for public comment.

Agenda Item VI: Acknowledgement/Receipt of Public Submissions

Mr. John Garrity, IFPTE Local 3 President, said his local had been working on a forum for months. He said, “We’re 99 percent there, but management is not bringing everyone to the table.”

Mr. Berry asked Mr. Garrity to exchange contact information with Mr. Curry, who could then look into the matter.

There were no additional public comments.

Agenda Item VII: Adjournment

Mr. Berry adjourned the meeting at 11:26 a.m.

CERTIFIED

John Berry
Co-Chair

Jeffrey Zients
Co-Chair