



PARTNERSHIP FOR PUBLIC SERVICE

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Subcommittee on Health**

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"Overcoming Barriers to More Efficient and Effective VA Staffing"**

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Chairman Benishek, Ranking Member Brownley, Members of the Subcommittee, thank you very much for the opportunity to share the Partnership's views on ways to overcome barriers to more efficient and effective staffing of medical professionals at the Department of Veterans Affairs (VA).

I am Max Stier, President and CEO of the Partnership for Public Service. The Partnership is a nonpartisan, nonprofit organization that works to revitalize our federal government by inspiring a new generation to serve and transforming the way government works. The work of the Department of Veterans Affairs is critical in caring for our nation's veterans, and in order to achieve its mission, the Department must be able to attract and retain the very best talent. In my statement, I will share the Partnership's perspective on the current state of the workforce and provide recommendations for how the agency can more effectively recruit, onboard, and retain qualified medical professionals to meet the agency's needs and deliver vital services to veterans.

I. Trends in Hiring and Employee Engagement at the VA and VHA

The Partnership is devoted to the idea that good government starts with good people. The staff of the Department of Veterans Affairs are among the most mission-oriented civil servants working in government today; however, they have also made it clear that more can be done, from their perspective, to improve hiring, retention, and perhaps most importantly, leadership in the department.

VA Employees Are Committed to the Agency's Mission

While there has been much attention focused on mismanagement and abuse at VA – and problems need to be taken seriously and addressed – it is also important to recognize that, across VA, employees are deeply dedicated to the mission and are achieving great results for the American people.

In the 2014 Office of Personnel Management (OPM) Federal Employee Viewpoint Survey (FEVS), 91.4 percent of all VA employees, and 91.6 percent of Veterans Health Administration (VHA) employees, responded positively to the statement, "The work I do is important". Additionally, more than 90 percent of VA and VHA employees reported that they are constantly looking for ways to do their jobs better.

Not only are VA employees committed to the mission, but they are achieving results. I have had the chance to meet three remarkable individuals from VA, Dr. William Bauman and Dr. Ann Spungen, at the James J. Peters VA Medical Center in the Bronx, New York, and Mr. Ronald Walters, of the National Cemetery Administration, who the Partnership recognized as winners or finalists of the *Samuel J. Heyman Service to America Medals*. The *Service to America Medals*, or *Sammies*, highlight excellence in our federal workforce and inspire other talented and dedicated individuals to enter public service. I would like to share their stories with you because I believe they are powerful examples of the dedication and sense of purpose of the vast majority of VA employees.

Drs. Bauman and Spungen have spent their careers at the VA conducting innovative research on the impact of paralyzing spinal cord injuries on the overall quality of life of veterans. Over the years their research has led to many novel medical advances and drug therapies to improve the lives of both veterans and non-veterans with spinal cord injuries, a disabled population with numerous medically incapacitating conditions that had previously been largely overlooked. In 2001, Drs. Bauman and Spungen established the VA's Rehabilitation Research and Development National Center of Excellence for the Medical Consequences of Spinal Cord Injury, where Dr. Spungen recently tested a new bionic walking assistance system that enables individuals with paralysis to stand, walk and climb stairs.

At the National Cemetery Administration, Ronald Walters, VA's Acting Deputy Under Secretary for Memorial Affairs, has implemented a series of innovative management practices that have contributed to high performance ratings as assessed by next of kin, while simultaneously tackling the growing need for burial space. The cemetery administration received a score of 96 out of 100 in the 2013 American Customer Satisfaction Index – a score 28 points above the federal agency average and nearly 22 points higher than the average private sector score. Improving customer service is vital to repairing VA's reputation and enhancing healthcare quality. Mr. Walters's leadership is a bright spot at VA, and shows that positive and lasting change is achievable.

Employee Satisfaction and Morale at VA is Declining

Many great VA employees like Dr. William Bauman, Dr. Ann Spungen, and Ronald Walters are succeeding despite low morale and decreasing employee engagement. Over the last several years the VA has struggled to achieve high levels of engagement among its employees. This is a critical issue; disengaged employees have lower productivity, higher rates of attrition and provide lower-quality customer service. If VA is to build and maintain a high-quality workforce and develop a reputation as an employer of choice in the highly competitive healthcare field, it will need to devote resources and leadership attention to improving employee engagement.

Each year the Partnership and Deloitte publish the *Best Places to Work in the Federal Government* rankings. The rankings quantify and analyze employee satisfaction levels across government, provide measurable indicators of employee satisfaction and commitment, and offer an important tool by which Congress and the administration can hold agency leaders accountable for the health and performance of their workforces. The Partnership uses data from the FEVS to rank agencies and their subcomponents according to an overall *Best Places to Work* index score. In 2014, VA's index score was 54.6 out of 100, its lowest level since the Partnership began the rankings in 2003, and VA ranked 18 out of 19 large agencies in employee satisfaction.

The Partnership and our partner, the Hay Group, are able to analyze FEVS data to determine the most important factors in an individual agency that contribute to employee satisfaction and engagement – what we call the “key drivers” of employee satisfaction. The key drivers of employee satisfaction at VA in 2014 were effective leadership, pay, strategic

management and employee skills-mission match, in that order. VA ranked near the bottom of the large agency rankings in the category of effective leadership (18 out of 19) and last in satisfaction with pay (19 out of 19). The Department performed significantly better in the category of employee skills-mission match, which measures the extent to which employees feel that their skills and talents are used effectively in the workplace (7 out of 19) and marginally better in the category of strategic management, which measures the extent to which employees believe management ensures they have the necessary skills and abilities to do their jobs and is successful at hiring new employees with the necessary skills to help the organization. VA ranked 12 out of 19 large agencies in this category, but saw its score decline by three points in 2014 to 52.0 out of 100. The fact that agency employees view strategic management as a key driver of their workplace satisfaction indicates that the ability of the agency to recruit and retain the right talent has a significant impact on employee satisfaction.

Diving deeper into VA's FEVS data shows a more troubling picture. Only 34.3 percent of respondents believe their work unit is able to recruit people with the right skills, while slightly fewer than half believe the skill level in their work unit has improved in the past year (49.9 percent). Especially concerning for the Department's ability to retain younger talent is that satisfaction among VA employees under 40 declined by 8.9 points in 2014. The decline was even steeper at the Veterans Health Administration, where satisfaction among employees under 40 fell by 9.9 points from 2013 to 2014. Additionally, according to OPM's FedScope database, the percentage of employees under 40 quitting the VA increased slightly over the last five years, despite decreasing government-wide. These declines are particularly troubling because just four years ago, a report by the Partnership and Deloitte entitled, *Best Places to Launch a Career in the Federal Government*, found that new employees under 30 years old at VA had the highest levels of satisfaction in government among their cohort. Since 2009, VA has experienced a higher rate of employees of all ages leaving the agency through resignation as opposed to retiring, a troubling workforce dynamic that goes against trends at many other federal agencies. Overall, quits and retirements at both VA and VHA have risen every year since 2009. While some departures can be good for the department, presenting an opportunity to bring in new skills and reshape the workforce, the department needs a clear picture of who is leaving and why, and should ensure that top performers are incented to stay.

II. Recommendations

Some of the challenges VA faces are unique to the agency, while others are common across government. Fortunately, there are many things VA can do to improve. The recommendations that follow focus on three primary areas where I believe VA can make positive change: streamlining and re-centralizing certain aspects of the hiring process, standardizing onboarding practices across VA, and increasing retention through a focus on employee engagement.

Reform the Hiring Process

The VA has a number of tools to recruit and retain medical professionals, including education loan repayment programs for employees in scarcity occupations, tuition reimbursements, fellowships and internships, and employee education programs, several of which Congress expanded last year with the passage of the *Veterans Access, Choice, and Accountability Act of 2014*. While these tools are useful, they do not address many of the VA's underlying recruitment and retention challenges. The decentralized nature of VA's hiring means that while the VA recruits and hires a large number of individuals to fill positions, it does not recruit strategically and does not recruit to build the workforce it will need to address future challenges. This is due in part to the considerable workload of HR staff in individual VA facilities, a dearth of training in workforce planning and lack of access to workforce planning resources. Many VA medical centers leave the recruitment of highly-specialized staff such as doctors and psychologists to HR staff who are responsible for filling many other positions – not just medical professionals – and who may not have the training, resources or technology to effectively recruit needed talent. Further, this decentralization means that rigorous and comprehensive workforce planning does not take place, and leads to a focus on local recruiting that prevents VA from addressing specific occupational shortages in the places where they may exist.

- **Take an enterprise-wide approach to hiring** – The decentralized nature of VA hiring means that individual VA medical centers are responsible for conducting their own recruitment and hiring. By creating a centralized resume bank and streamlining the application process to require job seekers to apply to the VA only once to be considered for similar positions across the organization, the agency can reduce frustration for applicants and increase opportunities for qualified individuals to get in the door. The Partnership's and Booz Allen's 2013 report, *The Biggest Bang Theory: How to Get the Most Out of the Competitive Search for STEMM Employees*, highlighted NASA as an agency that uses this strategy to acquire STEMM talent. Applicants for positions at the agency apply just once and can be considered for a position in any NASA facility. NASA's ten centers around the country coordinate with one another in reviewing applications, which has also made it easier for the agency to vet candidates. Applications are considered three times in the course of a year without applicants having to reapply. Such an approach could also increase the availability of qualified candidates to VA facilities in rural areas by expanding the overall applicant pool.
- **Develop agency-wide hiring metrics** – To continue to improve the hiring process, VA must be able to measure and hold itself accountable for improvement. There are three sets of data which the Partnership believes are key to understanding VA's progress: 1) time to hire, disaggregated for internal and external hires, 2) manager satisfaction with the quality of applicants and new hires, and 3) applicant satisfaction with the hiring process. VA should ensure this data, as well as relevant information gathered from entrance and exit surveys, is being collected consistently and used to make improvements to the hiring process to make it not only more applicant-friendly but to make sure the agency is getting the best talent. Per VA Directives 5004 and 5006, employees already have the opportunity to complete entrance and exit surveys to share their reasons for joining or leaving VA. These

surveys offer potential vehicles for collecting data on these key metrics and for better understanding why certain classes of employees, such as medical professionals, are choosing employment at VA or choosing to go elsewhere.

- **Sharing certification lists for mission-critical talent** – Senators Jon Tester and Rob Portman and Representatives Gerry Connolly and Rob Wittman are expected to re-introduce the *Competitive Service Act*, which would streamline the federal hiring process and allow agencies to recruit and hire top talent more easily – a particularly valuable tool for hard-to-fill or mission-critical positions like nurses and medical officers. The bill would allow a federal agency to review and select job candidates from another agency’s list of applicants who have already undergone a competitive assessment process and are certified as eligible for selection. Such authority would allow greater flexibility for the VA to hire medical professionals from agencies such as the Department of Defense, the National Institutes of Health, and the Department of Health and Human Services, which also have large numbers of applicants with healthcare backgrounds.
- **Allow federal agencies, including VA, to rehire former employees at any position for which they qualify** – Currently, former federal employees who have left federal service may be non-competitively reinstated in the federal government only to a job at or below the grade level they last held. This means that medical professionals who have left the VA and gained valuable higher-level experience outside of government may not be considered for non-competitive reinstatement to a position above the grade level for which they would otherwise qualify. It is in the interest of the government and the public to allow agencies to have the option to reinstate former federal employees, particularly in mission-critical and shortage occupations, at any level for which they qualify as a way to encourage experienced employees to re-enter federal service.
- **Create a truly market-sensitive pay system for government** – The *Department of Veterans Affairs Health Care Personnel Enhancement Act* was designed to make compensation for VA healthcare providers conform more closely to market salaries for those occupations. However, VA still struggles to compete with private sector compensation for medical professionals, particularly in hard-to-find specialties. While system-wide average VA salaries are largely in line with national averages, this masks huge regional variations that hinder the ability of some medical centers to remain competitive. The Partnership’s and Booz Allen’s 2014 report, *Building the Enterprise: A New Civil Service Framework*, laid out a new pay-setting process that would compare federal and nonfederal salaries and benefits on an occupation-by-occupation basis, set salaries based on those comparisons and give agencies the flexibility to bring in the talent they need at the appropriate level. While this framework should be enacted government-wide, VA is a great example of an agency that could benefit from a fully market-based approach to pay.
- **Hold VA leaders accountable for identifying workforce needs and helping the agency recruit and hire the very best talent** – Agency leaders should be responsible for ensuring their agency identifies strategic workforce needs and has a plan in place to meet current and future needs. Executives, along with supervisors and managers, should be held accountable in their performance plans for hiring and

developing the next generation of talent. VA also needs to ensure that HR staff and hiring managers are trained in the use of the hiring tools available to them.

Standardize the Onboarding Process

Hiring the right talent is only the first step to building a high-quality workforce. Just as important is ensuring that new employees are onboarded effectively. The Partnership's and Booz Allen's 2008 report, *Getting On Board*, found that government lacks a comprehensive, enterprise-wide onboarding process that goes beyond the transactional aspects of onboarding, such as filling out paperwork, to a strategic view of onboarding that emphasizes the vision and mission of the agency and extends through the employee's first full year on the job. Research by the Partnership and others has shown that effective onboarding can improve employee performance, increase employee engagement and retention and reduce the time it takes for an employee to become fully productive. While the Partnership did not study VA specifically in our report, many of the challenges and solutions we identified were common government-wide. I believe the following recommendations will help VA integrate and acculturate new talent more effectively.

- **Develop a comprehensive VA-wide onboarding strategy** – We recommend creating a robust agency-wide onboarding plan to ensure new employees receive the support they need to be successful. Effective onboarding programs introduce new hires to the agency's mission and connect them to strategic organizational goals. Other key parts of the onboarding program include clearly defining roles and responsibilities, providing points of contact for new employees to answer questions, assigning sponsors and mentors to new employees, involving senior leaders in the onboarding process, and tailoring programs to meet the needs of specific groups and levels of employees. To the extent that these activities are not already part of the agency's onboarding program, integrating them into current VA onboarding activities is a straightforward way to improve employee retention. In addition, VA should measure employee satisfaction with the onboarding process and use the results to make continuous improvements.
- **Strengthen the probationary period for new supervisors** – Many supervisors in government are selected for their technical expertise, rather than their leadership skills, and have little incentive to manage effectively. To fix this, managers at VA should be required to make an affirmative decision to pass a new supervisor through their probationary period – the period during which the individual must demonstrate successful performance as a supervisor – only if he or she has exhibited the necessary management capabilities, in addition to possessing technical qualifications. Managers should also be held accountable in their performance plans for providing feedback to new supervisors throughout the probationary period and for making a decision whether the supervisor should continue on after the probationary period has ended. The Committee has already taken a step in this direction with H.R. 1994: the *VA Accountability Act of 2015* and I thank Chairman Miller and the members of the committee for their leadership on this issue.

- **Provide opportunities for employees to work and collaborate across the organization** – VA should, to the extent possible, provide opportunities for new employees to meet and learn from colleagues in other parts of the organization and in different functional areas. This may include rotational assignments or cross-team projects. Promoting collaboration from within is an effective way to build relationships among employees and can help to address criticisms of the VA as “insular” and “stovepiped”. Such opportunities would allow employees to be more effective in their jobs through a better understanding of the roles of different offices and functions within the larger VA organization.
- **Focus on onboarding for senior executives** – Thanks to their knowledge, tenure and experience, senior executives play an outsize role in the success of the VA enterprise. Federal agencies, including VA, should work with Congress to provide onboarding that includes opportunities for new executives to collaborate and build relationships. This onboarding should provide executive mentors so there is a safe space to discuss challenges and problem-solve with experienced, external executives. Content of the onboarding program should be tailored to meet the VA’s and executives’ needs. The program should also include opportunities for new executives to learn about the various department operations (HR, IT, budget) that will be critical to their success and to participate in action-learning projects to put their collaboration and problem-solving skills into practice to improve the Department’s management and operations. New senior executives should solicit feedback from direct reports, peers and supervisors to assist them in continuous improvement (360 degree assessments, for example). Finally, the VA should implement and continuously review results of its onboarding surveys to ensure the program is effective at preparing senior executives to succeed.

Fully Engage to Retain Talent

The best retention strategy for any agency is to keep its workforce engaged. Satisfied and committed employees are an essential ingredient of a high-performing organization and a necessary part of attracting and retaining top talent. High levels of engagement lead to greater discretionary effort from employees and better customer service – two components of quality healthcare. Congress and the Department of Veterans Affairs should work together to implement the following recommendations to improve employee engagement at VA:

- **Hold VA leaders accountable for employee engagement** – Effective leadership is a key driver of employee engagement. The VA, unfortunately, performs poorly in this measure. Change needs to start at the top with Secretary McDonald and his leadership team. Agency leaders and managers must own and drive employee engagement efforts in order to address key issues in the workplace and increase agency performance. Evaluating leaders on their performance, as measured by improvements in a variety of workplace areas, can establish leadership investment in the process and achieve better outcomes. Many high-performing agencies, including the U.S. Patent and Trademark Office, the Department of Transportation,

and the Nuclear Regulatory Commission, have found this to be an effective strategy to improve employee engagement. We are pleased the Committee included language in H.R. 473, the *Increasing the Department of Veterans Affairs Accountability to Veterans Act of 2015*, to hold VA's leaders accountable for taking steps to improve employee engagement. This reinforces recent guidance by the administration on *Strengthening Employee Engagement and Organizational Performance*. I encourage the Committee to codify this requirement and to follow up to ensure that engagement remains a priority for VA's leadership this year and in future years.

- **Require the Office of Personnel Management to report Federal Employee Viewpoint Survey data by occupation** – The 2004 National Defense Authorization Act required federal agencies to conduct annual surveys of employee satisfaction, and over time OPM has assumed this role on behalf of the agencies. The survey results are an excellent oversight and accountability tool for Congress and agency leaders, but there is more that can be done to ensure that survey data is collected in a way enhances decision-making by Congress and agencies. Specifically, Congress should codify current practice and require OPM to conduct the survey on an annual basis, which will lead to greater efficiency and easier comparison of data across agencies. Congress should also require that OPM report data from the survey by occupation to the extent feasible in order to allow VA and Congress to better understand the views of medical professionals. Such information would allow for the tailoring of policy and oversight to this specific, critical segment of the VA workforce.
- **Invest in training and hold supervisors accountable for managing employee performance** – According to data from the Office of Personnel Management's 2014 Federal Employee Viewpoint Survey, just 26.3 percent of employees at VA agree with the statement, "In my work unit, steps are taken to deal with a poor performer who cannot or will not improve". Supervisors are often reluctant to make difficult performance distinctions. Some fear litigation when they hold poor performers accountable. Others are not adequately trained to deal with performance issues. Managers should be required to receive necessary training in how to effectively motivate, manage and reward employees, and how to deal effectively with poor performers. They should also be held accountable in their performance plans for taking action to address poor performance or misconduct.
- **Hold political appointees at VA accountable for their performance** – Career employees undergo an annual performance appraisal process. Political appointees should be similarly required to have annual reviews and be held accountable for their performance and contributions to the goals of the organization.
- **Permit VHA doctors to travel to and attend conferences** – Employees are engaged when they believe their agency values their development. The most evident expression of that appreciation is investment in the training and professional growth of employees through attendance of professional conferences and high quality trainings. This is particularly critical for medical professionals who use conferences as an opportunity to learn from others in their field, share research findings, build reputations in their field, and grow their professional networks – activities which help them to become better healthcare providers and burnish the

reputation of the VA. Congress should ensure that medical professionals do not face undue difficulties in participating in these gatherings, while also providing the oversight to make sure taxpayer funds are used responsibly.

Chairman Benishek, Ranking Member Brownley and Members of the Subcommittee, thank you for this opportunity to share the views of the Partnership on this important issue. I look forward to continuing to work with the Subcommittee on finding ways improve VA's recruitment and retention of qualified medical personnel to serve our veterans.