



**PARTNERSHIP FOR PUBLIC SERVICE**

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Prepared for

**The House Committee on Veterans' Affairs  
Subcommittee on Health**

Hearing Entitled,

**“Healthy Hiring: Enabling VA to Recruit and Retain Quality  
Providers”**

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Chairman Wenstrup, Ranking Member Brownley, Members of the Subcommittee on Health, thank you for the opportunity to appear before you today to discuss the ability of the Veterans Health Administration (VHA) to recruit and retain high quality clinical and administrative employees.

I am Max Stier, President and CEO of the Partnership for Public Service. The Partnership is a nonpartisan, nonprofit organization that seeks to transform our federal government by inspiring a new generation of Americans to enter public service and to improve the way our government works. I have been privileged to appear before this subcommittee before to discuss the Veterans Health Administration's workforce, and welcome the opportunity to do so again. I commend the Subcommittee for its thoughtful efforts to address the challenges VHA faces in recruiting and retaining world-class clinicians and support personnel.

The Veterans Health Administration has a critical mission – to provide medical care to our veterans – and as the nation's largest integrated healthcare system, its ability to get the talent it needs is essential to accomplishing that mission. Recruiting, hiring, and retaining that talent will require addressing three key challenges: an inability to compete effectively for talent, a failure to build a strategic and integrated talent function, and a lack of strong leadership.

The Veterans Health Administration is making real progress towards becoming an employer of choice, with employees reporting rising job engagement each of the last two years, but data tells us there is still more to be done. According to the Partnership's 2016 *Best Places to Work in the Federal Government Rankings*®, VHA ranks just 235th out of 305 agency subcomponents in overall employee engagement. In the category of "Strategic Management," which measures the extent to which employees have the necessary skills and abilities to do their jobs and management is successful at hiring new employees with the necessary skills to help the organization, VHA ranked 210 of our 305 subcomponents with a score of 53.1.<sup>1</sup> Further, a Partnership analysis of the Office of Personnel Management's (OPM) Federal Employee Viewpoint Survey (FEVS) found that under half of VHA employees believe their work unit can recruit people with the right skills (44.4 percent).

### **VHA Struggles to Compete Effectively For Talent**

The VHA contends for talent in a highly competitive labor pool for medical professionals that already faces serious shortages, with predictions of a shortfall of between 60,000 and 90,000 physicians by 2025.<sup>2</sup> Unfortunately, both VHA and government as a whole are at a disadvantage in the battle for talent as a result of self-imposed barriers that lengthen and complicate the hiring process, and make it difficult to recruit executive- and entry-level talent, and talent from the private sector.

Perhaps most critical is the need for top executive talent, which means focusing on vacancies among the medical center and Veterans Integrated Service Network (VISN) leaders. Analysis of medical center leadership showed that roughly thirteen percent of VA medical centers lack permanent leadership, a number that has been on the decline but is still too high. The key to this is the pay disparity between medical center directors in VHA and the private sector. The Partnership has long advocated for expanding the use of market-sensitive pay within government to improve recruitment and retention and to ensure

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<sup>1</sup>By way of comparison, the highest rated agency subcomponent in this category was the Tennessee Valley Authority Office of the Inspector General with a score of 87.5. A more accurate comparison by size might be another large agency – NASA – which led all large agencies with a "Strategic Management" score of 66.2.

<sup>2</sup> Dall, Tim, et. al. "The Complexities of Physician Supply and Demand: Projections from 2014 to 2025." *IHS Inc.*, April 2016, p. 4, [https://www.aamc.org/download/458082/data/2016\\_complexities\\_of\\_supply\\_and\\_demand\\_projections.pdf](https://www.aamc.org/download/458082/data/2016_complexities_of_supply_and_demand_projections.pdf).

that government is not paying too much or too little for essential talent. In a memo to Congress, VA noted that “individuals holding the position of Chief Executive Officer (CEO) in private sector health care systems received on average \$731,800 annual cash compensation. CEOs of a single facility within an overall system received an average of \$393,100. In that same year, SES pay rates capped annual compensation for senior executives at \$181,500.”<sup>3</sup> Simply put, while VHA will never pay salaries equal to private sector medical facilities, market-sensitive pay is essential for making VHA a more attractive destination for the executive talent needed to lead medical facilities. There was legislation in the previous Congress to expand more market-sensitive pay to this group, but our understanding is that it was not acted on by the committee due to cost concerns. Such concerns are, frankly, penny wise but pound foolish – if Congress wants to push for greater accountability, it must be willing to compensate the executives who take on these demanding and complex jobs.

Even beyond pay, Congress can do more to bring private sector and entry-level talent into VHA. Direct hire authority, which allows managers to make job offers without going through the full Title 5 hiring procedure, is a useful tool for agencies to hire for specific mission-critical jobs. Chairman Roe’s recent legislation, the *VA Accountability First Act of 2017* (H.R. 1259), which would grant VA the authority to directly hire medical center and VISN directors, is a step in the right direction. Other talent pools could also benefit from this authority, such as students and recent graduates who are disadvantaged by a hiring process that overvalues government experience, and positions under Title 5 where VA faces personnel shortages. Finally, Congress should modify the standard for granting direct hire. The current standard requires agencies to demonstrate a severe shortage of talent, which has been interpreted to mean a shortage of “minimally-qualified” candidates. The Partnership believes this standard should be clarified to require that agencies demonstrate only a shortage of “highly-qualified” talent – a more realistic and appropriate standard. In recruiting for any position, but especially mission-critical positions, agencies like VHA should only be seeking the most highly-qualified applicants.

Facilitating greater movement between the private sector and VHA is another way that Congress could encourage more individuals to consider government service. The Partnership has long supported greater mobility in government, and the Commission on Care has agreed, stating that “To expand the perspectives and management experience in its leadership pipeline, VHA must develop explicit strategies to on-ramp diverse candidates at critical midcareer transition points.”<sup>4</sup> Chairman Wenstrup’s bill, H.R. 1367, already includes some improvements in this area, such as creating an executive management exchange program to develop leaders within VHA and allowing former employees who left the Department in good standing to rejoin the organization more easily. Congress should also consider additional reforms to the process by which VA selects and certifies its senior executives, as a way to remove barriers to executive-level private sector talent joining VHA and other government agencies. In 2013, the Partnership found that just six percent of VA career senior executives came from outside government – lower than the government-wide average of 7.3 percent, a number which, in our view, is already too low.<sup>5</sup> I offer several recommendations on this topic below.

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<sup>3</sup> “Title 38 Appointment, Compensation, Performance Management, and Accountability System for Senior Executive Leaders in the Department of Veterans Affairs.” *Government Executive*, p. 3, [https://www.govexec.com/media/gbc/docs/pdfs\\_edit/022315k11.pdf](https://www.govexec.com/media/gbc/docs/pdfs_edit/022315k11.pdf).

<sup>4</sup> Schlichting, Nancy M., et. al. “Commission on Care: Final Report.” *Commission on Care*, June 2016, p. 117, [https://s3.amazonaws.com/sitesusa/wp-content/uploads/sites/912/2016/07/Commission-on-Care\\_Final-Report\\_063016\\_FOR-WEB.pdf](https://s3.amazonaws.com/sitesusa/wp-content/uploads/sites/912/2016/07/Commission-on-Care_Final-Report_063016_FOR-WEB.pdf).

<sup>5</sup> “Building the Leadership Bench: Developing a Talent Pipeline for the Senior Executive Service.”

Finally, it is worth noting that the administration’s hiring freeze is likely to exacerbate talent challenges. While VHA exempted some critical jobs from the freeze, positions such as human resources specialists, who play a crucial role in the recruitment, hiring, and onboarding process for medical professionals who provide care to veterans, were not. The freeze also sends a message that government is not looking for talent, which deters individuals who would otherwise pursue public service and damages the ability of government to reach the highly trained, high-performing people that it most needs to recruit.

### **VHA Lacks a Strategic and Integrated Talent Function**

VHA must have a single-minded strategic focus on talent that informs every decision the organization makes if it is to fill the roughly 48,000 vacancies across the organization.<sup>6</sup> Hiring quality talent for these roles will require investment in the agency’s talent function – the human resources (HR) workforce. The organization’s HR professionals must have the skills, knowledge, and resources necessary to support the recruitment and retention of great talent and be a strategic partner to the medical center and network leaders. Unfortunately, VHA’s HR systems are disjointed and poorly integrated, while the HR workforce faces challenges in the form of low morale, staff shortages, and ineffective training.

Low morale is perhaps the most measurable symptom of a VHA HR workforce in trouble. A recent GAO report found that attrition for HR staff at VHA has risen from 7.8 percent in 2013 to 12.1 percent in 2015. Responses to VA’s All-Employee Survey showed that “HR staff report feeling more burned out and are less satisfied with their amount of work compared to the VHA-wide average in these areas.”<sup>7</sup> The Partnership’s 2016 *Best Places to Work* rankings bear this out: HR specialists at VHA posted a satisfaction and engagement score of 54.3 out of 100, 2.4 points below VHA as a whole. More troubling is the fact that this group’s score declined by 5.4 points from 2015, even though the agency as a whole improved.<sup>8</sup> The agency is also not building an HR talent pipeline for the future: just five percent of VHA’s HR specialists are under the age of 30. This number falls below the government-wide average and well short of comparable private sector benchmarks, while three out of four HR assistants who leave VA do so within their first two years of employment.<sup>9,10</sup> A report from the Department’s Inspector General noted that VHA identified human resources officers as its third largest staffing shortage.<sup>11</sup>

Inadequate and poorly-designed training is one contributing issue. Reports from the Partnership, GAO, and others have reinforced the need for more and better training for HR specialists both across government and within VA. Training is especially critical because of the complexity of the VHA’s personnel system, which operates under three different titles (Title 5, Title 38, and Title 38-Hybrid). GAO reported that VA offers several HR training programs and resources (e.g., VA HR Academy), but limited

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*Partnership for Public Service with McKinsey & Company*, July 2013, p. 31, [http://www.govexec.com/media/gbc/docs/pdfs\\_edit/071913cc1.pdf](http://www.govexec.com/media/gbc/docs/pdfs_edit/071913cc1.pdf).

<sup>6</sup> Katz, Eric. “VA Hearing Spurs Divide Over Hiring Freeze, Bonus Abuse.” *Government Executive*, 1 March 2017, [http://www.govexec.com/pay-benefits/2017/03/va-reform-hearing-divides-along-partisan-lines/135820/?oref=govexec\\_today\\_nl](http://www.govexec.com/pay-benefits/2017/03/va-reform-hearing-divides-along-partisan-lines/135820/?oref=govexec_today_nl).

<sup>7</sup> Government Accountability Office. “Veterans Health Administration: Management Attention is Needed to Address Systemic, Long-standing Human Capital Challenges.” GAO Publication No. 17-30, December 2016, p. 13, 15, <http://www.gao.gov/assets/690/681805.pdf>.

<sup>8</sup> Partnership for Public Service. “Veterans Health Administration.” *Best Places to Work*, January 2017, <http://bestplacestowork.org/BPTW/rankings/detail/vata>.

<sup>9</sup> U.S. Office of Personnel Management. FedScope: Federal Human Resources Data, 2017, <https://www.fedscope.opm.gov/>.

<sup>10</sup> Government Accountability Office, p. 12.

<sup>11</sup> Office of Healthcare Inspections. “OIG Determination of VHA Occupational Staffing Shortages.” Report No. 16-00351-453, September 2016, p. 5, <https://www.va.gov/oig/pubs/VAOIG-16-00351-453.pdf>.

course openings and heavy workloads prevent HR specialists from participating.<sup>12</sup> Especially troubling is the fact at least two medical centers shut down developmental programs for HR staff and limit the number of intern slots for entry-level HR trainees due to high workloads. Such cuts are a short-sighted approach that will only make training deficiencies and personnel shortages more acute.<sup>13</sup> The result has been “technical competency gaps in the areas of labor relations, position classification and management, and recruitment and staffing.” Too often, training at VHA does not give employees what they need, focusing rather on individual procedures that have accumulated over time without thought to the overarching skills, knowledge, and strategies needed for HR staff to be effective. VA apparently concurs and has noted, according to GAO, that “an outdated 2002 policy and a decentralized approach to training” serve as “potential root causes of the lack of effective training management and oversight.”<sup>14</sup>

Finally, investing in VHA’s HR capacity is critical to addressing the organization’s talent gaps. The Department struggles to bring in top talent, particularly young talent and has had mixed success in retaining that talent. The Department’s Inspector General has found that while “VHA continued to increase the absolute number of staff in critical need occupations...the net gains are still significantly reduced by high loss rates”.<sup>15</sup> Much of this loss is “regrettable,” or among employees who could have stayed on at VA but chose to leave.<sup>16</sup> Further, the Independent Assessment found that time-to-hire “significantly exceed private-sector benchmarks, affecting VHA’s ability to fill vacancies on patient care teams” and that hiring consistently exceeds the agency’s 60-day hiring target, “reaching approximately six months for most clinical occupations.”<sup>17</sup> Top HR talent is not just “nice to have” – it is essential for addressing the VHA’s workforce challenges.

### **VHA Struggles To Fill Vacancies and Empower Leaders**

The third key challenge for the Department is leadership, from filling vacancies in critical leadership roles to empowering leaders throughout the organization to focus on talent, effectively manage people, and deal with poor performers. The Veterans Health Administration ranks just 273 out of 305 (48.5 out of 100) federal agency subcomponents in employee satisfaction with leadership. It ranks similarly poorly in employee views of senior leaders and empowerment.<sup>18</sup> Research by the Partnership has shown that leadership is the single biggest factor driving employee satisfaction and commitment in the workplace. Accomplishing the mission of the VHA will depend on the ability of the organization’s leaders to build an engaged workplace culture.

Unfortunately, that is difficult to do when many leaders are not even in place. In 2015, nearly half of VISN director positions were vacant while roughly a quarter of medical center director positions were empty.<sup>19</sup> As noted above, the vacancy rate has declined since, but is still high; further, VA still struggles to recruit these top leaders. Dr. Carolyn Clancy, in a hearing before this subcommittee last year, noted that it takes over six months for VISN and medical center director positions to get filled, with many being

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<sup>12</sup> Office of Healthcare Inspections, p. 27.

<sup>13</sup> Government Accountability Office, p. 24, 28.

<sup>14</sup> Government Accountability Office, p. 645.

<sup>15</sup> Office of Healthcare Inspections, p. 10.

<sup>16</sup> Office of Healthcare Inspections, p. 10.

<sup>17</sup> Independent assessment report pg. 32

<sup>18</sup> Partnership for Public Service. “Veterans Health Administration.” *Best Places to Work*, January 2017, <http://bestplacetowork.org/BPTW/rankings/detail/vata>.

<sup>19</sup> Maucione, Scott. “VA’s Top Health Official’s Five Ways to Transform Access to Care.” *Federal News Radio*, September 2015, <http://federalnewsradio.com/management/2015/09/vas-top-health-official-rethinking-healthcare-goals/>.

re-announced multiple times due to a lack of candidates.<sup>20</sup> These empty slots have a negative impact on performance – hospitals will not function effectively without the right leadership in place. Filling these positions must continue to be a priority. Addressing some of the challenges I have noted above regarding the barriers deterring applicants for senior jobs, such as low pay and an onerous hiring process, would help.

Once permanent leaders are in place, Congress must hold both them and the Department's political leaders accountable for managing well. This kind of accountability means defining leaders' performance in a way that emphasizes their role as managers and focusing attention on leadership activities like recruiting and retaining top talent, engaging employees, investing in professional development, and holding poor performers accountable. Chairman Wenstrup's legislation drives towards this goal in two key ways: by requiring that the Department create separate promotional tracks for technical experts who are not right for or do not want to take on management roles, and by mandating performance plans for political appointees that would assess their work towards these goals. The short tenure of many appointees tends to disincentivize attention to management, so it is important for Congress to create an expectation that the long-term health of the organization receives the attention it deserves from the department's political leaders.

Building the workforce the Veterans Health Administration needs to achieve its mission will require both short-term improvements to policies and processes as well as longer-term reforms of the systems that support or, in this case, inhibit the effective management of the agency's workforce. Below, I offer five recommendations for how Congress can address these challenges.

## **Recommendations**

### **Congress Should Pass Legislation to Improve the Authority of the Secretary of Veterans Affairs to Hire and Retain Physicians and Administrative Support Personnel**

The House took an important step last week towards addressing many of the challenges I outlined above when it passed H.R. 1367, legislation to provide additional authorities to the Department to improve recruitment, hiring, leadership, and performance, which has since passed the House. The Partnership, which endorses this legislation and endorsed similar legislation introduced in the 114th Congress, believes it will offer some important flexibilities that will better enable VA to recruit, hire, and retain talent. These include the ability to noncompetitively rehire former employees at any grade for which they qualify, the creation of a recruiting database that will enable VA to review applicants for vacant mission-critical positions at an enterprise level without jeopardizing local talent pipelines, and the expansion of Pathways intern conversion authority, among other reforms. While the Partnership continues to believe that the department must collect more and better data on the quality of its hiring process and pipelines, this legislation represents an important reform. I thank you, Chairman Wenstrup, for your attention to this critical issue, and urge the Senate to take similar action.

### **Implement Reforms to Make the VHA Hiring Process More Competitive With the Private Sector**

The Veterans Health Administration does not just compete with other federal agencies for talent, but it does compete with the private sector, which in many cases can offer prospective employees higher pay and other benefits beyond what is available to the government. On the other hand, VHA offers a uniquely challenging, meaningful, and rewarding mission, to which the agency's employees are deeply committed.

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<sup>20</sup> H.R. 1367, 115<sup>th</sup> Cong. (2017).

But a hiring process which takes six months or longer to complete and is complex and unresponsive to applicants will deter even the most eager job seekers. To this end, Congress should:

*Make Compensation for VA Executives More Comparable With the Private Sector*

Senior executives at VHA take on exceptionally difficult jobs which entail a great deal of professional risk. If VHA is to attract and retain the type of talent needed to fill these positions, it must be able to pay them a salary that is more in line with what the private sector offers. Unfortunately, Title 5 does not allow for the kind of flexibility that VHA, or other agencies for that matter, need. Senior executives do not even receive locality pay as other federal employees do. Ideally, Congress would revamp the federal pay system to enable all federal agencies to attract the best and brightest. As a first step, though, Congress should look for ways to close the gap between VA senior executives and the private sector, for example, by reconsidering language from a bill introduced in the previous Congress by Chairman Wenstrup, H.R. 5526, which expanded market-pay to include VISN and medical center directors.

*Grant the VA direct hire authority for post-secondary students and recent graduates*

With under six percent of the VA workforce below the age of 30, more needs to be done to bring in the entry-level employees who will serve as the organization's talent pipeline. However, the current federal hiring process tends to underemphasize qualifications and potential, disadvantaging younger job applicants. This authority would allow VA to make on-the-spot conditional job offers to students and quickly fill entry-level positions – common practice in the private sector. The National Defense Authorization Act for Fiscal Year 2017 (P.L. 114-328) granted this authority to the Department of Defense, and the Partnership believes Congress should expand it across government, including to VA.

*Authorize a Public-Private Talent Exchange for VA employees*

The Partnership has long supported greater mobility in government. Job rotations offer a rich professional development opportunity in management and policy for current and aspiring leaders and allow agencies to build managerial skills, strategically fill vacancies, and infuse new thinking into their organizations. The Commission on Care endorsed the need for more rotation between VHA and the private sector, noting that “VHA field leaders are cultivated from within VHA with about 98 percent advancing from lower-level field positions...As a result, field senior executives often lack outside experience and first-hand knowledge of alternative management methods.”<sup>21</sup> There are many forms this exchange could take, from amending the Intergovernmental Personnel Act to allow for rotations to the private sector, to a formal exchange program, such as the Executive Management Fellowship Program authorized by H.R. 1367. Regardless of the type of program, rotations should be a minimum of six months in length, offer meaningful work assignments and leadership opportunities, and serve as an essential part of an executive's career path.

*Allow VHA to Use Direct Hire Authority for Any Position with a Shortage of “Highly-Qualified” Talent*

As I noted above, use of direct hire authority requires that an agency demonstrates a severe shortage of qualified candidates, generally interpreted as a shortage of candidates who are “minimally qualified.” The minimal standard is not just the wrong one to use but is extremely difficult to demonstrate in practice, as there are some positions and geographic locations for which it is simply difficult to recruit and hire. Demonstrating a lack of minimally qualified candidates requires an agency to go through the full hiring process *before* applying to OPM for such authority, adding a minimum of six months to the process.

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<sup>21</sup> “Commission on Care: Final Report,” p. 110.

Congress should grant VHA expanded direct hire authority under the “highly-qualified” standard so that it can quickly recruit and hire top talent. The agency would not require OPM approval, but OPM or another oversight body could be required to conduct audits after the fact to ensure that VA uses this authority properly.

*Require applicants for Senior Executive Service (SES) positions to apply with a resume in the initial stage of the hiring process rather than submit lengthy Executive Core Qualification narratives. Allow agencies, including VA, to make final selections for SES positions, with OPM oversight.*

No private sector employer asks applicants for executive-level positions to write lengthy essays to demonstrate their qualifications, yet this is what the government asks of most applicants for its executive positions. Aspiring federal executives must complete long narratives explaining how they have demonstrated the Executive Core Qualifications (ECQs), which compose the set of competencies against which agencies and OPM evaluate senior executives. A report by the Partnership, *A Pivotal Moment for the Senior Executive Service: Measures, Aspirational Practices and Stories of Success*, pointed out that the application process “discourages many potential candidates from applying, particularly if they come from the private sector.”<sup>22</sup> The Commission on Care also recommended exempting VHA from the ECQs narratives.<sup>23</sup> A resume should provide sufficient information for VA to do an initial screening of applicants. Should additional information be needed later in the process, the agency can collect it.

Also, agencies are required to submit the materials of their SES applicants for review by an OPM-administered Qualifications Review Board (QRB). The board is the last step in the SES selection process, and its purpose is to certify that an SES candidate possesses broad leadership skills.<sup>24</sup> The QRB process extends the length of the hiring process even though nearly all applicants are ultimately approved.

The Partnership recommends addressing these interconnected challenges by authorizing agencies, including VA, to certify their executives, with appropriate oversight from OPM, and require individuals to apply for executive positions, at least in the early stages, with a resume. Several agencies, including the General Services Administration and Customs and Border Protection, currently use resume-based hiring.<sup>25</sup> We understand that VA has tried resume-based hiring in the past with mixed success because the agency had to assume additional work in putting together the applicant’s package for the QRB. If VA were exempted from the QRB, the department could determine an application and assessment process that would enable them to screen for top talent without burdening the applicant or human resources office.

### **Invest in the HR Workforce**

The Veterans Health Administration, with Congress’ assistance, must do far more to support and expand the HR workforce. The Defense Department’s acquisition workforce reforms may serve as a model.<sup>26</sup> The

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<sup>22</sup> A Pivotal Moment for the Senior Executive Service: Measures, Aspirational Practices and Stories of Success.” *Partnership for Public Service* with *McKinsey & Company*, June 2016, p. 15, <https://ourpublicservice.org/issues/government-reform/SES-report.php>.

<sup>23</sup> “Commission on Care: Final Report,” p. 134.

<sup>24</sup> “Senior Executive Service: Selection Process.” *OPM.GOV*, <https://www.opm.gov/policy-data-oversight/senior-executive-service/selection-process/#url=Qualifications-Review-Board>.

<sup>25</sup> “Senior Executive Service: Selection Process,” p. 16.

<sup>26</sup> United States. Cong. House. Committee on Homeland Security and Governmental Affairs, Subcommittee on the Oversight of Government Management. *Hearing on Building and Maintaining an Effective Human Resource Workforce in the Federal Workforce*. May 9, 2012. 112th Cong. 2nd sess. Washington: GPO, 2012 (statement of John Palguta, Vice President for Policy, Partnership for Public Service).

Department of Defense has instituted new qualifications standards for acquisition specialists, created training opportunities, and requested direct hire authority to bring in needed acquisition talent. I applaud you, Chairman Wenstrup, for addressing the need for additional HR training in your legislation. However, measures to expand the capabilities of the HR workforce should accompany measures to expand its capacity and integrate it across the organization. Exempting HR specialists from the federal hiring freeze would be a good first step. VHA's central HR office, which is responsible for developing agency-wide HR policies and training, must also think more strategically about what training it currently offers, what it should start or stop offering, how best to deliver training, and how to provide the resources on the ground to make it happen.<sup>27</sup> More thoughtful evaluation of required training could both increase the skill level of the current HR workforce and free up time now spent on unnecessary or unhelpful training.

In my testimony last year, I recommended that the subcommittee request more information on the status of VA HR training programs and how training offerings can be streamlined and updated to meet the Department's most pressing talent needs.<sup>28</sup> I also recommended that training includes 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 expand the availability of training to all VA employees engaged in recruitment activities. Because the need for a strengthened VHA HR workforce remains as acute as ever, I believe these recommendations remain relevant.

### **Think About the Veterans Health Administration in the Context of Broader Civil Service Reform**

Many of the challenges experienced by the Veterans Health Administration in recruiting, hiring, and retaining top talent are the result of the flaws of the civil service system. The Commission on Care made the case well: "VHA lacks competitive pay, must use inflexible hiring processes and continues to use a talent management approach from the last century. A confusing mix of personnel authorities and position standards make staffing and management a struggle for both supervisors and human resources personnel."<sup>29</sup> The Partnership, in its 2014 report, *Building the Enterprise: A New Civil Service Framework*, decried the balkanization that has resulted from agencies seeking one-off exemptions from personnel laws and offered a blueprint for reforming the outdated and overly complex civil service system. The report suggested reforms to hiring, pay, job classification, accountability, and leadership.

In our view, solving the problems at VHA will require reforms at the enterprise level. And, as a sprawling organization with a mission that demands highly specialized talent, VHA could serve as a potential model for broader civil service reform. Though this committee does not have jurisdiction over the broad civil service system, it can push for the broader changes needed to give VHA the high-performing personnel system it needs to accomplish its mission. This type of government-wide reform would have the added benefit of helping other agencies that provide services to veterans and their families, such as the Veterans Benefits Administration and the National Cemetery Administration.

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<sup>27</sup> For the purpose of full disclosure, the Partnership operates the *Emerging HR Leaders (EHRL)* training program. The Emerging HR Leaders Forum is a professional development program for HR employees early in their federal careers. Through monthly education sessions featuring group discussions, facilitated activities and guest speakers, participants will develop the knowledge, network and perspective necessary to lead in the federal human capital community.

<sup>28</sup> United States. Cong. House. Committee on Veterans' Affairs, Subcommittee on Economic Opportunity and Subcommittee on Health. *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. 114th Cong. 2nd sess. Washington: GPO, 2016 (statement of Max Stier, President and CEO, Partnership for Public Service).

<sup>29</sup> "Commission on Care: Final Report," p. 139.

## Shine a Spotlight on What Is Going Right

The Department of Veterans Affairs, and the Veterans Health Administration specifically, face challenges as a result of a small number of employees' poor performance and misconduct. But this should not overshadow the incredible work done by dedicated VA employees every day. Focusing simply on firing risks negatively impacting recruitment and hiring without any improvement in performance. Instead, I urge the Committee to focus on what is going right in the Department and to highlight the incredible, life-changing work that happens in VHA facilities across the country.

The Partnership's *Service to America Medals* program, which highlights excellence in our federal workforce, brings attention to just a few of these inspiring stories. For example, in the James J. Peters VA Medical Center in New York City, medal winners Drs. William Bauman and Ann Spungen greatly improved the health care and the quality of life of paralyzed veterans by developing new ways to treat long-overlooked medical problems. Dr. Thomas O'Toole, director of the VA's National Center on Homelessness Among Veterans, created two nationwide programs to help high-risk, high-need homeless veterans receive comprehensive medical care, housing assistance, and social services to reclaim their lives. A third VA leader, Ronald Walters, currently the Acting Under Secretary for Memorial Affairs, honored veterans by delivering the pinnacle of care and service at their final resting place, while increasing availability and access to burial sites throughout the country. The National Cemetery Administration has placed first among public and private sector organizations in customer service for the last six years and places a high priority on providing excellent service to veterans and their families.<sup>30</sup> This kind of accomplishments occur across the Department every day, and I urge the Committee to use its platform to share them with the public.

## Conclusion

Chairman Wenstrup, Ranking Member Brownley, Members of the Subcommittee on Health, thank you again for the opportunity to offer the Partnership's views on the challenges faced by the Veterans Health Administration in recruiting and retaining a world-class clinical and administrative workforce. The work and continued oversight of this Subcommittee are critical to ensuring that VHA can meet its talent need both today and in the future, and I look forward to supporting this subcommittee's work in the new Congress. I am now happy to answer any questions you may have.

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<sup>30</sup> "VA's National Cemeteries Lead Nation in Satisfaction Survey." *U.S. Department of Veterans Affairs*, February 2017, [https://www.cem.va.gov/CEM/pressreleases/VA\\_National\\_Cemeteries\\_Lead\\_Nation\\_in\\_Satisfaction\\_Survey.asp](https://www.cem.va.gov/CEM/pressreleases/VA_National_Cemeteries_Lead_Nation_in_Satisfaction_Survey.asp).