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UNITED STATES OF AMERICA
FEDERAL LABOR RELATIONS AUTHORITY
OFFICE OF THE INSPECTOR GENERAL
WASHINGTON, D.C. 20424-0001

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Subject: Inspector General FLRA Human Capital Progress Assessment
Follow-up on FY 2000 Internal Review of FLRA Human Capital

Background: The actual foundation for human capital was developed in 1993 by the National Performance Review (National Partnership for Reinventing Government). The concept reflecting that human capital resources were an asset vice a cost occurred when Congress passed the Government Performance and Results Act. Congress continued passing legislation that integrated human capital investment strategies and performance management (i.e. Federal Acquisition Streamlining Act, Clinger-Cohen Act, Government Information Security Act, Government Performance Results Act, etc.) because human resources are the most essential resource for accomplishing Federal Agency's mission.

Congress has always recognized that human resources are the most important asset of the Federal Government. As the Federal government strives to change it's structures and emphasize its focus on customer service, performance based budgeting, delayering management positions to be replaced with working level positions, learning that Agency's can do more with less if they attract, hire, and retain skilled employees with broad based knowledge and appropriate behavioral qualities, the management of human capital investments becomes even more important.

Human capital may be the most difficult government wide standard for management to address because of the actual challenges the Federal Government faces in the personnel area. The current skills imbalances, significant pending retirement of experienced and knowledgeable Federal employees, current outdated personnel and payroll policies and lack of flexibility to acquire and develop talent and leadership are issues that the current Administration is addressing. Overall, progress in Federal agencies to improve human capital standards has been slow because most managers have addressed other standards that they feel are more important such as financial management, competitive sourcing and procurement weaknesses. However, the bottom line is that, in reality, none of these other standards can be improved or achieved without dedicated, motivated, and

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appreciated employees.

The current Administration is committed to strengthening the relationships of pay for performance, particularly for employees with significant program and /or human capital management responsibilities. The management of employees is not the responsibility of the Human Resources Division but is the responsibility of every manager and supervisor. Current leaders, managers and supervisors must address a significant challenge by engaging in creative and effective approaches for managing today's diverse, highly skilled, well educated employees who prefer to be challenged and want to broaden their knowledge, be assured of continuous growth, and remain challenged with continuous growth, knowledge and job opportunities. Public leaders need to treat employees in a way that brings out their potential as individuals. Leadership should ensure that employees are always treated with dignity and respect, every day by every one. Employees should have a work environment and tools to promote contributions which are meaningful both to the Agency and employee and appropriately recognized.

Working level employees have new challenges which result from changes in their previous working concepts such as taking responsibility for their actions, engaging in continuing training, and focusing on "doing it right the first time." Leaders and managers must devote more time to mentoring and communicating with their employees, creating a trustful and respectful work environment, promoting innovation and thoughtful risk taking and being accountable for their work. Leaders, managers and working level employees who have committed to public service must accept the fact that the Government is changing and there are new standards of performance, stronger but more simplified technical and administrative systems requiring more accountability and the need for corporate continuity and planning. Also, everyone should be aware of a very basic work ethic principle, that to excel, it is not necessary to be in a supervisory or management capacity. Leaders need to focus on developing and interacting with employees in a way that brings out their potential instead of stifling it. Such a focus benefits everyone. Mentoring provides on the job training and development of employees. Treating employees as an asset benefits Agency productivity, employee motivation and dedication and supports contemporary management skills. Frequent communication benefits managers as well as employees by providing a clear sense of the culture and a benchmark for success and insight into what works and what doesn't work. The ideal employee will readily adapt to change, be willing to work and do whatever is necessary, welcome increased responsibility, have strong interpersonal skills and be motivated to learn new skills. This is the essence of human capital.

The current Administration has focused on human capital even more by defining it as one of the five government-wide standards of the President's Management Agenda. Although

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the Office of Personnel Management is currently in the process of drafting some changes in this area, at the time of this assessment the government-wide standards for human capital standards included:

1. The alignment of human capital strategy with Agency mission, goals and organizational objectives including:
 - a. integration into budget and strategic planning;
 - b. compliance with standards for internal accountability systems which ensure merit-based human resource management, and
 - c. consistent with OPM's human capital scorecard (Issued in December1, 2001.)
2. The Agency has a citizen-centered organizational structure that is delayed and oriented toward performing the mission assigned to it.
3. The Agency sustains high performance workforce that is continually improving productivity, strategically uses existing personnel flexibilities, tools and technology and implements effective succession planning.
4. There are no skill gaps/deficiencies in mission critical operations.
5. The Agency differentiates between high and low performers through appropriate incentives and rewards.
6. Changes in Agency workforce skill mix and organizational structure reflect an increased emphasis on e-government and competitive sourcing.

During FY 2000, the FLRA Inspector General conducted an Internal Review of FLRA Human Capital Investments. For a small quasi-judicial agency whose appropriations are primarily allocated for paying its employees salaries and benefits, human capital investments were an important management factor. This review also affirmed that the FLRA workstaff was highly educated, but the FLRA generally hired its attorneys and labor relations specialists at an entry level (GS-9, GS-7, respectively) which was lower than other Federal adjudicatory agencies. The management drivers for entry level hiring by the FLRA was due to a combination of labor-market conditions, FLRA's significant budget restrictions, management's desire for internal molding of its legal staff and obtaining

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more for the dollars spent. Generally, from FLRA's management's perspective and employees' standpoint, the lack of promotion opportunities was a concern. During FY 2000 the FLRA's turnover rate was higher than the norm. The reasons could not be determined at that time because of the lack of exit interviews and related statistics.

Although the FLRA had established an Upward Mobility Program and a Leadership Program both programs had limited success and needed strengthening. The basic problem was that positions defined for upward mobility were very limited and rarely vacant. At the time of the FY 2000 review, the Human Resource Division (HRD) was strengthening its program, working fairly close with component managers, and orienting itself to focus on recruiting and retaining a multi-skilled diverse workforce which would achieve the Agency's mission. The HRD also worked with management and the Partnership Council to develop core competencies, performance management and development programs. A focus was also placed on workplace security and safety due to several incidents occurring at the Headquarters facility and threats made at three FLRA Regional Offices. An objective evaluation of FLRA's Headquarter's security was performed by the Federal Protective Service which also provided a security briefing to FLRA Headquarters employees. FLRA's Employee Assistance Program was handled through the U. S. Public Health Service while it's Health Program was performed by the Health Care Service of the Department of Treasury. Both of these programs were managed appropriately but employees were not aware of the extensive health services available to them.

The FY 2000 Review revealed several vulnerabilities in technology and the lack of tools for some employees. Although software upgrades were made to all computers converting them from Word Perfect 6 to Word Perfect 8 and were in compliance with Y2K, internal integration and security vulnerabilities existed. This review also revealed that although philosophically, FLRA management stated they maintained a collegial, progressive, innovative and participative environment, the focus of a significant amount of managers and employees was rather narrow in scope and focused on their assigned organizational entity rather than from an agency-wide perspective. At this time, distinct management philosophies existed among the three organizational entities, the Authority, the Office of General Counsel and the Federal Service Impasses Panel.

Compared to other small Federal Agencies in FY 2000, the FLRA was progressive in its approach and acceptance that human capital resources were an asset. The FLRA had dedicated over 75% of its appropriations to pay for its educated workforce. Career ladder and upward mobility positions had been established. The FLRA's strategic planning was

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good, its Human Resources Program improved significantly, and several programs specifically oriented to benefit employees, such as Flexiplace, Transit Subsidy, Alternative Work Schedule Program, and Tier I and II Leadership Programs were implemented. The Review also revealed that the FLRA considered the training of employees important and actually spent much more than the training funds allocated for each employee. This was commendable because previous studies have shown that three times more productivity is gained by investing in human capital training than if the same money was spent on new equipment or technology.

Another commendable program at the time of the Review was the FLRA Employee Recognition and Awards program which recognized exceptional employee performance throughout the year. In spite of a very restrictive budget, the FLRA recognized the contributory performance of employees with performance awards.

The FLRA also conducted annual 2 ½ day Employee Orientation Programs for new employees. Employees have found this program very helpful. The only weakness in this program was that employees who come on board after the Orientation, have to wait almost a year for the new orientation, although their immediate supervisors and Human Resource Director provide them with individual orientations. The Review revealed that FLRA management, as a whole, was sensitive to its employees' professional, personal and private life obligations and that many managers and employees spontaneously helped one another during difficult times (medical, private life situations, etc.) The Review also verified that FLRA managers and working level employees were very generous to the Combined Federal Campaign as well as private sector charities.

The FY 2000 Review also revealed that FLRA had focused on Workplace and Information Security, Health and Safety since the September 11, 2002 issue. However, the implementation of Security policy is still pending. The transition of the FLRA to the new Administration's Federal management requirements has been slow and resisted by some senior executives and line managers who correlate these requirements to micro management. The statutory structure of the FLRA has not been conducive for a corporate Agency mentality because it created three distinct and independent legal components (actually four counting the Foreign Panel) and created the Chairmanship (CEO) in the Authority. The FY 2000 Review validated that employees were bonded to their own organizational entities. Current leadership has successfully changed this approach.

The FY 2000 Review also revealed some human capital vulnerabilities such as limited promotion availability, a higher rate of employee turnover compared to other small

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agencies, the lack of an agency-wide management perspective and different component focuses on employee development. The Review also affirmed that the grade levels of most of the professional staff were at least one grade lower than their counterparts in other small, quasi judicial agencies. The Review also revealed that management invested more in its professional staff than its administrative staff even though most of the latter have been with the Agency for a significant amount of time. The Review revealed that the FLRA did not conduct and use position management reviews or statistical workload justifications as a management tool for the classification and assignment of position.

The FY 2000 Review revealed that the FLRA's Upward Mobility Program which was active in the early 90's had dwindled down to almost a "paper exercise." The program was restructured in 1999 but there was still little flexibility in dedicating specific positions for support staff functions. Professional (attorney/labor relations specialist) upward mobility positions were considered different and referred to as "built in career ladders." The FY 2000 Review also included a close look at the FLRA's Tier I and II Development Program which was aligned with FLRA's strategic planning, This program was supposed to ultimately have a specific tier for professional and senior executive service leadership development. Guaranteed promotions are not part of this program and this, inappropriately, discouraged some employees from participating.

During 1999 and 2000, the FLRA Human Resources Division conducted several administrative support training sessions as well as bag lunch seminars at the FLRA Headquarters. In spite of ample advertisement and employee notification, these training sessions were not well attended. Other areas needing management attention, surfaced through the FY 2000 Review included:

- a. Not all employees had Individual Development Plans;
- b. Some employees were reluctant to use Equal Employment Opportunity Counseling and grievance procedures because they felt their confidentiality was compromised at the onset;
- c. The morale of administrative program minority employees was affected by the lack of advancement opportunities;
- d. The majority of human capital investments and achievements pertained to the professional legal staffs of the Agency; and
- e. The lack of succession planning could negatively affect the Agency.

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Objective: An FLRA Inspector General internal review of the FY 2000 Corrective Actions caused some concern. Although most of the FY 2000 corrective actions were reported implemented during FY 2000 or FY 2001, the assessment of progress by the FLRA Inspector General indicated that many of the initial problems still exist or have resurfaced. Therefore, a follow-up assessment evaluating FLRA's human capital progress was conducted beginning on October 15, 2002 and was completed on April 15, 2003.

Methodology: This current assessment includes a follow-up of implemented corrective actions from the FLRA Inspector General FY 2000 Internal Review of Human Capital which was proactively done to assess FLRA's position when this topic was first introduced by the Office of Personnel Management. It also involved a survey of FLRA management's knowledge of and involvement in this important management area which has become one of the main government-wide standards of the President's Management Agenda. Interviews were held with the Executive Director and Director, Human Resources Division as well as randomly selected managers and employees to include their perspectives of FLRA progress in the human capital area. Interviews were also conducted with FLRA employees throughout the Agency to assess their perspectives of progress and needs in the human capital area. Statistical data, which was initiated as a result of a FY 2000 FLRA Inspector General recommendation was reviewed and analyzed as part of this assessment.

Introduction:

Both the Federal government's workforce and workplaces are changing. These changes are primarily driven by the current President's Management Agenda and a previous Administration's vision that the 21st century workforce must be highly skilled, adequately compensated and appropriately assigned, and that the work environment must be safe and productive. To reach this goal, Federal management must focus on and recognize its employees as an asset and a key step for this transformation.

The current Administration has strengthened the focus on Federal human capital investments by making it one of the five essential government wide standards of the President's Management Agenda. The General Service Administrative Office has issued a framework for Human Capital assessments which has been used as a baseline for the FLRA's Inspector General follow-up assessment. The framework for this assessment involves the overarching reality that in order to be effective, all levels of management must provide sustained interest and commitment to human capital management with the

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understanding that it requires continuing reassessments and the elimination of perspective stereotyping. Also, management must realize that their successful approaches today may need to be changed to ensure continuing effectiveness and the capacity to provide a shared vision between the employer and employees. Successful FLRA human capital should routinely address:

1. The level of incorporation of human capital in the Agency's mission accomplishment, strategic planning and core values.
2. Appropriate organizational alignment and the integration of human capital strategies with the Agency's core business processes.
3. A committed Leadership Team which provides reasonable continuity through succession planning.
4. Recruiting, hiring, developing and retaining employees with the appropriate skills (including interpersonal) for mission accomplishment.
5. A work performance culture that empowers and motivates employees while ensuring accountability and fairness in the workplace.

Human Capital Standards

On November 22, 2002, the Office of Personnel Management (OPM) issued new Human Capital Standards which will replace the previous Human Capital standards in the President's Management Agenda. These new standards were formulated by OPM and the Government Accounting Office and Office of Management and Budget. They are based on creating a more effective Government by attracting, developing and retaining quality employees from diversified backgrounds and continually ensuring that Government employees perform at high levels. These new standards are:

I. Strategic Alignment:

Agency human capital strategy is aligned with mission, goals and organizational objectives and integrated into its strategic plans, performance plans and budgets.

II. Workforce Planning and Deployment:

Agency is citizen centered, delayed and mission focused and leverages e-Government and competitive sourcing.

III. Leadership and Knowledge Management:

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Agency leaders and managers effectively manage people, ensure continuity of leadership and sustain a learning environment that drives continuous improvement in performance.

IV. Results Oriented Results-Oriented Performance Culture:

The Agency has a diverse, results-oriented, high performance workforce and has a performance management system that effectively differentiates between high and low performance and links individual/team and unit performance to organizational goals and desired results.

V. Talent:

The Agency has closed most mission critical skills, knowledge and contemporary gaps and deficiencies, and has made meaningful progress toward closing all.

VI. Accountability:

The Agency's human capital decisions are guided by a data driven results oriented planning and accountability system.

Based on this follow-up review, the following comments pertain to the Inspector General's Assessment of the current FLRA status related to the new standards.

I. Strategic Alignment:

The current FLRA Strategic Plan has two goals which specifically relate to the FLRA's adjudicatory mission. The FLRA has a general human resource strategic goal in its strategic plan which is integrated with component action plans and individual employee work plans. The Human Resource strategic goal does align, for the most part, with the FLRA mission and organizational goals. Component action plans integrate with the Strategic Plans and Employee Work Plans, if they exist, and similarly integrate into component action plans. However, not all FLRA employees have work plans. New employees are supposed to receive their position descriptions and workplans within 30 days of their employment. There were several employees in the Authority, however, who had never received a workplan from their managers and a few employees who have not received relevant position descriptions.

Basic human capital strategies are now being aligned and integrated with performance planning and budget submission/allocations by the majority of FLRA managers. The Office of the General Counsel previously had been the innovator of the FLRA's human capital focus, however, now, all three FLRA components are addressing this standard. The current Federal and FLRA focus on human capital has provided a foundation for management to support human capital initiatives.

II. Workforce Planning and Deployment:

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Because of the nature of its adjudicatory mission, the FLRA has always considered customer service important and has focused on its mission to process labor management disputes in an appropriate and timely way. During FY 2001 and FY 2002, the number of cases filed with the FLRA has increased but timely processing has decreased. Some of the reasons for the effect on timeliness include personnel turnover, inability to fill vacancies in a timely manner because of budget restrictions, the absence of a General Counsel and the previous lack of a permanent Director of the Case Control Office (recently filled.) While the last decade downsizing did delay the FLRA, there still exist an excessive amount of SES and GS-15, who are in management positions, and, perhaps not enough working level employees. A recent Inspector General Management Work Analysis identified managerial positions which could be consolidated or eliminated once they were vacated. Management has considered deployment of personnel several times in the past to accommodate workload but has not adopted this procedure. The FLRA currently has an inactive deployment program for its personnel. Current leadership is focused on workforce planning. Succession planning, work plans needs to be a part of this.

III. Leadership and Knowledge Management:

Agency leaders and managers effectively manage people, ensure continuity of leadership and sustain a learning environment that drives continuous improvement in performance.

The majority of the FLRA's quarter million budget is spent on the pay, development and benefits for its employees. The FLRA officially allocates \$500.00 per employee for training. While management supports a learning environment in the FLRA, the reality that most training courses exceed \$500.00 puts a restriction on learning and development of FLRA employees.

The fact that FLRA has not yet instituted a succession planning system along with the reality that a significant amount of senior managers are close to their retirement and that there has been a significant turnover of legal as well as administrative employees may have a significant effect on FLRA's productivity during the next few years. Although the FLRA has implemented a Tier I and TierII Leadership Program, there has been no activity in these programs over the last year. There are also deficiencies in contemporary management knowledge (i.e. respect for leadership and accountability, professional behavior, interactive communication, etc.) and federal program knowledge (i.e. security, procurement, use of government credit cards, etc.). Related training should be a priority for both tenured and new managers. Taking into consideration it's small size, the FLRA has a diversified workforce , however it needs to focus on increasing the hiring of qualified Veterans and minorities in its higher graded positions.

IV. Results Oriented Results-Oriented Performance Culture:

Although the FLRA's Strategic Plan is results oriented, there are senior management concerns over the untimeliness of some case processing, some untimeliness of both internal and external responses for administrative information, untimeliness of hiring employees and some untimeliness of technology and security development. The current pass/fail performance system of the FLRA does not provide management or employees

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with a sufficiently detailed performance evaluation/ appraisal system which should focus on results and drive performance improvement.

The FLRA has a diverse, results-oriented, and basically hard working workforce and has a performance management system that differentiates between high and low performance, but does not define intermediate levels. The performance management system does link individual/team and unit performance to organizational goals and defined results.

V. Talent:

The FLRA has employed legal and labor management personnel with sufficient skills to meet its technical mission. Some of these employees are also in management/supervisory positions and do not have sufficient management/supervisory skills and/or training. There has also been a lack of sufficient focus on contemporary Federal program skills of some employees working in the administrative subcomponents (Human Resources, Security, Computer Technology.) This deficiency needs to be addressed either by training and mentoring or future hiring as well as Agency-wide briefing of current administrative program requirements ("Security, Health and Safety, Federal Management and Employee Responsibilities and Rights, Use of Government Credit Cards, etc.) Managers need to become aware of behavioral science and develop interpersonal skills and ensure that their work is assigned in a manner that takes advantage of an employee's key capabilities and skills rather than just focusing on their vulnerabilities. Agency talent can be maximized by increasing interactive communication between management and employees which does exist in most of the component and sub-component levels and by providing incentives to retain good employees and hiring skilled new employees/managers who have had experience working in a small agency and are committed to serve their customers and senior leaders. The FLRA needs to focus on the future as well as the present, and identify the skills and experience for future hires.

VI. Accountability:

Current FLRA leadership has placed an emphasis on management accountability and results oriented planning, however, some FLRA managers have had difficulty transitioning to the new FLRA environment. This resistance to transitioning, in and of itself, is a human capital issue, and is also affecting FLRA employees because they either observe, are told about, or are victims of the tension. The smallness and unique mission of the FLRA has served both as a cover-up and defense mechanism for previous non-compliance with several Federal program and operational requirements, including the Fair Act, Government Information Security Act, and the Government Performance Results Act. Rather than functioning operationally as a single entity, up until FY 2000, FLRA functioned administratively as three separate agencies rather than as one. This has now changed and current leadership is promoting organizational unity, management accountability, and program and operational compliance with Federal requirements. Not all of FLRA's management (senior executives as well as line managers) have been able to successfully transition to the new and accountable environment.

For many years, the FLRA's Authority Members' Offices, Case Control Office, Office of

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Administrative Law Judges and Office of the Solicitor, Office of General Counsel and Federal Services Impasse Panel have been accumulating case processing data to address its strategic planning process and quantitative strategic goals. The fact that the Human Resource Division and Information Resource Management had insufficient and/or no data supporting their work and strategic goals (which were quantitative) was brought up in several FY1998-2002 Inspector General oversight activities. Data is now being kept (past two years) by FLRA's administrative program offices and technology division and should be actively used to analyze and provide human capital and administrative insight as well as the performance of FLRA's strategic goals.

Major Human Capital Statistics

As part of this review, the Inspector General requested specific statistics relating to human capital which were provided by the Human Resource Division and/or the Budget and Finance Division. The following statements are based on this statistical analysis. The statistics are provided as an attachment.

FLRA Human Resources

In FY 01, the FLRA had a total of 208 employees (includes, senior executives, law judges, presidential employees and general schedule employees.) Student and temporary hires totaled 5 (4 of whom were students) in FY 01 and 4 (3 of whom were students in) FY 2002. During both of these fiscal years, the FLRA had two contractor staff members in the Information Resource Management Division. One is a Help Desk Senior Technician and the other is an Oracle Software developer.

The current Human Resource Division statistics do not provide sufficient information regarding current employee skills and potential skills needed for the future. Office of the General Counsel does retain Individual Development Plans for its employees who have not reached their performance level and has defined the necessary skills for its employees but this has not been done by the other FLRA components.

Human Resource Expenditures

3/4 of FLRA's annual appropriation is spent on human resources. In FY 01, the Authority spent 93% of its fiscal year obligations on salaries and benefits; The Office of the General Counsel spent 88% and the Federal Services Impasse Panel spent 89% of its fiscal year obligation on salaries and benefits. 2% of the Central Services fund was also spent on human resources. The same holds true for FY 2002 where the Authority spent 93%, the Office of the General Counsel spent 90%, the Federal Services Impasse Panel spent 90% and 2% of the Central Services Fund allocations were spent on human resources.

Promotions

During FY 2001, there were 20 employee promotions in the Authority costing \$159,697., 34 promotions in the Office of the General Counsel costing \$213,932 and 1 promotion in the Federal Services Impasse Panel costing \$8238. During FY 2002. The Authority had 13 promotions totaling \$84,313., 22 promotions in the Office of the General Counsel totaling \$145,854 and no promotions in the Federal Services Impasse Panel. These

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statistics include SES level increases and movement from GS/GM to SES which are considered conversions to new appointments.

Within Grade Increases

During FY 2001, there were 26 Authority employees who received within grade increases totaling \$51, 017., 35 Office of the General Counsel employees who received within grade increases totaling \$64,943., and 3 within grade increases in the Federal Services Impasse Panel totaling \$5496. During FY 2002, 26 Authority employees received within grade increases totaling \$53,430., 33 Office of the General Counsel within grade increases totaling \$71, 057. and 1 Federal Services Impasse Panel within grade increase costing \$2207. These statistics do not include SES level increases because SES increases were included in the promotion section above.

Awards

In FY 2001, 181 FLRA general schedule employees received performance awards as well as 14 senior executives. 30 Special Act awards were also processed. The Authority dedicated \$75,364. to the general schedule employee awards, the Office of the General Counsel used \$194,109. for general schedule employee awards and \$28, 000. for senior executive awards. Both the Authority and the Federal Services Impasse Panel used \$67,600. from the Central Services Fund for senior executive awards during FY 2001.

In FY 2002, 233 performance awards, including 30 Special Act Awards were issued to general schedule employees. All FLRA components used a total of \$87,657. from the Central Services Fund for senior executive awards. The Authority used \$98,424. of its funding to provide general schedule employees performance awards. The Office of the General Counsel used \$142,875. of its allocations for general schedule employee awards and the Federal Services Impasse Panel used \$7,950.

Training

The total cost of FLRA employee training in FY 2001 was \$226,070. The Authority spent \$102,393., the Office of the General Counsel spent \$71, 552., the Federal Services Impasse Panel spent \$4, 210. \$226,070 was spent from the Central Services Fund.

During FY 2002, the total amount spent on training was \$190, 582. The Authority spent \$88,921. on employee training, the Office of the General Counsel spent \$62,111., and the Federal Services Panel spent \$2, 805. \$36,745 was spent on training from the Central Services Fund.

The Inspector General review of documented FY 2001-2002 training revealed that all training was related to Federal and labor management issues. The review revealed that one FLRA employee was receiving funding for college education courses which could be related to FLRA's mission. The fact that the FLRA does not have policy relating to paying or reimbursing college expenditures and that no other FLRA employee was aware of and

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provided this opportunity makes this action unfair. The majority of training for FLRA employees during FY 2001 and FY 2002 exceeded \$500.00 per per person. In fact, during FY 2002, \$22,580.00 was spent for training for one employee. This information is an attachment to this report.

Leadership Training Program

The FLRA has created three leadership training programs. The Tier I Program was designed for entry level through GS 12/13 to help employees develop professional, organizational and technical competencies. There is no documentation indicating that this program was ever implemented.

The Tier II Program was designed to provide high potential GS 13 and 14 employees with leadership skills that would make them candidates for positions of leadership within the Agency (team leader, supervisory or managerial positions.) Participants are required to complete this program in three years. This program was implemented and was active in FY 2001 and FY2002. Five FLRA employees from the FY 19 99-2001 program completed the program. So far only 1 employee from the FY2000- 20002 program has completed the requirements. There are currently 3 employees participating in the FY 2001-2003 program.

The Tier III program was designed for supervisors at the GS-14 through senior executive level. FLRA's Executive Resources Board developed the training needs to enhance the skills and provide succession planning for on board senior executives. During FY 2001 and 2002, all newly selected supervisors received leadership training.

The Office of General Counsel has also created a Leadership Program designed to provide OGC GS-14 employees appropriate technical, managerial and leadership qualities. During FY 2001, all OGC GS-14s and 5 Authority/FSIP employees participated in a 2 day training session related to this program. This program was not provided to employees because of budget constraints and the pending appointment of a General Counsel during FY 2003. Three OGC employees attended the Harvard Law School Harvard Negotiation Workshop in FY 2001 and two OGC employees attended the same course in FY 2002. Also in FY 2002, three OGC employees attended the Federal Executive Board Leadership Institute and one attended the Federal Executive Institute. OGC employees also attended various other training such as ADR training, The Art of Effective Facilitation, Conflict Management, EEO training, employment law and representation case issues, mediation and unlawful discrimination training.

A Tier III Program consisting of two phased five year programs with an emphasis on self motivation and managerial skills has also been planned and intended for supervisors GS-14 through the senior executive levels to either develop or enhance supervisory and/or executive leadership skills for current or potential senior executives. This program has not been implemented.

Attrition Rate

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The FLRA attrition rate for FY 2001 was 38 employees (includes 6 retirements), and 20 employees (including 6 retirement) for FY 02. Excluding those employees who retired, the FLRA's attrition rate over the last two years has been approximately 10% which is considered normal for a Federal Government Agency. However, because the FLRA is such small agency, this attrition rate definitely impacts the productivity of the Agency. It is noteworthy to note that eight of the current senior executives and administrative law judges are eligible to retire. The current amount of employees eligible for retirement in FY 2003 and FY 2004 are three and four respectively.

As a result of an FLRA Inspector General recommendation, the Human Resource Division began distributing an exit interview questionnaire in April 2000, to departing employees for the primary purpose of capturing the reasons employees leave the Agency and assessing their general satisfaction with their FLRA work experience. The first annual report covered the period of April 1, 2000 through May 19, 2001. Although 43 employees separated during that period (25 Authority, 16 OGC and 2 FSIP,) only 9 people returned the exit questionnaire. No conclusions could be rendered by the Human Resource Division based on this small amount of exit questionnaires.

In August 2001, Director of Human Resources issued a memorandum to all FLRA managers and supervisors, requesting that they provide the Human Resource Division assistance in the exit interview questionnaire process. Specifically, FLRA Human Resource Division and Office of the General Counsel Office managers were asked to ensure that the exit questionnaire be provided to each separating employee along with a stamp- FLRA addressed envelope for return to the Human Resource Division; Supervisors, Office of the General Counsel Office Managers, and the Human Resource Division staff should encourage employees to complete and submit the exit interview questionnaire at the same time they submit the required Clearance Checklist; and that the Human Resource Division send a follow-up questionnaire to all employees one month after their separation, requesting the questionnaire if they have not submitted it within that time frame.

A second exit survey summary covering employees leaving from May 20, 2001 through May 19, 2002 was prepared in June 2002. This summary was not released to management because only eight out of 34 employees leaving the Agency responded to the questionnaire.

The data from those employees who submitted the exit interview questionnaires reflected various reasons for leaving including, more pay, more growth opportunity, more personal time and different career interest. FY 2001 and FY 2002 employees who left the FLRA did not provide specific negative comments about their work experience, training, resources and management.

Hiring Personnel

During FY 2001, the FLRA posted 54 announcements and hired 15 employees. In FY 2002, 23 vacancies were advertised and 8 of these were filled. During FY 2002, more

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focus was placed on upward mobility positions. The Office of the Inspector General created and filled an upward mobility position and the CCO created 2 upward mobility positions.

Supervisory Ratios

In both FY 2001 and FY02, the FLRA had 36 supervisory positions (includes vacant as well as encumbered positions). Specifically, the supervisory/employee ratios for the FLRA subcomponents are not standard and fall anywhere between one supervisory position for one employee (Office of the Inspector General) to one supervisory position for ten employees (Information Resource Division). The Office of the General Counsel has three supervisory positions for eleven employees. Generally, the Regional Offices have two supervisory positions for fourteen or fifteen employees. The Authority Members' Offices range from two supervisory positions for eight or ten employees, the Office of the Administrative Law Judges has one supervisory position for eight employees, the Office of Case Control has one supervisor for four employees and the Office of the Solicitor has 0 supervisory positions for seven employees.

Performance Awards

During FY 2001, the FLRA spent \$279,393. on performance awards for general schedule employees and \$95,600. for senior executives. For FY 2002, \$249, 250. was spent for general schedule employee performance awards and \$87,657. was spent on senior executive performance awards.

Grievances

FY 2001

In July, 2001, a grievance was filed alleging failure to provide adequate notice on the nature and scope of work related to the installation of new lab tops in two regional offices which denied the U.A.E. the opportunity to negotiate impact and implementation issues. This grievance was denied because FLRA management and the U.A.E. had previously worked together on the same issues at another regional office.

FY 2002

In April 2002, a Step 1 grievance was filed concerning a performance progress review. In December 2002, the deciding official responded that the grievance was not sustained even though the wording in the progress review was changed in consideration of the employees input. Another FY 2002 complaint pertained to an allegation of non-compliance with a settlement agreement reached in FY 2001 as a result of 2 complaints filed by one individual against the FLRA. FLRA had previously issued a response denying the allegation. The complainant subsequently appealed the issue to the EEOC.

Findings of Fact

Since human capital pertains to all employees, both managers and working level employees were interviewed. The following are validated findings of fact.

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1. In FY 2000, the FLRA Inspector General Assessment of FLRA's Human Capital Focus revealed that the FLRA was well on its way in supporting human capital. Progress in this area has not continued sufficiently to support the same status currently.

In FY 2000, the FLRA was ahead of many Federal agencies in its program implementations related to human capital. The fact that this program became part of the President's Management Agenda generated the focus of all Federal agencies toward human capital. Although the FLRA has implemented many programs which pertain to human capital, most of this implementation remains "on paper" and is not completely institutionalized into the Agency's operations. Managers acknowledged that over the last several years, FLRA has done a better job of providing services and implementing human capital programs such as Flexiplace, and Alternative Week Schedules, Upward Mobility Program and Tier I and II programs which enhanced employee satisfaction and commitment. There were several managers as well as employees who stated that these programs had to be expanded to provide more employees with these options. Others suggested that senior management should consider implementing programs which paid off a percentage of college tuition, assisted in financing graduate school courses and that part time employment and job sharing should be explored and implemented to provide other incentives for employee retention.

2. Most FLRA managers/supervisors understand the concept of human capital and it's focus on employees being considered an asset rather than a cost.

With the exception of two, all FLRA managers interviewed understood the general concept of human capital and its importance. Several line managers stated that specific human capital training would be beneficial and help managers put the concept into practice. Only one manager stated that there was little evidence of human capital fundamentals being used to achieve the FLRA mission. Several managers commented that the FLRA's Strategic Plan and performance system is not oriented to human capital standards and that human capital, teamwork and more management communication was needed for immediate improvement.

3. Most senior FLRA managers/supervisors understood the importance of Human Capital and its inclusion in the President's Management Agenda. Line managers were not as well informed on this subject.

Most senior managers, who were interviewed, understood the reasoning behind the President's Management Agenda as a result of attending a related conference in FY 2002. Line managers were not as knowledgeable as their senior managers. A "collegial, cohesive and comprehensive" workforce strategy needs to be developed and oriented toward human capital objectives to support the FLRA's mission. A majority of FLRA's workforce interviewed stated that they would like more information (briefing and/or policy) on the President's Management Agenda, human capital, strategic planning, diversity, EEO and the retention of qualified personnel.

4. Performance management needs to focus more on teamwork , results and accountability. A significant number of managers felt that the current FLRA pass/fail system is not sufficient for properly evaluating employees performance.

Virtually all FLRA managers considered their employees as a vital asset to accomplishing the FLRA's mission in an effective and efficient way. Most commented that the current performance management system is focused on individual, rather than team performance (more operative in the legal subcomponents than the administrative subcomponents) and that the current "Pass/Fail" performance evaluation system should be revisited by management because it does not appropriately address performance.

5. FLRA does not currently have a workforce planning and succession strategy which would promote continuity and lessen performance gaps caused by personnel turnover .

Component and Regional managers were not aware of any FLRA workforce planning strategy and felt that such planning was necessary and would benefit the Agency. The majority of FLRA managers felt it was very important for the Agency to plan for the future and improve its current communication processes.

6. The FLRA does not have specific policy related to human capital.

While the FLRA is not required to have a Human Capital Officer, this responsibility could be assigned to a senior manager who is knowledgeable or trained in current human capital initiatives to help the Agency focus appropriately on human capital issues. Irregardless of such an appointment, Agency level briefings, instructions and/or policies and procedures that addressed a work environment which encourages work excellence and human capital initiatives has not occurred and would be beneficial for all levels of employees . Morale issues are pervasive throughout the Agency and are effecting performance and attitudes and need more senior management attention.

7. The FLRA has not yet successfully integrated political and career leadership into a cohesive leadership team.

Although current leadership is focusing on consolidating the three major components and transitioning employees to consider the FLRA as one agency instead of three, it is important to establish a strong working relationship among senior leadership Irregardless of their political or competitive source of appointment. The fact that such a relationship does not exist is noted by a significant amount of employees and is negatively affecting the work environment morale. Most employees interviewed stated that their supervisors were working managers and very knowledgeable, but the majority of them focused predominantly on their own projects and not on their employees. Several employees commented that there was too much political dissension which has effected employee commitment and productivity. Most working level employees interviewed stated that their own subcomponent management encouraged teamwork, innovation and created a

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participative environment, but they did not feel that this environment was pervasive throughout the Agency.

8. FLRA has a dual challenge to try to retain its tenured and skilled employees as well as prepare for the reality that the current private sector as well as Federal work environment will encourage more employee turnover.

The majority of FLRA managers are appropriately focused on developing their employees' competencies through on the job and external training. More job flexibility, upward mobility positions and detailing of employees could improve employee retention. Managers of legal staffs felt that attorneys with experience should be hired at the GS-11 level and the journeyman level should be GS-14 which are the levels used in other Federal adjudicatory agencies.

A majority of interviewed employees stated they felt they were micromanaged and never asked for suggestions regarding operational or program procedures. (This is an opposite perspective from management who majoritively stated that they sought input from their employees.) Succession planning for the future at the FLRA is minimal in spite of the continuing turnover of personnel.

9. FLRA managers and employees are not sufficiently knowledgeable of applicable Federal legislation and program requirements.

The majority of FLRA managers verified that they were not provided sufficient or enough timely management information and/or authority to be able to respond to their employees' questions. Several line managers stated that they need a clear understanding of the President's Management "Agenda, more information on available resources, and the specific objectives of current leadership (Presidential appointees/Senior Executives.)

10. The FLRA's Strategic Plan has not been updated to focus on the President's Management Agenda government wide standards.

Several managers commented on the obsolescence of the FLRA's Strategic Plan. These managers all felt that the original plan focused to heavily on timelines rather than quality of service. One manager stated that the FLRA's mission and strategic plan should be revisited because it was formulated during a Democratic Administration and it needed to be restructured to include the standards of the current Republican administration. There were several managers who were not sure what the Agency's current strategic vision and plan were. Most managers felt that the FLRA needed to focus on the quality of work (qualitative) rather than on numeric goals (quantitative) even though numeric goals can be easily measured.

11. The FLRA does not currently conduct regular Agency-wide management meetings.

Currently, the FLRA does not hold regularly scheduled Agency-wide management meetings. Most FLRA component and line managers communicate and interface with their employees on a regular basis. However, many cannot communicate Agency-wide information to their employees because they, themselves, are not informed. All

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component managers stated they interact and communicate with their employees and encouraged and valued employee feedback. Employees did not affirm this. Some managers actually used their employees to brainstorm technical, administrative and/or management issues. Some have weekly scheduled staff meetings, while others have meetings as required. Establishing communicative and interactive Agency-wide meetings would provide a mechanism for senior management to provide direction and managers to share their work progress. Such an initiative would enhance management knowledge and promote more of an Agency wide focus. It would also encourage more component interaction.

12. Regional Managers management authority has increased under current leadership.

While current FLRA leadership has strengthened the management responsibilities of FLRA Regional Directors, several of the Regional managers commented that there was too much administrative work for their current staffing level; and that the capabilities of the Regional Directors to manage their regions effectively were underestimated.

13. FLRA's Compensation System for entry level and journeyman level legal employees is lower than other similar Federal adjudicatory agencies.

FLRA's compensation system for working level attorneys is not aligned with those systems of most other Federal Agencies. Although money is not considered the major motivating incentive for most Federal employees, both FLRA managers and legal working level employees brought this issue up. Most other Federal agencies hire entry level attorneys at the GS-11 level while FLRA usually hires at the GS-9 level. The journeyman level for attorneys in other Federal adjudicatory agencies is at the GS-14 level, while FLRA attorneys are at the GS-13 level. With the exception of entry level attorneys (GS-9) and journeyman level (GS-13) most managers felt the FLRA compensation system was parallel to most other Federal agencies. The current FLRA attorney hiring level was not, however, considered sufficient to obtain and/or retain high quality performers since other federal and private sector positions payed more. Several managers stated they would like more flexibility to offer higher grades and promotions.

14. The FLRA Award System does not have standards or controls to ensure that employees who perform at an exceptional level are appropriately recognized.

The FLRA's award system needs to be assessed by management and improved so that it provides standards which focus on the truly good and dedicated employees who contribute beyond their work plans and not just satisfy the work plans. It is important to note that the FLRA's Quarterly Award System which focuses on employees is a positive part of the current system. However, not all incentives and recognition need to cost money. Verbal acknowledgment, written acknowledgment, special conference training, time off and Agency-wide recognition are some alternatives which can be incorporated into the FLRA's system.

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Some employees stated that their position classification and actual work structure were not accurate and they were not appropriately appraised for the actual work they performed. Several employees commented that there was a need for more employee incentives such as more training, time off awards, promotions, to increase employee motivation. Over the past few years, FLRA management has issued performance awards to a broad range of its employees. While management feels they are using the performance awards in a fair and productive manner, a number of FLRA employees stated that the way the performance award system is administrated does not truly differentiate between exceptional and normal employees and is focused on rewarding management vice employees.

15. The FLRA's focus on employee training and development is not sufficiently funded but generally focuses on contemporary needs.

Although the official allocation of \$500.00 per employee is not realistic (most external training runs from \$600.00 to \$900.00 plus travel costs depending on the level), the FLRA does support the need to train and develop its employees. Virtually all managers stated that FLRA's focus on training and employee development was adequate. Several employees had the incorrect perception that training should equate to promotions rather than knowledge and skills to better perform their current job. Several employees suggested that more effort be made to provide employees the opportunity to perform at higher level positions such as when managers were on leave or when vacancies occurred.

Several working level administrative program personnel stated that they did not receive on the job training from their managers because of the manager's extensive workload and, in some instances, because the lack of in depth of Federal program knowledge of their manager. Several employees and managers stated that they needed more training in technology and security. Less than half of the employees interviewed stated that they have received sufficient information on Administrative programs such as security, health care, EEO, thrift savings, time and attendance, personnel policy, technology and work requirements.

Several employees stated that training is insufficient for administrative personnel. Professional personnel are generally trained within their area of responsibility. Administrative personnel did not feel they were adequately trained for all of their responsibilities.

While the Tier II Leadership Program appeared to be a beneficial enhancements for employees, positive results have not yet been seen. Several employees who participated in this program have left the FLRA for other Federal or private sector jobs. The majority of lower graded employees interviewed felt that the FLRA Upward Mobility Program needs more positions, more funding and more management support. Several participants stated that they thought the program would provide the basis for promotions but it did not.

Two individuals who have filed Equal Employment Opportunity complaints stated that the administration of this program did not support confidentiality and because of this,

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other employees who have EEO issues were very reluctant to file them.

16. Current communication/interaction among and, in some cases, within the FLRA components does not support the FLRA's Agency-wide concept.

Communication and interface are essential requirements for successful and timely actions. Over the last decade, these two human capital actions have diminished in many organizations due to many causes including increased workload and diminished staffing, computer technology, confidential or sensitive issues, management and employee behavioral styles and excessive management control. Over the last few years, management meetings, internal and external program and operational briefings, off-site meetings, employee orientations and even internal discussions of current issues and/or events have diminished. Previous Human Resources and Office of the Executive Director attempts to conduct management meetings and/or program or operational briefings have not been successful because of poor attendance.

All FLRA managers interviewed acknowledged the importance of communication between all components and between management and the workforce in order to ensure that all Agency employees are provided with the same information. One senior manager stated he was almost completely isolated from other management officials. Managers acknowledged that over the last several years, FLRA has done a better job of providing services and implementing human capital programs such as Flexiplace, and Alternative Week Schedules which enhanced employee satisfaction and commitment. There were several managers who stated that these programs had to be expanded to provide more employees with these options. Others suggested that senior management should consider implementing programs which paid off a percentage of college tuition, assisted in financing graduate school courses and that part time employment and job sharing should be explored and implemented to provide other incentives for employee retention.

This follow-up revealed that there are still some subcomponent managers who have not issued work plans or individual development plans to their employees. Some line managers were not knowledgeable about human capital or the government wide standards of the President's Management Agenda. Some managers as well as employees did not have sufficient knowledge of security, procurement, health and safety, requirements for the use of Government credit cards or contemporary, communication, bio-psychological and behavioral elements. Several tenured Authority senior managers stated that FLRA needed to do a better job of training its managers and supervisors at all levels. Office of the General Counsel managers felt they were adequately trained but that the Agency should focus on leadership training for all GS-14's to help qualify them for management positions. The need for succession planning was supported by virtually all managers, especially for leadership roles. Some managers felt that until policy was created for human capital, Agency individuals who intended to retire should document their positions prior to retiring. Some felt that specific employees should be trained to fulfill the position when it became vacated even if it were only in an "Acting" capacity. Also both managers and employees need to focus more on Agency wide team work. Although several committees were formulated during the past year, most of the management

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members focused on their own needs vice the Agency's needs.

17. The FLRA Human Resources Division needs to improve the Agency's hiring process, provide FLRA managers and employees with sufficient and timely information on issues/programs that effect them and focus on contemporary human capital program requirements.

While a significant deterrent to the FLRA Human Resource Division has been the lack of a tenured Director and a significant amount of employee turnover over the last two years, those few remaining employees have tried hard to keep the program running efficiently but can only do so much. Several managers have "taken over" some of the Human Resource Divisions responsibilities (such as position description writing, informing employees of contemporary employee programs and issues) in order to keep productive and address the Agency's mission requirements. Once the Human Resources subcomponent is stabilized, the FLRA needs to address hiring procedures, improve the formulation of position descriptions, require work plans for all working level employees and speed up both processes.

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Inspector General Comments

The days of a bureaucratic Government environment are over. The Government is currently on the verge of a significant transformation which will affect what Federal agencies provide and the way they do it. Most Federal agencies have become “learning organizations” which focus on customer satisfaction, require versatile skills, networking, innovation and creativity, and a shared vision of the Agency’s mission. Successful organizations have managers and employees who understand they must often change their culture in order to transform themselves. This change for the FLRA has started with top leadership but is being resisted by a significant number of tenured employees.

Senior executives need to align their performance goals with the Agency’s mission in a results oriented perspective and understand that they are accountable. All managers must integrate their contributions with the top level vision and develop new thinking which will hopefully eventually shape new behavior. Managers need to understand that current leadership is building a foundation for change and improvement in operations and that the structure, systems, staffing and strategies of previous years are no longer applicable to the current environment. Senior Executives need to ensure that their goals and individual performance cascade within FLRA’s various organization levels and support current Government priorities. The bottom line is that even though change must start with top leadership, line management and employees must support it for it to work .

The FLRA’s current line management and employee resistance to current leadership changes and its emphasis on accountability, flexibility and unity as one organization, has definitely affected the FLRA’s work and cultural environment, and has lessened employee self motivation and commitments to the Agency. There is currently too much resistance by line management to do things differently and to be accountable for their actions. This management resistance to change has been recognized by a majority of FLRA working level employees. Some employees have also acquired this same attitude because their supervisors have verbalized their negative opinions concerning the current environment which has become more results oriented, less hierarchical and more integrated.^{1/}

A significant amount of FLRA employees currently lack a contemporary visionary

^{1/} The Federal Services Impasse Panel contributes to the FLRA’s performance, but their employees still have minimal exposure to or integration into the current FLRA culture. The same is true for the Office of the General Counsel Regional Office employees.

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perspective. FLRA management has to adjust to the reality that newer professional hires do not enter Government with the expectation of a long term commitment as did previous hires. This will require FLRA management to focus on getting its work done in an environment which will involve frequent staffing changes and, perhaps, lower experience levels. FLRA has to adjust to the new “dynamics” in the marketplace which will require the development of strategies for recruiting and, retaining the best employees. Another reality is that FLRA will have significant turnover as will other agencies but the effect will be greater because of the smallness of the Agency. The FLRA will have to do a better job of identifying workforce requirements, capitalize on the strengths of different employee generations and develop new approaches to ensure an organizational culture that supports positive changes.

Communication is another area that needs to be addressed and improved. Senior and line Headquarters managers need to have more routine interaction among themselves as well as with their staffs. Timely feedback from employees and line managers should be considered important to senior levels of management. Feedback to employees on their efforts, suggestions, proposals and even advice would have a positive effect on the working environment and enhance employee motivation and productivity. Technology is wonderful but it should not be allowed to eliminate face to face communication and interaction.

The majority of managers focused on their own issues and did not appear to be sufficiently Agency oriented. There is noticeable tension among a substantial amount of FLRA managers and employees who do not understand why administrative changes are being made and are resisting transition to the new Administration and FLRA leadership's vision. Management needs to “get on board” and become proactive and not reactive. Leadership needs to communicate the current vision of the FLRA to senior and line managers who, then, need to revise their management methods and engage in strategic planning to meet the standards of the Chairman, FLRA and the President's Management Agenda. FLRA leadership needs to assure FLRA managers and employees that they are valued and respected and that their functions are essential to the Agency. The current FLRA environment needs more trust, more cooperation and more unity.

Mentoring is a cogent and important method for training current employees and growing future leaders. It also helps forming positive relationships between supervisors/managers and employees and can be evaluated as part of succession planning. It also creates trust, loyalty and commitment to the organization. Cross functional rotations also help employees understand other aspects of the environment and provides more internal broad based awareness. Learning new approaches and applications broadens employees perspectives and future leadership capabilities. In the past, FLRA management has been somewhat reluctant to incorporate cross functional rotations and mobility into their operations but such actions ultimately will benefit the Agency and employees.

Most employees were aware that the FLRA had developed a strategic plan but were not aware of any updates or revisions and some had never been provided a copy of the initial plan. Several employees commented that there are very few minorities in high

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positions and lower graded employees have low expectations. Several support personnel stated that FLRA management focuses on its professional vice administrative support personnel and does not credit or recognize administrative personnel for their ideas and suggestions. One employee brought up the fact that most awards are based on a percentage of the employee's salary and that this caused working level employees to receive much less than more senior employees. This individual stated that performance awards should be balanced and based on performance rather than salaries. While computer technology is definitely a work asset, it has diminished interactive communication (staff meetings, briefings, etc.) at all levels. This may be part of the reasons for FLRA's tense environment. FLRA managers and employees needs to have more face to face interactions and feel comfortable stating their perspectives, understanding that final decisions will be made by senior leadership. Management should restore monthly management meetings, specific offsite activities, and encourage teamwork and organizational support and "reinstate" teamwork at all levels.

Most managers agreed that a workforce planning strategy (both short and long term) would be helpful for the FLRA to identify its current and future human capital needs. All levels of management should be involved in this planning because they are all responsible for ensuring that the FLRA's mission is accomplished in an efficient and effective manner. Results oriented goals, program integrity, customer orientation, information security, communication and feedback, behavior as well as core competencies are all linked to human capital. Employees who had supervisors who conducted weekly staff meetings appeared to be more motivated and dedicated to their jobs than those employees who had supervisors that did not routinely provide them with component, Agency or subcomponent information.

Most legal/labor management professional employees interviewed felt they had good training and on the job instruction and successfully journeyed through their positions, but were unhappy that their entry level and journeyman level positions were lower than other similar Federal adjudicatory agencies. Several legal employees focused heavily on what the Agency "owed" them rather than what responsibilities they, as employees, owed the Agency. Several para-professionals felt their work was too clerical and that their development was hindered by this situation. Some employees felt their efforts and contributions to the Agency were not acknowledged properly and that sometimes "a thank you is worth more than a million dollars."

Two years ago, the human capital review revealed that FLRA was ahead of most of the other Agencies in the human capital area, as it should be because of the nature of its mission. Some progress has been made in some of the noted areas of vulnerability, but not enough. Management must adjust and successfully transition to the current environment which is becoming prevalent in most Federal agencies, focus more on issues and actions that affect the growth, progress and productivity of both the Agency mission and employees. This is, indeed, a time of change and, perhaps an unwanted challenge to some employees but they must understand that the purpose of this change is to strengthen and perpetuate our existence. As citizens as well as Government employees, all FLRA individuals have the same responsibility to go forward.

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There has been a large turnover of employees during the last 6 months, including several administrative and support program managers. The lack of succession planning, sufficient documented policies and procedures, and continuing turnover of personnel indicates that the FLRA needs to focus more productively on human capital issues and employees need to be forthcoming and truthful about their concerns and reasons for leaving the FLRA.

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**Status of Findings from
FY 2000 Human Capital Review**

As part of this follow-up, the FLRA Inspector General met with the former Executive Director, Director of Human Resources and the Assistant Director of Human Resources to discuss the status of FLRA's actual actions relating to the findings and recommendations of the FY 2000 Human Capital Review. The following information provides the current status of FY 2000 Human Capital corrective actions.

1. Conduct exit interviews to provide annual data on the reasons employees leave FLRA.

Exit Interviews are being conducted by the Human Resources Division, related data is being kept and a report has been issued. However, there is enough data to determine trends.

a. FLRA Partnership Council research and develop employment retention incentives.

The FLRA Partnership Counsel is no longer active so this recommendation has not been addressed. Management should address this issue and coordinate its incentives with the U.A.E.

2. Review work requirements for entry level and journey level attorneys to validate grade levels.

As a result of this recommendation, more GS-14 journeyman level positions have been created in the legal components but entry level attorneys are classified as GS- 9 and entry level labor management specialists are usually classified as GS-7.

3. Budget 3% of yearly appropriation for employee training, require IDPs and discussions of training with supervisors and peers to get maximum return on training investments.

(Rejected by former Management)

Current management should reconsider this recommendation. The reality is that the FLRA does spend close to 3% on training even though the stated allowance is \$500.00 per person and should get "human capital credit" for doing so. Most Headquarters employees do not have Individual Development Plans (OGC personnel do and upward mobility personnel should) and training is often duplicated among employees instead of being shared.

4. Revitalize Upward Mobility Program for development of administrative support, para-professional and clerical personnel.

The FLRA has placed a focus on revitalizing its upward mobility program. The FLRA currently has 2 non legal upward mobility positions (Office of the Inspector

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General and Human Resources Division) and two being filled at this time in the Authority Case Control Office.

a. As vacancies occur, designate 2 positions for the Upward Mobility Program and open to all FLRA employees .(Previous management would not commit to a specific number of positions.)

This recommendation has been addressed.

5. Educate supervisors on obligations and responsibilities in personnel management and performance appraisals.

Some training was provided for supervisors in FY 2000, however, subsequent oversight evaluations and investigations have revealed that FLRA supervisors and managers still need more training in human capital aspects.

a. Ensure that all first line supervisors have a human resource performance element and are rated on their supervisory performance and mentorship as well as technical elements.

FLRA managers/supervisors currently have a performance element related to their supervision and human resource functions as well as their technical responsibilities.

b. Plan activities, seminars, or offsites fostering communication between employees and management.

During FY 2002, the FLRA held an off-site for Administrative Personnel which included Myers Briggs testing as well as training in specific administrative programs. Participating employee feedback was very positive. Similar activities should be planned for management and management/employees in the future.

6. Develop internal technical orientations for new employees at the organizational element level and provide to new employees prior to initial major workload assignments.

This is performed by individual managers and designated employees to help new employees transition to the FLRA mission and environment. There is no standardization of this process and each of the three major FLRA components orient this initial training to their specific statutory mission.

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7. Conduct position management reviews and/or workload analysis on all FLRA employees. Consider FLRA's vacated positions prior to rehiring, and conduct workload analysis of all organizations to ensure grade levels are proper, classification and allocations support reoccurring mission essential workload. (Former FLRA management did not concur.)

Prior FLRA management did not concur with this recommendation, however, several position management reviews (Case Control Office, Authority) were conducted by the former Director of Human Resources in FY 2000. The FLRA Inspector General conducted a work analysis of FLRA management positions in FY 2002. A work analysis of working level employees should also be done.

8. Require all managers/supervisors to acquire training in human resource and contemporary management skills within 6 months of the acceptance of a management/supervisory position. All current managers/supervisors should obtain this training within 6 months of the issuance of this report.

Although this recommendation was reported to the Inspector General as completed, this follow-up revealed that no agency-wide action has been taken to implement this requirement.

a. Sponsor periodic management meetings; invite community speakers knowledgeable in contemporary human resource matters, behavioral science and federal management practices to enhance FLRA management/supervisors perspectives.

Some management meetings were conducted during FY 2001 by the former Assistant to the Executive Director . The external briefings pertained to legal, ethical, and some Federal program matters. None have been conducted during this past year. Previous, FLRA management meetings were held periodically to inform managers of Federal and senior leadership information and to encourage individual managers to talk about what they were currently involved in. These meetings were formulated by the FLRA Executive Director. Only one such meeting regarding the geographical moving of the FLRA was held this past year.

9. Employees do not have sufficient security and health information and implement an Agency- wide preventive Violence in the Workplace Program.

While essential and emergency security information has been provided since the September 11 , 2001 incident, the FLRA has still not implemented a contemporary and sufficient Security Program. While health and security information are distributed on a cyclic basis, many FLRA employees feel they are not sufficiently informed. While violence in the workplace (includes verbal as well as physical) was

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a focused issue for the FLRA in FY 2000, other than a briefing provided by the FLRA Inspector General and the incorporation of this issue by the General Counsel into the Office of the General Counsel Investigation Manual, no other formal actions were performed by the FLRA.

**10. U.A.E./FLRA review/revise, or cancel, as appropriate
Memorandums of Understanding executed prior to and including
1995.**

According to the FLRA Executive Director, this recommendation has been implemented and executed.