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FEDERAL LABOR RELATIONS AUTHORITY
OFFICE OF THE INSPECTOR GENERAL



INTERNAL REVIEW

INTERNAL REVIEW OF THE
FEDERAL LABOR RELATIONS AUTHORITY'S
HUMAN CAPITAL INVESTMENT

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Executive Summary

Subject: Inspector General Internal Review of the Federal Labor Relations Authority's Human Capital Investment

Background: Human Capital Investment is a contemporary term for Human Resource Management with a positive connotation. Congress has been concerned that, with downsizing, budget cuts and much management and program reforms over the last decade, Federal agencies may not be sufficiently "investing" capital in remaining personnel to adequately train and develop them to meet current and future needs.

Discussion: For a small agency, the Federal Labor Relations Authority (FLRA) has implemented many programs which attribute to the development and quality of work life for its personnel. Basically, the FLRA does consider human resources as an asset and vital to the accomplishment of its mission. Performance evaluations are tied to strategic program expectations, and the Agency is strategically staffed. Programs and policies which affect employees are usually developed with input from the Union of Authority Employees as well as management. The Human Resource Division service orientation is strengthening and the workplace environment is continuously being enhanced. Safety, security and health issues have received more management and employee attention over the last few years.

While the FLRA has some noteworthy human capital investments, this review surfaced some important issues and employee perspectives which management should take seriously and address. Some of these areas include a perceived inequity between the development and training of legal professionals and support personnel, lower legal professional working level grades than other comparable agencies, a relatively high separation rate over the last two years, a low budget allocation for training (which does not actually represent the true training investment), lack of agency-wide use of workload analysis and position management to support staffing and a perception among one element's paraprofessional and clerical staff that is having a negative effect on morale.

Conclusion: In many ways, the FLRA can be considered as a role model agency for Human Capital Investments. The FLRA already meets most of the Standards for Human Capital Investment that was recently issued by the Government Accounting Office (Attachment 3). While there are some areas of human capital investment and some human resource issues which require more management attention and focus, for the most part, the FLRA, with its collegial and personnel oriented environment, is well on its way affirming that its human resources are a vital asset and critical to accomplishing its unique mission.

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Federal Labor Relations Authority
Inspector General
Internal Review of
Federal Labor Relations Authority's
Human Capital Investments
FY 98 - FY 99

SCOPE:

The scope of this evaluation included a review of how the Federal Labor Relations Authority enables its employees to develop and use their full potential to meet the Federal Labor Relations Authority strategic plan goals and objectives. This evaluation also included an assessment of Federal Labor Relations Authority's training and education approach, performance management system, employee development program, hiring, staffing, employee attitudes and morale and how Federal Labor Relation Authority contributes to the well being, motivation and satisfaction of its employees.

METHODOLOGY

This review involved preliminary preparation with historical research into both past and contemporary literature dealing with human capital investments and discussions with principals at the Office of Personnel Management and Office of Management and Budget. This review also involved research and analysis of both former and current Federal Labor Relations Authority initiatives and documents dealing with human resource management, statistical compilations of expenditures for training, awards and employee development, a review of equipment, supplies and tools provided to employees, and monies allocated for salaries and benefits. Initial information provided was coordinated through the Office of the Executive Director. The initial information provided to the Inspector General, as a result of the Internal Review data and documentation request letter did not always coincide with information and statistics provided as a result of staffing the draft report to the component senior management. Therefore, a second draft was prepared by the Inspector General based on the second set of statistics and distributed to the Executive Director, General Counsel and Chair of the Federal Service Impasses Panel for final comments and information verification. Appropriate additional information and management's comments have been incorporated in this final report.

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As part of this review, an analysis was made of hiring and employee turnover, comparisons with similar Federal agencies of entry and working level grade structure, and a compilation and review of major employee oriented initiatives performed by the Agency and its three components, the Authority, Office of the General Counsel and Federal Service Impasses Panel. Interviews were conducted with randomly selected Headquarters management and employees. Questionnaires were mailed to randomly selected Regional Office supervisors and staff to provide a regional perspective of Federal Labor Relations Authority's human capital investments. Initially, 28 employees were interviewed. An additional 8 were interviewed following the receipt of management comments on the initial draft. A final total of 36 Federal Labor Relations Authority employees were interviewed and/or surveyed, 10 of whom were in management positions.

Discussions were also held with appropriate principals from the National Labor Relations Board, the Office of Special Counsel, the Merit Systems Protection Board, the Office of Personnel Management, General Accounting Office, Brookings Institution and Library of Congress. All findings were based on repetitive issues surfaced, discussed and validated during employee discussions and/or through the analysis of statistical information provided by the Office of the Executive Director, Office of the General Counsel and Federal Service Impasses Panel. Issues were discussed with appropriate managers prior to being documented in this report. The initial draft was written in a general manner to insure the confidentiality of employees. However, to accommodate the request of the Executive Director, this final report sites numbers of employees to provide a statistical basis for comments and recommendations. Likewise to accommodate the request of the Office of General Counsel, organizational components were also differentiated in this final report. This was done to accommodate management's request, while still maintaining the confidentiality of those employees interviewed and with the understanding that there will be no reprisal actions against employees as a result of this information.

INTRODUCTION

"Human capital" is the new Federal "reinvention" term for what has been referred to over the past decade as "human resources." There is, however, one unique difference between "human resources" and "human capital." "Human capital" allows the consideration of human resources as assets to be nurtured, developed, protected, and saved rather than as "resources" which are associated with terms such as, "usable," "expendable" and "consumable." The "human capital" view

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of people is based more on an economic and evolving perspective (as opposed to the costly, depreciating resource). This new perspective provides management the opportunity to include human capital as a mission critical asset in strategic planning and as an element of accomplishment and long term value. Just as we invest in other types of assets (such as stocks and bonds) and patiently watch them grow until the time we capitalize on the return, we can now understand and apply this fundamental concept to Federal employees (i.e. develop and retain employees to reap a return on the investment in their development.) The dollars spent on training, protecting, and enhancing employees, (human capital investment) is not a cost or debt to be minimized but a strategic asset and credit to be enhanced.

There is very little official policy, or extensive literature written about human capital investment in the Federal government (during the final staffing of this report, the GAO issued a report on Human Capital), yet it is the very essence of government's structure, success, and survival. Human capital investment is really just a new name for money allocated to initiatives and functions that develop and enhance human resources. Human capital investments should have management's priority attention and be integrated into every organization's management philosophy, strategic planning, practices, programs and products/services. Many private sector studies in recent years have shown that organizations are likely to fail if they do not address the human dimensions of their actions. The same is true in the public sector as well.

Congress has, throughout its history, repeatedly affirmed that the human resource is the most important Federal government asset. During these last years of major Federal government budget cuts, downsizing, and government reform, the concept of recognizing human resources as an asset appeared to be diminished by "doing more with less," and getting the "most for the money." However, the Administration's nor any other Federal entity's mission vision, plans, and commitments to its customers can be fulfilled without significant effort by the Federal workforce. As the government strives to reinvent itself and adapt to the influence of a global economy, changes in technology and workforce demographics and diversity, the importance of the management of the human capital investment becomes even more significant.

The General Accounting Office has recently identified four critical components to building the human capital needed to achieve maximum results within the Federal sector. They are:

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1. Adopting a strategic approach to human planning,
2. Acquiring, developing and retaining a staff with skills and expertise to meet critical mission needs,
3. Creating a performance-based organization, and
4. Protecting merit principles.

In spite of the fact that many Federal workers feel they are underpaid, underutilized and are losing more and more attributes from their benefits, a 1997 report issued by the Congressional Budget Office comparing Federal salaries with those in the private sector found that, in a majority of instances, the Federal government promotes its workers faster than the private sector, places a much higher percentage of educated persons in higher graded positions, provides step increases at a greater rate, provides more stable benefit packages and spends more training dollars on employees than private sector counterparts. A list of these standards and a summary of the FLRA's major efforts in these areas will be found in Attachment 1.

The current Administration has been committed, since its onset, to strengthening the relationship of pay to performance, particularly for employees with significant program and/or managerial responsibilities. Actually, the foundation for human capital investment was laid in 1993 with the National Performance Review (now called the National Partnership for Reinventing Government), although it didn't specifically define human resources as an asset. Congress codified this concept with the passage of the Government Performance and Results Act later that year and has continued to pass legislation that integrates human capital investment strategies (such as the Federal Acquisition Streamlining Act, Clinger-Cohen Act, etc.). Congress wants capital asset decisions to be performance driven. Federal agencies are currently engaged in incorporating this direction into their operational strategies.

The effective management of employees, i.e. an organization's human capital, is essential to achieving a mission. Management should view human capital as an asset, not a cost. When the right employees with the right skills and expertise for the job are on board and when they are provided the right training, incentives, technology, tools and empowerment, operational success is more achievable. It is an inherent management responsibility to continually assess work requirements and ensure that their organization obtains and retains employees that have the necessary skills to achieve organizational goals. Training should be aimed at developing and refurbishing employee skill levels to meet changing and evolving needs. Management must assume the responsibility of developing, motivating

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and mentoring its employees as well as enriching and broadening their work experiences so that they remain challenged and feel continuous growth and opportunity. This is so very important in a small and specialized organization such as the Federal Labor Relations Authority.

Management of employees is not just the job of the Human Resources Division, but is the responsibility of every manager in every organizational entity. Leaders, managers and supervisors have to engage in creative and effective approaches for managing today's diverse, well educated and enlightened workforce. No reinvented government will work if it is built on a base of distrustful attitudes, cumbersome systems and micro-management which hinder innovation, and actions which devalue and misuse the workforce. Reinvented government will work only if it is built on a base of trustful attitudes and respect. Management must institute simple systems which promote innovation, allow room for thoughtful risk taking, and support the value and astute use of its workforce. Employees also must change their traditional perspectives as well and take responsibility and be accountable for their work, interrelationships, and continuing development. In addition to striving for high quality services with a direct orientation to customers, both internal and external Federal employees must accept responsibility and accountability in return for their empowerment.

Leadership, managers and employees alike must commit to public service as both a privilege and partnership. There needs to be fairness and equity in organizational policies, procedures and actions. Performance evaluations tied to strategic program expectations and ongoing feedback, supplemented by an effective and visible reward system, should be designed to enable employees to understand the connection between their performance and the Federal Labor Relations Authority's success as an organization. As part of its human capital planning, management should also consider how best to retain its valuable employees. Management should also plan for eventual succession by developing its junior employees and ensuring corporate continuity of needed skills and abilities. Simply stated, investments in human capital should be one of management's paramount concerns.

In summary, the management of human capital should focus on renewable and flexible assets, align and integrate with strategic and workload planning, involve investments of time and dollars, and be measurable and tied to the core mission. The responsibility for the effective management of human capital lies primarily with line management, although strong leadership aligned with contemporary management

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practices must provide the foundation for this futuristic and pragmatic viewpoint. The critical challenge for all Federal management during the next few years will be to align the formal

organization structure and human resource systems so that they become the drivers of the strategic objectives and success of the organization.

OVERVIEW OF FLRA HUMAN CAPITAL INVESTMENTS

For a small agency whose appropriation primarily is allocated to paying employees' salaries and benefits, the Federal Labor Relations Authority human capital investment is an important factor. Over the last three years, the Federal Labor Relations Authority has dedicated 75 % of its budget to pay for its educated workforce. In FY 98, the Federal Labor Relations Authority's budget appropriation was \$22,390,000.00. Of the total appropriation, \$13,698,717.00 was obligated for employee salaries and an additional \$2,491,850.00 was obligated for employee benefits. (Salary obligations exclude Upward Mobility Program, sum leave payments, overtime and awards). In FY 99, the Federal Labor Relations Authority was appropriated \$22,586,000.00 and received a \$243,009.00 supplementation appropriation on February 3, 1999, but this was for Y2K compliance expenditures. Through December 1999, the Federal Labor Relations Authority has obligated \$14,743,472.00 to employee salaries while another \$2,722,490.00 has been obligated for employee benefits.

The Federal Labor Relations Authority staff consists of Presidential appointees, Administrative Law Judges, attorneys, labor-management specialists and support personnel. The Federal Labor Relations Authority generally hires attorneys at the entry level (GS-9) and places them in a 9/11/12/13 career ladder program. Case writers in the Authority are sometimes hired at a GS-11 level when supported by experience or educational attainment. Labor relations specialists are generally hired at the GS-7 level. The career ladder for labor relations specialists is 7/9/11/12/13. Federal Labor Relations Authority management prefers to train their attorneys and labor relations specialists, which is one reason why they are hired at the entry level, and this is done on the job with supplemental training and mentoring, as necessary. In general, attorneys are hired at higher levels in the Authority than in the Office of the General Counsel. However, the Office of the General Counsel is staffed with more attorneys at the GS 14 journey level than the Authority Critical management drivers for major entry level professional hiring appear to be a combination of current labor market

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conditions, budget restrictions, the desire for internal molding, and obtaining more man hours for the dollars spent. As indicated previously, in FY 99, the Federal Labor Relations Authority operated on a budget \$22,586,000.00 which funded 216 full time equivalents

and operational/program costs. Obviously, this small budget places some restrictions on staffing and grade levels, and it is important for the Agency to spend its money wisely and obtain a return on its investments.

A recent Merit Systems Protection Board Survey involving 1,000 Federal managers revealed that lack of promotion opportunities for their employees was their most pressing concern. Hiring employees with the right skills, helping employees keep their skills current; productivity and the influx of new technologies were also major concerns. A recent review of the Federal Labor Relations Authority Human Resources Program by the Office of Personnel Management revealed that, the Federal Labor Relations Authority was 'ahead' of most Federal agencies in its strategic planning and that, for a small agency, it had a very impressive Human Resources Program. While there were some areas that needed more focus (such as the hiring of veterans and minorities), Office of Personnel Management reported that the Federal Labor Relations Authority had many positive programs and planned initiatives in the human resource development area. Basically, this review validates the Office of Personnel Management findings, but focuses on and distinguishes individual Federal Labor Relations Authority component activities, achievements and areas of vulnerability, and identifies several internal systemic issues with the intent to correct them before they become human capital problems.

Hiring and Retention of Personnel

According to statistics provided on December 17, 1999, by the Human Resources Division, in 1998, the Federal Labor Relations Authority hired 29 professional and 3 administrative support personnel. Of the 29 professional hires, 20 were attorneys and 9 were Administrative support professionals. Three administrative support clerical personnel were hired for a total of 32 employees hired in 1998. No labor relations specialists or legal paraprofessionals were hired in 1998. Broken down to the component level, in 1998, the Authority hired 21 employees, the Office of the General Counsel hired 9 employees and the Federal Services Impasses Panel hired 2 employees. In 1999, the Authority hired 19 employees, the Office of the General Counsel hired 23 employees and the Federal Service Impasses Panel hired 2 employees.

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As of December 17, 1999, the Federal Labor Relations Authority hired a total of 44 new personnel. Sixteen of the total was attorneys, 4 were labor relations specialists, and 1 was a legal paraprofessional,

5 were administrative support professionals, and 18 were administrative support personnel. During 1998, 22 employees left the Federal Labor Relations Authority. This included 8 attorneys, 2 labor relations specialists, 5 administrative support professionals and 7 administrative support clerical personnel. The total separations during 1998 were 8 from the Authority, 14 from the Office of General Counsel, and 3 from the Federal Services Impasse Panel. Three employees retired from the Office of the General Counsel in 1998. As of December 17, 1999, 32 employees left the Federal Labor Relations Authority in 1999. This included 10 attorneys, 5 labor relations specialists, 1 legal paraprofessional, 5 administrative support professionals, and 11 administrative support clericals. The total separations during 1999 from the Authority were 19 employees, 17 employees from the Office of the General Counsel and 1 employee from the Federal Service Impasses Panel. Retirements included 2 from the Authority and 3 from the Office of the General Counsel. Statistical breakdowns for 1998 and 1999 accessions and separations are provided in Attachment 2.

Based on the total full-time equivalent (FTE) authorization of 216, the accession rate during FY 98 was 14%, while the separation rate was 10%. During FY 99, the accession rate was 20%, while the separation rate was 14%. The Federal norm for employee turnover is 10%. The Federal Labor Relations Authority turnover ratio for 1998 was 12% and for 1999 is 17%. While the Federal Labor Relations Authority turnover is slightly higher than the norm, reasons for this turnover could not be determined because such information was not documented. However, regardless of the reason, separations have a significant impact because the Federal Labor Relations Authority is a small organization. However, the statistics clearly demonstrate that there was an increase in the turnover of attorney's professional administrative support personnel and clerical personnel over the last year. While the Federal Labor Relations Authority has a standardized sign out-process, it does not maintain information on an agency level on why employees leave. Management might benefit from such information and use it to determine what may be causing personnel to leave. The Federal Labor Relations Authority has historically had a high turnover of legal personnel. In addition to normal attrition factors such as retirement, mobility, personal family needs, etc., another contributing factor may be higher

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salaries for attorneys in the private sector and higher entry level and journeyman level positions in comparable Federal agencies. Management should attempt to determine what is causing the turnover of personnel, especially during this last year. During this review, management indicated that they intended to begin collecting this information.

In order to maximize hiring the best at entry level salaries and to aid in developing knowledge and skills in the labor management area, the Federal Labor Relations Authority Human Resources Division has defined core competencies for both attorneys and labor management relations specialists. The Federal Labor Relations Authority Human Resource Division is currently doing the same for Federal Labor Relations Authority's administrative support staff. A Tier II (Grades 12/13/14) development program exists to prepare tenured employees for management and leadership positions in the Federal Labor Relations Authority. The Office of the General Counsel does not participate in the program and is developing a separate training and leadership development program for its personnel. According to General Counsel, as designed, the Tier II program did not meet the training needs of the Office of General Counsel personnel and the geographic dispersion of its Regional Office employees made participation in this program impractical. According to the General Counsel, the agency did not alter its program plan to incorporate any of the Office of General Counsel's comments and concerns to facilitate Office of the General Counsel participation. The Office of General Counsel went on to develop its own Leadership Development Program which is tailored to its specific needs and has reactivated the Upward Mobility Program in its Regional Offices for its Office Managers. The Director of Human Resource Division arranged contemporary management training and some refresher training for all Federal Labor Relations Authority supervisors this past year and will continue doing so during this next year.

Accession and separation statistics for 1999, furnished by the Human Resource Division showed a rather large turnover in clerical personnel, as well as professional personnel. As stated in the Office of Inspector General 1999 Case Control Internal Review, without a workload analysis and position management reviews, the validity of positions and associated grade levels will always be questionable. The Federal Labor Relations Authority Authority has tended to staff clerical support personnel vacancies by more traditional methods than by actual workload analysis. The Office of the General Counsel has used workload as a basis for staffing for the last several years and is providing its office managers with an opportunity for upward mobility by providing them with technical computer and information resource training. But this is not an

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agency-wide practice. Most of the other Federal Labor Relations Authority administrative support clerical positions afford no or very little opportunity for progression within the series. Interviews with three Authority administrative support clerical personnel reflected that this factor has adversely affected their morale. While it is evident that there are vast educational difference between legal and administrative professionals and clerical employees, it is conceivable that with the appropriate development (based on both management and employee commitment) clericals could be developed into paralegals and administrative support clericals could develop into office managers and even administrative support professionals. While such development would require a commitment, more education and hard work by the employee, it is a possibility. Private and public sector studies have shown that employees often tend to become complacent and lose motivation and self initiative without the challenge for future advancement.

Staffing

The Federal Labor Relations Authority is predominately staffed with attorneys and labor management relations specialists. Attorneys (904 and 905 series) are normally recruited at a GS-9 entry level (law school graduates) or at the GS-11 (case writers with some experience). Labor management specialists are normally hired at a GS-9 level. Entry level attorneys have a career ladder (9/11/12/13 which brings them to the journey level, GS-13. The Federal Labor Relations Authority had 92 classified attorneys in 1998 and 98 in 1999. While, as previously indicated, the journey level for attorneys in the Federal Labor Relations Authority is GS-13, the Federal Labor Relations Authority does have a notable amount of attorneys in classified positions of GS-14. In 1998, there were 23 attorneys working at the GS-14 level. Ten GS-14 attorneys were employed by the Authority, 12 in the Office of General Counsel and 1 in the Federal Service Impasses Panel. In 1999, the Federal Labor Relations Authority had 21 classified attorneys working at the GS-14 level. The Authority employed 8, the Office of General Counsel employed 12 and 1 was employed by the Federal Service Impasses Panel.

The full performance grade level for attorneys and labor relations specialists at the Federal Labor Relations Authority is GS-13. The Federal Labor Relations Authority generally hires attorneys below the GS-12 level. In comparison with other quasi-judicial agencies staffed primarily with attorneys, Federal Labor Relations Authority grades for its legal professionals are lower, with the exception of Regional Office Directors who are comparably members of the Senior Executive Service. While it is understood that levels of mission critical legal work and responsibilities differ among the various agencies and may be the basis of the differences in grades, Federal

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Labor Relations Authority's lower grade structure was mentioned as an issue by 6 regional offices and Authority attorneys as a reason for not planning tenure with the Agency.

The National Labor Relations Board hires all attorneys just out of law school at a GS-11 level. Attorneys with two years experiences are hired at a GS-12 level. The journey level for attorneys is GS-14 at the National Labor Relations Board. National Labor Relations Board regional directors are members of the senior executive service and their regional counsel are GS-15's. The National Labor Relations Board has non-attorney examiners who are hired at the entry level of GS-5. If examiners are outstanding scholars, they are brought in as a GS-7. If examiners have experience, they are brought in at a GS-9. The Office of Special Counsel does not hire attorneys just out of school but brings attorneys with experience in at an entry level of GS-11 for case examining and GS-13 for litigation. The journey level for attorneys at the Office of Special Counsel is GS-14 and tenure brings them to a GS-15 level. The Merit Systems Protection Board hires attorneys at the entry level of GS-11. The journey level grade for attorneys at the Merit Systems Protection Board is GS-14. In comparison with other Federal agencies, the grade structure of the FLRA administrative professional (non legal) staff is comparable, but its administrative support clericals are generally more highly graded with the average grades being GS-7. Federal Labor Relations Authority Regional Director and Regional Attorney grade levels are comparable to those of the National Labor Relations Board field offices.

Eight out of ten Federal Labor Relations Authority managers interviewed felt that it is cost beneficial to hire entry level professional personnel because they have fresh skills, high motivation, are trainable, can grow and gain corporate knowledge, and are generally good performers. For the most part, this is all true. However, a return on investment is achieved only if these employees stay with the agency for several years after they reach the journey level. It is conceivable that when employees discover that their peers both in government and the private sector are being paid more for the same competencies and skills, the probability of Federal Labor Relations Authority retention after the investment of capital will diminish significantly. While not true for all, long term Federal benefits, job security, and public service are not as strong motivators for today's young people just out of school as money, status, responsibility and growth. So when the Federal Labor Relations Authority focuses on hiring its legal personnel at a low entry level and earmarks their journeyman level lower than comparable agencies, Federal Labor Relations Authority management has to accept the fact that the probability of retention will remain

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low unless other tangible or intangible incentives provide the motivation for these employees to stay. Yet, in order to benefit from new hires, the Federal Labor Relations Authority must invest as they would if they were guaranteed tenure from these employees. Someone, but most likely not the Federal Labor Relations Authority, will reap the benefit of the Federal Labor Relations Authority's initial monetary investments in its entry level legal resources. Management may benefit from Agency-wide work specific position classification and a workload analysis which would validate or invalidate the Federal Labor Relations Authority's legal grade structure and/or justify more 'across the span' hiring and provide the Federal Labor Relations Authority with better retention of its professional hires. Tenure of employees is important, not just in the technical sense, but also in the development of professional corporate memory and the "in-house" development of future Federal Labor Relations Authority leadership.

The Federal Labor Relations Authority, as an agency, does not actively use position management reviews and statistical workload justification as management tools for its classification of positions and assignment of personnel (although the Office of the General Counsel has conducted a number of position management and workload analysis reviews during the last five years.) The Federal Service Impasses Panel collected workload statistics in 1998 as a result of an Inspector General Internal Review recommendation. In the past, several desk audits and systemic reviews were conducted to justify the upgrade of some administrative clerical support positions in the Authority. Copies of these were not furnished to validate their existence or content. Without workload analysis and position management studies, it is not possible to determine if functions are appropriately staffed, resources are appropriately allocated, or if positions are under graded or over graded for the work required and performed. The strategic use of human resources cannot be justified without viable workload assessments, meaningful position classification and position management. Strategic planning, productivity and performance measurement are all dependent on a valid workload analysis, proper classification of positions and the appropriate use of resources. Ultimately, without such workload/staffing validation, not only is mission accomplishment vulnerable, but also the productivity, morale, development and quality of the work environment and workforce can be negatively impacted.

Training

Federal Labor Relations Authority employees are normally developed

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with extensive senior management and peer mentoring that shows them how they fit into an organization's strategy and how they can improve their core competencies so that they can contribute to the achievement of both the agency's and their own goals. While, the Federal Labor Relations Authority verbally encourages employee development, the only baselines \$500.00 for training for each employee. This is less than 1% of the predominately payroll oriented budget. However, it is important to note that there is some flexibility in the \$500.00 allocation and most employees receive training that far exceeds that figure.

It is interesting to note the difference between the initial training allocations and the actual allocations. The following figures cover both the training and associated travel costs. In FY 98, a total of \$108,000.00 was initially allocated for training in the Agency Operating Plan. The actual amount spent was \$188,500.00. Broken down into component allocations, the Authority was initially allocated \$45,500.00 and ended up with an allocation of \$100,000.00. The Office of the General Counsel was initially allocated \$58,000.00 and ended FY 98 with training expenditures of \$75,000.00. It is important to note that since the Office of General Counsel is a geographically dispersed organization and accomplishes a majority of its training objectives through the use of its own employees as instructors, training travel costs comprise a significant part of their training expenses. The Federal Service Impasses Panel began FY 98 with an initial allocation of \$4,500.00 and ended the fiscal year with a \$6,000.00 allocation. There was no initial training allocation to the Agency Central Services Fund in FY 98 but it ended up with an allocation of \$7,500.00 to cover Agency-wide training.

During FY 99, a total of \$123,000.00 was initially allocated for Agency-wide training. The final FY 99 allocation totaled \$233,740.00. The Authority had an initial allocation of \$45,500.00 and ended up with an allocation of \$ 70,500.00. The Office of the General Counsel was initially allocated \$58,000.00 and ended up with an FY 99 training allocation of \$63,740.09. The Federal Service Impasses Panel was allocated and ended up with a FY 98 training allocation totaling \$4,500.00. During FY 99, the Agency Central Services Fund was allocated \$15,000.00 for Agency-wide training and ended up with an actual allocation of \$95,000.00

The actual Agency-wide expenditure for training for FY 98 was \$165,242.00 plus training travel totaling \$64,251.00 for a grand total of \$ 233,793.00. Broken down into component obligations, the actual dollars spent on training by the Authority in FY 98 was \$75,193.00. The Office of the General Counsel spent \$85,757.00 and

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the Federal Service Impasses Panel spent \$5,058.00 during FY 98 and \$3,534 was spent for Agency-wide training and obligated from the Agency Central Services Fund.

The actual dollars spent by the Federal Labor Relations Authority for training during FY 99 was \$ 212, 439.00 (plus training travel of \$165,262 for a final total of \$377,701.00.) Broken down into Components the training dollars spent by the Authority in FY 99 totaled \$54,795.00. The Office of the General Counsel spent \$60,371.00 plus an additional amount of \$20,000.00 for consulting management services related to the training of Office of the General Counsel Staff. The Federal Service Impasses Panel spent \$3,813.00 on training during FY 99. \$93,460.00 was taken from the Agency Central Services Fund to augment training funds in FY 99. The Human Resource Division's Staffing Pattern for FY 98 indicated that there were 205 employees on board on September 30, 1998 and 212 employees on board on September 30, 1999. The average total Agency training expenditure with associated travel costs) per person for FY 98 was \$1,140.45 per employee (205 FTEs on board) and \$1,781.60 per employee (212 FTEs on board) for FY 99.

Private sector studies have shown that nearly three times more productivity is gained by investing in human capital training than if the same money were spent on new technology or equipment. Training is especially important after a period of downsizing when an organization must commit to doing more with less and personnel assume new functions and responsibilities. Investing in human capital is not something to be done lightly. It is important to individualize training, as well as screen out those courses or in house training which is of lesser quality. The agency's "return on investment" increases when managers discuss completed training with employees and when the employee shares his/her newly gained knowledge with his peers. While a few Federal Labor Relations Authority supervisors discuss training with their employees after it is completed, it is not an agency-wide practice. The actual degree of mentoring of Federal Labor Relations Authority employees is primarily dependent on individual component practices and supervisory styles. For instance, all GS-14's in the Office of the General Counsel are expected to mentor junior employees. The Authority's Office of the Solicitor likewise has an active internal mentoring program. Twenty-four (24) of the 28 non-management employees interviewed stated that their supervisors spent a great deal of time working with them and that they "shadowed" their seniors, and thus, acquired exposure into new subject matter. Several employees were also engaged in after-hours training to improve knowledge pertaining to their jobs or to obtain a degree. Federal Labor Relations Authority

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generally subsidized such training when it was job related. Only one employee interviewed commented that after hours training was not subsidized because management felt the course work was not job related.

This review did validate that in spite of minimal Agency training allocations per person, most Federal Labor Relations Authority Employees interviewed had received training during the last two fiscal years and training costs per person were augmented when required. However, even with this augmentation, official allocations for training during FY 98 and FY 99 totaled 1% of the total Federal Labor Relations Authority budget.

Upward Mobility Program

The Federal Labor Relations Authority Upward Mobility Program, which was active in the early 1990, has dwindled down to almost a "paper exercise." Downsizing and budget restrictions have restricted the use of Upward Mobility Program for employee development simply because there are very few vacancies available at any given time and there has not been an Agency-wide formal designation of positions for this program. Most Upward Mobility Programs in the Federal government are actively used and structured with a three tiered level (i.e. 7/9/11) and promotions are made annually if requirements are met satisfactorily.

The Federal Labor Relations Authority revised its Upward Mobility Program policy (FLRA Instruction 3330, Competitive Service and In-Service Placement) during 1999 and did restructure an Authority administrative support vacancy at a lower level to afford in house candidates an opportunity to compete. It is a well known fact that Federal Labor Relations Authority's staff has been significantly downsized and most positions are critical to the accomplishment of the mission. There currently exists little flexibility in dedicating specific positions as development positions. However, it is just as important to develop support staff as it is to develop the professional staff. Attorneys who are hired at the GS-9 entry level and labor management specialists hired at the GS-7 level have an inherent "built in" upward mobility to the GS-13 level if performance is satisfactory. This mobility structure is called a "career ladder". One Authority Manager interviewed provided an explanation for the existence of professional career ladders by stating it was "much easier to provide development for attorneys and labor relations specialists because more of them did similar work, and such was not the case with administrative personnel where each employee had distinctly different responsibilities and tasks.

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Current Federal Labor Relations Authority policy states that the purpose of the Upward Mobility Program is to facilitate the career progression of employees, GS-9 and below, who exhibit high potential and who are in job series which offer limited advancement. The policy also states that Upward Mobility Program positions will be announced through posted vacancy announcements and that career promotions is based on time in grade requirements and the satisfactory completion of requirements set forth in a formal training plan. Yet, at the present time, the program is not operative Agency-wide. While Federal Labor Relations Authority management has expressed the intent to create a stronger Upward Mobility Program for administrative personnel, such a program currently exists on paper for administrative and clerical functions, except in the Office of the General Counsel which has created an upward mobility structure for its office managers.

Tier Development Programs

The Federal Labor Relations Authority has developed "life cycle" leadership development training for its professional employees showing high potential for future management positions within the organization. This is called Tier II Development Training. Tier II training is for GS 12/13/14. Tier I, is not yet developed, but is planned to focus on Authority case writer development. Tier III will provide development and enhancement for executive leadership and will be for supervisors GS-14/15 and Senior Executive Service employees. Federal Labor Relations Authority's Tier training is directly aligned to its strategic goals, professional core competencies and succession planning needs. It is competitive and selection for the program is based on specific criteria. Selection is rendered by the Federal Labor Relations Authority Leadership Development Council whose members also serve as career counselors and mentors for the participants. Applicants must be endorsed by their first line supervisors. The projected time plan for the completion of Tier II training is 3 years (flexibility built in) with a new cycle beginning every year. One of the goals of this program is to have up to 18 employees participating at the same time. Guaranteed promotions are not part of the program. In FY 99, designated funds were set aside for the Tier II program which officially began in May 1999, with 5 employees. A completely separate budget line item is called for in the Tier Training Program but has not yet been formally established. The first Tier II class well represents the Federal Labor Relations Authority's diverse workforce.

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During 1999, the Human Resources Division arranged for several administrative support training sessions and brown bag lunch sessions at Federal Labor Relations Authority Headquarters. These sessions were not well attended in spite of ample advertisement and employee notification. The Human Resource Division plans to continue these Sessions during 2000 with the hope that more Federal Labor Relations Authority employees will take advantage of them.

As mentioned previously, Federal Labor Relations Authority's Office of the General Counsel does not participate in the Tier II Program because of the limited number of participants and regional mobility issues. Instead, General Counsel opted to create separate employee development and leadership development training for all Office of the General Counsel employees. While the training programs developed by the Office of the General Counsel are merit able and tailored to its workforces needs, distinctively separate training development does not support a corporate Agency approach to employee or leadership developmental training. The concept of Tier training is a noteworthy human capital investment. Since Tier II training has just recently begun, an evaluation of its actual merit is not possible at this time. On paper, it is a well planned program. However, based on Inspector General past involvement in creating and administering such programs and continued observations of similar programs in other Federal agencies, if participants do not experience progression or at least assignment to jobs which require greater skills and knowledge gained through the development program, participation in future years will diminish. The Federal Labor Relations Authority's Tier Program may also be restricted by the lack of appropriate positions for progression and lack of budget allocations.

Now that Tier II is operative, management should focus its attention to provide a similar program for development in the administrative support and clerical functions. Four administrative support clerical employees, 2 labor relations specialists and 2 managers from the Authority commented on the fact that the universe of the existing Tier Program is for professionals. Regional employees were not aware of the Tier Program, but this is because the Office of the General Counsel does not participate in it.

Federal Labor Relations Authority management should make a concerted effort to have Agency-wide development programs to ensure the equitable treatment (development) of all Agency employees, regardless of their component. These overarching programs should provide general, agency applicable skills and contain sufficient flexibility so that they may be supplemented or tailored, as required,

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into individual derivative component programs to address each component's unique requirements.

Employee Recognition and Awards

The Federal Labor Relations Authority recognizes exceptional employee performance throughout the year. The Federal Labor Relations Authority routinely recognizes employees who make exceptional contributions that have helped the organization or have exceeded performance goals to improve work quality and responsiveness with Performance Awards such as "Employee of the Quarter", "Special Act", "Quality Salary Increase" and "Special Service" Awards. "On the Spot" Awards are also given throughout the year to employees who make remarkable performance contributions in their regularly assigned duties or in accomplishing a special assignment. Federal Service Awards are also given to employees when they complete Federal service milestones. In June 1999, at the Federal Labor Relations Authority 20th Anniversary celebration, 38 employees who were employed at the beginning of Federal Labor Relations Authority in 1979 and who continue to work at the Agency were honored for their high level of enthusiasm, dedication and professionalism. The Federal Labor Relations Authority also incorporates its Employee Recognition Day with its new employee Orientation Program. Employees receiving performance awards are recognized and thanked by the Federal Labor Relations Authority Chair and their respective senior managers for their contributions to the Agency. The incorporation of performance recognition awards with the Orientation Program provides an incentive for new employee performance.

In spite of a restrictive budget, the Federal Labor Relations Authority is generous in acknowledging and rewarding its employees for their contributions to the Agency. In FY98 a total of \$168,000.00 (\$132,000.00 for Incentive and Performance Awards and \$36,000.00 was allocated to the Central Services Fund for Senior Executive Awards). The Authority total was \$53,000.00 for Performance and Incentive Awards. The Office of the General Counsel awarded \$69,000.00 for Incentive and Performance Awards and the Federal Service Impasse Panel's total for Incentive and Performance Awards was \$10,000.09. In 1997, 9 employees were given quality salary increases. In FY 98, 12 employees received quality salary increases. In FY99 15 employees received quality salary increases. In FY 99, the Federal Labor Relations Authority spent \$294,369.00 (\$185,189.00 on Incentive and Performance Awards, \$109,180.00 on Senior Executive Service Awards.) The Authority gave out 41 awards totaling \$111,276.00. \$72,596.00 was for Incentives and Performance Awards and \$38,680.00 (which included \$23,680.00 for a Presidential Rank

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Award.) General Counsel gave 63 awards totaling \$123,375.00 (\$104,875.00 were for Incentive and Performance Awards and \$18,500.00 were for Senior Executive Service Bonuses.) The FSIP gave 5 awards totaling \$7,718.00 for Incentive and Performance Awards.

A review of the FY 98 awards showed that they were distributed in compliance with Federal Labor Relations Authority Regulation 3430.2, Performance Management System. Several of the employees interviewed commented that they felt that Senior Executives consistently received significantly large monetary awards (\$5,000-\$10,000) for contributions considered "exceptional," while the majority of support and employee awards were in the "moderate value" range. This review did not produce evidence of inappropriate award amounts and validated that Senior Executive Service awards were properly handled. The Senior Executive Service Award pool is set by law. Prior to 1999, it was at 3% of Senior Executive Service salaries. While legislation has changed and now allows agencies to award Senior Executives up to 10% of their salaries for performance awards, the Federal Labor Relations Authority set Senior Executive Service awards at the 5% level in FY 99. This review also validated that the award pool of senior executives is larger than that of general schedule employees. Percentage wise, more general schedule employees received awards, thus the general schedule pool was more widely distributed among a larger number of employees accounting for lower amounts. Less of a percentage of senior executives received awards from a larger monetary pool, thus accounting for larger amounts.

During 1999, the Human Resources Director placed an emphasis on the Performance Appraisal process and provided management with guidance and training on the appropriate preparation of performance appraisals. While subjectivity can never be eliminated from performance appraisals, this review supported that the Performance Appraisal System and Performance Awards were administered appropriately.

Employee Orientation

The Federal Labor Relations Authority holds an annual 2 ½ day Orientation Program for new employees to acquaint them with the Agency's mission and the various organizations that contribute to or provide support for mission accomplishment. The program is extensive and provides new employees with information about the various internal Federal Labor Relations Authority components and major functions as well as an overview of Federal personnel benefits. Upon entry into the Federal Labor Relations Authority, new employees are given an overview of Headquarters administrative and support

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organizations (Regional Office personnel are provided with this information by telephone). Prior to 1999, the subject matter of the annual orientation included a lot of legal information, case histories, as well as, general administrative information. A change was instituted to the program in 1999 to align the program more to functions relevant to all employees, major agency rules, and an overview of the purpose and historical evolvement of the Agency. Functional handouts are provided in a bound notebook so that employees have a personal reference. New employees have found the Orientation Program very helpful.

The only shortfall with a once a year Orientation Program is that employees who come on board within the first few months after the October scheduled orientation, must wait almost an entire year to receive an orientation. Some flexibility in scheduling more than one orientation per year or some alternative orientation mechanisms such as a professionally prepared video or tape, as well as the issuance of an Orientation Notebook to all new employees at the commencement of their employment would be helpful to new employees. This has been previously suggested by the Inspector General. Also, individual meetings/briefings with appropriate management officials would be beneficial in helping new employees who come on board after the orientation adjust and bond to their new environment. This is especially important for Regional Office employees.

During the course of this review, the Office of the Executive Director did develop an Orientation video for employees who come on-board during the months between the scheduled orientations. The Office of the Executive Director provided an e-mail in December 1999, to all managers and employees informing them that this video was available.

Component Efforts:

For a small organization, the Federal Labor Relations Authority has implemented many initiatives which enhance the quality of employee work life and foster employee development. In addition to Agency-wide initiatives, the individual Federal Labor Relations Authority components engage routinely in many activities which can be defined as human capital investments. Additional suggestion for management support of human capital investments may be found in Attachment 3. The following sections illustrate some of these activities.

1. Authority

The Authority routinely engages in activities that enhance its own employees' work life, as well as in initiatives which benefit all Federal Labor Relations Authority employees agency-wide. The following accounting focuses on major Federal Labor Relations Authority Authority "investments" defined by management, but is not intended to represent all of them.

The Office of the Chair has engaged in extensive internal training for the recently revised negotiability regulations, as well as skill-based training on holding conferences with parties. The Office of the Chair holds weekly staff meetings, not only to keep staff informed of current issues, but also to collectively review writing skills. Office of the Chair managers uses their review of written work to provide feedback to their subordinates on writer's performance and identify training needs.

The Office of Administrative Law Judges and Office of Member Wasserman have committed to assuring that all employees are provided training that is necessary to develop and enhance their work skills and roles as Federal employees.

The Office of Member Cabaniss has institutionalized several innovative human capital investments. On a weekly basis, Member Cabaniss goes to each employee's office and holds informal meetings to see how her employees are doing, work wise and personally. On the last Friday of each month, Member Cabaniss staff is treated to a "bagel and cream cheese" social in an effort to get them out of their offices and interact with one another socially. Member Cabaniss also routinely uses her senior attorneys as mentors to new staff members.

The Office of the Solicitor has developed internal initiatives which promote the exposure of his staff to Authority Programs. The Office of the Solicitor has instituted a program to cross-train Office of the Solicitor and Case Control Office paralegals to support the cite checking requirements of Authority decisions. The Office of Solicitor also actively engages in cross component details. As an example, one staff attorney was detailed to the Authority decision-writing Central Team. Another Office of Solicitor attorney served as Acting Authority Chief Counsel and supervisor of the Central Team. The Office of the Solicitor has also established a mentoring program between a Solicitor staff attorney and paralegal. The staff

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attorney has previous experience teaching in law school and the Office of the Solicitor is making productive use of the benefits of this experience.

The Federal Labor Relations Authority Executive Director routinely holds Management Meetings to keep Federal Labor Relations Authority management officials apprised of Agency initiatives and activities. The Office of the Executive Director plans, coordinates and oversees a range of activities which benefit all Federal Labor Relations Authority employees, including the Federal Labor Relations Authority's 20th Anniversary events, training conferences, social events for employees, awards ceremonies, and has worked with the other components to produce a written history of the Agency. The Office of the Executive Director also sponsors a Federal Labor Relations Authority softball team, the Equalizers, and produces "morning after fame" accounts which are circulated agency-wide in the Media Flash. In addition, the Office of the Executive Director produces an Federal Labor Relations Authority Employee Newsletter four times a year which provides Federal Labor Relations Authority nationwide employees with both official and employee information.

The subcomponents of the Office of the Executive Director also contribute to agency-wide human capital investments as well as internal investments in their people. The Human Resources Division staff gets together periodically to work on crafts. This type of activity allow employees to take their minds off work, engage with their peers on projects unrelated to work and builds relationships in a new social and creative setting which facilitates better interface in the work environment. The Human Resource Division Director uses a supervisory approach that focuses on mentoring and provides continuous feedback to employees on writing skills, relationship building and conflict management. The Director of the Administrative Services Division sponsors an annual "Take Your Daughter to Work" Program which is open to all metropolitan employees, has quarterly off-site staff meetings to discuss work issues, and arranges brown bag lunches for her staff to watch videos on contemporary work issues. The Director, Administrative Services Division also holds an annual Holiday party for her staff, in addition to the Agency party, to show her appreciation for their good work. The Information Resource Division provides continuous "help desk" service to Federal Labor Relations Authority personnel, sponsors agency-wide computer systems and electronic research training and provides Media Flash agency-wide to ensure all employees receive the same information in a timely manner.

2. Office of the General Counsel

The Office of the General Counsel strongly supports the training and development of its employees. It focuses on keeping its senior management aware of contemporary management practices by sending one employee to the Federal Executive Institute each year. The Agency funds one position per year and alternates the selection between the Office of the General Counsel and the Authority/Federal Services Impasse Panel. The Office of General Counsel funds a participant out of its training budget in alternate years. The Office of the General Counsel also sends two employees to the Center for Creative Leadership each fiscal year. This annual investment in human capital, alone, runs about \$20,000.00 per year. The Office of the General Counsel also sends several Grade 14s and 15s each year to the Harvard Negotiation Project, two employees to the Center for Creative Leadership, one employee to the Federal Executive Institute and one senior executive to the Harvard Program on Executive Leadership. The Office of General Counsel has also planned to provide its employees with Conflict Management and Resolution Training to its staff beginning in December 1999. The individual Regional Offices also conduct additional training activities including brown bag lunch and skill based training sessions.

The Office of the General Counsel requires individual development plans for all GS-13 and below employees, provides coaching and mentoring to all managers and GS-14 specialists. The Office of General Counsel holds at least one training conference a year for litigation specialists, representation specialists and dispute resolution specialists so that they maintain currency in skills and expertise. New Office of the General Counsel employees receive one on one training sessions with their Regional managers, receive training in case law, Representation Manual training, observe the running of Mail Ballot Elections, review Litigation Manuals for pending trials, receive pre-trial preparation, pre-hearing briefs and pre-hearing settlement negotiations with journeyman level attorneys and review Appeal Cases under supervision. They also attend Unfair Labor Practice and Representation Hearings and shadow more senior professionals in the investigation process.

Training is also provided by Regional Offices on a continuing basis. New Authority cases, Administrative Law Judge decisions investigation and representation issues are routinely discussed at Regional staff meetings. Brown Bag lunches are held to discuss significant changes in case law development and procedures. The Regional Offices provide both formal and informal Alternative Dispute

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Resolution and Mediation Training. Regional Office staff is kept informed on significant case law and representation issues. Continuous mentorship is provided to new employees by GS-14 employees. The Office of the General Counsel's regional staff is sent annually to seminars on labor relations.

As previously noted the Office of the General Counsel does not participate in the Agency Tier program because the program did not accommodate regional requirements and had quota limitations. Instead, the Office of the General Counsel has taken full responsibility of training its entire staff by implementing internal training. During 1998, the Office of the General Counsel developed and implemented Career Profiles for Labor Relations Specialists and Attorneys and provided its Regional Directors with guidance on the type of assignments and training those employees should receive at each level. During this same time frame, the Office of the General Counsel implemented performance standards, individual work plans and performance elements for its employees and established standardized guidelines for supervisory appraisals. In 1999, the Office of the General Counsel held a major Investigation Training Conference as well as several other training activities including, a Conference on Quality and Representation, a Litigation Conference, and three administrative conferences for its support staff. The Office of General Counsel requires its office managers to develop training plans. All Office of the General Counsel senior executives and Grade 14 and 15 personnel has been trained in coaching and mentoring. The Office of the General Counsel also works very closely with the Union of Authority Employees (Union of Authority Employees) representatives in developing core curriculums and specific courses for Office of the General Counsel employees as well as the development of career profiles and GS-14 and below position descriptions.

The Office of the General Counsel has also established an Upward Mobility Program for its administrative personnel based on the 301 skills series. The Office of General Counsel formulated this program with the Human Resource Division and works with the Information Resource Management Division to develop regional office managers into computer experts. This will allow some valid progression for the administrative office managers and provide them with essential skills to progress within the Federal Labor Relations Authority or other Federal agencies. All new supervisors are trained prior to obtaining Senior Executive Regional Director positions. Currently, the Office of the General Counsel is focusing on the supervisory and leadership development of its GS-14's and 15's in anticipation of several Regional Office Director retirements which are expected to occur in the next few years. Senior executives in the Office of General Counsel receive continuous executive training.

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As a matter of internal policy, the Office of General Counsel tries to staff vacancies, especially senior vacancies, from within the Agency. They have, in the past, hired several GS-14 from the Authority. An Office of General Counsel senior manager stated that the skills development of Authority GS-14 attorneys is different from comparably graded Office of General Counsel GS-14 attorneys.

This same manager stated that Authority attorneys tend to be graded at higher levels than Office of the General Counsel attorneys. Current Office of the General Counsel management does not support "downgrading" as a solution when it hires attorneys from the Authority. The difference in grade level and expertise sometimes causes a morale problem among the lower graded attorneys in the Office of the General Counsel. Over the last years, the Authority has tended to fill its vacancies more from outside the agency rather from within both in the legal and administrative areas.

3. Federal Service Impasses Panel

Because of the small size of Federal Service Impasses Panel, management interface with its employees is enhanced by close interaction and continuous communication. The Federal Service Impasses Panel functions as a collegial group and extends its interrelationships to social activities such as group luncheons, group participation in after hour sports and social events. The staff interacts constantly within the office as well as at scheduled meetings and off sites. The Federal Service Impasses Panel Chair has ensured that the administrative staff, as well as professional staff and Presidential appointees, all feel they are essential and vital to the mission. In spite of demanding private schedules, the Presidential appointees make and take the time to serve as mentors to the staff. Federal Service Impasses Panel management tries to balance employees' work and family life to the maximum extent possible. All members of the staff use some aspect of a flexible work schedule. Management also condones combining personal and Federal Service Impasses Panel related travel, if advantageous to employees (of course personal travel expenses are kept separate from government reimbursable expenses.) Federal Service Impasses Panel management not only supports employee development, but also supports both management and staff participation in Agency activities whenever possible. Examples over the past year were participation in the General Counsel's All-Employee Conference in Mesa, Arizona, the 20th Anniversary Training Conferences in Denver and Washington, and Take Your Daughter to Work Day, held at Headquarters. Federal Service Impasses Panel employees have engaged in training over the past two years which provided both new skills and management development.

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Federal Service Impasses Panel management invests both time and money in developing their employees to the maximum. Federal Service Impasses Panel management stated that retention of employees is a problem because the grade structure for professionals is lower than in comparable agencies and the private sector. Employees leave because of better opportunities either in other Federal Labor Relations Authority organizations, other Federal agencies or the private sector. Management understands when its employees leave for better opportunities and is supportive. Overall, Federal Service Impasses Panel management is much attuned to the employee's needs and feels that the Agency, as a whole, has made great progress over the last two years in institutionalizing employee development programs and initiatives.

Union of Authority Employees

While the Federal Labor Relations Authority is not legally subject to its own statute and is not required by law to have a union, it does. This, in and of itself, is a positive investment in human capital by management. The Union of Authority Employees has existed since September 1984 and currently represents 127 Federal Labor Relations Authority employees in bargaining unit positions. Management involves the Union of Authority Employees in activities that deal with employment. The Union of Authority Employees involvement in Federal Labor Relations Authority employment initiatives is ongoing. Collaborative efforts were incorporated from the onset in the development of many employee related initiatives within the Office of the General Counsel. The Authority also involves the Union of Authority Employees in appropriate issues, but sometimes, in the past, the involvement came at the last minute according to former Union principals, making effective input difficult. The Union of Authority Employees, through the Federal Labor Relations Authority Partnership Council has, in the past, contributed to the development of many of Federal Labor Relations Authority's human resource policies and programs. The Union of Authority Employees has also been active in developing a training program for regional representative specialists, career profiles for professional staff and Individual Development Plans for the Office of the General Counsel. Several successful collaborative efforts of the Union of Authority Employees with the Office of General Counsel set models for later Agency-wide programs such as the establishment of the Employee of the Quarter Program, the Office of the General Counsel Technology Committee, Core Curriculum Committee and the Office of General Counsel Leadership Development Program.

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Prior to the establishment of the Partnership Council in 1995, individual Memoranda of Understanding were entered into by the Union of Authority Employees and Federal Labor Relations Authority management to clarify intent and implementation of employee related programs. A review of these documents revealed that some are more than 10 years old and need either an update or deactivation since evolving events have significantly changed circumstances.

Current Union of Authority Employees leadership appears to be proactive and has concerns critical to the morale of lower graded Federal Labor Relations Authority employees who, without a strong Upward Mobility Program, basically have few if any opportunities for progression. Current Union of Authority Employees leadership felt that the Federal Labor Relations Authority Upward Mobility Program has had limited success and needs strengthening. The core problems appear to be limited positions and lack of vacancies in positions that would be appropriate for an Upward Mobility Program. The program was active and more successful during former years when positions were more ample. Nevertheless, revitalizing the program should be an area of management attention.

Human Resource Division

During the last two years, there has been a continuous evolvement of service, expertise, and responsiveness in the Federal Labor Relations Authority Human Resources Division. Current management has placed significantly more emphasis and visibility on human resource support and service to its internal customers. During FY 98 and 99, there was practically a total re-staffing of the Federal Labor Relations Authority Human Resource Division and a strengthening of this important function with an orientation toward contemporary human resource initiatives and customer service. The results of these efforts appear to have generally improved services to employees as well as management.

Most, if not all, of the Human Resource Division's efforts and accomplishments could be considered human capital investments. Federal Labor Relations Authority's Human Resource Division has committed to improving both individual and organizational performance by improving human resource practices and procedures, improving both management and employee information products, working closely with component managers, meeting program and employee needs, providing competency based training programs and ensuring that the Federal Labor Relations Authority uses the appropriate mechanisms to recruit and retain a multi-skilled, diverse workforce which successfully achieves the Agency mission.

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During FY 98 and FY 99, the Human Resources Division began tracking and performing quality checks of appraisal and award determinations, provided supervisors with tools and checklists for performance management, revitalized the Drug Testing Program, conducted lunch time brown-bag training and supervisory training, implemented Tier II training, restructured the New Employee Orientation Program, reexamined hiring strategies, improved the timelines in filling vacant positions, and implemented a telephone process to in-process regional employees. The Human Resources Division also developed Human Resource material for new employees, provided expertise points of contact for Human Resource programs, and administered Employee Recognition Day.

Plans are in place to continue improving Agency hiring with a focus on diversity and veteran preference recruitment to help the Federal Labor Relations Authority meet affirmative action recruitment goals, develop standard guidelines for selecting officials, develop a model competency training plan for entry level attorneys and labor relations specialists, and develop information and guidelines for managers of new employees. The Human Resources Division's work plan indicates that it will continue and increase competency based training, collect and analyze data to assess the quality of internal and external training, develop support staff competencies and career ladders, identify positions for upward mobility and revitalize the existing Federal Labor Relations Authority Upward Mobility Program. During FY 98 and 99, the Human Resource Division revised and issued new policy, has continually issued guidance on personnel related policies and has sponsored several training sessions related to performance appraisals, retirement, and supervisory responsibilities. The Human Resources Division has regularly publishes information on topics of interest and concern to employees in the Federal Labor Relations Authority newsletter.

Partnership Council - Management/Union Initiatives

The Federal Labor Relations Authority Partnership Council was established in January 1995, based on principles of mutual respect between Federal Labor Relations Authority management and union employees. The Partnership Council has focused on teamwork, cooperation with the prime goal of enhancing the quality of Federal Labor Relations Authority services and programs with the involvement of Federal Labor Relations Authority employees in the work related decision making process. Prior to the establishment of the Partnership Council and since its inception, the Federal Labor Relations Authority has entered into many memoranda of understanding with the Union of Authority Employees developing work processes and standards which have enhanced the Federal Labor Relations Authority

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workplace environment. Federal Labor Relations Authority management and Union of Authority Employees representatives worked together on issues which ultimately affected human resources. These include:

Strategic Planning
Performance Management Plan
Alternative Work Schedule Program,
Implementation of Briefing/Issues Memoranda
Buyout Policy & Optional Retirement Authority
Organizational Structure of the Federal Service Impasses Panel
Bargaining Unit Status of Various Positions
Application of Standards to Case Writers
Drug Free Workplace
Travel/Per Diem for Management-Union Negotiations
Headquarters and Regional Office Space
Smoking Issues
Development and Implementation of Performance Standards
Travel Voucher Processing
Vacancy Announcement Process for Attorneys and Labor
Relations Specialist
Compressed Work Schedule
Casual Friday Policy

Over the last two years, the Partnership Council has worked with management in the development of core competencies, performance management and development programs. Noted, however, is that the Tier II Development Program was implemented by the Authority in spite of the Union of Authority Employees' protest. Another still unresolved issue between the Agency and the Union of Authority Employees has been "Flexi place." The Federal Labor Relations Authority Partnership Council was recognized recently by the Association of Government Accountants as a "best practice" for its work in implementing the Federal Labor Relations Authority Performance Management Plan.

Equal Employment Opportunity Program

The Equal Employment Opportunity Program is an ancillary duty for the Federal Labor Relations Authority Equal Employment Opportunity Director and Equal Employment Opportunity Counselors. Each Federal Labor Relations Authority facility has its own on-site counselor. In the earlier days of Federal Labor Relations Authority, Equal Employment Opportunity was part of the Personnel Division, but was separated as a result of perceived conflict of interest with such

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an affiliation. Equal Employment Opportunity functions are performed as required in the Federal Labor Relations Authority and the program is briefed to all new employees at the yearly Federal Labor Relations Authority Orientation. Over the past two years, the Director of Equal Employment Opportunity has been involved in trying to get Union of Authority Employees agreement on Federal Labor Relations Authority's Equal Employment Opportunity policy (outdated). The policy, revised and provided in draft to the Union of Authority Employees in 1996 was never formalized. While current Union of Authority Employees leadership has been proactive in dealing with this new policy, recent changes in Equal Employment Opportunity Commission policy now necessitate another rewrite of Federal Labor Relations Authority's policy.

During FY 98, there were five employees who used Equal Employment Opportunity counselor services. According to the Director, Equal Employment Opportunity, "two or three cases" went formal. The Director of Equal Employment Opportunity stated that the majority of cases that ultimately go formal involve external applicants for Federal Labor Relations Authority jobs. He stated that internal problems are usually resolved by the Equal Employment Opportunity Counselors. The Director of Equal Employment Opportunity reports Equal Employment Opportunity activities on an annual basis to the Equal Employment Opportunity Commission. It appears that Federal Labor Relations Authority's major problem is not being successful in reaching and recruiting minority professional populations but this is not for lack of trying. The Equal Employment Opportunity Director stated that Federal Labor Relations Authority was more successful in the regional offices than in the Washington area in recruiting minority professionals. The Director of Equal Employment Opportunity also indicated that the Federal Labor Relations Authority did not have this problem in the areas of administrative and support functions.

Employee Assistance Program

The Federal Labor Relations Authority provides professional counseling and referral service to its employees through the U.S. Public Health Service's Employee Assistance Program. Employees who are having emotional, family, relationship, job and alcohol/drug problems may voluntarily seek assistance through the Employee Assistance Program. Counselor's help employees assess problems, provide problem solving and counseling and will refer and help select a community source when required. Employee information is confidential within the limits of the law. In general, information can be released from the Employee Assistance Program only with written

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permission of the participant. The Federal Labor Relations Authority Human Resources Division periodically distributes an Employee Assistance Program newsletter to employees which provides contemporary health and welfare information for employees. None of the 36 employees interviewed disclosed using the Employee Assistance Program so an evaluation of its merit could not be made as part of this review.

Workplace Security and Safety

Workplace security and safety were primary concerns of Federal Labor Relations Authority management during the latter part of FY 98 and FY 99 due to several incidents at the Headquarters facility and several threats to personnel at three Federal Labor Relations Authority Regional Offices. As a result, the Inspector General, Office of the General Counsel and Administrative Services Division focused their attention to these issues. At the request of the General Counsel, the Inspector General briefed all Headquarters and five of the seven Regional Offices on Workplace Violence. At the request of the Inspector General, the Administrative Services Division arranged for an evaluation of Headquarters security by the Federal Protective Service and for a security briefing by a Federal Protective Service Security Officer. The Administrative Services Division also provided guidance to personnel concerning admitting the public to Federal Labor Relations Authority facilities. The General Counsel included Workplace Violence as subject matter in the Office of the General Counsel Manual and instructed Regional Directors to keep records on all hostile threats and hostile or unusual situations and to report such situations immediately to the Inspector General. The Office of the General Counsel also addressed security issues in its 1999 Conference held at Mesa, Arizona, and has devoted a full chapter in its manual to security issues. The Office of the General Counsel has purchased cell phones for its regional offices' investigators. The Inspector General also established security "management contacts" with the U.S. Postal Service which also has dealt with a significant amount of workplace violence issues over the last two years and provided these contacts to the Office of the Executive Director for further action.

Several security investigations were completed during the past two fiscal years as a result of several thefts of personal property and money at Federal Labor Relations Authority Headquarters. Employees were reminded several times by the Administrative Services Division to keep their personal property locked up and out of sight, especially if they were leaving their work area. The Inspector General periodically reviews Headquarters building after work hour access records and requested that the Administrative Services Division

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inform the Headquarters building manager that cleaning personnel who were assigned to the Federal Labor Relations Authority facilities must have background checks. Also, during an FY 99 Internal Review, the Inspector General noted that case records, containing sensitive information were being left on counter or desk tops in unlocked facilities. Appropriate management was advised that these records should be placed in locked facilities when not in use and especially after hours when Federal Labor Relations Authority personnel were no longer present.

During FY 99, the Information Resource Management Division issued a policy on Computer Security. This was another area needing attention due to several minor incidents of improper use in FY98 as well as the fact that automated systems have become a primary work tool containing sensitive information. A more in-depth look at Federal Labor Relations Authority computer security will be rendered in the spring 2000 by an audit. During FY 98 and FY 99, no formal briefings were held on safety; however a monthly publication on health and safety issues was distributed to all personnel. Workplace safety and security are important factors in human capital investment and should be continually monitored and referred to as new information and practices evolve. More Federal Labor Relations Authority management focus and employee exposure to security and safety requirements should be rendered in the future to ensure maximum protection and safety of Federal Labor Relations Authority personnel.

Health

The Federal Labor Relations Authority provides Health Care Services for its Headquarters and Regional Office employees through an interagency agreement with the Department of Health and Human Services' Public Health Service. The intent of this agreement is to provide health care to employees by minimizing their time away from work, thus reducing direct and indirect costs to the agency. These services include acute care for minor illnesses and injuries, individual health counseling, screening and prevention programs and some occupational health and safety consultations on a walk- in and/or scheduled basis. The Health Center also will administer personal physician ongoing interventions such as blood pressure and glucose monitoring, allergens, hormones and medication injections. Federal Labor Relations Authority employees may also obtain disease prevention immunizations such as influenza, diphtheria/tetanus and pneumococcal, and participate in the Health Centers Health Screening and Education Programs. Individualized health counseling is also available. All health examination information is held in strict confidence in accordance with the Privacy Act of 1974. Information

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will be released only if authorized by the employee. The Health Center also arranges for emergency ambulance transportation when necessary, referrals to the Employee Assistance Program and referrals to private physicians when appropriate.

An October 1, 1999 Addendum to the Interagency Agreement added additional health services for Federal Labor Relations Authority employees including tuberculosis screening upon request, an annual risk appraisal, and hearing, glaucoma and pulmonary screenings, where available. Also, the Division of Federal Occupational Health provides health examinations and additional services (cancer screening, prostate specific antigens, EKGs) as a supplemental service and at a minimal cost to employees. During FY 99, the Federal Labor Relations Authority purchased 12 examinations slots to use, when appropriate, for its personnel. Twenty of the 28 employees interviewed were not aware of the extensiveness (scope) of health services available to them.

Technology and Tools

During FY 98, the Federal Labor Relations Authority spent \$50,016.00 on equipment and furniture and \$947,101.00 on computer technology. During FY 99, the Federal Labor Relations Authority spent \$71,444.00 on equipment and furniture and \$668,246.66 on computer technology (Computer technology costs include Y2K compliance expenditures for hardware and software upgrades to ensure both modern technology and Y2K compliance.) Software upgrades were made to all computers converting from Word Perfect 6 to Word Perfect 8. Training on the new software was provided to all Federal Labor Relations Authority personnel. Federal Labor Relations Authority purchased new furniture for the relocated Washington Regional Office costing approximately \$39,000.00 and a new copier was purchased for the San Francisco Regional Office. The Administrative Services Division had recommended additional furniture and major equipment purchases for FY 98 and FY 99 to further enhance Federal Labor Relations Authority's workplace environment, but budget restrictions prevented such purchases. These purchases are being resubmitted by the Administrative Services Division in the FY 2001 budget submission.

Quality of Work life

The general environment of the Federal Labor Relations Authority is philosophically collegial, progressive and encourages innovation, participative dialogue and teamwork. Yet, interviews with Headquarters personnel and the regional office surveys revealed that

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the focus of many employees remains rather narrow in scope and lies within their assigned organizational entity rather than on the Agency as a whole. As in every organization, Federal Labor Relations Authority managers have different management styles which range from a contemporary mode of total delegation and empowerment of employees to the more traditional rigid control and micro management. This review, as well as previous internal reviews conducted during FY 98 and 99 support that morale and productivity are better when employees are given as much independence as possible, are empowered and given responsibility and accountability and decision making capabilities, and are appropriately acknowledged for their efforts. While much progress has been made in the past few years to create a "one agency concept" and a "corporate mentality" among management and employees, distinct management philosophies still exist among the three major organizational entities (the Authority, General Counsel and Federal Service Impasses Panel) which influence the extent, nature and impact of human capital investments as well as Agency bonding.

The statutory structure of the Federal Labor Relations Authority is not the most conducive for a corporate mentality because; in essence it creates three distinct and independent components. It also creates an Agency "Chair" position in the Authority which has the responsibility to function as the "CEO" of the entire organization. The three Presidential Appointees who head the major organizational entities have a respectful relationship and have helped improve Agency-wide bonding. While employees seemed bonded to their own organizational entities, component attitudes of separateness, competitiveness and even some resentment was noted among both managers and employees during Headquarters interviews and Regional Office surveys. Further insight into this matter will be given under Interviews with Personnel, below.

Federal Labor Relations Authority management, as a whole, is sensitive to its employees' personal and private life obligations and works closely with employees to accommodate these needs. This perspective is also found among many employees who spontaneously help fellow employees who are having medical or personal life problems through leave and monetary donations as well as personal assistance. The Federal Labor Relations Authority has implemented several Federal government initiatives to improve the work life of its personnel. Some of these initiatives include Alternative Work Schedule, Casual Friday, Take Your Daughter to Work Day, Government Charge Card Program (now required), and Tier Development Programs, local travel reimbursement from Imprest Fund and over the counter commercial small purchases form Imprest Fund. A majority of the employees interviewed stated they would like to see Flexi place and Transit Subsidy Programs

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implemented as well. Management plans to implement the Transit Subsidy Program in the next few months. The latter are already active programs in many Federal agencies. Federal Labor Relations Authority management and employees have also been very generous to the Combined Federal Campaign and private charities.

Interviews - Federal Labor Relations Authority Personnel

During the course of this review, 36 interviews were held. Discussions were also held with principals from the Office of Management and Budget, the General Accounting Office, Brookings Institute and Library of Congress. Attorney grade and work structure discussions were held with appropriate principals from the National Labor Relations Board, Office of Special Counsel and Merit Systems Protection Board. Twenty-nine interviews were initially held with randomly selected management and working level employees at Headquarters and the Regional Offices (10 managers and 19 employees.) Additional and/or follow-up interviews were held with 9 employees/managers prior to the formulation of this second draft to revalidate information and statistics. Standardized questions (Attachment 5 and 6) were initially asked of all employees interviewed. Significant comments and concerns that evolved through interviews and surveys were discussed more fully and the issues validated by discussions with other employees to ensure issues were not an isolated viewpoint. Interviews with personnel, surveys voluntarily mailed back by randomly selected Regional Office managers and employees (some of which were discussed further if employees chose to identify themselves) surfaced several common perspectives about the Federal Labor Relations Authority's human capital investments.

While the comments of 36 employees merely account for 12% of the Federal Labor Relations Authority population and are not intended to represent the entire population of the Federal Labor Relations Authority, it is important for management to be aware of some of the concerns of their employees and focus on eliminating conditions or perceptions which may contribute to such perceptions. It is a fact of human behavior for people to focus and concentrate on the negative rather than acknowledge of the positive when they perceive they have not received equitable treatment. It is very important for management to address these perceptions by either providing the information necessary to change incorrect perceptions, or eliminate the causes, if they exist, in order to foster and maintain a highly motivated workforce and quality work environment. With this in mind, the following issues, surfaced through employee interviews and surveys are being communicated with the acknowledgment that they

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may not be reflective of the majorities Federal Labor Relations Authority workforce.

1. Four relatively new Authority professional legal employees stated that while they felt their grades were lower than comparable grades in other Federal agencies, they have received excellent training and mentoring during their employment at the Federal Labor Relations Authority, thus far. They felt that training within their organizations was fairly distributed among all skills series. These new employees felt that the orientation given by the Human Resources Division was very good, but that they needed and would benefit from more technical orientation and mentorship during their first 3 months of employment. They felt that the Federal Labor Relations Authority facilities, technology and tools provided to them were ample to perform their jobs. Three of these employees were impressed by the degree of empowerment and supervisory mentoring they received. Three of these relatively new attorneys commented that they felt their journeyman level grades should be higher because they had law degrees. One compared the journeyman level grades of the legal professionals to those of the higher professional administrative support functions staff.

2. Six employees interviewed in Authority/Federal Service Impasses Panel clerical and administrative support positions felt that the Agency showed concern only for the development of legal and labor relations specialist personnel and showed little concern for the development of administrative clerical support personnel. Five of these same Authority employees and two Authority managers stated that vacant staff positions for the Authority were usually filled with outsiders and those internal administrative personnel, even with many years of experience with the organization, were rarely selected. Four Authority minority administrative personnel pointed out that until an Equal Employment Opportunity complaint had been filed in 1995, no existing minority administrative staff person was selected for higher internal staff positions within the Authority. Since that complaint was filed, a few individuals have progressed into higher positions. Generally, these encumbered positions were upgraded and the employees did not progress competitively, but on the basis of desk audits. Three Authority employees pointed out that Authority senior management brought in their own administrative employees as C Schedule hires, thus limiting the ability for tenured administrative support clerical and para-professional staff to progress. Three Authority administrative support clerical employees stated that promotions were not based on level of work but were more dependent on the Office of the Chair's, clerical employee's advancements. Follow-on discussions with personnel in both the Office of the General Counsel and the Federal Service

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Impasses Panel did not validate similar issues being a concern in these organizations.

3. Two Authority administrative support clerical support and two Authority para-professional personnel stated that, while they had training in basic skills directly related to their current positions, they were repeatedly denied any training that could lead to professional or higher level administrative jobs. Two of these same employees mentioned specific examples relating to the progression of non-minority administrative support personnel and the lack of similar progression of tenured Authority minority administrative support personnel. One administrative support individual that was in the Upward Mobility Program stated it took 5 years to achieve one grade increase, even though performance evaluations for each year were satisfactory. Two Authority minority administrative support and one administrative support clerical personnel stated they did discuss their issues of concern either with their immediate supervisor, a union representative or Equal Employment Opportunity Counselor. All three stated that no redress was provided. One individual stated that when these concerns were articulated to management, a subsequent personnel action to abolish the individual's position was initiated in reprisal. Two Authority minority employees stated that they were reluctant to use Equal Employment Opportunity grievance procedures because they felt their confidentiality was compromised at the onset.

These issues did provoke a more in-depth evaluation of the morale of Authority minority administrative support and clerical personnel. Follow-on discussions validated that this group of employees, had the perception that they were being denied opportunities to receive development, training and progress. While some of these employees stated they felt there were Equal Employment Opportunity implications in the distribution and allocations of opportunities for training and advancement among the Federal Labor Relations Authority's lower graded clerical and para-professional personnel, this review did not produce substantiation of this perception. Nevertheless, collectively, the morale and attitude of these interviewees toward the organization was negative.

4. Three professional employees and four administrative support personnel from the Authority and three Regional Office professional employees stated that they felt the awards system was more "political" than reflective of true performance. They stated in various ways that senior employees were often "rewarded excessively" for the actual work performed by junior employees who received "token awards." Three journey level Authority employees interviewed felt that awards were not equitable because their supervisors either did

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not understand the basis for specific awards or did not have or take the time to justify awards for their deserving personnel. Discussion with five line managers validated that they had differing perceptions of the purpose of the various awards and criteria for extraordinary performance. Standardizing criteria for awards would assist supervisors in making more equitable determinations across the Agency but, as mentioned in the discussion under the Employee Recognition and Awards Section on pages 15 and 16, subjectivity cannot be totally eliminated.

5. Fourteen of the employees interviewed felt the "pass/fail" evaluation system did not reflect their true performance and commented that this type of performance appraisal could be detrimental rather than an asset should they wish to apply for a new job either in or external to the Agency. They also felt such a system made performance appraisals an easier task for management and enhanced management's ability to eliminate employees, but did not benefit the employees. Several of these same employees did not like the previous five tiered system either.

6. Not all employees had Individual Development Plans (IDP). Bargaining unit employees who were interviewed (primarily in the Office of the General Counsel regional offices) had them. The Director of Human Resources stated that while IDP's were encouraged for all employees, they were not currently required for employees at or above the journey level.

7. Three Authority managers commented on Federal Labor Relations Authority's tendency to go outside to hire professional personnel rather than "give someone in-house the opportunity." This comment applied to legal as well as administrative support functions. They stated that this practice has a negative effect on employee morale. While acknowledging that there are many qualified external candidates, these managers both felt that Federal Labor Relations Authority personnel work very hard and should be rewarded by being selected to fill internal higher graded positions, especially because there are very limited growth opportunities in the Agency. One Authority manager stated that Federal Labor Relations Authority employees who applied for internal vacancies were "treated like the general public," and at the very least, should receive a personalized call thanking them for their interest when they were not selected for an internal vacancy.

8. One new Authority hire, which has just completed the first year at Federal Labor Relations Authority, was very satisfied with the mentorship and extensive training received over the past year. The new hire did state that her situation was not reflective of many

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new entry level professional hires who felt that they were "thrown into technical work too soon" and did not have sufficient organizational and technical orientation or mentorship." Another recent hire coming from a more structured Federal environment expressed pleasure and delight to be working in a collegial atmosphere, felt much more independence and empowerment and was pleased with the broad scope of responsibilities which replaced one narrow functional area of responsibility in the former agency. Still another commented that the Federal Labor Relations Authority managed its resources more restrictively than other agencies and that it tended to bypass initiatives supported by most other Federal agencies which would provide compensation for its lower graded staff. The employee named the Transit Subsidy Program and Flexi place Program as examples.

9. Interviews with four tenured Headquarters professional employees who have had positions in more than one Federal Labor Relations Authority organizational entities stated that there were distinct differences in management styles and employee morale among the Federal Labor Relations Authority components. The Office of the General Counsel received the most positive comments in terms of contemporary management practices, employee independence, employee development, empowerment and positive work environment.

10. Four professional interviewees (from all three components) commented on Federal Labor Relations Authority's tendency to hire too many attorneys for the existing workload and felt the Agency would be better staffed if more labor relations specialists (vice attorneys) were hired.

11. Not all employees interviewed (eight) were aware of Federal Labor Relations Authority's Upward Mobility Program or Tier Program. These were predominantly new employees or Office of the General Counsel Regional Office employees.

12. Three Authority management interviewees stated in various ways that they did not feel that executive management looked at employees as assets and that there was very limited personalization and communication among the different elements of the Authority. They stated there was little unity among management and this lack of synergy spilled over to affect employee morale. Two Authority managers and one Office of the General Counsel Regional Office manager articulated that retention of employees and keeping their assignments interesting and varied was their biggest challenge. One Authority employee commented that while the Federal Labor Relations Authority

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provided modern technology, statistical data was not consistent and ZYFIND (no charges for use) was not kept current enough for valid legal case research.

Inspector General's Conclusion:

Government is complex and government management systems, of which human capital investment is one, are probably the most complicated to deal with because results are always evaluated subjectively. The Federal Labor Relations Authority's primary mission is to ensure that Federal employees receive equitable treatment in the Federal workplace. Its program is people and the fact that its budget appropriations are almost all payroll support this concept. Though small and strategically staffed, the Federal Labor Relations Authority has implemented regulatory programs and performs administrative support activities much the same as those agencies which are 5 times the size. For such a small agency, the Federal Labor Relations Authority has many initiatives which can be viewed as sound investments in its human capital. This is important and noteworthy. Because of its unique mission, the Federal Labor Relations Authority must create, place a visible emphasis on, sustain and preserve itself as a role model agency in human capital investment. To do this, the Federal Labor Relations Authority should continue focusing on, increase the visibility of, and correct any shortfalls in its agency-wide human capital oriented investments and initiatives.

While the Federal Labor Relations Authority has made some notable efforts in human capital investment, the majority of the "visible" effort so far has focused on its professional workforce. As hard as an organization may try to improve and implement tools and techniques which improve operations and the quality of work life for its personnel, political and fiscal realities sometimes restrict good intentions. Unfortunately, in spite of management intentions and efforts to acknowledge and recognize its personnel for their contributions, the current Federal Labor Relations Authority environment contains a segment of personnel who have lost their trust in management. Since lack of trust is usually followed by a diminution in performance, intentional or non-intentional, it hurts both the individual and the agency. Federal Labor Relations Authority management attention which has been primarily focused on professional employee developments must now focus its attention to ensuring that its investment in human capital is more equitably distributed among its legal professionals as well as its administrative professional support and clerical personnel.

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Another human capital area where Federal Labor Relations Authority management attention needs to be focused is on the retention of professional legal employees. Discussions with the Office of Personnel Management principals affirmed that most of today's college school graduates enter the government because they have a genuine desire for public service, they want a respectable position and a limited work week, and they know that they will obtain good training and personnel benefits at no or little cost to them. But many of them also feel that there are few incentives for them to remain in government after their training years are over. Recent studies have revealed that workers age 45 and over comprise 44% of the Federal workforce. Over the next decade, Federal agencies will experience the effect of the retirement of a significant amount of its expertise workforce. Recruiting the development of corporate expertise and the retention of new personnel should be a major concern of management.

Many younger employees leave government service because they feel they must "wait their turn" for higher positions of responsibility, suppress their innovation and independence, and accept the fact that their efforts may not be recognized or rewarded appropriately until they achieve senior status. Even though government operations have been significantly "reinvented" many young workers view the government system as one which is primarily rooted in micro-management and pays less money than private sector counterparts. Even with the use of sophisticated recruiting methods, there is no guarantee that after significant investments are made in entry level personnel, the organization will have enough "incentives" to retain them. The reality may be that the Federal Labor Relations Authority may be losing their best and the brightest to other agencies or private sector corporations who have more to offer after the Federal Labor Relations Authority has made a significant human capital investment.

This review did support that the Federal Labor Relations Authority, in most instances, has the intent and is being as successful as it can be in obtaining a "return on its investments" in human capital. As noted in the text above and reiterated in some of the findings and recommendations, there do a few areas need more management attention over the next few years to ensure that they are doing everything possible to get a return on their investment? Money invested in training, mentoring, employee development, special workplace tools etc. can become a human capital loss instead of a human capital investment if the Federal Labor Relations Authority fails to retain its tenured and trained personnel. When people transfer to other Federal agencies, management may be able to rationalize the loss by "we ultimately all work for the same boss"

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but when an Agency loses personnel in whom they have invested considerable time and money to the private sector, or lose employees to other Federal agencies in less than three years of their hiring date, this rationalization does not work from a cost benefit perspective. The bottom line is that when an organization loses personnel, be it one or one hundred, it loses its capital investment. If the Federal Labor Relations Authority cannot provide progression and future growth for its employees, it must find a way to provide other visible and meaningful incentives to retain its employees. The Federal Labor Relations Authority does do some of this now (collegial environment, family needs orientation, flextime, employee recognition and awards, legal professional employee development, etc."). Similarly "other amenities" could be developed to provide additional incentives. For example, the Federal Labor Relations Authority could increase its empowerment of employees, create more "rotational positions", arrange for details to other regulatory or quasi-judicial agencies, increase sources of recognition for deserving working level employees, implement across the board transit subsidy, Flexi place, etc. Accepting the reality that the Federal Labor Relations Authority is a small agency with a small and restrictive budget, which primarily supports and invests in its personnel, does not diminish the fact that the Federal Labor Relations Authority is incurring significant losses in time, money and expertise when it does not keep its personnel beyond the "learning curve" time.

Another area which would benefit from more management attention is mentoring. While it appears that most Federal Labor Relations Authority organizational entities engage in the mentoring process, it would benefit both the agency and employees if Federal Labor Relations Authority supervisors continued to perform visible mentoring with a contemporary perspective and guide employees out of the bureaucratic box of behavior-based training into training which builds cognitive and critical thinking and analytic skills and helps employees increase their personal motivation, innovation, and critical thinking. As the "education bar" rises as a result of globalization, technology advancement, a redefined, reinvented and refined government, it is important for the Federal Labor Relations Authority to keep its employees educated on the "cutting edge" in order to insure and protect its merit, productivity, and customer satisfaction.

This review also revealed that the Federal Labor Relations Authority has several employees primarily in Authority administrative support clerical and para-professional positions that are unhappy and feel they are being ignored and considered secondary to the professional and legal staff. Ironically, whereas Federal Labor Relations

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Authority professional attorneys are, for the most part, lower graded than comparable agencies' attorneys, the Federal Labor Relations Authority administrative support clerical positions are more highly graded. While "perceptions" are real to the perceiver and often caused by the lack of information, this review also revealed another side to this. Among this particular segment of personnel, there also appeared to be an attitude of "victimization" and "entitlement" which almost superseded the importance of a work ethic and an employee's obligation and responsibility to the organization. Several of these employees were very vocal in stating what they did not have or were not given but much more reticent or at a loss for words in discussing what they were giving or should give back in return. Some of these same employees also did not seem to understand that they had some self responsibility for their development and progress and an obligation to "earn" their salaries. Also noted during interviews in some very candid discussions with several Authority managers was reluctance by some supervisors to communicate expectations and deal with performance and morale issues with employees when they first occur. Thus, some Authority employees may have merely evolved with the Federal Labor Relations Authority in time and perhaps with increased grades and duties, but not with more skills, and responsibility. This review did reveal that both of these perspectives, justified or not, are having negative effects on morale in three offices of the Authority and should be addressed with more training and guidance, and the continuous management and supervisory communication of expectations/feedback on results to employees in a constructive and productive manner. Just as leaders need to be developed to maintain a viable organization, so does the workforce and, perhaps, even more so because working level employees provide the initial substance for the products and/or services which formulate the foundation and accomplishment of the mission. One other area of concern, surfaced during this review, is the fragmentation of the Federal Labor Relations Authority organization and its effect on its human assets. As previously mentioned, the statutory structure of the Federal Labor Relations Authority is not conducive to a synergistic and holistic organization. The operational autonomy of the three major organizational components, especially the Authority and Office of the General Counsel (which manages administrative functions of the 7 Regional Offices) contributes to the infrastructure perception that the Federal Labor Relations Authority is actually three agencies in one. According to General Counsel, his statutory responsibility and direct authority over Office of the General Counsel employees, requires this management of administrative and human resource operations, but in no way replicates functions performed by the administrative staffs in the Office of the Executive Director. Thus, the Office of the General Counsel has dedicated resources for resource and

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administrative function management and also has a resource who actively serves as proponent for resource allocations. The Federal Service Impasses Panel's Executive Director does perform this "lobbying" function in the budget and resource allocation process.

The Executive Director of the Authority does not and cannot perform an advocacy function for the Authority because his position supports the Chair who functions as the "CEO" of the entire Agency. The Authority would certainly benefit from a designated proponent.

While no actual replication of programs administered by the Human Resource Division were noted in the operations of the Agency components, some of the human resource work performed by the Office of the General Counsel, such as workload analysis, position classification, extensive internal mentoring and training, should be provided for all employees in the entire Agency. Although much improved over the last few years, the reality that the Authority and Office of the General Counsel don't always "read off the same sheet of music" does diminishes a corporate perspective and has resulted in the creation of "different programs, different standards" and distinct differences in the management and development of Agency personnel. While it is recognized that the different components have different missions and requirements, more of a management effort to reach consensus on proposed Agency level initiatives and programs must be made to ensure equal treatment and similar opportunities for all employees in the Federal Labor Relations Authority.

The Federal Labor Relations Authority has not used human engineering tools and techniques such as position management and workload breakdown and analysis as an agency wide practice and basis for staffing and personnel assignments. While the Office of the General Counsel has used some workload analysis and position management to staff some of its vacancies during the last five years, the Authority and Federal Service Impasses Panel tend to staff vacant positions in a more "traditional" way. In the Authority and Member Offices, senior officials are assigned support staffs and, in some instances, even have their staffs reduced without a methodical assessment of the actual workload. As the result of information surfaced from this review, as well as observations during previous Inspector General reviews, it appears that there may not be enough normal workload to keep some organizations' support staff busy for an 8 hour day while in others, there appears to be more workload than staff. While at this point, without a detailed workload/staffing analysis, this can only be surfaced as an observation, I believe the Federal Labor Relations Authority would benefit from a work breakdown and staffing analysis to ensure it is making the "best use of "dollars" and human resources. In an organization as small as the Federal Labor Relations Authority, management cannot afford

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to waste its money or manpower. It would be exceedingly beneficial for the Federal Labor Relations Authority to use position management and focus on critical workload breakdown and analysis to create, classify and staff positions accordingly. This would also add more substance and validity to Federal Labor Relations Authority's strategic planning, both short and long term.

Security, safety and health issues are also very important aspects of human capital investment. While these programs are in place, the Federal Labor Relations Authority needs to put more "teeth" and emphasis on its security and safety programs and make sure that employees are aware of all of the health care benefits and services available to them as Federal employees. Over the last few years, workplace hostility, personal property thefts and unauthorized access to facilities have emerged as important issues for management attention. Agency-wide annual briefings or seminars on safety, security and health would be beneficial to management and employees alike, are certainly initiatives which help protect human capital assets and could lessen the occurrence of malicious incidents. More interaction with other small agencies and agencies which have been dealing with similar issues such as workplace violence would help the Federal Labor Relations Authority strengthen its existing programs.

In conclusion, it is obvious that the Federal Labor Relations Authority demonstrates the importance of its employees work life and work environment by trying to keep equipment and tools state of the art, providing professional looking offices, and providing ample software access to programs that support both legal and administrative functions. It maintains visible employee recognition and awards program, is family life oriented, maintains an active partnership with the Union of Authority Employees, has a collegial management philosophy and promotes a teamwork oriented environment. Federal Labor Relations Authority leadership has successfully maintained a viable organization in spite of significant downsizing, budget cuts, and internal component management differences.

An innovative organization such as the Federal Labor Relations Authority must lead the way and be a model in recognizing that human capital is an asset, and continue to visibly commit to strategic investments in the workforce. Policy and procedural strategies should support the maximum delegation of authority and independence to qualified employees, strong team building and participative decision making, and strong and open systems for communication. The Federal Labor Relations Authority must also support a strong oversight system to support accountability and the astute use of

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resources. It must also continue to attract and retain a skilled and cohesive workforce. While it is obvious that there is some important work still to be done in the area of human capital investments, for the most part, the Federal Labor Relations Authority has been progressive and focused on in its human capital investment initiatives. With continuing focus on human capital investments, a corporate management synergy, and attention to a few areas of employee concern, the Federal Labor Relations Authority could very well be a forerunner in the current Federal environment in the area of human capital investment.

Summary of Best Practices:

The Federal Labor Relations Authority general "quality and collegial work life" environment

The Federal Labor Relations Authority's management's sensitivity to employee's personal and family needs

The Authority's internal detailing of employees

The Office of the General Counsel employee development and focus on training

The Office of the General Counsel's focus on internal hiring

The Office of the General Counsel general work environment.

The Federal Service Impasses Panel's mentorship and human asset orientation

Human Resource Division's efforts toward improving internal customer service orientation

The Administrative Services Division's focus on its employees

Summary of Vulnerabilities:

Federal Labor Relations Authority employees appear to lack a corporate perspective.

Low professional grading may be impacting the hiring and retention of expertise personnel and restricts development of future "corporately knowledgeable" management.

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Position Classification, staffing and allocation of human resources is not correlated to workload throughout the Agency.

The Upward Mobility Program needs more emphasis to provide growth opportunities for administrative support and clerical personnel.

There appears to be a morale problem with a segment of administrative support clerical and para-professional personnel in Authority.

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Findings and Recommendations

As a result of this review, the Federal Labor Relations Authority's Inspector General has compiled and substantiated the following findings and makes the following recommendations. It should be understood that there are some findings which are not applicable agency-wide or to all three components. In those cases, the exceptions are noted in parenthesis after the recommendation.

1. Finding: The Federal Labor Relations Authority may not be achieving a maximum return on its investments in human capital. Although Federal Labor Relations Authority's separation rate is not much notably higher than comparable Federal agencies, the continuing rapid turnover of professional (legal and administrative) personnel during the last two years is not cost beneficial to the agency, especially in view of the Federal Labor Relations Authority's restrictive budget and unique mission.

Recommendation:

a. Director, Human Resources Division conduct exit interviews with departing employees, track the reasons for employees leaving the Federal Labor Relations Authority, and provide an annual report and trend analysis to senior management at the close of each fiscal year, or as requested. (The Office of General Counsel is currently conducting telephonic interviews with its employees who left in FY99 to determine the reasons why they chose to leave.)

b. Federal Labor Relations Authority management, with assistance from the Federal Labor Relations Authority Partnership Council, research and develop employment retention incentives which are cost effective, benefit the agency mission and serve as incentives for the retention of Federal Labor Relations Authority employees.

2. Finding: The Federal Labor Relations Authority, when compared to similar quasi-judicial regulatory agencies, generally hires its legal professionals at lower entry level grades and retains them at a lower journey level. This may be a contributing factor to Federal Labor Relations Authority's inability to retain its younger professional staff.

Recommendation: Federal Labor Relations Authority management, with the assistance of the Human Resource Division Director review, the

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level of work requirements for entry level and working level attorneys and revise, if appropriate, the Federal Labor Relations Authority grade structure so that it is more comparable, especially at the working level, to other Federal Agencies performing similar work. Consideration must be given to the fact that Authority entry level attorneys perform different types of work (case writing, research) than those assigned to the Office of the Solicitor and Office of the General Counsel Regional Offices (investigate, mediate, litigate) and the Federal Service Impasses Panel (investigate, mediate). Consideration should also be given to the fact that Federal Labor Relations Authority attorneys are currently designated as excepted service which provides more flexibility in pay by eliminating time in grade requirements for progression.

3. Finding: Federal Labor Relations Authority officially budgeted a little over 1% of its allocation for employee training during the past two fiscal years. While this percentage does not represent the actual Agency expenditure, the "official" 1% allocation (\$500.00 per employee) does not publicly support a major commitment to human capital investment and the continuing development of employees. While Federal Labor Relations Authority personnel policy recommends Individual Development Plans, it does not require them for employees GS-13 and above. The Federal Labor Relations Authority may not be obtaining maximum benefits from external training by not requiring supervisor-employee discussion of completed training or "peer sharing" of information.

Recommendation : Federal Labor Relations Authority officially budget 3% of its total appropriation for employee training, require individual development plans for all General Schedule employees, and encourage supervisory discussion with employees after the completion of training, and peer sharing of information acquired during training to get maximum return on training investments.

4. Finding: Federal Labor Relations Authority management has focused on the development of its professional staff, but has not placed a comparable emphasis on the development of its administrative support para-professional and clerical staff.

Recommendation:

a. Federal Labor Relations Authority revitalizes the Upward Mobility Program and focus on developing an agency-wide program for the development of administrative support para-professional and clerical employees.

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b. As vacancies occur in the Authority, Office of the General Counsel (Headquarters) and Federal Service Impasses Panel, designate at least two competitive (and rotational, as feasible) Upward Mobility positions, GS-5/7/9/11 (one dedicated toward development as a Labor Management Specialist or Paralegal Specialists and the second toward development as an Executive Assistant (exposure to all aspects of administrative operations.) All upward mobility positions should be announced and open to all Federal Labor Relations Authority employees.

5. Finding: Not all Federal Labor Relations Authority supervisors understand the extent of their roles in performance management or understand the differences among the Federal Labor Relations Authority performance and recognition awards and the criteria for those awards. In some instances, supervisors do not appear to take the time to appropriately evaluate, recognize and communicate extraordinary or diminishing performance. This is occurring in spite of Human Resource Division policy on Performance Management and on-site (Headquarters) Performance Appraisal training.

Recommendation:

- a. Federal Labor Relations Authority Human Resource Division continues efforts to educate Headquarters and regional supervisory personnel on their obligations and responsibilities for personnel management and administration and performance appraisals.
- b. Federal Labor Relations Authority second line supervisors ensure that all first line supervisors have a human resource management performance element and are rated on their supervisory and mentorship performance as well as technical and program duties.
- c. Director, Human Resources Divisions and/or organizational component management plan activities, briefings, seminars and organizational off-sites which foster communication between employees and their managers, provide a forum for a realistic discussion of management and employee rights, responsibilities and expectations.

6. Finding: New entry level professional hires require 'technical training' organizational exposure, statute orientation and mentorship during the first several months of employment. Not all of them are receiving this in a timely manner. New hires would

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benefit from more focused mentorship during the first year of employment. While the Office of the General Counsel has a formal internal technical training program, other Federal Labor Relations Authority organizational entities do not.

Recommendation: All Federal Labor Relations Authority organizational elements develop and provide their new employees with an internal technical orientation, separate and apart from the general annual New Employee Orientation. This internal technical training should be provided within 30 days of a new employee's entry into the Federal Labor Relations Authority. Managers, or experienced staff members should be assigned to mentor and help new employees assimilate and adjust to the new environment. Specialized technical training and major workload assignments should follow only after the internal technical training has been completed.

7. Finding

Federal Labor Relations Authority does not use position management and workload analysis as an agency-wide practice to determine hiring and staffing needs, positions classifications, grade level or resource allocations.

Recommendation

Federal Labor Relations Authority Human Resource Division conduct (or procure an independent contractor to perform) position management reviews and workload analysis of vacated positions prior to rehiring until all positions are validated and perform a workload analysis of all Federal Labor Relations Authority organizational units to ensure proper position classification, grade levels and allocation of personnel to support actual, reoccurring mission essential workload.

8. Finding: Some Federal Labor Relations Authority managers require strengthening of human resource management and supervisory/mentor skills.

Recommendation:

a. Require all Federal Labor Relations Authority managers and supervisors of personnel to have prior to, or acquire in the first three months of their acceptance of a supervisory position, training, and education in contemporary management skills and human resource management. All current supervisors and managers who have not had

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such training in the past should be required to take such training within 6 months of the issuance of this report.

b. Sponsor periodic management meetings and invite community speakers knowledgeable in contemporary human resources matters, behavioral science, Federal management practices and good government to speak to Federal Labor Relations Authority managers (all levels) to enhance their Federal management and supervisory perspectives.

9. Finding: While attention was given to security and safety issues during FY 98 and FY 99, a more proactive and more visible approach to these vital programs as well as the expansion of information on health issues and services are warranted to ensure the protection and maximum safety and security of Federal Labor Relations Authority personnel.

Recommendation:

a. Director, Administrative Services Division provide (or arrange for experts to provide) at least annual briefings on safety and security issues to all Federal Labor Relations Authority personnel. Federal Labor Relations Authority management continue current emphasis on workplace violence prevention and consult with other Federal agencies currently attuned to this issue, in order to provide more guidance to personnel.

b. Director, Human Resources Division provide continuing information on health services and issues and work with Security personnel to implement an Agency-wide preventative Violence in the Workplace Program. (The Office of General Counsel has incorporated Workplace Violence and Security in their Training Manual.

10. Finding: Many of the early Memoranda of Understanding signed by Federal Labor Relations Authority management and Union of Authority Employees are 10 years old. Some have been "overcome by events" while others may require updating.

Recommendation: Union of Authority Employees/Federal Labor Relations Authority collective bargaining negotiator(s) review, revise or cancel, as appropriate, Memoranda of Understanding between the Union of Authority Employees and Federal Labor Relations Authority management executed prior to and including 1995.

The following observations are based on repetitive employee input. While the issues may not represent the majorities perspective of

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Federal Labor Relations Authority employees (only 12% of the total workforce population were interviewed or surveyed during this review), the issues discussed below are important enough to evoke Inspector General concern and should similarly evoke senior management attention.

Observation 1

There is a perception among several Authority administrative para-professional and clerical staff personnel that development and progression are given only to professional staff and that management does not provide the same development or growth opportunities to minority support staff as it does to non-minority support staff.

A review of current Federal Labor Relations Authority training records validated that minority as well as non minority para-professional employees have received various skills training courses and several minority para-professionals and clerical staff has been upgraded during the past few years. However, this perception justified or not, is having an overall negative effect on Authority administrative support para-professional and clerical personnel morale and work ethics.

Recommendation:

a. Chair, Federal Labor Relations Authority use an agency wide task force to prepare a formal strategy to strengthen the Federal Labor Relations Authority's Upward Mobility Program and direct the creation and management support of a development program for administrative support and clerical personnel.

Observation 2

Statistical data provided and used during this review had to be "re-requested" three times because of inconsistencies surfaced through Inspector General and component management during the initial staffing of the draft. Whether these inconsistencies came from different accounting methods or human error was not pursued as part of this review but it did cause both the Inspector General and several Offices of the Executive Director staff a lot more work for the preparation of this report.

A similar problem surfaced during the Internal Review of the Case Control Office and leaves much discomfort from an oversight perspective since statistical information is a vital foundation for analysis and evaluations. When data is inconsistent, its

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credibility is questionable and makes oversight conclusions questionable. In this case, it caused additional research and analysis; additional interviews to validate information associated with statistical disparities, and necessitated almost a total rewrite of the report.

Recommendation:

Federal Labor Relations Authority management develop and implement sufficient controls and adopt a yearly review of data (including reconciliation procedures with each of the three organizational components) to ensure the validity and credibility of all Agency data. As we start the new millennium, this is a most appropriate time to address this problem.

Attachment 1

General Accounting Office Critical Components to Building Human Capital

The Federal Labor Relations Authority has met most parts of the four critical components to building human capital as defined by the General Accounting Office. Major efforts are summarized below. Areas requiring more attention are written generically as Agency-wide concerns even though it is recognized that not all components have these vulnerabilities.

1. Adopting a strategic approach to human planning.

As pointed out in a recent Federal Labor Relations Authority Office of the Inspector General Evaluation of Federal Labor Relations Authority's compliance with the Government Performance Results Act, the Federal Labor Relations Authority has done a merit able job in its strategic planning and has tied its mission critical strategies to current human resources. As this evaluation pointed out, the Federal Labor Relations Authority Strategic Plan did not, however, include the effect(s) of cross cutting activities and changes in the amount of human resources. Management has agreed to incorporate these two aspects during its next strategic planning update/revision.

2. Acquiring, developing and retaining a staff with skills and expertise to meet critical mission needs.

As a result of the current labor market, the Federal Labor Relations Authority currently has had no difficulties in acquiring a professional and administrative support staff to meet mission needs. As pointed out in this review, Federal Labor Relations Authority supervisors spend a significant amount of time and resources in developing, training and mentoring their staff. The one area of concern, which is discussed in detail in the section, Hiring and Retention of Personnel, is that over the last two years, there has been considerable turnover of personnel. Although statistically not much higher than the Federal Agency norm, because of the small size of the Agency and its unique mission, the impact of loss and retraining new personnel may be greater.

3. Creating a performance based organization.

As part of its strategic planning, the Federal Labor Relations

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Authority has created a performance based organization. While more detail is available in the Federal Labor Relations Authority Inspector General Evaluation on Federal Labor Relations Authority's Compliance with the Government Performance Results Act, each organizational component has an annual action plan which depicts its goals which tie to the agency Strategic Plan. Each Federal Labor Relations Authority employee develops an annual work plan which ties to the agency Strategic Plan through its component plan and provides the basis for performance elements and ratings.

4. Protecting merit principles.

The Federal Labor Relations Authority endeavors to support merit system principles. Some areas warrant more attention but, on the whole, the Federal Labor Relations Authority does a notable job. Below are listed the merit principles and the areas, revealed in this review which require more management attention:

Principle

* Recruiting qualified individuals from all segments of society and select/advance employees on the basis of merit and fair and open competition.

Area Requiring More Management Attention

Diversity Hiring
Veteran Hiring
Professional Grade Structure

Principle

*Treat employees and applicants fairly and equitably without regard to political affiliation, race, color, religion, national origin, sex, marital states, age, or handicapping position.

Area Requiring More Management Attention

Upward Mobility Program
Development of Administrative support clerical personnel
Professional Diversity Hiring

Principle

*Provide equal pay for equal work and reward excellent performance.

Area Requiring More Management Attention

Supervisor knowledge of performance based evaluations and derivative award criteria.

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Principle

* Maintain high standards of integrity, conduct and concern for the public interest.

Area Requiring More Management Attention

None revealed.

Principle

* Manage employees efficiently and effectively.

Area Requiring More Management Attention

New employee technical training
Continuing communication on performance
Appropriate recognition, awards

Principle

*Retain or separate employees on the basis of performance.

Area Requiring More Management Attention

Retention of personnel
Grade structure of working level attorneys
Discipline when warranted

Principle

* Educate and train employees on the basis of their performance.

Area Requiring More Management Attention

Individual development plans for all employees
Management-employee discussion of the merit of training
Employee sharing of training information with peers

Principle

* Protect employees from improper political influences.

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Area Requiring More Management Attention

None revealed

Principle

*Protect employees against reprisal for the lawful disclosure of information in "whistle blower" situations (i.e. protect people who report things that are illegal and/or wasteful activities.

Area Requiring More Management Attention

None validated

Attachment 2

Federal Labor Relations Authority Accessions and Separations for FY 98 and FY 99

I. Accessions

Skills	1999	1998
Attorneys	Authority -7 OGC -8 FSIP -1	Authority - 10 OGC- 9 FSIP - 1
Labor Relations	Authority-0	Authority -0

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Specialists	OGC - 4 FSIP - 0	OGC - 0 FSIP - 0
Administrative Professionals	Authority -4 OGC - 0 FSIP - 1	Authority - 9 OGC - 0 FSIP - 0
Administrative	Authority -7 OGC - 11 FSIP - 0	Authority - 2 OGC - 0 FSIP - 0
Legal Para- Professionals	Authority - 1 OGC - 0 FSIP - 0	Authority - 0 OGC - 0 FSIP - 0

II Separations

Skills	1999	1998
Attorney	Authority -6 OGC 4 FSIP -0	Authority - 1 OGC- 6 FSIP - 1
Labor Relations Specialists	Authority-0 OGC - 5 FSIP - 0	Authority 5 GC - 0 FSIP - 0
Administrative Professionals	Authority-5 OCG -0 FSIP 0	Authority 5 OGC-0 FSIP-0
Administrative Clericals	Authority -5 OGC -5 FSIP - 1	Authority - 2 OGC - 3 FSIP - 2
Legal Para- Professionals	Authority - 1 OGC - 0 FSIP - 0	Authority - 0 OGC - 0 FSIP - 0
Retirements	Authority -2 OGC - 3 FSIP - 0	Authority - 0 OGC - 3 FSIP - 0

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Attachment 3

Management Actions Which Have Positive Effects on Human Resources

The following information pertains to actions, which I have found over my years of Federal government oversight and management consultation, are important management actions which have a very positive effect on human resource morale, productivity and loyalty to the organization. Federal Labor Relations Authority managers do many of these now. I have listed them so that you might have this as a reference for staff meeting and/or individual communication with managers/supervisors.

1. Hiring the right skill and experience-based staff,
2. Organizing workload for equitable distribution,
3. Assigning tasks with skill strengths in mind,
4. Providing clear and consistent direction,
5. Setting goals and objectives which are reflected in the staff's performance appraisals,
6. Communication,
7. Mentoring (coaching, encouraging, and providing constructive feedback),
8. Empowering staff with autonomy, responsibility and accountability,
9. Providing tools and technology that enable individuals to perform their functions,
10. Providing training opportunities,
11. Identifying employee potential and fostering development,
12. Recognizing good work and rewarding performance,
13. Taking disciplinary action when warranted,
14. Resolving or arbitrating conflicts,
15. Bringing employees' concerns to higher level management, and

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16. Making human resource management a prime aspect of all strategic planning.

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Attachment 4

Human Capital Investment
Questions for FLRA Supervisors

Name _____ (Optional)
Grade/Title _____
Yrs. Employed at FLRA _____
Organization _____
No. of Employees Supervised _____

1. Are FLRA human resource policies and procedures clear and understandable?
2. Does FLRA workforce planning include a strategic analysis of needs?
3. Is hiring new employees timely?
4. Are you empowered to make your own hiring decisions?
5. Do you have the appropriate mix of skills and competencies among your employees?
6. Do you have the empowerment to reward your employees appropriately?
7. Do you have the empowerment to discipline and fire employees appropriately?
8. Do you feel the FLRA has a cooperative and balanced (i.e. partnership) relationship with its labor union? Explain.
9. Do you have sufficient incentives to retain skilled employees?
10. What have you done over the last two years to retrain current employees to meet new workforce needs?
11. How have you involved your employees in improving program management and customer services?
12. How have you prepared your employees for new technology and programs and processes?

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13. Do you feel the two level pass/fail evaluation system provides a fair and accurate assessment of your employee's performance?
14. Over the last two years, what types of training have you provided/approved for your employees? Do you discuss training with the employee after it is completed?
15. Do you feel you provide insight as well as oversight over your employees? Explain.
16. What are your thoughts on FLRA's Upward Mobility Program?
17. Describe your assessment of FLRA's treatment of employees as an asset.
18. Is your budget sufficient for developing your employees?
19. What do you think is FLRA's major problem with its employees?

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Attachment 5

Human Capital Investment
Questions for Employees

Name _____ (Optional)
Grade/Title _____
Yrs. Employed at FLRA _____
Organization _____
Supervisor _____

During the past two years (**FY98 and FY99**):

1. What types of "investments" has the FLRA made in you, as an employee?

2. Do you think you have received sufficient developmental training?

3. Have you been or applied to be a participant in the Tier I or Tier II programs?

4. Do you think the FLRA defined core competencies are representative of the skills you need to perform your job? If not, what is missing?

5. Do you have an Individual Development Plan which is reviewed and updated annually?

6. Are you aware of the Employee Assistance Program, available Health Services and Safety and Security requirements?

7. Do you find the Human Resources Office responsive and helpful?

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8. Do you think the FLRA has placed an emphasis on the development of its employees?

9. Do you think the Union of Authority Employees is sufficiently involved in FLRA employee initiatives?

10. Do you think FLRA has placed appropriate emphasis on diversity, affirmative action and employee development?

11. What is your assessment of the success of FLRA's Upward Mobility Program?

12. What is your assessment of FLRA's grade structure and position classification?

13. Based on the level of work you perform, do you think your grade reflects the level of expertise required?

14. How would you rate management's communication with working level employees?

15. Do you think that awards are equitably given to deserving personnel?

16. Do you think that extraordinary performance is recognized?

18. Do you have appropriate empowerment to support your responsibilities and accountability?

19. Do you have contemporary tools, technology equipment, and

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information access to perform your job?

20. What is your opinion on the FLRA's "pass/fail" performance system?

Additional Questions/Comments

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