



PARTNERSHIP FOR PUBLIC SERVICE

**Written Statement of Max Stier
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Prepared for

**The House Committee on Veterans' Affairs
Subcommittee on Economic Opportunity
and Subcommittee on Health**

Hearing Entitled,

**Hearing on Draft Legislation to Improve the Authority of the
Secretary of Veterans Affairs to Hire and Retain Physicians and
Other Employees of the Department of Veterans Affairs**

March 16, 2016

Chairman Benishek, Chairman Wenstrup, Ranking Member Brownley, Ranking Member Takano, members of the Subcommittee on Health and Subcommittee on Economic Opportunity, thank you very much for the opportunity to share the Partnership's views of the Subcommittees' draft legislation to improve the authority of the Secretary of Veterans Affairs to hire and retain physicians and other employees.

I am Max Stier, President and CEO of the Partnership for Public Service, a nonpartisan nonprofit organization that works to revitalize our federal government by inspiring a new generation to serve and transforming the way government works.

Background

On May 15, 2015, the Partnership submitted a statement to the Subcommittee on Health addressing how the Department could overcome barriers to efficient and effective staffing of medical and non-medical personnel¹. In our statement, we discussed how VA employees are deeply committed to the Department's mission, but the agency as a whole struggles with declining morale and an inefficient hiring process. We recommended three ways VA could improve its talent acquisition processes: reforming the hiring process, standardizing onboarding across the organization, and placing renewed focus on employee engagement efforts. The Partnership reinforced those recommendations at the Subcommittees' December 2, 2015 Roundtable on Veterans Affairs Hiring. I am pleased to note that the legislation being discussed today would address each of these recommendations in a substantive and meaningful way, and would, I believe, improve the Department's ability to recruit, hire and retain the top-quality talent our nation's veterans deserve.

VA Must Do More to Bring in Young Talent

The ability of the Department of Veterans Affairs to care for and support America's veterans depends on how well it can recruit, hire and retain highly qualified and engaged employees, particularly in the medical field. Unfortunately, the Department has struggled to bring in and hold on to top talent, with some reports showing nearly 41,000 vacancies at the Veterans Health Administration alone.² VA employees recognize these challenges as well. According to a Partnership for Public Service analysis of the Office of Personnel Management's (OPM) 2015 Federal Employee Viewpoint Survey, fewer than half of VA's employees responded positively to the statement, "My work unit is able to recruit people with the right skills" (43.2%), while a bare majority of VA employees (51%) believe "the skill level of my work unit has improved over the past year."

Recruitment and retention issues are exacerbated by an aging workforce which is becoming eligible for retirement in increasing numbers. For example, GAO found that by FY 2019 one in five VA nurses will be able to retire³, while 42% of VHA's overall senior leadership, including medical professionals, was retirement eligible in 2015.⁴ In order to create a balanced workforce and meet both short- and long-term talent needs, VA must do more to recruit and hire students and recent graduates, and millennials more generally. Focusing efforts to bring in young talent now has the

¹ *Statement of Max Stier, President and CEO of the Partnership for Public Service - Prepared for The House Committee on Veterans' Affairs Subcommittee on Health Hearing Entitled, "Overcoming Barriers to More Efficient and Effective VA Staffing", 114th Cong. (2015) (testimony of Max Stier). Print.*

² Hoyer, Megan. "Half of Critical Positions Open at Some VA Hospitals." *USA Today*. 4 Sept. 2015. Web. 1 Mar. 2016.

³ United States of America. Government Accountability Office. *VA Health Care: Oversight Improvements Needed for Nurse Recruitment and Retention Initiatives*. Washington, D.C., 2015. Page 9. Print.

⁴ *Ibid.* 21.

additional benefit of allowing new employees to learn from thousands of talented, dedicated and experienced medical professionals, benefits administrators, and mission-support staff before they leave the organization.

The Department's own 2014 Interim Workforce and Succession Strategic Plan noted that by the end of the decade the U.S. workforce will be approximately 50% millennials.⁵ The Department of Veterans Affairs cannot be left behind. However, to date VA has struggled to build pipelines of young talent. In 2015, just 0.68% of VA's workforce was under the age of 25 and 5.35% were under the age of 30. In terms of hiring, 15.7% of new VA hires were under the age of 30, while the comparable government-wide figure was 25.2%, according to OPM's Fedscope database. In 2014 millennials made up 11.3% of the Veterans Health Administration workforce, where the bulk of the Department's employees reside.⁶ Exacerbating this problem is low satisfaction among younger employees. The latest *Best Places to Work in the Federal Government Rankings*, published by the Partnership for Public Service and Deloitte, found that VA ranked second-to-last among large agencies in satisfaction among employees under the age of 40.

Partnership Views of the Draft Legislation to Improve VA's Authority to Hire and Retain Physicians and Other Employees

Because several sections of the proposed legislation are outside of the Partnership's areas of expertise, I will focus my remarks on those provisions on which we are best equipped to comment. My remarks below address each relevant section individually.

Section 2. Appointment and Pay for Directors of Medical Centers and Veterans Integrated Services Networks

The Partnership supports greater use of market pay as a mechanism for attracting and rewarding top talent in government, though we do not have a specific view as to the qualifications standards for medical center and Veterans Integrated Service Network directors. The Partnership's 2014 report with Booz Allen Hamilton, *Building the Enterprise: A New Civil Service Framework*, states that the current federal pay system undermines government's ability to attract and retain high-quality professional and administrative personnel and proposes a market pay system that recognizes distinctions between job types, compensation, and performance common in the private sector. We are pleased to see the Subcommittees expanding this concept to these critical, high-visibility positions.

Section 7. Executive Management Fellowship Program

The Partnership has long supported efforts to expand the mobility of government employees and senior executives across agencies and between government and the private sector. For that reason, we strongly support the draft legislation's Executive Management Fellowship Program, which would provide a one-year fellowship to eligible employees to work in private sector organizations engaged in the administration and delivery of health care or other benefits. In 2012 the Partnership and McKinsey and Company issued a report titled, *Mission-Driven Mobility: Strengthening Our Government through a Mobile Leadership Corps*, examining how the SES could meet its promise of serving as a mobile, enterprise-wide leadership team as originally envisioned by the Civil Service

⁵ United States of America. Veterans Health Administration. Healthcare Talent Management, Workforce Management & Consulting Office. *2014 VHA Interim Workforce and Succession Strategic Plan*. Page 13. Web.

⁶ Ibid. 24.

Reform Act of 1978. Our report describes the powerful positive impacts of mobility in building executive managerial skills, strategically filling vacancies, and infusing new thinking into an organization. Senior career employees at VA will benefit from access to diverse perspectives, a breadth of experience, and a deeper understanding of the private sector's processes, technologies, and operational framework. The Executive Management Fellowship Program, aimed at SES and aspiring senior executives, if well-executed, offers to bring significant benefits to VA's senior executive corps.

We recommend the Subcommittees consider two changes to the Executive Management Fellowship Program as currently constructed. First, we suggest increasing the program's cap of 30 participants, for example by initially implementing the Fellowship as a pilot program with a participant cap to determine its effectiveness, and then opening it up to a larger number of participants if warranted. To ensure that only the best employees are able to participate, the Subcommittees should also consider requiring eligible employees to have at least two consecutive outstanding ratings. The combined workforce of VHA and VBA is nearly 293,000, and there are more than 7,000 eligible participants. Cost concerns aside, the vast size of this workforce means that a cap of 30 participants will severely limit the program's potential impact. The Partnership believes mobility is a worthwhile investment, and would demonstrate to senior VA employees that their agency values them and is willing to invest in their development. Our second recommendation is to look at ways in which the Fellowship program could be made into a two-way exchange, in which individuals from the private sector come to VA to share cutting-edge operational techniques and best practices.

Section 8. Accountability of Leaders for Managing the Department of Veterans Affairs

The Partnership strongly supports the draft legislation's provision requiring political appointees at the Department to undergo a performance planning and appraisal process similar to that of the Department's career senior executives. We additionally recommend that the Subcommittees look into how VA could create connectivity between the performance expectations for political appointees and career executives. Though political appointees and career executives face different demands and operate at different levels of the organization, aligning performance expectations in this way can help needed reforms and accountability cascade throughout the organization.

As the highest level of leadership in the Department of Veterans Affairs, political appointees play a crucial role in providing leadership and setting priorities for the organization. Appointees should be held accountable for their performance and contributions like every other employee. Data from the Partnership's analysis of the latest OPM Federal Employee Viewpoint Survey demonstrates why this provision is so important: in 2015, just 32.7% of VA employees responded positively to the statement, "In my organization, senior leaders generate high levels of motivation and commitment in the workforce", and only slightly more, 38.5%, positively responded to the statement "My organization's senior leaders maintain high standards of honesty and integrity." Appraising and holding accountable political leaders for setting priorities and expectations, and developing an empowering and engaged culture throughout the organization, will help to restore trust in senior leadership.

We are particularly pleased that the performance plans will address the accountability of leaders for promoting good practices and supporting efforts to recruit, select and retain well-qualified individuals, engage and motivate employees, train and develop future leaders in the Department, and hold managers accountable for addressing performance issues. Each plays a critical role in

building a high-performing workforce, and will further drive leadership attention to the pressing workforce issues within the Department. However, engaging and motivating employees may be one of the most immediate and impactful ways by which senior political appointees at VA can make an impact. As noted above, fewer than four in ten VA employees feel that their senior leaders are motivating them. The Partnership's *Best Places to Work in the Federal Government Rankings* put VA employee satisfaction with senior leaders at 18 out of 19 large agencies. GAO has also found that employee dissatisfaction negatively impacts the ability of VHA to retain employees in mission-critical occupations.⁷

Section 9. Modification of Veterans Preference

While the Partnership supports the goal of a diverse federal workforce, including the continued recruitment and hiring of veterans, we have concerns over the proposed legislation's expansion of veterans' preference to the Senior Executive Service. The Senior Executive Service is, by law, excluded from the application of veterans' preference, and applying such preference specifically to VA would put the Department at a disadvantage when competing for executive talent with other agencies and the private sector. Requiring, as the proposed legislation does, that VA should select candidates for senior executive positions "in the same manner and under the same conditions required for the competitive service" may further hinder the VA's ability to recruit diverse talent with the skills the Department badly needs, such as in hospital administration and critical mission-support functions such as human resources, information technology, and financial management.

We ask the Subcommittees to consider other ways to increase the number of veterans in senior executive positions that do not unnecessarily restrict the Department's ability to bring in the executive talent needed to complete its transformation process. Concerns about a relative paucity of veterans in top leadership positions is a valid concern, and there are substantive ways in which the Subcommittees and VA can work together to address it. For example, while VA does not have specific leadership development programs aimed at employees who are veterans, the Department can increase its efforts to encourage veteran employees to participate in its two primary leadership development programs, LeadershipVA and the Senior Executive Service Candidate Development Program, which prepare employees for senior leadership positions. VA could also enhance its outreach to the broader veterans' community to recruit external veteran candidates for SES jobs at the Department. Such an approach would require VA to work with these candidates to help them navigate the SES application process, though we believe it is well worth the effort.

Section 10. Reemployment of Former Employees

The Partnership enthusiastically supports granting VA authority to noncompetitively appoint qualified former employees of VA to any competitive or excepted service position at the agency – an issue the Partnership discussed in our report, *Building the Enterprise: a New Civil Service Framework*. As the report notes, current law allows a former employee who has held a career or career-conditional position to be noncompetitively reinstated only at a grade level at or below that which they held before leaving government. This change, provided for in the draft legislation being discussed today, will give VA greater flexibility in bringing back employees who have gained valuable training and work experience in their time away from the Department, and would provide an additional incentive to employees who are considering a return to VA.

⁷ United States of America. Government Accountability Office. *VA Health Care: Oversight Improvements Needed for Nurse Recruitment and Retention Initiatives*. Washington, D.C., 2015. Page 17. Print.

We suggest, however, that the Subcommittees consider going further. Specifically, we would recommend removing the one grade level limit and opening the opportunity for noncompetitive reemployment to all federal employees, rather than just those previously employed at the Department. By removing this limitation, VA would offer further enticement to those former employees who are more advanced in their careers, providing the Department with an additional method by which it could recruit mid-career and senior-level talent. Opening the noncompetitive reemployment opportunity to all federal employees would give VA a leg up in recruiting talent from other agencies with similar workforces (e.g., HHS, NIH, DOD, etc.) and recognize the enterprise-wide nature of the challenges that agencies like VA face in hiring top talent. We understand and appreciate the concern over the potential of this flexibility to be used improperly, but believe this could be easily addressed by requiring the VA Inspector General or the Government Accountability Office to audit the use of this hiring authority within a specific timeframe to ensure that it is being used as intended. VA could also report on the use of this authority as part of the hiring effectiveness measures in Section 15.

Section 11. Recruiting Database

The Partnership supports the draft bill's requirement for the Department of Veterans Affairs to create a Department-wide database for vacant mission-critical and hard-to-fill positions, particularly those that have been vacant for a prolonged period of time. VA's decentralized hiring processes have led to many facilities competing for similar talent, and has prevented the Department from addressing critical shortages where they exist. The recruiting database will help VA move closer to an enterprise-wide hiring system that can effectively address recruitment, hiring and retention challenges where and when they occur, rather than simply hoping candidates for VA jobs find their way to the facilities where they are needed most. We recommend that VA consider how it can combine the recruiting database authorized by this legislation with the recently-enacted Competitive Service Act, which allows agencies to hire off each other's certification list for a position. The Partnership believes the Act has the potential to greatly facilitate the filling of mission-critical positions both government-wide and within the VA, and we encourage VA to work with the Office of Personnel Management to make the best possible use of this new authority.

Section 12. Human Resources Academy

The Partnership supports all efforts to strengthen the federal human resources workforce. Our May 15, 2015 statement for the Subcommittee noted that VA HR staff tend to "post and pray" when hiring for key positions and receive limited training in workforce and succession planning. A September 2015 GAO report on the recruitment and retention of nurses also found that a lack of sufficient administrative support from HR departments at individual VHA facilities limited the extent to which those facilities could take advantage of recruitment and retention tools, though this report cited a lack of resources for HR teams as having just as big an impact as training.⁸ The decentralized nature of VA's hiring system also tends to mean that recruiting and hiring is not done strategically and special hiring authorities and flexibilities are not used to the extent that they could be.

The Department currently operates a "VA HR Academy", which provides access to training, career pathing tools like MyCareer@VA, and an HR competency model for VA HR employees to use as part

⁸ Ibid. 17.

of their professional development⁹, but it has been underfunded in recent years. This legislation provides an opportunity to bring greater prominence and renewed focus to this underutilized resource. Specifically, the goals of the legislation to provide more training on best practices in recruiting and hiring mission-critical talent should be integrated into a strengthened HR Academy. The Subcommittees should request more information from VA on the current status of the HR Academy, and on ways the Academy's offerings can best be tailored to meet the intent of this legislation and the Department's most pressing current talent needs. Reviving the VA HR Academy has the potential to address the challenges this draft legislation seeks to take on, and could even help increase engagement among VA's HR workforce. The Partnership's 2015 *Best Places to Work in the Federal Government Rankings* showed the cohort of human resources employees at VA ranked 10 out of 18 large agencies in overall satisfaction.

In 2012, the Partnership's Vice President of Policy John Palguta testified before the Senate Homeland Security and Governmental Affairs Subcommittee on the Oversight of Government Management, the Federal Workforce and the District of Columbia on building and maintaining an effective federal human resource workforce¹⁰. His testimony emphasized the important role HR plays in acting as a strategic advisor and business partner supporting the mission side of the organization and advocated for directing more resources to the federal HR workforce. Not only can better training for HR staff improve the quality of talent coming into VA, but has huge potential to improve morale and engagement, increase retention, and reduce turnover costs.

Finally, we recommend both to the Subcommittees and to VA that the training provided by the VA HR Academy also include best practices for HR staff in effectively engaging with hiring managers to maximize the success of the hiring process and satisfaction with new hires, and to think more holistically about how other aspects of VA's HR processes impact its ability to use the tools, flexibilities and authorities available. Another recommendation to the Subcommittees would be to expand the availability of training beyond just human resources staff to all VA employees who are engaged in recruitment activities. We hope the Subcommittees will consider other ways by which more attention and resources can be directed to VA's human resources offices and staff, for example by specifically authorizing money for non-medical, mission-support training at the Department that will be protected from use for other administrative or personnel activities. HR plays a crucial role in ensuring that VA has the talent it needs to serve veterans, and we appreciate the Subcommittees substantive action in this area.

Section 13. Promotional Opportunities for Technical Experts

The Partnership is highly supportive of the draft legislation's provision requiring the Secretary of Veterans Affairs to establish a promotional track system for employees of the Department who are technical experts. The rigid structure of the GS system requires employees to move into supervisory and management roles, even in cases where the employee may not be an effective manager but must take on such duties in order to advance in their career. This is especially true for employees who possess valuable technical expertise but are not suited for supervisory duties. Such employees

⁹ "VA HR Academy." *Home*. Department of Veterans Affairs, 17 Nov. 2014. Web. 09 Mar. 2016.

¹⁰ *Statement of John Palguta, Vice President of Policy, Partnership for Public Service - Prepared for The Senate Homeland Security and Governmental Affairs Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia titled "Building and Maintaining an Effective Human Resource Workforce in the Federal Government", 112th Cong. (2012) (testimony of John Palguta). Print.*

may include medical professionals or experts in veterans' benefits law who possess valuable expertise in complex subjects.

However, we believe this provision can be further strengthened by making explicit that the Department should evaluate candidates for managerial or supervisory roles based on their executive and people skills as well as their technical expertise, and give candidates the opportunity to develop these skills. Like most other federal agencies, VA does not have a standard criteria for promoting managers. As noted above, managers are often promoted based on the technical expertise relevant to their particular organization (e.g., VBA will look for managers with strong knowledge of claims administration). We recommend the Subcommittee consider language requiring aspiring supervisors and managers to demonstrate leadership skills either through their day-to-day work or through an educational requirement. This educational requirement could take the form of online or in-person classes developed and advertised through VA Learning University (VALU). Employees would not be able to advance into supervisory or managerial positions without being certified as having taken such a course. This would be a high-impact and light lift for the Department. Not only would it guarantee that every new manager understands the basic tenets of effective leadership, but would allow those individuals who are not fit for management to realize it before they take on a supervisory role. Only those employees who have the competencies necessary to be successful would become supervisors.

Section 14. Comptroller General Report on Succession Planning

The Partnership supports the requirement included in this draft legislation requiring the Comptroller General to report on succession planning efforts at the Department of Veterans' Affairs. According to Secretary McDonald's statement before the House Committee on Veterans' Affairs on February 10, 2016¹¹ the Veterans Health Administration hired over 41,000 employees in 2015, though that hiring resulted in a net employment gain of about 14,000 staff. This, combined with the figures on retirements cited earlier, suggests a high level of turnover at the Department, and a need for a robust succession management process. The Partnership believes this report would be useful in helping the Department better understand the quality of succession planning going on throughout the organization and in developing a more consistent succession planning strategy. While VHA currently conducts strategic planning across its network of facilities¹², the GAO's report would give Congress better visibility into the extent and usefulness of workforce and succession planning activities at these individual facilities, as well as at other facilities across the VA. As the Partnership's 2011 report with Booz Allen Hamilton, *Preparing the People Pipeline: A Federal Succession Planning Primer* noted, succession planning is an effective tool for dealing not only with departures but also with retention by helping managers determine the critical skills that exist within their teams and how to develop and keep needed talent. The Partnership encourages VA to use this report to further refine and strengthen its internal succession planning processes, ensure that such processes are consistent across the organization, and tie them to the measures of hiring effectiveness required to be collected under Section 15.

Section 15. Information on Hiring Effectiveness

¹¹ Statement of the Honorable Robert A. McDonald, Secretary of Veterans Affairs, For Presentation Before the House Committee on Veterans' Affairs, "Budget Request for Fiscal Year 2017", 114th Cong. (February 10, 2016). Print.

¹² United States of America. Veterans Health Administration. Healthcare Talent Management, Workforce Management & Consulting Office. 2014 VHA Interim Workforce and Succession Strategic Plan. Page 5. Web.

The Partnership applauds the Subcommittee's decision to include in its proposed legislation a mandate for VA to measure and report on the effectiveness of its hiring process, and we believe this requirement can be further strengthened. As I noted at the Roundtable on VA hiring hosted by the Subcommittees in December, you cannot manage what you cannot measure. VA must have actionable data in order to properly understand and address persistent hiring challenges. Yet the Department appears to lack a comprehensive understanding of the strengths and weaknesses of its hiring process. The language proposed here would require VA to collect and publically report on the effectiveness of its recruitment programs and hiring authorities, the quality of new hires, time-to-hire, applicant and employee satisfaction with the hiring process, and new hire satisfaction with onboarding, among other things. These data should allow VA to construct a fuller picture of its hiring process, including specific points where the process bogs down. Developing a fuller understanding of the use of special hiring tools, authorities and flexibilities is especially critical, as Congress has authorized a number of programs and tools at VA to promote hiring, particularly of medical professionals, such as the Education Debt Reduction Program, the Employee Incentive Scholarship Program, and various recruitment, retention and relocation incentives.

To make this report even more valuable both to VA and to Congress, the Subcommittees should look at including a measure of "customer satisfaction" of hiring managers and new employees with VA's human resources offices, for example by asking their views of the information and support they received from their HR offices. It is worth noting that VA has collected this data in the past. Such a measure, if included, should also specify that data should be taken from HR offices across the VA enterprise, where the vast majority of hiring and other personnel actions take place. We encourage the Subcommittees to look into the administration's and VA's work to benchmark costs and best practices across agency mission-support functions and how these efforts can be further encouraged, a process that involves analyzing customer satisfaction in each function. VA is currently tasked with benchmarking administrative spending and identifying performance improvements opportunities in the areas of real property and financial management¹³. An expansion of the benchmarking effort to VA's HR by the administration would go a long way towards fixing the organization's talent issues. We also recommend that, as part of the Department's requirement to share this information to Congress, it be asked to report on the biggest pain points in or barriers to effective hiring. We believe this is an effective way for the Subcommittees to engage with VA on any additional reforms necessary to improve its hiring process.

It is, however, important to understand that VA's HR systems, as currently constructed, are not built to collect and centralize this information. In fact, this problem is not unique to VA – nearly every agency lacks such a system. While VA is currently developing an integrated human resources information system, it is still in its early stages and rudimentary. Personnel databases are scattered across the organization and within each of the Department's individual subcomponents, and each subcomponent owns its own data. The bill as written requires VA to fully commit to constructing a centralized information system. This is a very worthy goal, and something we encourage the Department to pursue. It is important to understand, though, that it will take time. However, the Subcommittees' draft legislation can serve as a useful focusing mechanism for the Department and prompt quicker development of this system.

¹³ United States of America. Office of Management and Budget. *M-14-12: Memorandum for the Heads of Executive Departments and Agencies: Management Agenda Priorities for the FY 2016 Budget*. By Brian C. Deese. July 18, 2014. Web.

Section 16. Employment of Students and Recent Graduates

The Partnership is highly supportive of the draft legislation's provision codifying the Department's authority to convert Pathways program participants to full-time entry-level positions. At the Subcommittees' December roundtable on VA hiring, I emphasized how student interns and recent graduates provide the best way for the Department to assess and hire top young talent into the organization. Increasing the number of young people in an organization can provide fresh ideas, reinvigorate the workforce, and provide a pipeline of future leaders. This is true even at VHA, which could take advantage of students and recent graduates to fill nursing, physician assistant and mission-support roles. Increasing the number of students and recent graduates in VA's workforce is critical given the overall dearth of young talent at VA which I noted earlier. The private sector makes significant use of student interns as a talent pipeline for entry level positions, but government squanders the opportunity to make use of this talent pool. Government as a whole, and the Department of Veterans Affairs in particular, needs to normalize the way interns are utilized. While the administration's 2010 hiring reform, which included the Pathways internship programs, has made some progress, we do not believe it has been enough. The Partnership is very pleased that the Subcommittees have included this provision, which would codify VA's existing authority under the Pathways programs to make excepted service appointments of student interns, volunteers with substantive duties, and interns contracted through third-party organizations. This change would demonstrate Congress' support for Pathways and push VA to expand its use of the programs, which VA has already committed to implementing in its 2014 Interim Workforce and Succession Strategic Plan.¹⁴ Ultimately, we believe this provision will increase the pool of proven, high quality entry-level talent available to VA.

Section 17. Exit Surveys

The Partnership supports mandating in statute an exit survey for employees who voluntarily separate from the agency, and we are particularly pleased that the Subcommittees have included a reporting requirement that will ensure that the Department is using the survey data to improve retention of VA employees, especially those in mission-critical occupations. VA Directive 5006 currently requires the Department to conduct a voluntary exit survey of employees separating from the organization, but we believe the survey is underutilized and that this provision will strengthen the survey and bring it renewed focus. Holding on to mission-critical talent requires understanding the reasons employees are leaving in the first place, and so VA's ability to continue to strengthen its hiring process requires that the Department can measure its success and hold itself accountable for its improvement. We would encourage the Department of Veterans Affairs to use this mandate from Congress to make its current exit surveys more robust, participation more widespread and data more widely available to key stakeholders inside and outside of the organization. To this end, the Subcommittees should consider requiring the Department to publically report aggregate exit survey data. VA must make special efforts to ensure that these data, in combination with the other hiring and workforce planning information required to be collected by this legislation, is available to all human resources offices and hiring managers, and is actually being used to develop a comprehensive strategy for bringing in and holding on to the talent the Department needs. Data from the 2014 VHA Interim Workforce and Succession Strategic Plan proves the need for this effort – the report showed that only 25.8% of VA employees exiting the organization had their manager or

¹⁴ United States of America. Veterans Health Administration. Health and Talent Management, Workforce Management & Consulting Office. *2014 VHA Interim Workforce and Succession Strategic Plan*. Page 64. Web.

supervisor talk to them about changing their mind¹⁵. Keeping all of this in mind, we encourage the Subcommittees to continue to conduct meaningful oversight of VA's hiring processes and workforce management.

Enablers of Effective Implementation

The Partnership believes this legislation has tremendous potential to improve the Department's recruitment, hiring and retention of dedicated professionals to serve our nation's veterans. However, if the proposals offered here are to be meaningfully implemented, the Subcommittees must pay special attention to certain key enablers of that implementation. Legislation does not exist in a vacuum; it must be executed within an organization with unique strengths, weaknesses and challenges. If the Department's leadership is not committed, or not supported in making these changes happen, the odds of success become much longer. Should this legislation pass, its execution will deserve, and require, the Subcommittees' sustained attention. Below I identify several key enabling factors that will impact the potential of this legislation to bring about significant, positive change to how the Department manages its talent:

- **Support from Congress for VA employees** – Congress has an important constitutional duty to ensure that VA serves veterans efficiently, effectively and with the respect they have earned. The Department's employees are ultimately accountable to Congress, but Congress is also accountable to employees as the steward of the VA's resources and priorities. We urge the Committee to work constructively with VA to address challenges facing its workforce, and to recognize the vast majority of VA's employees who are hard-working, patriotic public servants who have dedicated their professional lives to serving America's veterans. The public image of VA, which Congress has a hand in shaping, plays as important a role in supporting recruitment and retention as any single initiative of the Department.
- **Recognizing the impact of recent proposals on VA's senior executive workforce** – The Secretary's recent proposal to place the Department's senior executive corps under Title 38 grants greater flexibility to VA in hiring, paying and, if necessary, disciplining executives. However, the proposal will complicate the leadership and morale picture at VA. If that proposal moves forward, the Subcommittees should conduct rigorous oversight to ensure that it complements the intent of this legislation and furthers the goal of bringing top executive talent into the organization.
- **Clear accountability for implementation** – As written, the bill does not provide for specific individuals to be responsible for implementing the various programs, flexibilities and reporting requirements this legislation creates. It is critically important to keep in mind that there is no one human resources office at VA. Day-to-day program and policy implementation is handled by the human resources offices of the Department's subcomponents, and truly effective implementation will require the Subcommittees to, within the bill itself, delegate specific responsibilities or allow the Secretary to delegate specific responsibilities to those individuals best situated to make these improvements happen.
- **Development of a centralized, integrated VA human resources information system (HRIS)** – VA, like nearly all federal agencies, lacks a single repository of personnel data. Instead, data critical to understanding the state of VA's workforce and hiring processes is

¹⁵ Ibid. 22

scattered throughout the organization. While the Department is developing a HRIS, it should not be assumed that VA's central HR office can pull this data together easily. The Subcommittees should sufficiently resource and conduct meaningful oversight of VA's efforts to build an accurate, usable and fully integrated personnel information system.

- **Sufficient resources for training and development** – Training is one of the most effective means by which VA can retain the best and brightest employees, improve morale, and reduce turnover costs. However, funding available for non-medical training at the Department has declined in recent years and has hurt its ability to provide quality developmental opportunities to employees, particularly those in mission-support functions such as human resources, who are at the front lines of the VA's efforts to recruit top talent. Further complicating this picture is that such funds can be lumped in with other personnel costs and used for purposes other than staff development. The Subcommittees, as well as the Appropriations Subcommittee on Veterans Affairs, Military Construction, and Related Agencies, should ensure sufficient, dedicated funding for quality, recurring training for the mission-support services that enable the Department's work.
- **Maintaining momentum through the transition** – There are roughly ten months left in the current administration, and many of the Department's key leaders will soon be gone. The commitment of current leadership to executing on this legislation will, potentially, be limited by an unwillingness to take on bold and time- and resource-intensive new initiatives. The Subcommittees provide important continuity across administrations, and so we urge you to sustain your commitment to building a strong, engaged and effective VA workforce.

Conclusion

Chairman Benishek, Chairman Wenstrup, Ranking Member Brownley, Ranking Member Takano and members of the Subcommittees on Health and Economic Opportunity, thank you for the opportunity to give the Partnership's views of this legislation. The draft bill we are discussing today will make a meaningful and positive impact on the ability of the Department of Veterans Affairs to recruit, hire and retain the talent it needs to achieve its mission, and we are pleased to support it. I look forward to continuing to work with your Subcommittees to advance this legislation. Thank you, and I am happy to answer any questions you may have.