



PARTNERSHIP FOR PUBLIC SERVICE

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Subcommittee on Oversight and Investigations

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**“Transforming the VA Workforce: Assessing Progress
on Diversity, Equity, and Inclusion Initiatives”**

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Introduction

Chairman Pappas, Ranking Member Mann, and members of the Subcommittee on Oversight and Investigations, thank you for the opportunity for the Partnership for Public Service to submit a written statement for the record on diversity, equity and inclusion at the Department of Veterans Affairs.

The Partnership for Public Service is a non-partisan, non-profit organization dedicated to inspiring public service and increasing the efficiency and effectiveness of the federal government. The Partnership was founded on the premise that any organization's best asset is its people.

As the largest employer in the nation, the federal government should be a leader in the urgent and necessary work of diversity, equity and inclusion so that individuals of all backgrounds, identities and perspectives have the opportunity to serve the public. Our government "of the people" is best realized when our diverse nation is reflected in our public sector workforce.

Nowhere is the need to embrace diversity, equity and inclusion more acute than at the Department of Veterans Affairs. The VA has a solemn duty to serve the nation's 19 million veterans whose service spans from World War II to today. The Department of Veterans Affairs is our second-largest federal department with nearly 380,000 employees, 56.9% of them serving in medical, hospital, dental and public health occupations¹—but like many federal agencies, it is struggling to attract and retain talent. Notably, the VA's overall attrition rate in 2020 (6.3%) was higher than the government-wide total (5.4%). To serve our veterans effectively, the VA needs to ensure that it is tapping all available talent pools and fostering an inclusive and equitable environment in which all employees can grow and contribute.

The Importance of Strengthening DEI in Government

To build a more equitable and diverse department, government leaders and Congress must address both immediate and long-standing talent pipeline problems. Key data points from the overall federal workforce signal the urgent need for attention to this vital national asset. These trends are not new but will be harder to fix the longer we wait:

- Just 6.8% of full-time federal workers are under the age of 30. By comparison, almost 20% of the employed U.S. labor force in 2020 was under age 30.
- Of the full-time employees on board as of the beginning of fiscal year 2019, 25% will be eligible to retire by the end of 2021; 35.5% will be eligible to retire by the end of 2024.
- Use of the federal Pathways intern program, which should be a main pipeline into federal service, has plummeted. According to the [fiscal 2020 budget request](#), the number of new hires of student interns fell from 35,000 in 2010 to 4,000 in 2018.²
- Of the full-time employees under 30 who voluntarily quit federal service in fiscal 2019, over 73% did so with less than 2 years of federal tenure, suggesting that many young people do not have a positive work experience in the federal government or lack sufficient incentives to stay in federal service.

¹ Statistics on federal employees are drawn from Office of Personnel Management FedScope data on the federal workforce unless indicated otherwise.

² "Analytical Perspectives, Budget of the United States Government, Fiscal Year 2020," March 18, 2019, p.77. Retrieved from <https://www.govinfo.gov/content/pkg/BUDGET-2020-PER/pdf/BUDGET-2020-PER.pdf>.

- The 2019 [Best Places to Work in the Federal Government](https://bestplacetowork.org/)³ employee engagement score was 61.7 out of 100, lagging behind the private sector by more than 15 points and suggesting that more can be done to cultivate a highly engaged, high-performing federal workforce.
- It takes the government an average of 98 days to bring new talent on board—more than double the time in the private sector.⁴
- About 83% of major federal departments and agencies struggle with staffing shortages and 63% report gaps in the knowledge and skills of their employees.⁵

The department and the Biden administration have already outlined plans to enhance diversity and inclusion efforts, which is a good start. But comprehensive approaches for improving DEI within an organization must go beyond one training, measure, or strategic plan and focus on long-term change. This will require policies, employee engagement and leadership capability. To fulfill its mission, the department must cultivate a leadership team and workforce that reflects the diversity of the veteran population.

With an aging federal workforce and evolving talent needs, agencies must be prepared for significant hiring challenges in the future. The need to focus on DEI efforts is urgent, not just for current federal employees, but as a long-term strategy that will impact government’s ability to recruit, hire and retain a workforce for the future.

Gen Z and millennials now make up nearly half of the full-time U.S. labor force⁶ and support for diversity, equity and inclusion continues to have a profound influence on the way that many perceive and experience their workplaces. Deloitte’s “Global Millennial Survey 2020” found that 71% of millennials and Gen Zs surveyed believed their employers are doing more to create a diverse and inclusive working environment, and additional data suggest that these efforts are increasing employee loyalty.⁷

In other words, increasing diversity, equity and inclusion is not only good for policy outcomes and constituent service, but it also improves staff engagement and retention. Our Best Places to Work in the Federal Government[®] rankings also reinforce the value that employees place on support for diversity and indicate that there is more senior leaders can do.⁸

To meet this demand, government must foster an inclusive culture that recognizes all employees’ unique needs, utilizes their diverse talents, and embraces their divergent social identities in the

³ Partnership for Public Service, Best Places to Work in the Federal Government[®]. Retrieved from <https://bestplacetowork.org/>.

⁴ Office of Personnel Management, “OPM Issues Updated Time-to-Hire Guidance,” February 2020. Retrieved from <https://www.opm.gov/news/releases/2020/02/opm-issues-updated-time-to-hire-guidance/>.

⁵ Office of Personnel Management, “2018 Federal Workforce Priorities Report,” February 2018. Retrieved from <https://www.opm.gov/policy-data-oversight/human-capital-management/federal-workforce-priorities-report/2018-federal-workforce-priorities-report.pdf>.

⁶ Gallup, “4 Things Gen Z and Millennials Expect From Their Workplace,” March 30, 2021. Retrieved from <https://www.gallup.com/workplace/336275/things-gen-millennials-expect-workplace.aspx>.

⁷ Deloitte, “The Deloitte Global Millennial Survey 2020,” June 25, 2020. Retrieved from <https://www2.deloitte.com/global/en/pages/about-deloitte/articles/millennialsurvey.html>.

⁸ Partnership for Public Service, Best Places to Work in the Federal Government[®]. Retrieved from <https://bestplacetowork.org/analysis/categories>.

workplace. The federal government not only needs to work harder to recruit and hire great talent, but also create an environment that retains high-performing employees.

Altering the status quo will not be easy but it will be critical to the nation's future. And this moment in time offers a rare convergence of opportunity: a federal workforce which has dramatically changed the way it works over the past year and is primed for adaptation amid the staggering health, social, and economic challenges it must take the lead in tackling; the rise of Generation Z, which is eager to make a difference and looks for employers that prioritize diversity and inclusion of all people; and an administration that is focused on elevating diversity, equity, inclusion and accessibility across the federal workforce.

DEI Challenges at the VA

The VA has already taken some steps to improve DEI at the department, as outlined in its diversity and inclusion strategic plan for fiscal year 2021. The plan notes that diversity is a critical factor in the department's future success because it "fosters innovative solutions to some of [the VA's] most challenging issues and enhances decision making by providing a broader range of perspectives and interpretations."⁹ It also outlines strategies to cultivate a more diverse workforce, create a more inclusive environment with higher engagement among employees, and deliver on the agency's mission to serve the public.

With respect to the VA full-time workforce as a whole, there are some pockets of good news on diversity. For instance, 43.7% of the VA's employees identify as people of color, compared to the government-wide total of 38.3%. The overall VA workforce is also 61.1% female as of December 2020, compared to 43.3% government-wide.

However, these overall workforce totals don't paint a complete picture. There are specific occupations where women and people of color are underrepresented. For example, just 17% of the department's psychologists are people of color. Meanwhile, medical officers at the VA are 60% white and male. Women represent high percentages in some roles—like nursing, where they make up 80% of the workforce—but are underrepresented in leadership positions. Another concerning trend is the underrepresentation of people of color in law enforcement roles at the VA. Among agency police officers, just 25% are people of color.

Data also shows that diversity challenges grow even greater at the higher echelons of service. As of December 2020, 61.1% of the VA's full-time civilian workforce identified as female, but among career SES leaders that number drops to 35.8%. Meanwhile, 43.7% of the full-time workforce at VA identifies as people of color, compared to just 25.1% among career SES. These types of disparities at different career levels indicate that the door is not open to all for career advancement. The challenge remains that the VA's senior leadership ranks do not reflect rest of agency, the American public, and the population of veterans.

While there are significant diversity challenges among SES leadership government-wide, agencies also have a diversity problem at the entry- and mid-levels. The VA should also focus on bolstering its talent pipeline and strengthening its under 30 workforce. The department's workforce is older than the U.S.

⁹ Department of Veterans Affairs, "Diversity and Inclusion Strategic Plan: Fiscal Year 2021." Retrieved from <https://www.va.gov/ORMDI/docs/StrategicPlan.pdf>.

labor force—just 4.6% of full-time VA employees are under the age of 30, which lags behind the almost 20% of the employed U.S. labor force in 2020 that is under age 30. Another noteworthy data-point is the department’s overall attrition rate of 6.3%, which is higher than the government-wide total of 5.4%. That number is even higher for VA employees under age 30, who had an overall attrition rate of 8.5% in FY 2020.

With respect to diversity, the VA should work to ensure that the veterans who rely on the department for services see themselves represented in the VA's own workforce. According to VA data, the racial and ethnic composition of veterans is expected to change from 2019 to 2045. The projected proportion of veterans who are non-Hispanic white will decrease from 74% to 61%. Increases are expected among other groups, from 12% to 15% among Black veterans and 8% to 12% among Hispanic veterans.¹⁰

The department needs to address these challenges so that it makes sure it is not shutting out the talent it needs to serve our nation’s veterans. Also, trust in government will be undermined if Americans do not see themselves reflected in their government.

Solutions for Improving DEI: What Can Congress Do?

Here are seven ways that Congress and the VA can advance DEI efforts:

1) Make diversity, equity, and inclusion a central part of workforce strategy.

A commitment to diversity, equity and inclusion must be a cornerstone in the transformation of how the government recruits, hires, develops and retains talent. This commitment ultimately leads to higher organizational performance by ensuring the door is open for top talent and by enabling new and creative ways of thinking that empower better decision making. And a government that better reflects its people also will increase public trust in our democratic institutions.

The Biden administration is focused on strengthening diversity, equity, and inclusion efforts across government. President Biden has issued several executive orders on DEI-related topics, like preventing discrimination on the basis of gender identity or sexual orientation and advancing racial equity for underserved communities.¹¹ President Biden also issued a memorandum prioritizing diversity, equity and inclusion as a national security imperative, in order to ensure that critical perspectives and talents are represented in the entire national security workforce.¹² Congress should support these efforts, and

¹⁰ Department of Veterans Affairs, Office of Health Equity, “Racial and Ethnic Minority Veterans.” Retrieved from https://www.va.gov/HEALTHYQUITY/Race_Ethnicity.asp#:~:text=12%25%20to%2015%25%20among%20Black,3.3%25%20among%20Other%20Race%20Veterans.

¹¹ Executive orders referenced: (1) <https://www.whitehouse.gov/briefing-room/presidential-actions/2021/01/20/executive-order-preventing-and-combating-discrimination-on-basis-of-gender-identity-or-sexual-orientation/>; (2) <https://www.whitehouse.gov/briefing-room/presidential-actions/2021/01/20/executive-order-advancing-racial-equity-and-support-for-underserved-communities-through-the-federal-government/>.

¹² President Joseph R. Biden Jr., “Memorandum on Revitalizing America’s Foreign Policy and National Security Workforce, Institutions, and Partnerships,” February 4, 2021. Retrieved from <https://www.whitehouse.gov/briefing-room/presidential-actions/2021/02/04/memorandum-revitalizing-america-foreign-policy-and-national-security-workforce-institutions-and-partnerships/>.

should help ensure that diversity, equity and inclusion are in the DNA of every department and agency in the federal government.

2) Create high expectations and accountability mechanisms for federal leaders.

A transformation of the workforce and how federal employees do their jobs will not be possible without also reimagining leadership in the federal government. Good leaders motivate and advocate for their employees, build trust and create the conditions necessary for employees to perform at their best. The civilian side of government should take a lesson from the military side, where people are viewed as an asset, not a cost, and where investments in leadership development are critical to the strategy for success.

Federal leaders must be equipped with the organizational skills to leverage diversity of thought as well as improve their ability to effectively manage and lead diverse teams with multiple social identities and personalities. All agency leaders—not just Chief Human Capital Officers and Chief Diversity and Inclusion Officers—should be knowledgeable about DEI and accept managing DEI as one of their responsibilities. Additionally, DEI measurements should be included as part of the organization’s overall performance, linked to the organizational strategy, and publicly shared with all employees.

In 2019, the Partnership developed the [Public Service Leadership Model](#),¹³ recognizing the unique nature of leadership in government, centered on stewardship of public trust and commitment to public good. We believe this model should be the standard for leaders—both career and political—across the federal government. The model identifies the core values that leaders must prioritize and the critical competencies they must master to achieve their agencies’ missions and desired impact. These include setting a vision, empowering others, being accountable for results, and building inclusive, representative and respectful teams. We were proud to create this model with a nonpartisan group of distinguished leaders from across sectors, and in the months to come we hope to work with Congress, the executive branch and others to improve and measure overall leadership effectiveness.

3) Hold leaders accountable for organizational health.

Congress should hold political and career federal leaders accountable not only for owning policy but also for the organizational health of their agencies. With respect to the workforce, Congress should hold political appointees responsible for recruiting and retaining highly qualified talent, developing future leaders, engaging employees, and prioritizing diversity, equity, and inclusion. Congress should urge agency leaders to use the annual Federal Employee Viewpoint Survey and other surveys like the VA’s All Employee Survey (AES), plus the Best Places to Work in the Federal Government® rankings, to drive better results in their agencies. Specifically, Congress and agency leaders should look for improvements in metrics related to DEI and “Support for Diversity” category index scores.¹⁴

¹³ Public Service Leadership Model. Retrieved from <https://ourpublicservice.org/our-work/public-service-leadership-model/>.

¹⁴ The “Support for Diversity” category index includes FEVS questions #34, #45, and #55. More information can be found on the Best Places to Work in the Federal Government website: <https://bestplacestowork.org/>.

Employee engagement is not just about happy employees. Higher scores in employee engagement equate to better performance and higher-quality service, which in turn become valuable recruiting tools. For example, in a recent analysis of performance data from nearly 150 VA hospitals across the country, the Partnership for Public Service found that higher patient satisfaction, better call center performance and lower nurse turnover were all associated with a more satisfied and committed workforce.¹⁵

Finally, leaders should use disaggregated data to better understand how employee engagement varies across demographic groups. Aggregated data can mask potential divergences in employee experiences, particularly for underrepresented groups. Disaggregated data can also reveal inequity—for example, from 2002-2018 at the State Department, people of color experienced lower rates and lower odds of promotion than their white colleagues with similar qualifications.¹⁶ Federal employee survey data can be broken out by categories such as race or gender, but often agencies do not take advantage of this capability. Disaggregation, where possible, and while still ensuring the anonymity of individual employees, would allow agency leaders to identify inequitable conditions more easily within their workforce.

4) Strengthen the talent pipeline by improving recruiting and hiring.

Congress should start the hard process of updating the legal framework for the civil service, much of which dates back to laws passed in 1949 and 1978. The federal government needs doctors, economists, emergency response specialists, and cybersecurity experts, but we have a personnel system designed for phone operators. The antiquated system is an impediment to the government’s ability to meet the needs of today’s interconnected, technology-driven world and prepare for the challenges of the future. A government-wide initiative could help agencies improve the hiring process so they can more easily attract, assess, hire and onboard highly qualified applicants.

As a starting point for modernizing the outdated civil service system, Congress should enact the civil service recommendations of “Inspired to Serve,” the final report of the National Commission on Military, National and Public Service.¹⁷ On a bipartisan and consensus basis, and after studying the federal civil service for over two years, the Commission issued last year a bold and thoughtful set of recommendations for improving talent management, including proposals to make federal hiring more efficient. We urge Congress to move forward as quickly as possible to enact these proposals.

Also, to build a diverse workforce for the future, agencies must build DEI efforts into every step of the recruitment and hiring process. The VA’s strategic plan notes that the VHA Office of Academic Affiliations already works to “encourage relationships between VA medical facilities and HBCUs and

¹⁵ Partnership for Public Service, “Employee engagement is more than just a survey,” March 2, 2020. Retrieved from <https://ourpublicservice.org/blog/employee-engagement-is-more-than-just-a-survey/>.

¹⁶ Partnership for Public Service, “State of Renewal: The Department of State Today, Tomorrow and Beyond,” January 2021. Retrieved from <https://ourpublicservice.org/publications/state-of-renewal-the-department-of-state-today-tomorrow-and-beyond/>.

¹⁷ National Commission on Military, National and Public Service, “Inspired to Serve,” March 25, 2020. Retrieved from <https://inspire2serve.gov/reports>.

Minority Serving Institutions to attract a diverse and talented pool of applicants in the health professions.” Efforts to build and sustain strategic partnerships with diverse talent sources in communities or with colleges and universities are critical to building talent pipelines for the federal agencies over time. The COVID-19 pandemic has also changed how agencies are reaching out to candidates and who they are able (or willing) to hire. For example, expanded telework policies and more opportunities for remote work have allowed agencies to reach a more diverse recruitment pool, and they should capitalize on this opportunity to diversify the workforce.

5) Improve career mobility for federal employees.

The overall representation of people of color and women at the VA are in line with or exceed government-wide totals. However, the lack of representation at senior levels of the department illustrates career mobility constraints. Diversity challenges among senior leadership and the SES can be addressed several ways. One way is through Senior Executive Service Candidate Development Programs (SESCDP), which agencies operate as a way to identify and prepare the next generation of SES leaders. Agencies should include these programs in their DEI plans and use them as a strategic tool to both increase representation in the SES and equip senior leaders with the skills necessary to build and lead a diverse, equitable and inclusive workforce.

Special Emphasis Programs (SEP) are employment related programs which focus special attention on certain groups that are not represented or have less than expected participation rates in specific occupational categories or grade levels within the agency’s workforce. Through varying programmatic and agency policies, programs strive to improve representation and opportunity in talent acquisition (i.e., recruiting practices and the hiring process), career mobility, training, and development. These programs can also improve inclusivity by promoting and fostering awareness to support the celebration of social and cultural similarities and differences. SESCO and SEP can both be used strategically to improve diversity among senior leaders by increasing career mobility for federal employees.

6) Rethink the talent pipeline for those without a four-year degree.

The federal government is in dire need of sustainable talent pipelines. One potential talent pool is from individuals without a four-year college degree, who due to structural factors, are disproportionately Black, Latino, Pacific Islander and Native American, according to the U.S. Census Bureau. An OPM review of hundreds of job classifications following the release of the executive order found that for 350 of 400 occupations—nearly 90%—federal law does not mandate that hiring managers include degree requirements in the position description.¹⁸ Most federal jobs do not require a four-year degree, yet 60% of federal employees have attained at minimum a bachelor’s degrees.

Widening opportunities for individuals without a four-year degree will help address the federal talent gap and would bring in a new, more diverse generation of public servants. The government can strengthen its talent pipelines for jobs that do not require a four-year degree by demystifying the hiring process and using a more skills-based hiring assessment; building relationships with community colleges

¹⁸ Partnership for Public Service, “Opening Doors, Building Ladders,” February 2021. Retrieved from <https://ourpublicservice.org/wp-content/uploads/2021/02/Opening-Doors-Building-Ladders.pdf>.

and workforce development organizations; and removing barriers to professional development and advancement. Doing so would benefit both federal agencies and potential applicants who too often are overlooked in the talent search.

7) Continue oversight and get to know federal employees.

The subcommittee today is helping to identify opportunities to transform DEI efforts at the VA and we encourage you to continue supporting these efforts. The subcommittee could follow up by holding a hearing with subcomponents that are doing well on advancing DEI issues to help celebrate success and encourage replication.

Members of Congress should also get out to visit VA employees and hear from those on the front lines. Visiting federal employees where they work, whether at headquarters or in the field, is one of the best ways to understand both the deep challenges facing the VA's workforce and the incredible work that the federal government does on behalf of the American people every day. Better yet, the vast majority of federal employees are located outside of Washington, in every state and congressional district—so they are also your constituents.

Conclusion

Thank you again for holding this hearing. Improving diversity at the VA, and across government, is not a one-time fix, but a series of intentional changes in attitudes, actions and processes that will improve VA's service to all veterans. We look forward to working with you and your staff as you move forward with your legislative and oversight agenda in the 117th Congress.