

**National Council on Federal Labor-Management Relations
22nd Public Meeting
September 19, 2012**

The National Council on Federal Labor-Management Relations held its 22nd meeting on September 19, 2012, at the Office of Personnel Management (OPM). OPM Director John Berry and Office of Management and Budget (OMB) Controller Daniel Werfel co-chaired the meeting. The following Council members also attended:

Name	Title
Ms. Carol Bonosaro	President, Senior Executives Association
Mr. J. David Cox	National President, American Federation of Government Employees
Mr. William Dougan	President, National Federation of Federal Employees
Mr. Michael Filler	Director of Public Services, International Brotherhood of Teamsters
Mr. Seth David Harris	Deputy Secretary, Department of Labor
Mr. Gregory Junemann	President, International Federation of Professional and Technical Engineers
Ms. Kathleen Merrigan	Deputy Secretary, U.S. Department of Agriculture
Ms. Patricia Niehaus	National President, Federal Managers Association
Ms. Carol Waller Pope	Chair, Federal Labor Relations Authority

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

For part of the meeting, Mr. Oscar Gonzales Jr., Deputy Assistant Secretary for Administration, U.S. Department of Agriculture (USDA), sat in for Ms. Kathleen Merrigan, Deputy Secretary, USDA.

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

Ms. Gina Lightfoot-Walker, Federal Division Director for the National Association of Government Employees (NAGE) sat in for Mr. David Holway, National President, NAGE.

Mr. Pat Tamburrino, Under Secretary of Defense for Personnel and Readiness, sat in for Mr. Ashton B. Carter, Deputy Secretary of Defense.

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

Ms. Leslie Wiggins, Deputy Assistant Secretary, Labor-Management Relations, Department of Veterans Affairs (VA), sat in for Mr. W. Scott Gould, Deputy Secretary, VA.

The Designated Federal Officer, Tim Curry, OPM, Deputy Associate Director, Partnership and Labor Relations was present. About 44 members of the public also attended, including 4 media representatives.

Agenda Item I: Welcome

At 10:02 a.m., Mr. Werfel welcomed everyone and explained that Mr. Berry was at the White House and would join the meeting later. Mr. Werfel then made a special announcement to introduce and welcome new Council member Mr. J. David Cox, who was elected National President of the American Federation of Government Employees (AFGE) on August 15, 2012.

Introduction and Welcome of Mr. J. David Cox

Mr. Werfel said, "I would like to start by introducing a new member of the Council. J. David Cox was elected as National President for AFGE in August. Today's meeting is his first with the Council. He has a long history as an employee advocate, most recently as AFGE's National Secretary Treasurer. He serves on other Councils impacting Federal employees, including the Federal Salary Council and the Federal Prevailing Rate Advisory Committee. He started his Federal public sector career in 1983 as a registered nurse with the VA, which lasted until 2006 when he became AFGE's national secretary treasurer. Please join me in giving a warm welcome to J. David Cox, AFGE's new national president." The Council members applauded, and then at Mr. Werfel's request individually introduced themselves to Mr. Cox.

Administrative Matters

Mr. Werfel explained that the Council, a Federal Advisory Committee Act committee, provided a specific time on the meeting agenda to meet the Act's requirement to allow public comment. He asked that any public comment wait until the Council calls for it.

Before proceeding with the agenda, Mr. Werfel said the draft minutes of the previous meeting included all of the Council's edits to date, and asked if there were recommendations for additional changes. The Council unanimously approved the minutes without further revision.

Agenda Item II: Forum Experience at Naval Sea Systems Command

Mr. Werfel reminded everyone that in the March 2012 Council meeting Mr. Junemann recommended the Council hear about partnership success at the Puget Sound Naval Shipyard, which is part of the Naval Sea Systems Command (NAVSEA). Mr. Werfel said, "We are pleased to have representatives from the NAVSEA labor management forum with us today to highlight the work of their forum," and then he turned the floor over to Mr. Junemann.

Mr. Junemann said that after the NAVSEA success story Mr. Benjamin Toyama¹ told about Pearl Harbor Naval Shipyard in the May 2011 meeting, another NAVSEA component, Puget Sound Naval Shipyard, invited Mr. Junemann to tour the facility. He said he took the tour, which impressed him a great deal and showed what the shipyard achieved through partnership.

¹ International Vice President of the International Federation of Professional and Technical Engineers (IFPTE), Western Federal Area.

He said partnership had clearly fostered commitment, at all levels throughout the facility, to increased productivity, cost savings, and safety. He added he was proud to serve on the NAVSEA Council and to be able to bring NAVSEA partnership officials in to share more good news. He then introduced NAVSEA Commander Vice Admiral Kevin McCoy and Mr. Ron Ault, President, Metal Trades Department.

Admiral McCoy began a presentation accompanied by slides labeled “NAVSEA Labor-Management Council: ‘Hour a Day’ Deck Plate Efficiencies.” He discussed the formation of the NAVSEA Labor-Management Council, labor’s pledge to gain an hour a day in deck plate productivity, local forums leading the “Hour a Day Deck Plate Initiative,” and continuing labor-management collaboration on mission-critical issues.

Admiral McCoy began by explaining NAVSEA’s mission, i.e. the design, construction, and maintenance of Naval ships and combat systems. He noted that NAVSEA is the largest of the Navy’s five systems commands.² He said NAVSEA employs about 60,000 workers, about 40,000 of them union members. He added that about half of the 60,000 NAVSEA employees work in its four shipyards (Norfolk Naval Shipyard, Pearl Harbor Naval Shipyard and Intermediate Maintenance Facility, Portsmouth Naval Shipyard, and Puget Sound Naval Shipyard and Intermediate Maintenance Facility). He emphasized the considerable training requirements for technical work done in modern Naval shipyards, and as an example said the training required for a nuclear welder can be longer than for a surgeon.

Admiral McCoy stressed the importance of partnership to NAVSEA successes. He said that, while commanding Portsmouth Naval Shipyard, he saw the great power in labor-management teamwork. He added that his attaining the rank of Admiral was due in large part to successes that were possible only through partnership. He described how his experiences shaped his engagement with organized labor over time, and that over the years he had seen the results of a wide range of labor-management relations ranging from outright hostility to exemplary teamwork and cooperation. Knowing the power of partnership and after considerable success on many issues through informal interactions with Mr. Ault and Mr. Junemann, Admiral McCoy began working towards formalizing the teamwork, which led to the formation of the NAVSEA Labor-Management Council.

The NAVSEA presentation summarized the establishment, composition, ground rules, and member roles of the NAVSEA Labor-Management Council, e.g.—

- The [Memorandum of Understanding](#) (MOU) and ground rules that took effect on April 19, 2010;
- That the NAVSEA Council operates above the level of recognition;
- That Admiral McCoy and Mr. Ault Co-Chair the NAVSEA Council;

² The other four Navy Systems Commands are the Naval Air Systems Command, the Space and Naval Warfare Systems Command, the Naval Facilities Engineering Command, and the Naval Supply Systems Command.

- That National labor leadership is provided on the NAVSEA Council by AFGE, the International Association of Machinists, the International Federation of Professional and Technical Engineers, NAGE, the Metal Trades Department, and NFFE;
- That all Council members act in representative capacity for purposes of predecisional involvement (PDI) within the Chapter 71 statutory collective bargaining meet and confer context; and
- That any bargaining authority comes by express designation by level of recognition to the NAVSEA Council.

Admiral McCoy clarified that the role of the NAVSEA Council is to lead by example; the NAVSEA Council is not chartered to handle local negotiations directly. He added that in its leadership role the NAVSEA Council deals with labor-management relationships of varying maturity and must tailor its approach with each group accordingly.

Admiral McCoy explained the roles of NAVSEA Council members, that under the MOU they focus on current issues of critical importance and strategic issues of tomorrow, use collaborative approaches to identify problems and find solutions, and provide guidance and support for collaborative labor-management relations throughout NAVSEA. He stressed that *only* as designated by formal level of recognition does the Council engage in multi-unit or multi-union bargaining for the 7 unions and affiliates and 56 bargaining units within the NAVSEA Council’s purview.

Admiral McCoy showed a “peaks and valleys” graph projecting daily resource expenditures for the four NAVSEA shipyards for fiscal years (FYs) 2014-2018. He said NAVSEA has to figure out not only how to save money in doing its current work but also how it can take on more work within tight fiscal constraints, and that meeting NAVSEA’s challenges absolutely requires partnership. He said NAVSEA is keenly aware that within the next 5 years about 40 percent of the workforce will be eligible to retire, and it can take up to 10 years to train a replacement for a senior technical worker, so good succession planning is critical. He said that NAVSEA is hiring every year, and is a leader in hiring wounded warriors (500 so far in 2012, and a total of 1,300 over the last 4 years). He added that NAVSEA jobs are ideal for returning veterans, particularly those between the ages of 21 and 30 who will need the kind of long-term employment required to reach the journey level for highly technical work in a modern shipyard.

Admiral McCoy displayed a graphic labeled “Multi-Level Collaboration” and symbolizing with the intersection of three circles the NAVSEA Council, local labor forums, and the workforce coming together to meet NAVSEA challenges and move on to the next level of performance, with—

- The NAVSEA Council identifying critical issues, fostering open and honest communication, listening, leading, and mentoring, with an understanding of different workforces and cultural variation within NAVSEA;
- The local labor forums collaborating, hearing the collective voice of the workforces they serve, networking, and mentoring; and

- The workforces within NAVSEA, at 40 locations around the country, voicing issues, exercising empowerment, and being creative and exercising innovation in their work.

Admiral McCoy said that, about 15 months ago, Mr. Ault put the idea on the table that the NAVSEA Council challenge the local forums to find ways to save an hour a day on the deck plates. Mr. Ault's thinking was that individual workers know how to save time in performing their own work, which can add up to significant cost savings for NAVSEA. He reached out to local unions and gained their commitment to save an hour a day.

The presentation showed milestones in the "Hour a Day" effort, e.g.—

- The NAVSEA Council adopting the "Hour a Day Pledge" concept in July 2011;
- NAVSEA piloting the concept at the Puget Sound Naval Shipyard beginning in November 2011,
- The NAVSEA Council Co-Chairs visiting Puget Sound in April 2012 to see "Hour a Day" in action; and
- In May 2012 the NAVSEA Council adopting the goal to implement "Hour a Day" in the other NAVSEA shipyards in FY 2012 and FY 2013.

Admiral McCoy said that training was a major factor in implementing "Hour a Day" at Puget Sound, and that eventually training enabled the workforce to put the concept into practice at Puget Sound with great success, which led to that shipyard becoming an "Hour a Day" model for other NAVSEA shipyards.

The presenters introduced major concepts and practices significant to "Hour a Day" efforts, e.g.—

- *Productioneering*, whereby engineers and production employees collaborate to solve problems quickly;
- *Moonshine*, a process improvement method that focuses on inexpensive, low-risk, rapid development of prototypes;
- *Bright Ideas*, a process to encourage and support employee-based ideas;
- Material vending machines;
- Point-of-use tooling and material kitting, i.e. materials are kitted and binned and waiting for mechanics before they start their specific jobs;
- Unions getting buy-in from workers on the deck plates and continually collecting and analyzing their feedback; and
- Management funding and implementing initiatives in furtherance of "Hour a Day."

The presenters emphasized the power of the “Hour a Day” practices, e.g. Admiral McCoy explained, “Moonshine really is a bootstrap effort by locals: How to get special tooling, get the required engineering done and get it institutionalized in the process.” Mr. Ault said, “In Shop 38 an outside machinist invented a tool that prevents us from having to punch a hole in a sub to pull a valve, which saved a few million dollars.” Admiral McCoy said the material vending machines and point-of-use tooling and kitting are about getting people right to work rather than spending valuable time standing in tool lines. He said the focus on improving materials and processes is comprehensive and continuous, and added, “We’ve even looked at the ergonomics of backpacks.”

Mr. Paul O’Connor, President, Metal Trades Council at Portsmouth Naval Shipyard, joined the presentation. He said, “Maximum performance requires maximum engagement. It’s the men and women of the workforce doing the work who know best how to create improvements at the job site.” He added that while at the Portsmouth Naval Shipyard “Hour a Day” efforts have just scratched the surface, the fact that the shipyard’s entire workforce is empowered to create ideas offers tremendous promise and great opportunities for the future.

Mr. O’Connor said the two most significant ideas to date are creating mockups of ships for training purposes and unmanned computer dispensing of work materials. He described the unmanned computer dispensing: the worker swipes identification and a card for the work procedure, and all materials needed for the job are dispensed with speed and accuracy. Regarding increased accuracy from automated dispensing, Mr. Ault said reducing errors in tool and material dispensing has much potential for savings. He cited an example of how human error in manual dispensing once resulted in the wrong welding rods being used in piping systems, which necessitated costly fleetwide correction. “This system saves millions of dollars in rework.”

Admiral McCoy mentioned a number of positive developments that he attributed in large part to good labor-management collaboration in NAVSEA. For example:

- Safety: All four of the NAVSEA shipyards have attained the Occupational Safety and Health Administration’s Voluntary Protection Program Star Certification;³
- Technological upgrades and high technology innovation leading to savings and increased productivity, e.g. replacing analog gauges with digital ones and using virtual welding as a training tool; and
- Work to implement electronic technical documents in NAVSEA, i.e. implementing use of a handheld tablet to compile, execute, track, and certify work documents (with implementation projected to start in 2014 and be fully deployed by 2017).

³ According to the Occupational Safety and Health Administration (OSHA): “The VPP Star certification is OSHA’s highest honor and is reserved for organizations that have achieved injury and illness rates at or below the Bureau of Labor Statistics’ (BLS) national average and implemented the four elements of VPP: Management Leadership and Employee Involvement, Worksite Analyses, Hazard Prevention and Control, and Safety and Health Training. The main purpose of the VPP is to embed the safety culture throughout the organization, with accountability and involvement at all levels.”

Mr. O'Connor said there was not yet a formal process in place for NAVSEA-wide submission of ideas. Admiral McCoy commented that it is a NAVSEA goal to bring all four of the NAVSEA shipyards together in terms of innovation and sharing new ideas. As an example, he mentioned his desire to deploy a ventilation mockup system across all four shipyards. Mr. O'Connor agreed with the concept of sharing ideas throughout NAVSEA but added the caveat, "Ideas can incorporate all shipyards, but the shipyards can have their own process. It needs to be grassroots."

Mr. Junemann added a few comments to the presentation. He mentioned that the Moonshine meetings are weekly and 1 hour long. Making the point that NAVSEA's commitment to labor-management partnership and worker engagement has led to shared commitment and a common understanding among the workforce, he said three workers picked at random in a shipyard now all speak the same language. Referring to NAVSEA partnership and its potential as a model for the Government, he said, "This is a model for me. What we do right in the Government that they don't do right in the private sector is worker engagement. In the private sector, they think more about labor costs and laying people off. A smarter way is to figure out how to use the workforce to save money."

Admiral McCoy said, "From a mission standpoint it's all about creating capacity. We've also driven overtime down from 20 percent to between 11 and 13 percent." He added that younger workers prefer family time to overtime, and with new efficiencies gained through partnership NAVSEA is now able to make more family time possible.

Mr. Ault said, "It all would have never gotten off the ground without Admiral Kevin McCoy." He expressed appreciation for the courage the Admiral demonstrated in his efforts to bring about real change. Admiral McCoy said, "Ron is very kind, but it definitely wouldn't have happened without him."

Ms. Lightfoot-Walker commented, "NAVSEA is one of my favorite forums. The respect labor receives is very much appreciated. The thing I appreciate most about that forum is the extent of PDI. I just wanted to echo Ron's comments and acknowledge Rebecca Tittle, who has worked hard to keep that forum going."

Mr. Werfel remarked that he was very impressed with the accomplishments at NAVSEA. He said, "One of the things I take away from this is that incentives appear to be well aligned. When management and the workforce have common objectives, how we can best serve mission, good things will happen. This is an example of how we can build a framework. I really appreciate the presentation of this example. We should circle back to this presentation and use it as a model."

Leading into the next agenda item, Mr. Werfel said, "As luck would have it, we have a good segue to the Performance Improvement Council."

Agenda Item III: Performance Improvement Council

Mr. Werfel stressed the importance of understanding what agencies' priority goals are, and he said the framework under design is essential to clarity with respect to goals and efforts to improve the Government's performance. He turned the floor over to Mr. Filler and

Dr. Shelley Metzenbaum, Associate Director for Performance and Personnel Management, OMB.

Mr. Filler began by saying, “We had a great start this morning with the demonstration of cooperation and learning by NAVSEA and the unions in the Metal Trades.” He then provided a brief history of efforts since 1993 to improve the Government’s performance. He briefly discussed the [Government Performance and Results Act of 1993](#) enacted under President Clinton and the [President’s Management Agenda](#) initiative announced in 2001 by President George W. Bush, and then he discussed some of the Obama Administration’s thinking behind the [GPRM Modernization Act of 2010](#) (GPRAMA). He said, “President Obama looked at what was in place and wanted to update it, with a greater focus on transparency.” He explained that GPRAMA created the [Performance Improvement Council](#) and the Federal Performance Improvement Officers (PIOs) composing it. He said, “We’ll look at [performance.gov](#), followed by a HUD presentation that provides a great example of leadership from the top, strategic planning, and collaboration.” He then turned the floor over to Dr. Metzenbaum.

Dr. Metzenbaum said she would use performance.gov to introduce the next speaker. As she navigated to the performance.gov website, Dr. Metzenbaum said, “This is really about accomplishing more mission for the money, better outcomes, better readiness of troops, better productivity. And this is a transparent site. Performance.gov is about performance improvement and *clear goals*.” She showed how users can navigate to lists of goals for [24 major agencies](#). She continued, “This shows what we are trying to do.” She showed that, in addition to individual agency goals, the Government has cross-agency objectives to implement. She said, “The goals include 2-year, near term outcome goals with available funds and available legislative authority.” She said that having the goals available on a website is a way of reaching people in the field.

As she was scrolling down to a list labeled “Key Initiatives” on [this page](#), Dr. Metzenbaum said, “How are we trying to do this? Leadership empowerment, clear goals, owning those goals, measuring and monitoring.” From the “Key Initiatives” list, she selected [Delivering Better Results Using Frequent, Data-Driven Reviews](#), and on that page went down to the HUDStat section, which read—

To track performance, the Department of Housing and Urban Development (HUD) is using HUDStat meetings – frequent goal-focused, data-driven discussions – to identify problems and examine them more carefully to find patterns and causal relationships, speed progress, improve quality, prevent or reduce problems, and cut costs. In one HUDStat meeting that focused on rental housing, HUD examined geographic disparities in public housing occupancy rates to identify opportunities for increasing the number of renters it serves. HUD also expects its HUDStat sessions to inform program and budget decisions.

Referring to that information and the picture accompanying it, Dr. Metzenbaum said, “So HUD has HUDStat meetings, there are people around a table with screens, and we can click on ["Learn More,"](#) and we get a description of HUDStat, and find out what it is and what it isn’t.” She then introduced Ms. Lisa Danzig, Director for the Office of Strategic Planning and Management for the U.S. Department of Housing and Urban Development (HUD).

Ms. Danzig greeted everyone. She briefly mentioned her prior employment by the City of New York at its Department of Housing, Preservation and Development as the Assistant Commissioner of the Strategic Planning Group. She said her office now at HUD is the agency's performance improvement office, and she referred to 5 major goals HUD is working on:

- Strengthen the Nation's Housing Market to Bolster the Economy and Protect Consumers;
- Meet the Need for Quality Affordable Rental Homes;
- Utilize Housing as a Platform for Improving Quality of Life;
- Build Inclusive and Sustainable Communities Free from Discrimination; and
- Transform the Way HUD Does Business.

Ms. Danzig described work toward these goals as a very broad, inclusive process. She also said it was challenging, particularly selection of metrics. She said that, as HUD was considering the metrics issue in 2009, OMB provided guidance. She said HUD then selected some high priority performance goals to measure and track, e.g. HUD's goal to end homelessness among veterans by 2015. Regarding that goal, she said, "That's a big thing to say," and she added that just tracking progress toward the goal is challenging but critical to reaching the goal. She said HUD's work on metrics culminated in quarterly reviews, known as HUDStat, to drive performance improvement on HUD's priority goals.

As an example of HUD's use of HUDStat data to measure progress toward priority goals, Ms. Danzig discussed progress toward the HUD goals of providing rental assistance and affordable housing to those in need and ending homelessness among veterans by 2015.

RENTAL ASSISTANCE AND AFFORDABLE HOUSING

"We figured out that in public housing we couldn't renovate and occupy fast enough. Two hundred thousand units in 2 years was our goal. We looked at occupied housing; previously we hadn't really looked at occupied units as a measure of success. When we aggregated data over 22 programs at HUD, we found we got to 160,000 of the 200,000, an additional 200 families a day."

ENDING HOMELESSNESS AMONG VETERANS

Ms. Danzig said VA and HUD having shared commitment to ending homelessness among Veterans has helped to advance efforts toward that HUD priority goal. She mentioned that Mr. Gould attended several HUDstat meetings to discuss the subject, and in describing the meetings she said, "We go through data. It's not so much PowerPoint show and tell. It's more a context to discuss. Frontline staff normally attend the meetings. We look at timeliness in meeting objectives and have a joint discussion. This makes efforts to move forward on challenges more productive."

Ms. Danzig showed how careful examination of detailed data through the HUDStat process helps identify and eliminate obstacles. As an example, her presentation showed how in HUD's efforts to track and reduce homelessness among veterans—

- HUD identified California as the State with the largest number of homeless veterans;
- HUD then took a closer look at regions in the State, and found a significant disparity between the City of Los Angeles and the County of Los Angeles in the extent of voucher utilization; and
- Data revealing the disparity led to a discussion with local partners to find out why, reasons were identified, and HUD is applying interventions. (See the full example [here.](#))

Ms. Danzig said data driven reviews should be the foundation for the Government's strategies to reach priority goals. She said, "It's about how to use data and share them with managers more broadly and get them to use the data in their decision making. We get senior leaders in there to see what we're not asking because we are too close to the data. It creates a larger community of people within our organization who are looking at our goals. We can get [Senior Executive Service (SES)] managers speaking to their staff on areas that aren't having much success." She added, "We've created a Business Intelligence tool and are sharing data across 22 organizations. For example, people in Los Angeles can click into data and see what the utilization rate is for a particular area."

When Ms. Danzig concluded her presentation and invited questions, Mr. Filler said, "Thanks for the presentation. This is a good model of how the Secretary and his team use data to accomplish the mission at HUD." Then he asked, "What information does the workforce get and how do those conversations occur?" Ms. Danzig responded that optimizing transmission of information to the workforce is a work in progress, but reiterated that frontline staff participate in HUDStat meetings and serve on teams who work on action items from the meetings. She added that Secretary Donovan has monthly lottery coffees with staff, and said, "Input is coming from lots of different places."

Mr. Junemann commented that the joint effort and progress by HUD and VA to end homelessness among veterans is remarkable. He added, "I wish Pennsylvania Avenue would use it in speeches." Then he said, "What I would like to see from this body is what are the successes in driving toward that goal and how has partnership been able to assist you in reaching it." Ms. Danzig said Mr. Junemann had a good point. Addressing his question about how partnership has helped, she said, "I think it's the follow-on conversation and very active engagement of frontline staff." She added that AFGE and NFFE are very involved in work towards HUD priority goals.

Ms. Wiggins said, "On the VA side, Secretary Gould established a transformational team with a lot of labor engagement. We work together with labor to look at data. The bargaining units are engaged on a continuous basis. The 12 percent decrease is fantastic!" She added that there are five bargaining units on the transformational team at VA.

Mr. Keller asked if HUD made an effort to involve forums in HUDStat meetings. Ms. Danzig said HUD is looking for as much input as possible to help it reach priority goals, and she

mentioned the [HUD Ideas in Action](#) website. Regarding forums participating in meetings, she said it is a great idea. She added, “It’s just a capacity issue in terms of meeting space.”

Mr. Filler said it was great to hear what agencies are doing in terms of PIOs, who he said should be invited to more forum meetings. Mr. Berry responded, “I agree. We all know ending veterans’ homelessness is a noble goal. Labor should be demanding to be at the table, and we need their involvement. Moving the needle on this is just amazing.”

Mr. Berry said, “By the way, I apologize for being late, but, you know, sometimes when the boss calls you have to go. Well, it’s time to drill down to the employee performance level.” He then turned to the next agenda item.

Agenda Item IV: GEAR Pilots Update and GEAR Discussion

Mr. Berry announced that speakers from HUD, the Department of Energy (DOE), and OPM would provide presentations today on their agencies’ GEAR (Goals-Engagement-Accountability-Results) pilots.

HUD GEAR UPDATE

Ms. Karen Newton-Cole, Acting Chief Human Capital Officer (CHCO), HUD, was the first speaker. During her presentation she used slides labeled “Department of Housing and Urban Development GEAR Update,” and provided an update on HUD’s efforts to achieve the major GEAR goals: articulating a high performance culture; aligning employee performance management with organizational performance management; implementing accountability at all levels; creating a culture of engagement; and improving the assessment, selection, development and training of supervisors.

Articulating a High Performance Culture

Ms. Newton-Cole said Secretary Donovan approved HUD’s FY 2013 performance management framework and the concept of implementing a set of departmentwide core values. She said HUD began developing its departmentwide core values when Deputy Secretary Maurice Jones pointed out that HUD seemed not to have any stated departmentwide core values. Ms. Newton-Cole said that, now that the framework is in place, implementing policy is being prepared for HUD clearance. She said final union negotiations on the policy would begin in mid-September, and that a core values strategy is being developed now.

Align Employee Performance Management with Organizational Performance Management

Ms. Newton-Cole said the first “Inter-Office Confab” will be in October 2012. She explained that a “confab” is a gathering of people for discussion or decision making. She said at the first meetings participants will discuss whether HUD has enough resources to meet certain objectives. She said that in joint planning meetings so far:

- Guidance was provided to develop operating plans;
- Joint service agreements reflecting interoffice commitments were completed; and

- The decision was made that service level agreements will become part of HUD’s three performance management systems, which will align program and agency commitments to performance at all levels.

Implement Accountability at All Levels

Ms. Newton-Cole said that HUD now has acquired and is configuring a new electronic performance management system, and that subject matter experts from all offices are participating in the configuration process, and policy and union representatives are also involved. She said the system will be piloted beginning October 31, 2012. She added, “Past performance management systems have been cumbersome; it’s important to get this right.”

Create a Culture of Engagement

Ms. Newton-Cole said, “HUD is *fully* engaged,” and provided some examples. She said Deputy Secretary Jones believes it is important to get input from everyone, and that he holds monthly leadership and regional roundtables, where he hears recommendations, considers policy changes, and seeks ideas for streamlining business processes. She added that every quarter HUD has an SES summit and that the Secretary holds quarterly town hall meetings. She said there is also a weekly progress email message to all HUD employees, which provides them with status reports on various topics (e.g. performance plans and awards payouts) as well as minutes from the Deputy Director Roundtable and SES summit meetings.

Mr. Berry thanked Ms. Newton-Cole for the presentation. Since there were no questions, he said the Council would now hear a presentation on the DOE GEAR pilot.

DOE GEAR UPDATE

Mr. Tony Nguyen, Senior Advisor in the Office of the CHCO at DOE, gave a presentation accompanied by slides entitled “In GEAR for the DOE Performance Based Culture.” He began by saying the DOE GEAR effort emphasizes integrating GEAR with major initiatives and that, as with HUD, DOE was finding that investment on good data analysis is returning good progress toward major agency goals.

Mr. Nguyen provided an update on DOE’s efforts to achieve each of the five major GEAR goals by presenting the charts on pages 2-3 of his slides, which list the five GEAR goals along with DOE completed and pending/ongoing actions toward each GEAR goal. The completed and pending/ongoing actions are listed and summarized below.

Articulating a High Performance Culture

Completed Actions

- DOE issued its strategic plan in May 2011.

- Progress in implementing DOE's *Alignment* strategy, which DOE uses in its work toward the [2011 DOE Strategic Plan](#) goal *Achieve Operational and Technical Excellence* by aligning roles and responsibilities throughout the agency. ⁴
- In the fourth quarter of FY 2011 DOE implemented online performance management training modules for employees and supervisors.
- Secretary Chu issued a [statement on performance-based culture](#) in March 2012, and then in April 2012 held a town hall meeting on that subject.
- DOE instituted a "High Performance from Day One" program for the orientation and training of new employees, with the on-boarding process improving from a 1-day event to a 1-year interactive program that includes learning, networking, teaming, and measurement/evaluation.
- DOE improved employee satisfaction rates with the onboarding process from 68 percent in 2010 to 75 percent in the first 2 quarters of FY 2012.

Pending/Ongoing Actions

- Continue to improve execution of *Alignment* strategy to drive management reforms through the transparent and visible use of metrics and a commitment to regular senior level management reviews based on those metrics.
- For orientation and onboarding, the CHCO will engage headquarters resource managers and field office human resources directors to build buy-in for participation of new employees in the one-year program, not just the one-day transactional in-processing event. The intent is to ensure a consistent and effective on-boarding experience throughout a DOE complex that is geographically dispersed.
- Finish updating Strategic Human Capital Plan to help communicate and support the DOE performance-based culture and related initiatives.

Align Employee Performance Management with Organizational Performance Management

Completed Actions

- In March 2011, implemented a progress review template to support more frequent and worthwhile, two-way performance-based discussions between supervisors and employees.
- The CHCO has engaged the PIO to improve the DOE's quarterly business review process, and the improved process will provide meaningful and timely data for employee performance discussions aligned with GPRAMA requirements and supporting GEAR recommendations.

⁴ For more information, see DOE's December 2011 paper [Alignment: Achieving Management and Operational Excellence](#).

- In May 2012, DOE was selected as a pilot agency for HRstat, which is taking the PIO/CHCO integration process further. The goal of the pilot is to identify the key human resource management metrics that help agencies to deliver an efficient, effective, and accountable Government.

Pending/Ongoing Actions

- Identify and implement appropriate linkages for SES performance and organizational results.
- Integrate GEAR and HRstat pilots at appropriate intersections and socialize relevant metrics to DOE senior leaders.
- In accordance with GPRAMA, the CHCO will continue to use data-driven, evidence-based activities to support further improvements in the DOE performance-based culture and to work toward the Secretary's goal of "improving the performance metrics used throughout the Department to better align human capital planning and management with agency goals and objectives."

Implement Accountability at All Levels

Completed Actions

- In December 2011, DOE implemented electronic performance management software ("ePerformance" system) to support employee performance management processes for SES and non-SES employees.
- In February 2012, DOE implemented organizational metrics and reporting for the ePerformance system.
- DOE implemented quarterly performance discussions, and the ePerformance system documents completion of those discussions.
- DOE is actively tracking and reporting status of ePerformance milestones to the Chief Operating Officer level (and higher as needed).
- DOE developed/implemented simplified guidance on expectations and processes for Performance Improvement Plans.

Pending/Ongoing Actions

- Continue socializing the real-time reporting of compliance/non-compliance with employee performance management deadlines using ePerformance, which is a new process for DOE.
- DOE organizations have started to improve their adherence to the frequency and timeliness of progress reviews; however, data indicates that the Department must continue to improve the quality and effectiveness of such reviews to help DOE achieve a performance-based culture.

- Working with the President's Management Council, DOE will implement a new SES Performance Appraisal System in FY 2013.

Create a Culture of Engagement

Completed Actions

- In October 2011, DOE issued its Workforce Diversity and Inclusion Strategic Plan as required by [Executive Order 13583](#).
- Beginning in January 2012, DOE has engaged local unions on the GEAR pilot.
- Secretary sponsored an initiative for six pilot program offices to develop and implement action plans to improve upon the 2011 Employee Viewpoint Survey results for their own organizations and to provide a basis for improving DOE overall.
- In the 3rd and 4th quarters of FY 2012, DOE conducted GEAR performance management surveys, focus groups, and analyses to obtain more baseline data
- DOE improved employee participation in 2012 Federal Employee Viewpoint Survey by 21.3 percent: 47.3 percent participation in 2012 compared to 39 percent in 2011.

Pending/Ongoing Actions

- DOE continues/will continue to engage local unions on the GEAR pilot.
- Use EVS data over next two or three cycles – DOE will pursue a strategy to drive cultural transformation and employee engagement in support of the DOE performance-based culture, especially in the areas of leadership, diversity and inclusion, and teamwork.
- DOE will continue improving and refining employee onboarding processes.
- DOE will conduct a follow-up performance management survey in the 2nd quarter of FY 2013 to make “before and after” comparisons.

Improve the Assessment, Selection, Development and Training of Supervisors

Completed Actions

- In May 2012, DOE partnered with OPM to innovate new approaches to training and development that will support GEAR at both OPM and DOE, using a concept called “The 5 Conversations.”
- DOE crosswalked existing online and classroom courses to GEAR concepts/recommendations, Executive Core Qualifications, as well as the mandatory requirements for new and experienced supervisors.

Pending/Ongoing Actions

- Working with OPM, pilot the 5 Conversations approach to improving engagement, diversity, and supervision (supervisors, as well as employees).
- Develop and implement a communication strategy for the GEAR concepts, including training, job aids, and support resources.
- Promote training curriculum endorsed by executive commitment to improve training, development, and support of both supervisors and employees.

HRstat Pilot and GEAR Pilot Alignment and Integration

Mr. Nguyen explained that DOE is working on aligning and integrating—

- The GEAR goal align employee performance management with organizational performance management, and
- The HRstat Pilot, whose purpose is to identify the key human resource management metrics that help agencies to deliver an efficient, effective, and accountable Government.

Mr. Nguyen said, “This is essentially an equation we’re working on at DOE.” He then discussed HRstat’s framework principles and explained that goal measurement with HRstat is accomplished by each goal having one or more measures assessed using objective, quantifiable criteria. He briefly explained the color coded evaluation applied to rolled-up category counts.

Mr. Nguyen displayed and discussed an example of using HRstat to measure/evaluate DOE’s success during the 3rd quarter of 2012 in the hiring process for General Schedule employees. The example shows that measurement object clearly linked to the applicable DOE Strategic Plan goals, objective, and priority. The example showed how DOE fared on 12 measures for the GS hiring process over 4 FY quarters, with the DOE-tailored HRstat rating system applied.

Council Discussion

During Mr. Nguyen’s discussion of the GEAR goal *Implement Accountability at All Levels*, Mr. Nguyen mentioned DOE’s exploration of switching the percentages for certain jobs that are 40 percent leadership and 60 percent technical. Mr. Keller asked whether DOE is trying that with jobs below the SES level, and Mr. Nguyen responded, “Right now it’s just for SES levels. We want to find out what we learn at SES levels then evaluate what we can do along similar lines with non-SES jobs.”

Mr. Berry thanked Mr. Nguyen for the presentation and turned the floor over to Mr. Mark Reinhold, Deputy Chief Human Capital Officer, OPM.

OPM GEAR UPDATE

Mr. Reinhold provided a status report on the OPM GEAR pilot, using slides labeled “Gear Implementation within OPM.” His presentation covered the major topics *Quarterly Progress*

Review, Supervisory Accountability, Supervisor/Employee Training, and Selection/Assessment of Supervisors.

Quarterly Progress Review

Mr. Reinhold said the quarterly progress review reinforces performance management as a year-round priority and encourages more frequent formal and informal performance dialogue. He added that the review is a checkpoint to ensure employees are on target for career ladder promotions. He said the review is a mechanism to document performance issues and implement corrective actions to promote performance improvement.

Mr. Reinhold said all OPM supervisors attended a mandatory training on the quarterly review process. He reported that new forms to document quarterly reviews are deployed for both GS employees and SES members, and said the format is simple but documents the continuous performance feedback loop with scheduled conversations.

Supervisory Accountability

Mr. Reinhold said there are standardized agencywide performance commitments for supervisors, managers, and executives to highlight expectations for employee engagement and performance management, including a requirement to conduct quarterly progress reviews. He said standardized commitments have been incorporated into all FY 12 performance plans for supervisors, managers and executives

Supervisor/Employee Training

Mr. Reinhold said OPM's goal is to improve supervisor and employee training in GEAR-relevant areas. For supervisors there is an emphasis on informal interaction/feedback; developing aligned and results-oriented performance standards; interest based communications; and engaging and developing employees. He said nonsupervisory employees are trained on the performance management system and its mechanics, how to effectively solicit and receive feedback, and interest based communications.

Mr. Reinhold said OPM is—

- Partnering with DoE to roll out Five Conversations training within OPM;
- Deploying new courses in interest-based communications, and frontline leadership; and
- Preparing to roll out agencywide performance management course.

Assessment/Selection of Supervisors

Mr. Reinhold said OPM's goals are—

- To focus the selection process for supervisors on relevant competencies, including those related to effective performance management;
- To identify standard set of competencies to assess candidates for supervisory positions;

- To standardized weighting of supervisory/leadership competencies vs. other relevant competencies; and
- To develop a structured interview component for verification.

Mr. Reinhold said that OPM has solicited input from supervisors and conducted focus groups, and that a proposal is pending. He then yielded the floor for Council discussion.

Council Discussion

Mr. Cox pointed out that managers alone gave the GEAR presentations today, which he said seemed a little lopsided. He said, "I would love to hear joint presentations by employees and management, and about how we are recognizing and rewarding employees." Mr. Berry expressed appreciation of Mr. Cox's comments and said, "I'm looking forward to working with you."

Mr. Junemann commented, "I'm glad J. David brought this out. Our job is to drive the EO. There should be an explanation of the relevance. We saw it in the shipyards, but we need to see the relevance to GEAR."

Mr. Berry said that what was understated at times in the GEAR presentations was the deep connectivity of GEAR to partnership, of which OPM's performance plans are an outgrowth. He said, "There was a heavy focus on the leadership end, but our table has had employee input. It's critical to think now that we have been doing this for a year, and ask how labor and management can work together to take the pilot Governmentwide. Next year at a town hall meeting, we do need to have awards and recognize outstanding employee contributions and leadership. There's a lot in this that didn't come out today, but we'll unfurl more as we go forward."

Mr. Keller commented that forum involvement in GEAR is critical, and he asked whether OPM would roll out standardized competencies for supervisors when the competencies are finalized. Mr. Reinhold responded, "Yes, we have a team of psychologists at OPM actively involved in a plan for rollout and sharing."

Since there was no further comment on the GEAR presentations, Mr. Berry provided an opportunity for Council members to raise new business.

Agenda Items V-VII: (New Business, Public Submissions, and Adjournment)

The Council raised no new business. Mr. Berry provided an opportunity for public comment, but there was none. He adjourned the meeting at 12:04 p.m.

CERTIFIED

John Berry
Co-Chair

Daniel Werfel
Acting Co-Chair