

**WORK-LIFE PROGRAMS: ATTRACTING, RETAINING,
AND EMPOWERING THE FEDERAL WORKFORCE**

HEARING

BEFORE THE

OVERSIGHT OF GOVERNMENT MANAGEMENT,
THE FEDERAL WORKFORCE, AND THE
DISTRICT OF COLUMBIA SUBCOMMITTEE

OF THE

COMMITTEE ON

HOMELAND SECURITY AND
GOVERNMENTAL AFFAIRS
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RETAINING, AND EMPOWERING
THE FEDERAL WORKFORCE**

TUESDAY, MAY 4, 2010

U.S. SENATE,
SUBCOMMITTEE ON OVERSIGHT OF GOVERNMENT
MANAGEMENT, THE FEDERAL WORKFORCE,
AND THE DISTRICT OF COLUMBIA,
OF THE COMMITTEE ON HOMELAND SECURITY
AND GOVERNMENTAL AFFAIRS,
Washington, DC.

The Subcommittee met, pursuant to notice, at 2:34 p.m., in room SD-342, Dirksen Senate Office Building, Hon. Daniel K. Akaka, Chairman of the Subcommittee, presiding.

Present: Senators Akaka and Voinovich.

OPENING STATEMENT OF SENATOR AKAKA

Senator AKAKA. This hearing will come to order.

Good afternoon, everyone, and welcome. Thank you all for being here today as the Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia meets to examine how work-life programs can support Federal employees and improve government operations.

It is fitting that we are addressing these issues during Public Service Recognition Week. This week is set aside each year to honor the dedicated public servants who provide vital services to our Nation. Public Service Recognition Week is also an opportunity to showcase the many attractive careers in public service. As we showcase these careers, we must also make sure that the Federal Government is an employer of choice and offers a competitive benefits package.

The American workforce faces a new set of challenges. As costs have risen and wages have lagged, fewer families can afford to rely on a single income and many parents juggle busy work schedules and child care responsibilities. Workers of all ages find themselves leaving work for night classes, as professions that once required a high school or undergraduate education now demand advanced degrees.

In addition, almost 50 percent of the Federal workforce will be eligible for retirement in the next 5 years. Younger workers may have different work expectations than previous generations and may value workplace flexibility more than traditional fringe benefits. The Federal Government needs to adapt just as the private

sector has to attract and retain the next generation of Federal workers.

Work-life programs help agencies compete in the marketplace. Offering our employees options like flexible schedules and ability to telework and access to wellness programs improves employees' quality of life and increases productivity.

This winter, this area experienced three blizzards. Those storms strongly reinforced the importance of telework for productivity and continuity of operations. Because of these benefits, Senator Voinovich and I introduced the Telework Enhancement Act last year. I look forward to finalizing that bill and to learning about other ways Congress can support work-life programs.

Recently, at the Workplace Flexibility Forum, President Obama noted that companies with flexible work arrangements often have lower turnover and absenteeism, along with higher productivity and healthier workers. The President also cited a recent report on work-life balance and the economics of workplace flexibility. I am pleased to have one of the authors of this report, Cecilia Rouse from the President's Council of Economic Advisers, here to discuss their research on the economics of work-life programs. I look forward to hearing from Ms. Rouse about how these policies benefit not only employees, but also employers and the economy as a whole.

I also look forward to hearing from our other witnesses about the efforts being made to provide work-life programs to Federal employees as well as suggestions to better use these programs to support our workforce, attract the best people to public service, and make the Federal Government the employer of choice in this country.

The Federal Government is the largest employer in the United States and we can lead by example. This week, Public Service Recognition Week, we celebrate those men and women who make a commitment to serve the government in the military or civilian service. We can do more to honor their service every day by empowering employees to innovate, live healthier, and strive to be their best, both at work and at home.

I thank you all again for being here today and now call on our Ranking Member, Senator Voinovich, for his statement. Senator Voinovich.

OPENING STATEMENT OF SENATOR VOINOVICH

Senator VOINOVICH. Thank you, Mr. Chairman. Thanks for calling today's hearing. As we commemorate Public Service Recognition Week, I think it is important that we examine the extent to which the Federal Government's work-life policies support our need to recruit and retain highly qualified individuals to use their skills in service to our Nation.

We have discussed for years the human capital crisis that will ensue when the baby boom generation begins to retire. By the fall of 2012, the Partnership for Public Service estimates that the Federal Government will hire nearly 273,000 new workers for mission critical jobs—273,000.

This year's theme of Public Service Recognition Week, Innovation and Opportunity, reminds me of the golden opportunity we have in

this economy to find some wonderful people who may not have previously considered Federal service. While the economy has led some to extend their Federal careers, others are in need of employment and it is our collective responsibility to make sure we attract the best and brightest at all career stages.

When Senator Akaka and I got started with this, we were able to get the John F. Kennedy School for Government to make human capital an executive session, and I recently asked my staff to look at what the percentage of people are today in terms of back in 2000 in terms of the people in the John F. Kennedy School for Government going into the Federal service or in the public service. I was really disappointed because it is about the same. It hasn't really changed very much over the number of years. So in spite of the fact that we have tried to make the Federal opportunity more attractive, we are still not getting the job done, at least as far as graduates from the John F. Kennedy School for Government.

The Federal Hiring Process Improvement Act, I think, will help agencies and job applicants by eliminating the barriers for applying for Federal employment. Once employees have entered on duty, however, the Federal Government must be innovative in its efforts to give agencies and employees the tools needed to perform at work and to maintain a healthy work-life balance.

One need only look at the Best Places To Work rankings to see how flexibilities can improve employee satisfaction. As the Chairman knows well, we have worked together to provide human capital options for the Nuclear Regulatory Commission (NRC), the Government Accountability Office (GAO), National Aeronautics Space Administration (NASA), the intelligence community (IT), and the Department of State. The fact that these agencies are currently ranked one through five on the Best Places To Work Survey shows that flexibilities, when properly implemented and communicated to employees, improve employee satisfaction.

During his confirmation process, I challenged Director John Berry to lead by example and make the Office of Personnel Management (OPM) an employer of choice among Federal agencies. I look forward to learning from OPM how the Results-Oriented Work Environment will improve individual employee performance while providing employees greater control over how they accomplish their daily work. This type of strategic innovation is exactly what Senator Akaka and I hoped would result when we created the Chief Human Capital Officers Council 8 years ago. Thank you, Mr. Chairman.

Senator AKAKA. Thank you, Senator Voinovich.

I welcome our first panel of witnesses to the Subcommittee, Cecilia Rouse, Member of the Council of Economic Advisers, and Jonathan Foley, Senior Advisor to the Director of the Office of Personnel Management.

As you know, it is the custom of this Subcommittee to swear in all witnesses. Please stand and raise your right hand.

Do you swear that the testimony you are about to give before this Subcommittee is the truth, the whole truth, and nothing but the truth, so help you, God?

Ms. ROUSE. I do.

Mr. FOLEY. I do.

Senator AKAKA. Thank you. Let it be noted in the record that the witnesses answered in the affirmative.

Before we start, I want you to know that your full written statement will be part of the record, and I would like to remind you to please limit your oral remarks to 5 minutes.

Ms. Rouse, will you please proceed with your statement.

**TESTIMONY OF CECILIA E. ROUSE,¹ MEMBER, COUNCIL OF
ECONOMIC ADVISERS**

Ms. ROUSE. Good afternoon, Chairman Akaka, Ranking Member Voinovich, and other Members of your Subcommittee and staff. I am very pleased to represent the Council of Economic Advisers at this very important hearing.

Today, I will focus my remarks on the main findings from our March 2010 report entitled, "Work-Life Balance and the Economics of Workplace Flexibility." The report discusses some of the changing patterns of the American workforce, and the state of flexible work arrangements in our economy, the economics of workplace flexibility. I will defer discussion of the Federal Government's work-life programs to my colleague from the Office of Personnel Management (OPM).

As you stated in your opening remarks, we know that the American economy has changed dramatically over the past half-century. Women have entered the labor force in growing numbers, such that women now comprise nearly one-half of the labor force, and in nearly one-half of all households, all adults are working. Families have increasingly relied on more than one earner to make ends meet, and yet children still need to be taken to the doctor and elderly parents still need care. As a result, approximately 43 million Americans served as unpaid caregivers to a family member over the age of 50 in 2008, and nearly 20 percent of employed people were caregivers who provided care to a person over the age of 50.

In addition, we know that skills are increasingly important for our labor market, and as a result, we have more adults who are older than 25 attending school.

Because of these changes, many workers face the conflicts between their work and their personal lives, which inspires a need for flexibility in the workplace. In our report, we describe the prevalence of these workplace practices. We divide them into three main categories: When one works, where one works, and how much one works.

In terms of when one works, over one-half of employers report allowing giving at least some of their workers periodically the ability to change their starting and quitting times, thereby giving some flexibility over when they work. However, less than one-third of full-time workers report having flexible work hours, and only about 40 percent of part-time workers do.

We also consider how prevalence and flexibility differs across demographic groups. While we find that men and women are equally likely to report having flexible work hours, less-skilled workers are much less likely to report such flexibility. We believe this stems from the fact that flexibility is a form of compensation and less

¹The prepared statement of Ms. Rouse appears in the Appendix on page 31.

skilled workers receive lower levels of all forms of compensation, as well as perhaps due to the nature and context of low-wage jobs.

Flexibility in terms of where to work is less common. Only about 15 percent of workers reported working from home at least once a week. About 23 percent of employers reported allowing some of their workers to work at home on a regular basis. And only one percent of employers allowed most or all of their employees to do so. At the same time, about 50 percent of employees reported having the ability to work from home occasionally.

Finally, most employers do offer some workers the ability to return to work gradually after major life events, such as the birth or adoption of a child, although job sharing, where multiple workers share the responsibility of one position appears less widespread.

When we consider the economics of workplace flexibility, we know that employers must balance the potential costs of these arrangements against the potential benefits. The report discusses the fact that the existing research suggests that workplace arrangements have been associated with reducing turnover, reducing absenteeism, assisting with recruitment, improving health, and boosting productivity.

We present a number of case studies that highlight the benefits of flexible work arrangements for firms in various industries and of various sizes, and while some research suggests that flexible practices can improve productivity, more research would help us to better understand the trade-offs that employers face when adopting these arrangements.

However, many firms have not adopted these practices despite these potential benefits. One possible explanation is that the costs and benefits of adopting these practices do differ across and within firms, and we know that firms that have the greatest net gains to adopting these practices will be the ones to do so. Consider the fact that the evidence that we considered and we looked at is from firms that have already chosen to adopt the practices. Therefore, they may be the firms for which it is most beneficial. Moreover, from a strictly economic perspective, it may be that encouraging wider adoption will not be beneficial to those extra firms.

However, we believe that there still is an economic rationale for encouraging wider adoption of such practices. First, there is a growing literature that not all firms adopt the most efficient practices, especially due to a lack of information. And due to the rapidly changing nature of our labor force, it may well be that managers are not aware of that, they overstate the potential costs and understate the potential benefits of adoption.

In addition, wider adoption of the practices could lower the cost to all firms, making it, therefore, beneficial for everybody. And we know that flexible workplace practices likely encourages more labor force participation among very valuable workers who can contribute their skills and knowledge to our labor force.

Finally, another social benefit that may not be fully appreciated is it does have externalities in terms of reducing commuting time and reducing congestion costs.

So the Council of Economic Advisers (CEA) report on workplace flexibility finds that flexible work arrangements do promote healthier, happier, more productive workers, which may in turn

help firms' bottom lines. I would like to emphasize, however, that a factor that hinders a much deeper and better understanding of the benefits and costs of flexibility is the lack of data on the prevalence of workplace practices, flexibility of practices, and more research is needed on the mechanisms through which flexibility influences workers' job satisfaction and firm profits in order to help guide policy making and managers alike.

Thank you very much for holding this very important hearing. I am happy to address any questions you may have.

Senator AKAKA. Thank you very much, Ms. Rouse.

Mr. Foley, will you please proceed with your statement.

TESTIMONY OF JONATHAN FOLEY,¹ SENIOR ADVISOR TO THE DIRECTOR, U.S. OFFICE OF PERSONNEL MANAGEMENT

Mr. FOLEY. Good afternoon, Chairman Akaka and Ranking Member Voinovich. I am pleased to be here today on behalf of John Berry, Director of the Office of Personnel Management, to discuss the work we have been doing at OPM in the areas of work-life balance and wellness for attracting, retaining, and empowering a 21st Century Federal workforce.

I commend the Subcommittee for your leadership in supporting and honoring the important work of our Nation's public servants by holding this hearing during our annual Public Service Recognition Week. This year's theme, Innovation and Opportunity, gives OPM the opportunity to highlight our new Results-Only Work Environment (ROWE) and Campus Wellness Pilot Program.

We all understand that work is a fact of life. For most of us, this will never change. What is changing, however, is the way we work, that is, when, where, and how we work. Technology has provided us with options we never imagined 20 years ago. Now, not only is it easier for us to do our work almost anywhere, it is easier for us to do our work anytime.

The Federal Government offers a variety of flexible work arrangements to attract and retain the best and brightest employees in a competitive market. Telework is one of many flexibilities offered by the Federal Government. If implemented effectively, telework can make the difference between shutting down Federal Government services in emergency situations and continuing to operate with minimal interruption. Telework enables agencies and businesses to continue services and operations without jeopardizing the safety of its employees. In addition, OPM estimates that the Federal Government offset approximately \$30 million per day in lost productivity during the February storms as a result of telework.

I want to take this opportunity to reaffirm Director Berry's commitment to advancing telework in the Federal Government. OPM has a strategic goal of increasing the number of eligible Federal employees who telework by 50 percent by fiscal year 2011.

As you are aware, Director Berry announced OPM's new Results-Only Work Environment Pilot Program last month called the Workforce Flexibility Initiative. ROWE allows employees to work whenever they want and wherever they want as long as the work

¹The prepared statement of Mr. Foley appears in the Appendix on page 36.

gets done. Managers are expected to manage for results rather than process. This is a shift in culture from permission granting to performance guiding.

OPM will be working with the creators of the ROWE strategy to implement the new program. Nearly 400 OPM employees, ranging from retirement and benefits claims processors to policy makers, including union and non-union employees and the Director's Office, are in the pilot and were selected to represent a cross-section of positions available in the Federal Government. Approximately half of the participating employees are based in Boyers, Pennsylvania, and half are in the Washington area.

OPM is working with our unions and our General Counsel to implement a version of ROWE that complies with all current Federal laws. The pilot program will start in June, continuing through the end of the calendar year. If the pilot project increases employee performance and morale, as we hope, OPM will expand it within our own agency and encourage other Federal agencies to adopt this system.

OPM recognizes that worksite wellness programs are also another way of attracting and retaining a strong Federal workforce. Last May, President Obama asked OPM and other Federal agencies to explore the development of worksite wellness programs that mirror best practice in the private sector. Private companies have achieved promising results. Published studies report savings averaging \$3 for every \$1 invested through reduced absenteeism, improved productivity, and lower health care costs.

The Campus Wellness Project involving OPM, General Services Administration (GSA), and the Department of Interior employees at their Washington headquarters will expand on services offered through existing health units and fitness centers, introduce new services such as smoking cessation and weight management, and ensure that employees who choose to join the program receive an annual health risk appraisal and the opportunity for individual coaching on healthy behaviors. We are currently using a competitive bid process to select the campus service provider.

We are working with Health and Human Services (HHS) to identify and fund two additional wellness pilots on Federal sites outside the Washington area. These demonstration programs will be evaluated to better understand the results that can be achieved in the Federal work environment.

OPM has set a high priority goal of requiring all executive agencies to establish and begin to implement a plan for comprehensive health and wellness programs by the end of fiscal year 2011. OPM also coordinates government-wide health and wellness activities, such as guidance for agency health promotion coordinators, physical activity challenges, worksite tobacco cessation programs, and Feds Get Fit.

Thank you for holding this important hearing. I would be happy to address any questions that you may have.

Senator AKAKA. Thank you very much, Mr. Foley.

Ms. Rouse, some people are skeptical that implementing work-life programs benefits employers and not employees. Your report indicates that a strong connection between flexibility and productivity has been established. What more should be done to help or-

ganizations, both public and private, understand the benefits of flexibility and implement work-life programs that capture those benefits?

Ms. ROUSE. I guess what I would say is I think one is that managers don't fully understand the potential benefits and the potential costs. But quite honestly, the literature of where these have been implemented is few and far between. It is growing. For example, there is a budding literature looking at the relationship between health and flexible workplace practices with some compelling studies done in, for example, grocery stores in Minnesota.

But I think what would be very helpful and compelling to me, at least if I were an employer, is if there were a wider set of studies at firms that look like mine, because one of the things that I think we know about these practices and about business practices is that it is not clear that one size fits all. For example, manufacturing firms have their own challenges in implementing such practices, although at the President's and the First Lady's Work-Life Balance Conference, we heard some very compelling ways in which manufacturing firms have implemented more flexibility into their work schedules.

But I think what would be helpful is for such programs to be rigorously studied in manufacturing firms, service firms, and small firms. A lot of small firms think that it can't help them, although the data suggest that at least when we look at not the tiny micro-firms, but at firms more than 50 workers, that they are adopting it at about the same rate as larger employers. The question then is what are those firms doing and why can't others learn from them?

So I think the evidence base is growing, but I think it could be much stronger and therefore, more compelling for other employers.

Senator AKAKA. Mr. Foley, some agencies have been reluctant to implement many of these work-life programs. What is OPM doing to alleviate agencies' concerns and encourage work-life programs governmentwide?

Mr. FOLEY. One of the things OPM is doing, Senator, is trying to provide guidance to agencies on work-life programs, on the benefits of the work-life programs and encouraging their wider adoptions, spreading the word, if you will. Another thing, as Ms. Rouse is indicating, is to inform people of the research and hold workshops on the benefits of work-life programs so that people understand as an employer what it brings to them in terms of improved productivity and morale boosting. So OPM is doing what it can to provide information and guidance to agencies.

Senator AKAKA. As you know, Mr. Foley, I am very interested in expanding the use of telework in the Federal sector. In your testimony, you mentioned that the White House Task Force on Telework sponsored a forum in March to identify barriers to the adoption of telework in the Federal Government. When will the results of this forum be released and what are the next steps for the task force?

Mr. FOLEY. I will need to get back to you in terms of an exact date for the results of the forum.¹ I don't have that with me. But

¹OPM is currently finalizing the report and expects to have it available in September 2010.

one of the things that did come out of the forum was a wealth of ideas and enthusiasm for these innovations and so that is being documented. But I would have to get back to you in terms of the next steps.

Senator AKAKA. Fine. That will be fine.

Ms. Rouse, your report notes that companies and the economy could benefit from the wider use of workplace flexibilities because they improve recruitment, retention, health, and productivity. As you know, the Federal Government currently does not offer paid parental leave. From your experience studying private sector leave policies, what do you believe the overall effect of providing paid parental leave would be?

Ms. ROUSE. Well, here is one of the places where I think we need to understand more. Among the studies that we have looked at, there were very few that really focused on paid parental leave per se. But I think what we are learning through the research is that flexibility is very important, and we certainly know that it is important for parents to be available for their children, especially now that we have more households in which children are being raised where both parents are working or a single parent is working. And so we know that it is important for parents to have that kind of flexibility. I think we need more studies to really understand the value of that one particular form of flexibility.

Senator AKAKA. Thank you.

Mr. Foley, as your testimony states, worksite wellness programs have shown encouraging effects on employee health and absenteeism. If the initial project and the two additional prototypes requested through the fiscal year 2011 budget show similar results, would you anticipate broadly expanding this model Campus Wellness Program?

Mr. FOLEY. Before I answer that, Mr. Chairman, I wanted to let you know that the report from the Forum on Telework will be available within the coming months.

We will be carefully evaluating the pilot wellness programs. We want to make sure that they work in the Federal work environment. We have different rules and different operating procedures in some environments, and so we wanted to make sure of that, so we will be evaluating it carefully.

We would anticipate spreading the word and spreading those programs across Federal agencies. We are asking Federal agencies to submit reports—I am sorry, plans, in the beginning of fiscal year 2011 that will indicate how they plan to grow those programs and achieve the benefits that they have shown.

There are a variety of initiatives underway in Federal agencies and so there is not one-size-fits-all with worksite wellness and we are looking to encourage agencies to develop plans and programs.

Senator AKAKA. Thank you, Mr. Foley. Senator Voinovich, your questions.

Senator VOINOVICH. Mr. Foley and Ms. Rouse, while our economy provides a golden opportunity to hire talented Federal employees, our deficit requires some tough choices. The Federal Government spends, on average, \$100,571 per employee for salary and benefits. That is a figure that to me was almost startling. Benefits are 36 percent of total compensation. What guidance do you have as the

Subcommittee considers whether addition of benefits, such as through a paid Parental Leave Act at a cost of just under \$1 billion over 5 years, are appropriate at this time? In other words, can we afford additional benefits?

It is really interesting to me that if you look around the country and look at what is happening in State government in terms of State government employees, it seems like our own employees, and I am a great booster of our employees, seem to be exempt from some of the things that others are experiencing. And when you consider last year that out of every \$100 we spent, 41 cents was borrowed and our debt is almost at \$13 billion, and as far as one can see, we are not going to have balanced budgets, what kind of consideration is being made by OPM or your office, Ms. Rouse, in terms of the realities of what is confronting our Federal Government and the impact that it has in terms of the people who work for the Federal Government?

Mr. FOLEY. I can start off in terms of what OPM is doing. We believe that the work-life programs need to be promoted because of the benefits that they bring in terms of increased productivity for the organization and ultimately in savings in terms of health care costs and that type of thing. So we think that these, if they are carefully managed and well implemented, programs hold a lot of promise addressing the cost issue that you raise, and that is what we are encouraging other agencies to do.

Senator VOINOVICH. Ms. Rouse.

Ms. ROUSE. I was just going to say that, obviously, we know that the fiscal situation for the Federal Government is something that we will certainly need to be addressing, and it is important that Federal dollars be very wisely spent. The research to date—I really do want to emphasize I think we need more—does suggest that a dollar spent brings back more than that dollar spent.

But I think we need to learn more and I would like to just highlight that in terms of paid parental leave, in the President's budget, there is a \$50 million proposal for a pilot program for States to adopt paid parental leave programs and it would allow us to study whether we get the kind of economic benefit that at least some of the research suggests that we might get.

Senator VOINOVICH. You just mentioned the proposed 2011 budget, \$50 million to kind of look at that situation. Was there anything in the 2010 budget in terms of work-life programs.

Ms. ROUSE. I would have to get back to you on that.¹

Senator VOINOVICH. Mr. Foley, do you have any ideas in terms of money that was in the first budget that the Obama Administration presented to Congress?

Mr. FOLEY. I know that the Worksite Wellness Program that we are getting underway is funded in the 2010 budget, the first pilot program, and then the follow-on pilot programs are in the 2011 budget.

Senator VOINOVICH. Well, it seems to me that if you are looking at the programs, that this cost-benefit should be really looked at.

¹ There was no specific line item in the President's FY2010 budget for Federal work-life programs, although there was \$2.6 million allocated to a pilot of wellness programs. While many agencies have work-life flexibility policies and programs, they are funded from their general administrative funds.

When I was governor, I remember people used to come to me and they would say, in terms of insurance benefits, and I would say, fine, I think it is a great idea. But if we add that, it is going to really increase our cost, and because of that cost, it means that we are going to have to pay more for it, or in some instances, people who are paying for part of it may not be able to afford it anymore. So there is this constant need to look at costs.

My suggestion would be to look at this wellness program I know that we have had several presentations, I think you even mentioned, for every dollar you spend, there are \$3 in savings. Those are the kinds of things I think that you ought to be emphasizing right now, particularly in light of our financial situation, because it is really critical right now. Of all the things that people talk to me about today, they are interested in their job, and they are really worried about where our Federal Government is going in terms of spending.

Ms. Rouse, what does your research show are the most valued work-life benefits, say, by young professionals with newborn or young children, middle-aged workers with college-aged children and aging parents? Do you have anything you can give us now on that?

Ms. ROUSE. I don't believe that we actually looked by age, but it is clear that employees and potential employees very much value having some flexibility, and I would imagine it is largely the flexibility in hours and timing that is the most important, although for others, flexibility in when they work is important as well. But we didn't look specifically by age.

Senator VOINOVICH. Mr. Foley, some have suggested cafeteria plans as a way to provide employee flexibility in managing their benefit dollars, giving them a smorgasbord. Are there best practices from cafeteria plans that OPM could implement for Federal employees?

Mr. FOLEY. Certainly, we have looked at the market in terms of the different plans that are available. There are a wide variety of choices already in the Federal Employees Health Benefits Program (FEHBP). So currently, Federal employees can choose from high-deductible plans to standard plans, so that there is a considerable flexibility now in term of their health plan choices and the benefits that they confere.

Certainly, a growing trend is that private companies are looking for their health insurers to vary premiums by either participation in a wellness program or achievement of results in wellness programs. Currently, the way that our law is structured, as you would know, the benefit—the employee contribution is fixed in law, so that is something that would need to be looked at if we were to go down that route. I think it is still early in that area in terms of actually varying premiums based on behavior and there are some risks associated with that. So we are looking right now at non-monetary incentives in the pilots that I have talked about, ways of seeing how far we can get with encouraging employees to adopt healthy behaviors that way.

Senator VOINOVICH. In other words, if we went the route of, say, Safeway or other companies that are out there that are really getting into this, Proctor and Gamble and so forth, that if we wanted

to do an experiment, we would have to change the law in regard to that particular agency that we would be doing this with so that we could get kind of an idea of what impact it has?

Mr. FOLEY. In terms of employee contribution, yes, that is correct.

Senator VOINOVICH. So we can't do that on kind of a pilot basis?

Mr. FOLEY. Not that I am aware of.

Senator VOINOVICH. OK. Thank you.

Senator AKAKA. Thank you, Senator Voinovich.

Ms. Rouse, certain industries such as manufacturing have been reluctant to adopt flexible work options because these options are more difficult to successfully integrate into their business models. You mentioned that there are companies in these industries that have successfully adopted flexible work policies. Do their experiences hold any lessons for the Federal Government?

Ms. ROUSE. Again, I think this is a situation where there is not going to be one set of policies or lessons for the Federal Government as it is a large employer with different types of workers.

One of the things that we see in manufacturing is that, especially for workers on the production line, those workers need to be physically where they are at the time that they need to be there in order to complete the production process. So one of the things that firms have tried to do is to train workers in the step that comes before and the step that comes after the part that they are responsible for so that they can compensate if their colleague needs to be absent for some period of time without disrupting the entire production process.

Another strategy that we highlight in the report is the use of retirees who can step in if a worker is going to be absent for a day or possibly even a few hours. These retirees can step in on short notice and are already familiar with the production process and therefore can substitute for that worker.

Senator AKAKA. Mr. Foley, I would like to hear more about your Results-Only Work Environment Pilot Project. How will you measure employee performance, and do you believe this model could be translated to other agencies?

Mr. FOLEY. The performance metrics that we have in place will be used in the ROWE Program, the ROWE Pilot Program, so we won't be changing the performance metrics, but we will be carefully monitoring and looking at those with a heavy emphasis on achieving the same results or better results through the employees in the pilot program.

We have deliberately chosen a diverse group of employees that reflects the different work environments that we have—policy analysts and we also have retirement benefit officers who work on a case-by-case basis where productivity might be more easily measured. So we are trying to look at a typical OPM workforce, at least in this case, and evaluate it to understand what the different impact is across different work settings.

The evaluation will be available early next year and we really hope to learn from that and then have discussions with other agencies about this. It is a very significant experiment in terms of the culture change that we are calling for and so it is not something

that we take lightly and we want to make sure that we can show positive results to share that with other Federal agencies.

Senator AKAKA. Mr. Foley, I understand that OPM did not request special demonstration project authority and is operating the Results-Only Pilot under current law. Please discuss the challenges you have identified as you prepare to begin this pilot program, as well as any changes to law you believe would be needed if this project were expanded.

Mr. FOLEY. Yes. We are not calling for any changes to current Federal law and I think that is an appropriate way to experiment with this. We are looking at, particularly at the counting of hours, the 80 hours per pay period as an issue that we would hope the evaluators would look and comment on that in terms of if there are recommended changes if one is working in a ROWE environment.

There are also other rules, such as core hours, so being available for 2 hours on two designated days per period. Again, these are some things we want to look at and test and understand, are they barriers or do they matter? Do they get in the way or not?

Obviously, in terms of culture change, we are looking at attitudes and employee morale, so trying to understand the attitudes of workers and managers to this new environment.

Senator AKAKA. Mr. Foley, OPM has contracted with Deloitte to provide an outside analysis of the Results-Only Pilot. What outcomes does OPM hope to see from this review to show the pilot has been successful?

Mr. FOLEY. Again, with the emphasis on results—we are looking to see, is there improved productivity? Is there improved results from the work, from this environment, changed environment? So trying as best we can to measure that. We are also looking at employee morale and employee attitudes to work. Many of the other environments that the ROWE-type model has been tried, there have been improvements in employee morale and productivity, so we will be looking at those. There also appear to be tangential benefits in health habits and sleeping and that kind of thing.

Senator AKAKA. Ms. Rouse, you have stressed that more research into work-life programs is needed. Will the Council of Economic Advisers be doing additional research and releasing additional reports on the economic benefits of these programs?

Ms. ROUSE. We do not conduct our own original research, but we are definitely working with other members of the Administration. There is the Work-Life Conference that we held last month. There are groups that are starting to work with us where they may be generating additional research themselves, pilot programs, working with employers to stand up programs, and studying those programs for the cost-benefit analyses and the impacts on the employers as well as workers. So we will be eagerly following those and are happy to summarize them in a subsequent report.

Senator AKAKA. Thank you. Thank you very much, Ms. Rouse. Senator VOINOVICH.

Senator VOINOVICH. What percentage of our workforce are subject to collective bargaining agreements?

Mr. FOLEY. Off the top of my head, I don't have that figure.

Senator VOINOVICH. Well, the President of the National Treasury Employees Union (NTEU) is here. Maybe we will get that in her

testimony. I would be interested in that. The thing is that it is my understanding that in terms of salary benefits, those are not negotiated in the collective bargaining agreement. That is set by Congress, is that right? The wages we pay our Federal employees are not subject to collective bargaining. We set that by the statute and that is what it is.

Mr. FOLEY. Yes.

Senator VOINOVICH. OK. How about health care benefits? Is that set by statute or is that negotiated?

Mr. FOLEY. The health care benefits as broadly, they are set in statute in terms of the contribution amounts, yes—

Senator VOINOVICH. So it is by the statute. You don't negotiate the participation of the employees? If the Congress decides that they are going to pay 35 percent or whatever it is, that is by law rather than by negotiation?

Mr. FOLEY. That is correct.

Senator VOINOVICH. OK. That wasn't the case in State government. I know when we did, I think, for instance, money for training, we negotiated that and we would list pay increase, but if they put a nickel in, we put a dime in for training because we thought it was important and our unions thought it was important. When I came in, our health care costs were going up, like, 23 percent a year and we wanted to go to preferred provider because we thought we would save money. And so what we did was, again, negotiated with the union and said, if you are willing to go along with this, we will reduce the amount of money that you pay for your health care. That would involve the unions in these discussions.

Now, both of you have talked about some new ideas, and I know that we have talked with Mr. Berry about some of his ideas in terms of the workforce and so forth. What I would like to know is just how much participation in some of the discussion that is going on have you had with our major unions, because I think I would be interested in knowing that.

Mr. FOLEY. Well, certainly the ROWE initiative that we are implementing at OPM has been discussed and is being discussed with the two locals that are participating in that project, and also the Telework Thought Leadership Forum included representation. So there is an effort to have those discussions and have them be a part of the initial phases and the planning of these initiatives so that the issues that they raise can be measured and evaluated in the evaluation.

Senator VOINOVICH. Well, I think that is really important, because so often what happens is that because you don't have the consultation, that sometimes things are promoted and the unions are very unhappy about it, and then it just becomes a stalemate here in Congress. I know he has got some ideas, and you have, and so forth, but I think the more you can work with the unions, the better off I think all of us are going to be. Mr. Chairman, I have no further questions.

Senator AKAKA. Thank you very much, Senator Voinovich.

I want to thank our panel for your valuable testimony. Before I ask the second panel to come forward, I want to tell you that your responses have been helpful to us. As you know, we are trying to set up conditions where the Federal Government can be attractive

to people, especially young people in our country. We need to work with educational institutions, as well, to try to reach out and attract some people to the Federal workforce. And, of course, as we continue to mention, to continue to make the Federal Government the choice employer. We can do that by working together and we look forward to information you can give us to help us do that. So thank you very much to our first panel.

Mr. FOLEY. Thank you.

Ms. ROUSE. Thank you.

Senator AKAKA. I would like to ask the second panel to please come forward.

I want to welcome our second panel. On this panel this afternoon, we have Kathy Lingle, Executive Director of the Alliance for Work-Life Progress at WorldatWork. Also, Max Stier, the President and CEO of Partnership for Public Service, Colleen Kelley, President of the National Treasury Employees Union, and Joe Flynn, Vice President of the American Federation of Government Employees.

It is, as you know, the custom of this Subcommittee to swear in all witnesses, so I would ask all of you to stand and raise your right hand.

Do you swear that the testimony you are about to give this Committee is the truth, the whole truth, and nothing but the truth, so help you, God?

Ms. LINGLE. I do.

Mr. STIER. I do.

Ms. KELLEY. I do.

Mr. FLYNN. I do.

Senator AKAKA. Let the record note that the witnesses answered in the affirmative.

Let me also remind all of you that although your oral statement is limited to 5 minutes, your full written statement will be included in the record.

Ms. Lingle, please proceed with your statement.

TESTIMONY OF KATHLEEN M. LINGLE,¹ EXECUTIVE DIRECTOR, ALLIANCE FOR WORK-LIFE PROGRESS AT WORLD-ATWORK

Ms. LINGLE. Chairman Akaka, Ranking Member Voinovich, and distinguished Members of the Subcommittee, thank you for the honor of testifying before you today on best practices in the field of work-life effectiveness. My name is Kathleen Lingle. I am the Executive Director of Alliance for Work-Life Progress at WorldatWork. I have been a work-life researcher, practitioner, and consultant for over 20 years.

During this week of public service recognition, I believe it is timely to have a robust dialogue about the importance and value of developing a coherent strategy for Federal work-life programs. Numerous studies have shown that the quality of workers' jobs and the supportiveness of their workplaces are key predictors of worker job productivity. We have heard a lot about that from our first

¹The prepared statement of Ms. Lingle appears in the Appendix on page 44.

panel. It also contributes to job satisfaction, commitment to employers, and more positive mental and physical health outcomes.

For the past 35 years, most, if not all, Federal agencies have developed an impressive variety of supports for everyone who works to help them manage their dual agenda throughout the career life cycle. In fact, what is interesting is the Federal Government exerted leadership in work-life programs long before these innovations were adopted in private industry. However, what is striking today is that, for the most part, the Federal sector is not harnessing the full power of work-life effectiveness as the most inexpensive and intrinsically motivating driver of attraction, engagement, and retention available in the 21st Century.

The notable gap in the Federal environment vis-à-vis private industry is a failure to deploy work-life as an overarching organizational strategy, one that has a demonstrated capacity, as we have heard, to engage the minds and hearts of any labor force in any sector. In private industry today, employers compete to be perceived as best in class because such employee-friendly behavior literally pays itself many times over.

In WorldatWork's 2007 survey, "Attraction and Retention: The Impact and Prevalence of Work-Life Programs," we found that a successful work-life portfolio can result in tangible increases in attraction and retention of the kind of talent needed for organizational success. This portfolio that I am referring to includes seven categories of work-life practices, several but not all that have been mentioned so far. These include dependent care, paid and unpaid time off, health and wellness, community involvement, financial support, workplace flexibility, and culture change initiatives.

These beneficial results that accrue from the application of such a portfolio, an integrated portfolio, are not just limited to the private sector. Data show similar outcomes for public sector employees. I know my fellow witness, Mr. Stier, will also speak to this, but according to the Best Places to Work in the Federal Government Report by the Partnership for Public Service, work-life balance and a family-friendly culture are two of the "best in class" categories used to rank Federal agencies.

And it is not just one demographic group that values and benefits from these programs. Achieving success both at home and at work is important to everyone. From experienced workers in their 60s to students just graduating from college, research shows that work-life programs appeal and support workers in multiple generations.

Also, no longer are work-life programs seen through a gender lens. Both women and men experience work-life conflict, and having flexibility in their work schedules is an increasing priority as they struggle to balance family and work.

Director John Berry has it right. In order for the Federal Government to become a leader in work-life programs, you must consider the big picture. Instead of pursuing one discrete work-life program after another in relative isolation, I recommend that the entire exercise be ratcheted up a notch and considered in its entirety as one coherent people and business strategy.

Using the work-life portfolio as the well-tested road map it has become for employers everywhere, all of the component elements of

policy and practice required to meet the needs of Federal workers will fall into place. Any important missing pieces will become evident and can be developed as necessary.

For the sake of time, I have included numerous examples of best practices and specific recommendations in my written testimony and would be happy to share them with you during question and answers.

In closing, I look forward to working with the Subcommittee and the Administration as you develop work-life programs that ensure that the Federal Government attracts, retains, and empowers a 21st Century workforce. Thank you again for the opportunity to testify on this important issue.

Senator AKAKA. Thank you very much, Ms. Lingle.

Mr. Stier, will you please proceed with your statement.

**TESTIMONY OF MAX STIER,¹ PRESIDENT AND CHIEF
EXECUTIVE OFFICER, PARTNERSHIP FOR PUBLIC SERVICE**

Mr. STIER. Thank you very much. This is an opportune time for this hearing and there are no better two people than the two of you, Chairman Akaka and Senator Voinovich, with whom to have this conversation. I consider you the dynamic duo of good government, so it is an honor to be here especially during Public Service Recognition Week.

My interest here is to see how we move the ball forward. I think there is widespread agreement that flexible work arrangements are important in terms of productivity. Senator Voinovich, I think you, as usual, hit the nail on the head in terms of the lens through which we need to be viewing this. How do we provide more cost-effective and better service to the American people? This conversation has to be about how we do that. The evidence, I think, is strong to suggest that there are a lot of things we can do with respect to flexible work arrangements that would get us there.

To me, there are several key questions. What are the barriers that are preventing us from getting there? If there is a consensus that we need to make this happen, why isn't more happening? What are the specific things we can do about it?

On the barriers, I would suggest that there are four important barriers. The first is manager resistance, and this is not only about training.

The second is that there is poor performance measurement right now in government so the proxy for actual performance is physical presence. People don't actually know what good work is, and therefore, they think because they can see somebody, they are getting work out of them. That is something we have to change. This, I think, is an issue that is more substantial than even the flexible work arrangement conversation. We need a better appreciation and understanding about what performance is in the public sector in order for us to be able to address these issues and others.

Third, there are clearly issues around security of information that are technology-based.

And fourth and finally, I think there is an important issue around public perception. We are losing the battle right now with

¹The prepared statement of Mr. Stier appears in the Appendix on page 54.

the American public about the importance and value of government service and we need to make sure that flexible work arrangements are seen as a mechanism of actually doing better for the American public as opposed to simply another benefit for public workers. That is one of the key barriers we also need to address.

So I would present six things we might do going forward. The first is to note that this is in draft form. We are currently doing research on the subject matter with Booz Allen Hamilton. We will be issuing a report in the next several months that will be much more complete and comprehensive, but let me give you some of our initial findings.

First, clearly, I think the legislation, particularly around telecommuting, that you have in place needs to be passed. It needs to be passed, but I hope that you will pass it and you will stay on top of this issue even after passage, because that legislation will improve the process, but will by no means solve it, and we have a lot of work to do beyond that.

Second, we need to raise our sights. I think, very importantly, there is a concrete goal that OPM has set about raising the telecommuting numbers by 50 percent by next year. In truth, we have to be doing even much more than that in the next year and beyond. We have companies like IBM that have 40 percent telecommuting. In the government right now 5 percent of eligible workers are telecommuting. Overall, the Patent and Trademark Office (PTO) is at the top at 80-plus percent, but agencies like the Department of Homeland Security (DHS) and the Department of Defense (DOD) have less than 3 percent of eligible workers telecommuting. So we need to actually set a mark that is much higher, and I would argue for around the 40 percent that IBM is doing.

Third, we need to build from best practices. There are agencies like Patent and Trademark Office that are doing it. We need to understand how they are doing it and get it adopted elsewhere. The best way of spreading change in government is by finding other examples in government where it is working.

Fourth, we have opportunities around change that is already taking place. The Department of Homeland Security is looking at new space options. If you look at the Patent and Trademark Office story, they were at 10 percent telecommuting in 2001. They are now at over 80 percent, and that happened around their movement to new space. I think we could imagine GSA requiring that there be real telecommuting plans when they provide new space for agencies. I am happy to talk about that further, but I am trying to make my time limit here.

So fifth, we are going to need to invest some dollars up front. We heard a little bit about the wellness program, the \$2 million-plus that Director Berry has invested. This is a matter of front-end money that is necessary to get the stuff rolling, but we will have back-end payoff of a lot larger significance.

And sixth, along the same lines, we need to do more piloting. We need to do some more demonstration work in government. The ROWE Project is fascinating. This is a two million-person organization. We need to have more experimentation to understand what is possible and what is going to work, and I doff my hat to Director Berry on ROWE. We need to make sure that we combine those pi-

lots with real solid data gathering protocols so we can prove that flexible arrangements work and we understand how to replicate it them.

So thank you very much, again, for inviting me here.

Senator AKAKA. Thank you so much, Mr. Stier.

Colleen Kelley, will you please proceed with your statement.

**TESTIMONY OF COLLEEN M. KELLEY,¹ NATIONAL PRESIDENT,
NATIONAL TREASURY EMPLOYEES UNION**

Ms. KELLEY. Thank you, Chairman Akaka and Ranking Member Voinovich. As the National President of National Treasury Employees Union (NTEU), representing over 150,000 Federal employees in 31 agencies, I very much appreciate you holding this hearing on this subject, especially during Public Service Recognition Week.

The Federal Government is the Nation's largest employer, but today, the Federal Government is losing ground in areas that are very important in attracting, retaining, and empowering its workforce. We want to bring back a leadership role to the Federal Government and make it the employer of choice in the United States.

Dramatic changes in the workforce in the last 40 years have created what Workforce Flexibility 2010 calls a work-family mismatch and conflict. Employers who follow dated policies and practices that limit workplace flexibility do not serve the interests of either the employer or the employee. And when the employer is the Federal Government, it does not serve the interests of the citizens, either.

NTEU is very enthusiastic about the endorsement of flexible work arrangements by the Director of OPM and by the White House. We would like to see flexible work arrangements as the standard operating procedure in the Federal Government.

In that regard, it is time for the Federal Government, as the largest employer in this country, to step up and make family leave real, not a mirage that just a few can afford to use. Being able to substitute any leave without pay under the Family and Medical Leave Act (FMLA) with 4 weeks of paid leave for the birth or adoption of a child will make a significant difference in the lives of both parent and child.

A report by the Institute of Women's Policy Research (IWPR) in October 2009 states that younger workers demand greater workplace flexibility, and while many private sector companies are leading the way with paid parental leave packages, the current Federal benefits do not meet younger workers' needs. IWPR calculates that the Federal Government could prevent over 2,600 departures per year among female employees by offering paid parental leave, preventing over \$50 million per year in turnover costs.

I would like to ask that their report, which I have a copy here, would be entered into the record for this hearing, if that is OK.²

Senator AKAKA. Without objection.

Ms. KELLEY. As you know, the House has passed its paid parental leave bill last June, and that was passed on a bipartisan basis. With your leadership, Mr. Chairman, I would like to see your Com-

¹ The prepared statement of Ms. Kelley appears in the Appendix on page 62.

² The report appears in the Appendix on page 90.

mittee pass Senator Webb's bill, S. 354, this summer on paid parental leave.

NTEU has found that where agencies have good telework programs, which we have talked a lot about today, employees feel they can handle work-life issues much better than in agencies that are resistant to such programs. Given the convincing merits of the Akaka telework bill and the few remaining months in this session of Congress, we believe it is very important that the Senate act swiftly on this important legislation, and then we need to breathe life into telework and to make it a reality for the hundreds of thousands of Federal employees who do not have appropriate access to it today. That would be a triple win, a win for employees, a win for agencies, and a win for taxpayers.

Wellness programs also contribute positively to work-life balance. This year's Federal Employees Health Benefits Program Call Letter contains several proposals by OPM to provide wellness programs for Federal employees, and in addition, OPM informed the carriers that coverage of dependents has been extended to age 26 by the recently passed health care law, and that effective date will be January 1, 2011. A longtime NTEU initiative, the age 26 coverage will provide a much needed safety net for those dependents just starting out their careers, often without health insurance, and we would like to explore the possibility of an earlier start date.

Under your able leadership, Senator Akaka, S. 372, the Whistleblower Protection Enhancement Act is also ready for floor action. This bill represents years of work in addressing gaps in whistleblower protection, and for the first time will extend whistleblower protection statutorily to Transportation Security Officers (TSOs) at the Transportation Security Administration (TSA). NTEU stands ready to assist in whatever way necessary to see this bill successfully passed in the Senate.

NTEU has found that work-life balance is the easiest to achieve when employees have a voice in their workplace. If the workers can have a collective voice, the effect is much stronger. Sadly, that is not the case at TSA. We would also like to see a Senate version of Representative Nita Lowey's bill, H.R. 1881, introduced that would give TSOs the right to collectively bargain. While we wait for a new administrator to be named, we ask for your help in persuading the Department of Homeland Security to grant collective bargaining rights through a directive now.

NTEU wants the Federal Government to be a leader in the movement in order to provide a better work environment for employees and we will do all we can to promote the programs that are passed by Congress and endorsed by the Administration that further our members' ability to balance the demands of their jobs with the demands of their families and also to look after their own health.

Thank you, and I would be glad to answer any questions you have.

Senator AKAKA. Thank you very much, Ms. Kelley.

Mr. Flynn, will you please proceed with your statement.

**TESTIMONY OF JONATHAN P. FLYNN,¹ VICE PRESIDENT,
AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES**

Mr. FLYNN. Mr. Chairman and Senator Voinovich, on behalf of the American Federation of Government Employees (AFGE), which represents more than 600,000 Federal employees, thank you for the opportunity to testify today regarding work-life programs which would attract, retain, and empower the Federal workforce.

In the 21st Century, one can easily see the effects that home computers, email, smart phones, and cell phones have in enabling a 24/7 work environment. Employees are looking for balance between work and their personal and family demands, and if the Federal Government fails to provide this balance, agencies risk losing valuable employees to employers who offer more flexibility.

AFGE supports the telework legislation, Mr. Chairman, that you and the Senator have introduced, as well as the companion legislation in the House. Both bills require that all Federal workers be considered eligible for telework unless the agency shows they are ineligible. Under current law, Federal workers must overcome this presumption that they are ineligible for telework unless the agency determines otherwise.

I would like to give you two examples of why your legislation is so important. AFGE members working at agencies with established telework programs, such as the Centers for Medicare and Medicaid Services and Citizenship and Immigration Services, report that those agencies have self-imposed an arbitrary cap on the number of workers allowed to participate in telework. At the National Science Foundation (NSF), although AFGE succeeded in negotiating a telework program, the union had to trade off the right to file any grievances on the matter regardless of their merit. This makes it almost impossible to ensure that telework at NSF is applied fairly and uniformly to employees.

I would like to talk to you just very briefly about the Results-Only Work Environment. AFGE Local 32 is working closely with Director Berry's office in the implementation phase of the Results-Only Work Environment Pilot at OPM. This is another flexible workplace initiative which allows employees to work when they want, when they can, where they want, as long as the work gets done, and that is the key, as long as the work gets done.

One of the work groups selected to participate has had major workload processing problems for some time, and as a result of the ROWE Pilot Project, joint management and labor forums have been established to address these problems, and many of them to date have been resolved. If the ROWE Pilot works with this particular work group, Mr. Chairman and Senator, it can work with any other office.

We particularly appreciate Director Berry's efforts. He truly leads by example. Mr. Chairman and Senator, based on my experience as a Federal employee and a union representative, whether we are talking telework, wellness programs, or the ROWE Program or similar-type programs, I cannot overstate or overemphasize the importance of having an agency champion of these programs at the top. That is critical to the success of these programs.

¹The prepared statement of Mr. Flynn appears in the Appendix on page 69.

We urge agencies—with regard to the wellness programs, workplace wellness programs have been around for a number of years. Wellness programs include weight loss, physical fitness, smoking cessation, and stress management, which help reduce health insurance premiums, workers' compensation premiums, and workplace injuries and illness. Employees also see the benefit in terms of increased productivity, improved employee relations, and employee morale. Healthier workers take fewer days off for illness and may experience less severe symptoms. We urge agencies establishing wellness programs to ensure that they work with their unions, where you have a union, in the development and implementation of these programs.

Paid parental leave—despite the protections of the Family and Medical Leave Act, many Federal workers must choose between a paycheck and meeting their family obligations because they currently have no paid parental leave. The House bill passed in the Senate and its companion introduced by Senator Jim Webb would provide Federal employees 4 of the 12 weeks of family and medical leave as paid leave upon birth and adoption of a fostering child. Mr. Chairman, the time has come for the Federal Government to set the standard for U.S. employers on paid parental leave. AFGE urges the immediate Senate passage of S. 354 so that the bill can be sent to President Obama by the end of the year.

Mr. Chairman, that concludes my statement. Myself, as well as AFGE, would be happy to answer any questions or further any other information you might need. Thank you, sir.

Senator AKAKA. Thank you very much, Mr. Flynn.

Ms. Lingle, as I noted in my opening statements, I believe the Federal Government needs work-life programs to stay competitive with the private sector. Your testimony describes a number of best practice programs in the private sector. Does your research show that more organizations are offering work-life programs now than in the past?

Ms. LINGLE. Well, I have described a portfolio with several categories in it, so the answer is there has been growth in some of those categories and relative shrinkage in others, particularly over the last 18 months as we faced the worst recession we have had since the 1930s. Things that require a great deal of money, as you might expect, have been curtailed somewhat. Things that have no direct cost, like flexibility, community volunteering, and some other aspects of the portfolio, have grown.

So we have seen change, but in general, since flexibility seems to be a great topic of discussion in this forum, that, we haven't seen a great deal of retrenchment on. In fact, we are seeing some experiments in both the public and private sector that we have never seen before where employers are actually mandating flexibility rather than waiting for employees to ask for it. So we have got some very interesting experiments going on at the moment.

Senator AKAKA. Thank you. As many of you have mentioned—and this is for the entire panel—some managers have been resistant to more flexible ways of managing employees. How do you believe we can overcome this resistance? Ms. Kelley.

Ms. KELLEY. I think there are a number of things that can be done. I think that the agency leadership at the highest level, at the

middle level, at the front-line level all need to model that behavior. They need to not only talk about it, but they need to recognize and reward managers who support employees in flexibility and in doing telework, and not just talk about it. I think that agencies who have been successful should be asked and expected to be out there talking to other agencies about their very real experiences and about their real successes.

I think when there are productivity savings, which in many cases there will be, that the agencies should be able to retain what they save and reinvest it in other agency programs. Most agencies that I am aware of have a lot of work they would like to do, but they don't have the resources to do it. So rather than see them have productivity gains and then take those savings away from them, let them reinvest those in the workforce as well as in the work of the agency.

But I think it is a big culture issue. When I attended the White House forum, it was clear to me from the private sector companies who do this and do it well that they all recognize it as a culture change. It is not just about issuing a memo or saying it is OK to approve it. It is about living it every day and not waiting for an employee to ask for the flexibility but to offer it to them.

I know when I left that forum, I remember one of the opening sessions presenters, it was the CEO from Campbell's Soup, and when I heard him speak about telework and flexibilities and his workforce, I made myself a note that I know a few agencies that have managers they should detail to Campbell's Soup for a while because I think that it would help them with this culture issue, because I am more convinced than ever that really is what drives a lot of it.

Senator AKAKA. Thank you. Ms. Lingle.

Ms. LINGLE. There is a good history in showing evidence for the impact of training. If you are really going to culturally embed flexibility, it doesn't happen intuitively or without a great deal of work. There is something that pushes the culture about flexibility, and managers are not trained historically to deal with these kinds of issues. In fact, over the last 20 years, we have taught human resource (HR) people in particular not to get into people's private lives, that is not where you go, and this takes art and skill. Both employees and managers actually need to be trained how to behave and how to proceed. That is one of the keys to success.

Senator AKAKA. Mr. Flynn.

Mr. FLYNN. Yes, Mr. Chairman. Once again, please let me emphasize the important of top management supporting these programs. That is critical. Legislation aside, negotiated agreements aside, if you don't have that support, the program will be undermined.

The second piece is we have to change the paradigm of what supervisors are looking at. I think it was mentioned earlier, but you have to get away from the idea of measuring presence to measuring outcome.

And third, I believe that you need to have a security confidential protocol in place where supervisors and managers are trained on it so that the fear of information being lost is overcome.

And I think it comes down to this, two factors. Can the work be done in part at home? And is the equipment available for the employee to carry it out? And if those two conditions are met, it is real simple. Do it. Thank you, Mr. Chairman.

Senator AKAKA. Thank you, Mr. Stier.

Mr. STIER. Mr. Chairman, you heard a whole bunch of good reasons that I think cover everything. I want to pick up on one thing that Ms. Kelley stated that I thought is a nice idea, as well, and that is more mobility. If you can actually have leaders and managers in government agencies see it work in other places, that would improve the ability to spread best practice across government.

I believe everything that needs to happen in government is happening somewhere, but frequently in not many places. If we can give the talent in government the experience of seeing it work and feeling it work and having the opportunity to work in that work environment, then we increase the chances of it being adopted in other agencies.

Senator AKAKA. Mr. Stier, you had mentioned that many managers are not trained to successfully implement and oversee work-life flexibility programs. What recommendations do you have for Congress and OPM to ensure managers receive sufficient and effective training?

Mr. STIER. Senator, this is something that obviously you have and this Subcommittee have worked on. I think we underinvest in the training and development of our managers and leaders and that is a source of many challenges that we face around the flexible work arrangements but also beyond that. I believe we need to see long-term investments in the training of the workforce.

We need to see leadership commitment to it. It is not simply a matter of dollars. We actually need to see leaders in their own evaluation of their top management, prioritizing the need for investment in the workforce and in the folks that report to their direct reports.

Ultimately, in terms of this Subcommittee, I think you can be looking at data points like the Best Places to Work rankings, manager satisfaction surveys that target specifically those managers, and ultimately, I hope, real performance metrics.

So again, as Mr. Flynn stated, I believe at the end of the day, one of our key issues in the public sector is a need to be able to have very clear and direct communication about what we are trying to achieve and the role that individuals and teams play in getting there. If you have real-time performance information, I think you will have telecommuting to a greater extent and you will have better performance, ultimately. But I think we have some distance to travel there.

Senator AKAKA. Thank you very much. Senator Voinovich, your questions.

Senator VOINOVICH. Yes. Mr. Stier, the Partnership for Public Service has been working a long period of time to highlight the opportunities that we have here in the Federal Government. I know one of the reasons why Sam Heyman formed the organization was he felt that more people ought to be going into public service. I was, as I mentioned, a little bit disappointed at the look at that

at the John F. Kennedy School. Really, the numbers haven't really improved very much since the time we got started with this.

Besides the antiquated archaic hiring system that we have, and hopefully we are going to get that changed this year—and I just want to make clear, the number of people I have met who wanted to work for the Federal Government and never heard and then got jobs and then heard, it is just amazing. In other words, because we are not communicating, we are losing a lot of good people. And then, by the way, the word gets out on the street that this thing is archaic and so people just say, I am not going to even bother anymore because of the anecdotal stuff that is out there among people who might be wanting to work for the Federal Government.

But besides that, what other disincentives are out there, and in terms of work-life issues? Have you ever done an analysis of what it is that people are really looking for? Maybe, Ms. Lingle, you can look at it. What are the things that they really are looking for in terms of a future employer? Both of you can respond.

Mr. STIER. I think Ms. Lingle hit it right to say that what is interesting is that, in many ways, what young folks are looking for, the same thing is true for more experienced folks, as well. The work-life balance issue is one that plays at the top of the list for great talent across the whole spectrum of experience. There are plenty of surveys out there that show that it is a prime issue for a lot of talented people. I think that is something that does matter and goes to the point here about enabling more flexible work arrangements. I think it is important that we focus on this not just for young people, but for that full range of experience.

To my mind, there are three barriers that we have here. The first is that the talent market, by and large, doesn't even know about government service. It is not on their radar screen. If you ask most folks today to tell you what public service is, they will not include government service in their definition. So what used to be synonymous terms now has lost almost entirely government service from the equation.

What we have found on the positive side, though, is that the more people know in the talent market about these opportunities, the more they like it, so that they find it to be meaningful work in which they can grow and develop and make a difference, and that is what is going to attract them.

The second hurdle is the hiring process you mentioned, and I believe that the work that OPM and the Office of Management and Budget (OMB) is doing is vital, but honestly, I think it is going to take more than a year to make these changes. It is going to take a lot of work inside each and every agency to actually get the changes that will make a difference, and your hiring reform bill will help.

And then the third issue is some of the stuff we are talking about today, what happens to folks when they are inside government, how they are managed, and, therefore, are they willing to stay and are they going to give of their very best efforts. The kinds of things we have talked about here will improve that third bucket.

Senator VOINOVICH. Ms. Lingle.

Ms. LINGLE. Mr. Stier and I haven't had a chance to talk about this, but one of the suggestions I would make, and Senator

Voinovich, your point is excellent, in private industry, you ask people what their needs are, and the value of the portfolio management aspect of work-life is that you can predict the various events and therefore the needs that an employer is going to have to meet over the next 6 months, 2 years, 3 years, 5 years, i.e., the strategy.

So one of my suggestions is that there actually be an augmentation, in between Administrations now, which are going to be annual, of the Employee Viewpoint Survey, what in our field we call a work-life needs assessment. What isn't done in the survey today, but it has been greatly improved, is actual usage and access to these various work-life issues. It is very important to know not just how satisfied are people.

What we have found from other surveys in private industry, employees will answer that they are very satisfied with parental leave, with flexibility, and then you find out later they have never used them. It is sort of a halo effect. It is really important to find out, can people get to these things? How do they feel about that, and what is their experience and what are they lacking? That is a very critical point.

Senator VOINOVICH. Ms. Kelley, do you have a list of things from people in terms of what attracted them to the Federal Government.

Ms. KELLEY. Well, in my experience, first and foremost, it is the mission of the agency that often draws the applicants even to the agency. After that, it is about, once they get through training, in pretty short order, it is about work-life balance. It usually starts by seeing what is happening around them in their agency and they see that in their occupation, they do not have access to Flexiplace or telework or to different work hours.

But then, they get a broader range of information when they talk to neighbors and friends and relatives who work either for other agencies or for the private sector and realize that there is a whole other spectrum out there. And then the question is, why would the Federal Government, as the largest employer, not make those available?

I also worry about these things not being expanded today, because I think for the next couple of years, the Federal Government will not see the turnover that it otherwise might because of the economy. But once the economy turns, and it will, I worry that we are going to lose a lot of the employees that we have, not through retirement but to private sector companies who have really put in place a much broader spectrum of work-life balance opportunities for employees. We need to worry about that.

Senator VOINOVICH. That gets to the issue. We know what the situation is right now because things are tough out there. This is the worst recession since the Depression. A lot of people are out there looking for work. But let us go back to a more ordinary time, let us say 5 years ago when things were fairly good and the economy was working. Was the Federal Government's turnover rate more than the private sector?

Ms. KELLEY. I don't know. I would have to get those numbers for you.¹

¹According to the Bureau of Labor Statistics (BLS), the total turnover rates from January of this year were 3.6 percent for private employers. BLS does not provide turnover rates for the Federal Government separately.

Senator VOINOVICH. I would like to find that out from staff.

The other thing is that the percentage of people in the Federal workforce that are in collective bargaining, do you have any idea what the answer to that is?

Ms. KELLEY. I don't know the percentage.² We will get you that number. But when you asked the question earlier, I was going to yell from my seat. When you said, how many Federal employees are covered by collective bargaining rights, I was going to say, not enough. [Laughter.]

Senator VOINOVICH. I wouldn't expect you to say anything else. [Laughter.]

The one thing that I would like to just affirm, Mr. Flynn, is the issue of Mr. Berry involving you in some of their discussions and ideas about changing things. From what I picked up from what you had to say, you seemed to be satisfied that he is really reaching out and that you are a participant rather than he is doing it all on his own and he is going to try to sell you on what he wants to do.

Mr. FLYNN. You are absolutely correct, Senator.

Senator VOINOVICH. Thank you. Thank you, Senator Akaka.

Senator AKAKA. Thank you very much, Senator Voinovich.

Mr. Lingle and Mr. Stier, in your testimony, you both suggest that changes need to be made to the annual Federal Employee Viewpoint Survey if we want to better understand the experience and needs of the Federal workforce. Would you please talk more about the changes you think are needed to this survey?

Ms. LINGLE. I mentioned before, I think it would be a great addition, either in the survey or an augmented survey which I would call a Technical Work-Life Needs Assessment, to get at access and usage. I think that would be useful information we don't currently have.

Second, I would like to see the panorama of issues asked about in the survey to reflect the entire portfolio. There are pieces missing right now, like community outreach, volunteering, etc., that would be interesting to know about and see. We know nationally there is a great upsurge in community outreach in the last year during the recession, and morale and retention are going up everywhere because of that, certainly in private industry. So it would be interesting to see what the experience is in the Federal Government right now. People are reaching out to people in pain, and all of us know family members and friends who are in big trouble, and that has really opened hearts and minds of people which make a workplace much more attractive when they respond to this. So that is one example of an area that is missing right now.

Senator AKAKA. Mr. Stier.

Mr. STIER. I think that OPM and OMB are looking at the survey and are trying to hone in on the right data sets that they want to collect. To my mind, some of the most important things that need

²The Bureau of Labor Statistics reports that the percentage of the Federal workforce represented by unions is 33.2 percent. However, it also reports that the total number of Federal Government employees is 3.6 million, which we do not believe is accurate. Historically, over 60 percent of the eligible Federal workforce was represented by unions. We believe that the BLS percentage includes non-eligible employees, such as managers. In both instances, we cannot verify this information. Perhaps your office can get more accurate information from the Congressional Research Service or directly from agencies.

to happen are—and they have decided to do this, it has to be done annually. It has to be done frequently enough that the information can be used to actually hold leadership accountable. It has to also be made available faster. In the past the turnaround time has been something like 5 months. That is too long. You need information in a much more expedited fashion.

I think you also need a census. In the past, there have been some agencies that have actually surveyed the entire workforce. In today's work with technology, that doesn't really cost on the implementation side anything more. But what that then allows you to do is to actually understand better what is happening in smaller components of agencies, so you can actually see important differences within the same organization and manage from that data.

So those are the sorts of things that would make a very big impact, and again, I think we are at the front edge of understanding how useful this information can be and we need more members like yourself to own it and to use it to hold leaders accountable when they come in front of you.

Senator AKAKA. Several of you have mentioned paid parental leave as an attractive work-life program. Do you believe the Federal Government is at a recruiting disadvantage with the private sector because we do not offer paid parental leave? Ms. Lingle.

Ms. LINGLE. Relatively, I would say yes. My understanding is the Federal Government has very generous sick leave, but paid parental leave, even for new mothers and certainly for fathers, is a relative disadvantage. Today, in private industry, the companies we call "Best in Class," about 72 percent of them offer paid parental leave. In best companies, the national average is much lower than that, something about 15 percent. It is a growing category. Three years ago, that was only 12 percent in best practice companies, a huge benefit as we learn more about the mind and what happens with children and raising children in this 21st Century who have self-esteem with two parents on deck.

Senator AKAKA. Ms. Kelley.

Ms. KELLEY. I think it is a recruiting disadvantage for some. If at the same time they are looking for a new position with the Federal Government and they are also thinking about starting a family, then I do think that it is a disadvantage.

But I think the other place we lose as the Federal Government is for employees who are here 5, 6, or 7 years and then decide that they are going to start a family and that this is an issue for them that wasn't even on their screen when they joined the Federal Government. But now it is and it will become the reason that we will lose them, because they will leave. They won't return to the Federal Government and they will look for somewhere else as they continue to build their family that has better practices and that are more family friendly.

Mr. STIER. Mr. Chairman, if I might?

Senator AKAKA. Mr. Stier.

Mr. STIER. I would just add a personal anecdote on that front. I have two children. You have met my wife. She was a career Federal prosecutor, had been in the Federal Government before that, and she had a lot of vacation time and sick leave that she had built up over time and was able to take time off as a result for both of

our children. If we had not started a family as late in life as we had, we would not have had that opportunity and it would have been a real hardship.

I think there is a real differential here. If you have been in the Federal workforce for a while, you can manage. But if you, as has been suggested by Ms. Kelley, are new, that is a real problem and I think it is clearly a disadvantage for the government to recruit and retain an important segment of talent that is out there.

Senator AKAKA. Thank you. Ms. Kelley and Mr. Flynn, the Administration is working to expand worksite wellness programs in the Federal Government. What specific steps can OPM take to ensure that your members are aware of and participate in these programs?

Ms. KELLEY. I think the wellness programs are very important and I think that leadership by OPM is important and will take us a couple steps forward. But in the long run, I think it will come down to resources. And when agencies have choices they have to make, and even though they are given the authority to run these wellness programs, if they are not given the appropriations to do it and they have to make hard choices about mission-related, delivery of their programs, that they will not become a reality.

In fact, as pleased as I am that we are talking about these wellness benefits, everyone has made pretty clear that the percentage of Federal employees benefiting from telework today who are able to actually work a telework schedule is very small. I would suggest that the percentage of Federal employees benefiting from wellness programs is even less than telework. I think we are even much further behind on the wellness programs than we are on the telework.

So again, I think what OPM is doing, what the Administration is holding up as a standard of what they would like for the future, but I think it is going to take consistent progress year after year after year. It cannot be something we talk about today and then not again for 4 years. And I think there has to be a very serious look at budget implications and what really is deliverable so that we can have some successes to point to.

Senator AKAKA. I want to thank you, this second panel, for your observations as well as your experience and perceptions about our Federal workers. Several of you have mentioned the word "culture" and the change of culture that has to come about. This is something that I would say is generational, but we have to set the base for this and begin to plan strategically where we should be in the years ahead to get all the productivity from our workers and to make the Federal Government an employer of choice. I am so glad that even here, there is a cultural change in our relationships among those who have decision making powers in our government to continue to talk about this and bring this about.

I am glad to hear, also, that somewhere, there should be a question about what the needs of the workers are, and from there to try to see what can be done to address workers' needs. For me, I think that it is a change in culture that needs to come about. And by dealing with their needs, there is a good chance they will stay with the Federal Government.

So all of these ideas are beginning to be expressed and we need to really take this and continue to put it together as a new base of culture for Federal workers and their future.

So I want to again thank you all for your thoughts and recommendations. I encourage all of you to continue working together with this Subcommittee to improve work-life programs in the Federal Government. We have mentioned, too, that we need to also cast an eye on the private sector and learn from them and use whatever can be used in the Federal Government system. These programs are vital to support our workforce and attract the best people to public service.

The hearing record will remain open for 1 week for Members to submit additional statements or questions.

Thank you very much for your time. This hearing is now adjourned.

[Whereupon, at 4:19 p.m., the Subcommittee was adjourned.]

A P P E N D I X

WORK-LIFE PROGRAMS: ATTRACTING, RETAINING AND EMPOWERING THE FEDERAL WORKFORCE

Cecilia Elena Rouse
Member, Council of Economic Advisers

Testimony before the Subcommittee on Oversight of Government Management, the Federal
Workforce and the District of Columbia
Committee on Homeland Security and Governmental Affairs
United States Senate

May 4, 2010

Good afternoon Chairman Akaka, Ranking Member Voinovich, and distinguished members of
the Subcommittee.

I am very pleased to represent the Council of Economic Advisers (CEA) at this important
hearing. Today, I will focus my remarks on the main findings from the March 2010 CEA Report
Work-Life Balance and the Economics of Workplace Flexibility, which I respectfully submit for
the record. The Report discusses some of the changing patterns of the American workforce, the
state of flexible work arrangements in our economy, and the economics of workplace flexibility.
I will defer discussion of the Federal Government's work-life programs to my colleague from the
Office of Personnel Management (OPM).

The CEA Report

The Evolving Needs of American Workers

In the CEA March 2010 Report, we discuss the motivation for providing workplace flexibility,
document the prevalence of these practices, and consider the tradeoffs that employers face when
forming their management practices. Over the past half century, American society has changed
dramatically. Women have entered the labor force in growing numbers. Women comprise
nearly one-half of the labor force, and in nearly one-half of households all adults are working.
Families have increasingly relied on more than one earner to make ends meet.

And yet, children still need to be taken to the doctor, and elderly parents still need care. In 2008,
approximately 43.5 million Americans served as unpaid caregivers to a family member over the
age of 50. Nearly one-fifth of employed people were caregivers who provided care to a person
over age 50. And, more adults older than 25 are attending school. The increasing demand for
analytical and interactive skills—those largely obtained through post-secondary education—
means it is all the more important and common for individuals to pursue additional education
while also working. Because these changes have caused many workers to face conflicts between
their work and their personal lives, they also inspire a need and desire for more flexibility in the
workplace.

The Prevalence of Workplace Flexibility in the United States

In describing the prevalence of workplace flexibility in the United States we divide flexible workplace arrangements into three main parts: when one works, where one works, and how much one works (including time off after childbirth or other life events).

Overall, over one-half of employers report allowing at least some workers to periodically change their starting and quitting times. However, less than one-third of full-time workers report having flexible work hours, and only 39 percent of part-time workers do. This discrepancy between the employer and employee reports may be due to differences in data collection or because more employers would be willing to accommodate the needs of individual workers but these workers are not aware of it.

We also consider how the prevalence of flexibility differs across demographic groups. We find that among full-time workers, a similar percent of men and women report having flexible work hours. However, less-skilled workers have less workplace flexibility in terms of scheduling when they work than do more highly-skilled workers. For example, 15 percent of full-time workers with less than a high school diploma report having flexible hours, compared to 38 percent of full-time workers with a bachelor's degree or higher.

The Report explores two possible explanations for this pattern. First, some economists argue that flexibility is a form of compensation. Just as more-educated workers enjoy higher earnings and are more likely to have benefits such as employer-sponsored health care, they are also compensated with more flexibility. In addition, one study suggests that the nature and context of low-wage jobs—such as the need for around-the-clock coverage—may make giving flexibility to some low-wage workers more costly. To explore this issue more fully, the Report shows that occupations that have a high degree of flexibility, such as management and business and sales, also have a low percentage of workers with less than a high school degree; workers in occupations with a low degree of flexibility, such as construction, also tend to have a high percent of workers with less than a high school degree.

Flexibility in where to work is less common: only about 15 percent of workers report working from home at least once per week. The Report shows that 23 percent of employers were recorded as allowing some workers to work at home on a regular basis; only 1 percent of employers allowed most or all of their employees to do so. At the same time, it was more common for employers to report allowing employees to work from home occasionally.

Finally, most employers offer at least some workers the ability to return to work gradually after a major life event such as the birth or adoption of a child, although job sharing, where multiple workers share the responsibilities of one position temporarily, appears less widespread. In 2007, 29 percent of employers reported allowing some workers to share jobs, and 41 percent reported allowing at least some individuals to move from full-time to part-time and back again while remaining at the same position or level. A smaller percent of firms allowed most or all employees to take advantage of these forms of flexibility.

The Economics of Workplace Flexibility

The Report concludes by presenting an economic perspective on flexible workplace policies and practices. When deciding to embrace flexible arrangements, employers must balance the potential costs of these practices against potential benefits. In fact, one study finds that almost one third of firms cite costs or limited funds as obstacles to implementing workplace flexibility arrangements.

At the same time, the Report discusses the existing research on the effect of flexible workplace arrangements on reducing turnover and absenteeism, assisting with recruitment, improving health, and boosting productivity. We also present a number of case studies that highlight the benefits of flexible arrangements for firms in various industries and of various sizes. While some research suggests that flexible practices can improve productivity, more research could help us better understand the tradeoffs that employers face when adopting flexible arrangements.

However, many firms have not adopted such practices. As I mentioned earlier, less than one-third of full-time workers report having access to flexible work hours. If these practices generate such large economic benefits for both workers and firms, why do more workers not have access to them?

One possible explanation is that the relative costs and benefits of these practices differ across and within firms. Economic theory suggests that the firms with the greatest (net) gains to adopting flexible practices should be among the first to embrace them. Existing studies of the effect of flexible arrangements come from firms that have already adopted these practices. Therefore, the evidence mentioned earlier may overstate the economic benefits that firms that have not yet adopted flexible arrangements would enjoy. Moreover, from a strictly economic perspective, if firms maximize profits, those that find such policies improve their profitability would adopt them while those that find them too costly would not. In this case, there would be no economic gains to additional firms adopting such policies.

That said, there is still an economic rationale for why additional firms and the U.S. economy could benefit from wider adoption of flexible workplace practices. There is a growing literature that suggests not all firms adopt the most efficient practices, especially in less competitive industries. Economists argue that one factor that may contribute to the incomplete adoption of the best management practices is lack of information. Due to the changing nature of the labor force, it is likely that the best practices from years ago do not provide enough flexibility for today's workforce. If firms today are failing to adopt flexible arrangements, encouraging supervisors at firms to reevaluate their management practices in light of the evolving demands of workers can make both the firm and the workers better off.

In addition, wider adoption of such policies and practices may well have benefits to more firms and workers, and for the U.S. economy as a whole. For example, some economic models have emphasized that firms may be reluctant to offer benefits packages that are particularly attractive to workers for whom the benefits are most costly to provide. If a similar dynamic operates with flexible workplace arrangements, then too few employers may offer such arrangements and those that do will pay a higher cost. In addition, on average, adopting flexible practices likely

encourages labor force participation among those workers that would otherwise find it too “costly” to work or invest in workplace skills. Taxpayers and society as a whole benefit from having productive individuals in the workforce because they are more likely to make contributions in the form of taxes. As another social benefit, allowing workers to work during atypical hours can reduce the commuting time for other workers, which may not be taken into account by a profit-maximizing manager.

Lessons for the Federal Government's Work-Life Programs

The CEA Report provides (at least) two lessons for the Federal Government's efforts to implement work-life programs. First, the benefits of workplace flexibility documented in the report – including reduced absenteeism, improved recruitment and health, and higher productivity – mean that properly implemented flexible arrangements may make both the Federal workforce and the Federal Government better off. In addition, the existing research on the costs and benefits of flexibility can also help guide our evaluation of these policies. Second, it is important to emphasize that flexible work programs can be both formal and informal. Rules that give employees the ability to work from home or at non-traditional times will have limited effect if workers feel that using these practices would stigmatize them. In fact, across the U.S. economy, fewer than half of all workers who report having a flexible schedule also report being enrolled in a formal, employer-sponsored flexible time program.

I begin my remarks on flexible work arrangements in the Federal Government by discussing telecommuting. The CEA Report discusses how telecommuting has helped employees in the Executive Office of the President (EOP) balance work and family responsibilities and this is also discussed in the testimony provided by the Office of Personnel Management. An important benefit to allowing employees to work remotely is that it can not only help recruit the most talented employees but can also reduce the burden on commuters.

The second area on which I will focus my remarks is on the OPM's new Results Only Work Environment (ROWE) pilot program. As discussed in the CEA report, ROWE is perhaps the ultimate form of workplace flexibility. Under this regime, workers are evaluated based on what they produce rather than the number of hours they work. This environment permits workers to choose when, where, and for how long they work, as long as they are sufficiently productive. This level of flexibility is not practical for all circumstances; for example, one large employer adopted these practices for headquarters employees but not for retail store employees. Moreover, in many cases, the output of workers is difficult to measure directly. When output cannot be easily measured, some managers find it helpful to focus on both results and inputs when evaluating an employee's performance. OPM has established a ROWE pilot program, which adapts ROW concepts (to the extent possible) within the framework of laws and regulations governing Federal employment. Nearly 400 employees within OPM, coming from a range of occupations and backgrounds, will be included. These employees were chosen to represent the diversity of positions within the Federal Government. I look forward to seeing the results of this pilot program so that we can better understand the costs and benefits of ROWE within the Federal Government.

Conclusion

To conclude, the CEA Report on workplace flexibility finds that flexible arrangements may promote healthier, happier, and more productive workers, which in turn may help firms' bottom lines. However, a factor hindering a deeper understanding of the benefits and costs of flexibility is a lack of data on the prevalence of workplace flexibility arrangements, and more research is needed on the mechanisms through which flexibility influences workers' job satisfaction and firm profits to help policy makers and managers alike.

Thank you for holding this important hearing. I would be happy to address any questions that you may have.

STATEMENT OF
JONATHAN FOLEY
SENIOR ADVISOR TO THE DIRECTOR
U.S. OFFICE OF PERSONNEL MANAGEMENT

before the

SUBCOMMITTEE ON OVERSIGHT OF GOVERNMENT MANAGEMENT,
THE FEDERAL WORKFORCE AND THE DISTRICT OF COLUMBIA
COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS
UNITED STATES SENATE

on

WORK-LIFE PROGRAMS: ATTRACTING, RETAINING AND EMPOWERING
THE FEDERAL WORKFORCE

May 4, 2010

Good afternoon Chairman Akaka, Ranking Member Voinovich, and distinguished members of the Subcommittee.

I am pleased to be here today on behalf of John Berry, Director of the Office of Personnel Management (OPM), to discuss the work we have been doing at OPM in the areas of work-life balance and wellness for attracting, retaining and empowering a 21st Century Federal workforce.

I commend the Subcommittee for your leadership in supporting and honoring the important work of our nation's public servants by holding timely this hearing during our annual Public Service Recognition Week. This year's theme, "Innovation and Opportunity," gives OPM the opportunity to highlight our new Results Only Work Environment (ROWE) and campus wellness pilot programs.

We all understand that work is a fact of life. For most of us, this will never change. What is changing, however, is the **way** we work – i.e., **when, where, and how** we work. Technology has provided us with options we never imagined twenty years ago. Who would have ever guessed that you could carry with you everything you need for your job in a piece of equipment the size of a small notepad?

Not only is it easier for us to do our work almost anywhere, it is easier for us to do our work any time. This means that we can schedule our work around responsibilities and events that in the past would have required us to take time off from work. The Federal government offers a variety

of flexible work arrangements that, when fully integrated into the day-to-day way of doing business, allow employees to continue making productive contributions to the workforce while also attending to family, pursuing higher education, and taking care of other responsibilities. These flexibilities include alternative work schedules (AWS), part-time schedules and job sharing. As part of the ROWE program, OPM is reviewing its current regulations and guidance on AWS to provide maximum flexibility to Federal agencies to assist them in implementing these flexible arrangements. The availability of these flexible work options makes the Federal government a key player in a competitive market looking to attract and retain the best and the brightest employees, a win-win situation for the American taxpayers.

Telework

Telework is one of the many flexibilities offered by the Federal government. We know that telework is vital for the recruitment and retention of Federal employees. We are aware that it mitigates environmental damage from commuter traffic and it can help employees balance work and other life responsibilities. Unless telework is viewed as a good business practice by incorporating it as an integral part of doing business in the Federal government, we will continue to ignore an important tool. If implemented effectively governmentwide, telework can make the difference between shutting down Federal government services in emergency situations and continuing to operate with minimal interruption. Telework enables agencies and businesses to continue services and operations without jeopardizing the safety of its employees.

For example, while Federal offices in the Washington metro area were closed during this past February's storms, we believe that at least 30 percent of Federal employees worked during the snow days, mostly from outside the office. During the snow event, 30 percent of OPM and General Services Administration (GSA) employees logged on to their respective networks. OPM's request for information on remote access during the February storms to the Chief Information Officers of executive branch agencies revealed similar employee logon rates. In addition, OPM's data analysis team estimated that the Federal government offset approximately \$30M per day in lost productivity during the February storms as a result of telework.

These past winter storms have demonstrated not only the need for teleworking, but also the incredible potential of telework to support the Federal government's operations. Therefore, I want to take this opportunity to reaffirm Director Berry's commitment to advancing telework in the Federal government. OPM has set a strategic goal of increasing the number of eligible Federal employees who telework by 50 percent by fiscal year 2011. To meet this goal, we continue to work on the telework initiative Director Berry introduced on Capitol Hill last year. Although we recognize that we have many obstacles to overcome, we are optimistic that given the right support and resources, teleworking will become a commonplace practice in the Federal government. The results from the 2008 governmentwide annual call for telework data showed that 49 percent of agencies reported that management resistance remains a major barrier to telework. In addition, 32 percent reported that information technology (IT) security and IT funding are each significant barriers to the use of telework.

With the importance of overcoming these barriers in mind, OPM, in partnership with GSA and the U.S. Patent and Trademark Office, held a Federal Telework Leadership Thought Forum on

March 10. This Forum was sponsored by an interagency White House Task Force on Telework of which Director Berry is the chair. This task force is analyzing barriers to the adoption and promotion of telework programs in the Federal sector. The Forum had more than sixty participants governmentwide, which included representatives from labor. It was designed to solicit from the participants solutions to agency barriers frequently identified in research and practice. Results will be used to guide and model effective telework strategies governmentwide.

We believe that we can move telework to where we never again need to close the Federal government for an emergency. By creating a mobile workforce, employees will always be able to work no matter where they are located. With the proper training, equipment and the right emergency planning, we need only to declare a mobile work day and the Federal government will be able to seamlessly conduct business as usual.

Workforce Flexibility Initiative Pilot Program

As part of our mission to be a model employer for the 21st Century, on March 31st, Director Berry announced OPM's new ROWE pilot program, the "Workforce Flexibility Initiative" that will go beyond existing telework and workplace flexibility programs. We hope that it will be successful and serve as a model for the rest of the Federal government. I am pleased to give you more details today on this new initiative.

OPM has hired two groups of contractors to implement and independently evaluate the pilot project. ICF International will lead the project implementation, and they have subcontracted with CultureRx, a company founded by Cali Ressler and Jody Thompson, co-creators of the ROWE and authors of the book, "Why Work Sucks and How to Fix It." This is the first attempt to implement a version of ROWE in the Federal government, although a successful project is underway with more than 2,000 participating employees at a county agency in Hennepin County, Minnesota.

Nearly four hundred OPM employees ranging from retirement and benefits claims processors to policy makers, including union and non-union employees, are in the pilot and were selected to represent the whole spectrum of positions available in the Federal government. Approximately half of the participating employees are based in Boyers, Pennsylvania, and the other half are based in Washington, D.C. OPM components involved include Retirement and Benefits, HR Solutions, Communications, and the Director's Office.

In general, ROWE allows employees to work whenever they want and wherever they want, as long as the work gets done. Managers are expected to manage for results rather than process. Employees are trusted to get the work done. This is a shift in culture from permission granting (e.g., granting leave, permission to telework, etc.) to performance guiding.

A major principle of the project is that all employees in a participating group are included in the pilot without exception. ROWE is not a perk given to some employees and not to others. It is a management strategy that is applied to all members of a coherent work team. Employees who must be physically present to do their jobs now must be physically present when working in ROWE. Remember the guiding principle: "as long as the work gets done."

Implementing ROWE is more challenging in the Federal government than in a private corporation because of the restrictions that Federal law places on some aspects of the workplace flexibilities that are usually implemented under ROWE. ICF and CultureRx will work with OPM management and our unions to implement a version of the Results Only Work Environment that is consistent with all current Federal laws. Any changes to existing practices will be agreed upon by labor and management representatives, and the design of the program will be reviewed by OPM's General Counsel to ensure its consistency with Federal law.

This pilot program will be implemented in various phases consisting of assessment in April, education in May, commencement of the pilot in June (lasting through the end of the year), and beginning of evaluation in July with final evaluation in February 2011.

Assessment in April

During this month of April, the contractors have been visible in the pilot areas in both Washington, D.C., and Boyers, PA. ICF and CultureRX are assessing the current work climate and attitudes toward work in the participating offices. This involves surveys, focus groups and job shadowing.

Education in May

In May and June, ICF and CultureRX will work with OPM labor and management to shift our culture toward the general principles of ROWE. There will be much more information developed as the pilot project progresses, including a password-protected website for participating employees and managers, as well as a general webpage for all OPM employees and the general public.

Start of Pilot in June

The shift to ROWE really begins in the summer in June and it will continue through the end of the year. The heart of the training is aimed at equipping employees and managers to change how they spend their time and how they communicate with one another to produce results.

Evaluation by Deloitte

The project will be independently evaluated by Deloitte, who will assess the project on the basis of its effect on employee performance and morale. Currently, Deloitte is studying available data and using surveys and focus groups to establish a baseline for employee performance and morale among the participating offices. The metrics used to determine those elements will not change throughout the pilot project. Their evaluation will help OPM determine how performance metrics could be improved.

Deloitte will begin assessing the effect of the pilot in late July and will periodically evaluate its effects. A final report is expected in February 2011.

The evaluation will include recommendations for making ROWE more effective in the Federal sector, including potential changes to laws and regulations and improvements to internal policies, training and IT infrastructure.

If the pilot project increases employee performance and morale, as we hope, OPM will expand it within our own agency and encourage Federal agencies to adopt this system across the government.

Wellness

OPM has recognized that worksite wellness programs are also another way of attracting and retaining a strong Federal workforce. As you know, on May 12, 2009, President Obama met with CEOs from several major corporations to discuss their initiatives to improve employee health and reduce health care costs through worksite wellness and other initiatives. Following this meeting, he requested that OPM, the Office of Management and Budget (OMB), the National Economic Council, and the Department of Health and Human Services (HHS) explore the development of similar programs for the Federal workforce.

Campus Wellness Pilot Project

As a result, in the summer of 2009, OPM, GSA, and the Department of Interior (Interior) agreed to operate as a combined "campus" with respect to several work-life initiatives, including a comprehensive health and wellness program, at their downtown Washington headquarter locations. OPM received funding within its FY 2010 appropriation to implement this health and wellness prototype and was authorized to spend these funds on behalf of GSA and Interior employees for the purposes of this demonstration. The President's FY 2011 budget includes a \$10 million appropriation request at HHS for continuation of the GSA/OPM/Interior campus program, the funding of two additional prototypes, and a rigorous evaluation of all three prototypes. This evaluation will be used to determine if the prototypes represent a viable approach for the government as a whole.

In advance of the implementation of the prototype, the OPM/GSA/Interior campus currently offers limited on-site health and wellness services, including urgent care, routine blood pressure checks, allergy shots, immunizations and routine injections, employee assistance programs (mental health and other behavior-related counseling), walking clubs, and periodic health education lectures or web-based information exchanges. All three agencies have health units staffed by at least one nurse and a part-time doctor. GSA and Interior have fitness centers, while OPM is developing a fitness room for group classes.

The core difference between the current service level and the new prototype is that we will offer a comprehensive worksite wellness program that will track employee progress in a systematic way. Employees enrolled in the program will complete a health risk appraisal (HRA) in the form of a questionnaire that asks about health history, health-related behaviors (e.g., exercise), and current health status. Additionally, employees will be given certain biometric tests (e.g., cholesterol screening) to establish their baseline health status. Based on the results of the HRA and biometric testing, employees may be referred to individual health coaching and/or specific

on-site programs such as smoking cessation, weight management, chronic disease management or stress management. Health coaches will work with employees to achieve individualized goals.

Results from the annual HRA and biometric testing will be reported to employees to measure their individual progress and will be reported on an aggregate, non-identifiable basis to the agencies to measure collective progress.

Participation in the program is voluntary. Employees who participate in the program will be eligible for certain non-monetary incentives such as free or discounted fitness center memberships.

The worksite program does not replace the employee's primary care provider or the benefits they receive through the Federal Employees Health Benefits (FEHB) Program. Rather, we expect that the worksite service provider will coordinate with the employee's primary care provider and FEHB plan to optimize use of resources.

We are currently using a competitive procurement process to select a service provider to provide the comprehensive service package. We expect the service provider to begin providing services before the end of May.

We are working with HHS to identify and fund two additional worksite wellness demonstration projects on Federal campuses. These sites will be outside the Washington, D.C. area.

Studies in the private sector have yielded promising, though inconclusive results regarding the positive health and fiscal outcomes of these types of programs. For example, in a February 2010 *Health Affairs* article, researchers from Harvard School of Public Health and Harvard Medical School found that "medical costs fall by about \$3.27 for every dollar spent on wellness programs and that absenteeism costs fall by about \$2.73 for every dollar spent."¹ However, most programs have been implemented selectively, so further research is needed to determine the potential effects of large-scale adoption.

This demonstration represents the first study of its kind for the Federal government with its unique employment landscape. As a result, we recognize the importance of a valid and robust evaluation, and are contracting with an external evaluator to measure our progress according to the metrics described previously. The evaluation design will include interim reports that will enable us to receive ongoing feedback.

Savings from worksite health promotion programs generally become apparent within three to five years of the investment. However, for some programs, such as those aimed at better management of diabetes or other chronic diseases, the payoff can occur in less than three years; on the other hand, the results from better nutrition intake for people without serious health problems may take longer to show a benefit.

¹ Baicker, K., Cutler, D., and Song, Z. "Workplace Wellness Programs Can Generate Savings." *Health Affairs*, Vol. 29, No. 2 (2010): 304.

OPM's Governmentwide Wellness Initiatives

OPM is also getting the message out to Federal agencies and employees about health and wellness activities and programs. OPM's health and wellness promotion activities include requiring agencies to establish and implement a comprehensive health and wellness program, providing agency guidance, offering training opportunities for agency work-life coordinators, keeping communications lines open with agency coordinators, and coordinating governmentwide health and wellness activities in conjunction with other Federal partners.

OPM has set a high priority goal of requiring all executive agencies to establish and implement a plan for a comprehensive health and wellness program that will achieve a 75 percent participation rate by the end of FY 2011. OPM will provide agencies guidance on the definition of a comprehensive health and wellness program and other resources to aid with the development of their plans.

OPM provides guidance through one-on-one consultation with agencies on program development and improvement and through information posted in the Health and Wellness section of our website (www.opm.gov/worklife).

OPM works closely with agency work-life coordinators to improve the quality of worksite wellness programs and promote their wider use by employees. OPM offers training opportunities to agency coordinators. They include:

- The Cooper Institute for Aerobics Research Health Promotion Director Training and Certification course for select agency coordinators. Successful completion of this course results in a nationally recognized credential (Certified Health Promotion Director). Twenty-eight Federal agency coordinators successfully completed this course.
- The Business Case for Breastfeeding training for workplace staff. This training includes the elements of a good lactation support program at a workplace. Training was completed by 35 Federal agency staff.
- HealthyPeople (HP) 2010/2020 training. This training provided an overview of the Elements of a Comprehensive Worksite Wellness Program. Training was provided to 40 attendees through OPM's fall training for Federal Benefits Officers.
- Wellness as part of the entire workplace work-life portfolio. This is one of 4 courses toward professional work-life credentialing. Twenty Federal agency staff attended.
- Employee Assistance Program (EAP) administrator training developed in collaboration with HHS. This training provides an overview of effective EAP programs. EAP administrators from 60 Federal agencies have completed this training.
- HP 2010/2020 workshop in partnership with the OPM Benefits Officers Group and HHS. This training explains each of the elements of HP2010/2020 and gives practical implementation strategies for Federal workplaces. This training will be offered in May 2010.

We keep the communication lines open to agency coordinators via:

- E-mails with updates on governmentwide initiatives, upcoming conferences and events in health, wellness and EAP
- Agency "best practices" and unique programs
- A listserv that allows subscribers to share problem and solutions
- Regular meetings to share best practices, ideas, upcoming initiatives
- Expert speakers who present on a wide variety of health promotion topics

OPM also coordinates governmentwide health and wellness activities such as physical activity challenges, tobacco cessation (which is currently underway), and Feds Get Fit. OPM launched Feds Get Fit in October 2009 with a walk around the National Mall led by OPM Director John Berry and involving employees from a dozen or more agencies. The Feds Get Fit wellness campaign is intended to raise employee awareness about wellness through fun and interactive events. In March and April, Feds Get Fit sponsored a recipe challenge where more than 500 Federal employees from across the country submitted healthy recipes. A celebrity panel awarded prizes to those recipes that were the most nutritious and best tasting.

The messages communicated through the Feds Get Fit campaign highlight the four pillars of a healthy lifestyle: physical activity, nutrition, healthy choices, and prevention.

Thank you for holding this important hearing. I would be happy to address any questions that you may have.



**Written Testimony for Kathleen Lingle
Executive Director, Alliance for Work-Life Progress at WorldatWork**

Prepared for

**The Senate Homeland Security and Government Affairs
Subcommittee on the Oversight of Government Management, the Federal
Workforce and the District of Columbia**

**Hearing Entitled,
"Work-Life Programs: Attracting, Retaining and Empowering the Federal
Workforce"**

May 4, 2010

I. Introduction

Chairman Akaka, Ranking Member Voinovich, distinguished members of the Subcommittee, thank you for the honor of testifying before you today on how work-life programs can attract, motivate and empower employees and for the opportunity to explain how these vital initiatives coalesce into a strategic framework that can be used to improve federal employee engagement and satisfaction. We are pleased that this Subcommittee decided to highlight this important issue during Public Service Recognition Week and has continued its leadership in efforts to make the federal government an employer of choice.

My name is Kathleen Lingle, and I'm the Executive Director of Alliance for Work-Life Progress at WorldatWork. I've been a work-life researcher, practitioner, consultant, and now have the privilege of leading the Alliance for Work-Life Progress. Now an entity of WorldatWork, AWLP promotes work-life thought leadership and facilitates dialogue among work-life researchers and practitioners across all industries and sectors. AWLP also defines and celebrates work-life innovation and best practices with its Work-Life Innovative Excellence Award, which showcases programs and policies that demonstrate excellence in enhancing and promoting work-life effectiveness while achieving organizational goals.

As the parent organization of AWLP, WorldatWork is a global association for human resources professionals dedicated to the integration of total rewards designed to attract, motivate and retain a talented workforce. The elements of total rewards represent the "tool kit" from which an organization chooses to offer and align a value proposition that creates value for both the organization and the employee. An effective total rewards strategy results in satisfied, engaged and productive employees, who in turn create desired business performance and results. WorldatWork provides training and certification in all areas of total rewards, including the only work-life certification currently in existence.

II. Historical View of Work-Life Initiatives in the Federal Government

The discussion of the current state of work-life practices in the federal government would not be complete without first taking a quick historical view. Let me begin by pointing out that human resources professionals within a number of federal agencies experimented with workplace flexibility long before such innovation was introduced into private industry. An early, limited menu of flexible work options were practiced during the early 1970s within some federal agencies. The benefits of doing so were sufficient enough to precipitate the Federal Employees Flexible and Compressed Work Schedules Act (FEFCWA) and the Federal Employees Part-Time Career Employment Acts in 1978, the former being permanently authorized by Congress in 1985.

In 1989 Congress required OPM to establish a formal job-sharing program. This led OPM to establish the Federal Flexible Workplace Pilot Project in conjunction with GSA. The next year, 1990, Congress passed the Treasury, Postal Service and General Government Appropriations Act, which funded federal "flexiplace" arrangements and received permanent funding in 1995. As a point of comparison, it wasn't until the early 1990s that flexible work arrangements began to be adopted by some of the most proactive corporations in the United States, most of this activity originally inspired by The Clean Air Act of 1990.

This Administration has also demonstrated a dedication to advancing work-life initiatives within the federal government and the private sector as demonstrated by the establishment of the White House

Council on Women and Girls and by hosting the White House Forum on Workplace Flexibility, held in March and attended by leaders from across all sectors.

III. Current State of Work-Life Effectiveness in the Federal Government and the Private Sector

As we have seen over the past 35 years, most if not all federal agencies have developed an impressive variety of supports to help everyone who works manage their dual agenda throughout the career lifecycle. What is striking today is that for the most part, the federal sector is not harnessing the full power of work-life effectiveness as the most inexpensive and intrinsically motivating driver of attraction, engagement and retention available in the 21st century. The notable gap in the federal environment is a failure to deploy work-life as an overarching organizational strategy, one that has a demonstrated capacity to engage the minds and hearts of any labor force. In private industry today, employers compete to be perceived as best in class because such employee-friendly behavior literally pays itself many times over: higher productivity, more profitability, greater attraction and retention of the kind of talent required for success, excellence in operations, better corporate citizenship, and even more positive mental and physical health outcomes. The discrepancy between the private sector and public sector has little to do with the specific work-life programs available in both environments, which are ample.

One way of strategically thinking about work-life programs in a holistic manner is the work-life portfolio, seven categories of support for the life events that are predictably encountered by everyone who works, encompasses a broad array of programs, policies, resources and leadership practices that recognize the employee as someone who functions simultaneously in multiple roles — as a contributor in the workplace, within a family, and in the community that the employee and employer share. (For a visual of the portfolio and how the categories interact with one another, please see the attached graphic.) The categories of support are:

- Caring for dependents (policies and services for reconciling family obligations and employment)
- Creative uses of paid and unpaid time off
- Proactive approaches to health and wellness
- Workplace flexibility
- Financial support
- Community involvement – internal (caring for each other as a community) and outreach to the external community
- Managing cultural challenges

Each employer takes a somewhat different approach to addressing one or more of these work-life issues, based on the composition and needs of its workforce, clients, business model and organizational culture.

As employees use more and more work-life options in response to the numerous and predictable work-life conflicts encountered in the course of a typical career, the greater the benefits that can be documented for the business, workforce and other key stakeholders, such as clients and shareholders, families and communities.¹

Category #1: Caring for dependents (children and aging parents)

¹ *Categories of Work-Life Effectiveness: Successfully Evolving Your Organization's Work-Life Portfolio*, www.awlp.org

This first category of support in the work-life portfolio encompasses policies and services that are designed to reconcile parenthood, other unpaid care giving, and employment, for men as well as women. According to the OPM website, there are more than 1,000 free, federal child care centers sponsored by various federal agencies for use by federal employees. The Department of Defense (DoD) Child Care System provides child care in more than 800 Child Development Centers alone. On a daily basis, DoD cares for more than 200,000 children in centers, family child care homes and school-age care programs. In addition, the U.S. Coast Guard offers new parents a one-time leave of up to two years, access to nine on-site child care centers, training for non-working spouses as family daycare providers, allows families to donate time off to coworkers, and offered adoption aid and flexibility scheduling.

One best practice from the private sector comes from Abbott headquartered in Abbott Park, IL. Abbott sponsors a massive on-site child care center at the firm's headquarters to look after children from birth through kindergarten. In addition, all parents receive discounts at more than 2,600 U.S. child care centers (generating a total of \$280,000 in savings last year) and save part of their salary in a pre-tax child care account to help pay for it. Some companies that do not offer on-site care will contract with child care facilities close by, such as the Kellogg headquarters in Michigan, which has contracted with a child care facility nearby that offers priority access to full-time care for Kellogg employees. There are companies that even go a step farther. TriHealth in Ohio offers on-site camps with cooking, sports and science lessons when school is out in addition to year-round discounts at local child care centers and emergency caregivers available for sick children for only \$2.50/hour.

Category #2: Creative uses of paid and unpaid time off

How employers provide time off to their employees is the second category of the work-life portfolio. With all workers experiencing a "time crunch" due to the competing demands of work and life, finding enough time to spend with family, on one's self and in the community is the most fundamental work-life need. Some of the more innovative private sector policies in this category include paid family leave for new fathers as well as mothers, sabbaticals, paid or release time for community service, responsive shift-work policies, paid-time-off leave banks (PTO), extreme travel compensatory time, and after-hours e-mail policies. In fact, at the Dow Corning headquarters in Michigan, employees who want to further their education are allowed to take up to four years off. And in a nod to those balancing work and motherhood, Dow Corning just expanded leave for adoptive parents to six fully paid weeks from five.

Category #3: Proactive approaches to health and well-being

The work-life portfolio takes a holistic view of the employee, which means the employee's health and wellness along with helping them balance the competing demands of work and life. This category also has a demonstrated cost-savings benefit to the employer. Because the negative impact of stress-related illness has been shown to cost companies \$50-\$150 billion annually², a focus on this category of work-life support holds the most promise of contributing to the reduction in the escalating cost of health care. Today, many employers are trying to encourage individual employees to engage in behavioral change that includes healthier options. Some of the most popular programs in this area are on-site gyms or subsidized gym memberships, along with monetary incentives for participating in health screenings and on-site wellness programs. One company in Hawaii, Kaikor Construction, has gone above and beyond this for the past two years by hiring a personal trainer for twice weekly circuit and weight training sessions during working hours. One hundred percent of full-time staff have participated in this program. The federal government is also making strides in this area with the opening of the new work-life campus

² Sauter, S.L.; Murphy, L.R.; and Hurrell, Jr., J.J. (1990) Prevention of work-related psychological disorders. *American Psychologist*. 45(10):1146-1153

shared by OPM, GSA and the Department of the Interior that offers services such as blood pressure screenings, influenza and H1N1 vaccinations, body mass index measurement, health education, and blood glucose screenings to 5,000 federal employees.

Category #4: Community involvement

This is one category of the work-life portfolio where employers' and employees' interests are in close alignment, because both the labor force and customers usually come from the community in which the organization operates. Corporate social responsibility is expanding to include not only new types of external community outreach, but also a renewed focus on building a strong internal sense of community. Formal ethics programs, shared (or catastrophic) leave banks, and disaster relief funds are some of the creative ways of employers engaging in their community. This year, AWLP awarded an Innovative Excellence Award to Hospital Corporation of America's Caring for the Community program. HCA, with locations across the country including in Colorado, Louisiana, Hawaii and South Carolina, engages employees by allowing an employee to take up to 24 hours of paid volunteer leave each year. When the employee adds just one more hour of personal time, HCA provides a \$500 contribution to that organization in recognition of the 25 hours donated. HCA added to this a giving campaign match of up to \$750 to a charity of the employee's choice. Another demonstrated best practice in this area comes from the American Savings Bank in Hawaii whose employees serve on the boards of more than 100 local nonprofits and who have, since 2005, contributed more than 7,800 total volunteer hours to schools and nonprofit organizations on various Hawaiian islands through the company's Seeds of Service program.

Category #5: Financial support (self and family)

Providing financially for oneself and family from career entry through retirement is basic to work-life effectiveness and the work-life portfolio demonstrates that employers can help in this area. In this arena, benefits, compensation and work-life professionals collaborate closely to create non-traditional policies, where appropriate, and find compelling ways to communicate the value of financial offerings. Some examples of programs and services of value to employees today include personal financial planning, adoption reimbursement, dependent and health-care flexible spending accounts, discounted pet/auto/home insurance, mortgage assistance, group discounts on a variety of retail products, and workplace convenience services (dry cleaning, parking lot oil changes, etc.).

Category #6: Workplace Flexibility

Workplace flexibility, arguably the most familiar of the work-life portfolio categories, refers to a leadership practice that facilitates the customization of when, where and how work gets done by individuals and teams. There are many tools and approaches employed to enhance workplace flexibility, including flexible career strategies, flexible benefit options, management flexibility training, flexible work scheduling and work redesign that streamlines essential processes and continually identifies and eliminates low-value work.

Flexibility is one of the most powerful drivers of retention and engagement today. It has no fixed cost. It is the work-life initiative most sought after by employees (especially top performers). It is empirically linked to higher levels of productivity, resilience and shareholder value. It is ubiquitous among "employers of choice," who are significantly more profitable than their less flexible peer group. Hundreds (if not thousands) of companies have policies and tools to support it. It continues to be the most popular topic at national work-life conferences and in the media. Some examples of the variety of best practices in this area include:

- At the Proctor and Gamble headquarters in Ohio, employees engage in quarterly FlexLife sessions to help them determine whether they're living balanced lives and how to create action

plans for change, if needed. Overall, 60 percent of all employees adjust their hours or telecommute, and compressed schedules have quadrupled since being introduced to hourly workers last year.

- Nurses and imaging professionals at Northwestern Memorial Healthcare in Chicago, IL can choose their own hours online and are able to adjust them every six weeks.
- At the Kellogg headquarters in Battle Creek, Michigan, regular educational seminars are held to explain to employees how to apply for and manage flexible schedule, and there is new online training providing managers with a template for creating a balanced work environment. At least 30 percent of employees now use formal flex arrangements and all workers use flextime, while 90 percent of professionals worked from home at least once.
- The United States Patent and Trademark Office has developed a work-from-home program for examining attorneys who review trademark applications. The program features spaces to work and the necessary equipment to establish a secure connection to the agency's network, and automated systems enable users to complete all of their examination duties electronically. This program has become a model for the federal government and allowed the Trademarks team to maintain 86 percent of normal workday production during the February 2010 blizzard.

Category #7: Managing cultural challenges

Creating organization-wide support for work-life effectiveness is a crucial category in the work-life portfolio. This is often a complex and difficult undertaking that requires strong leadership in culture change management. In order to combat the very real barriers to the full engagement and productivity of every contributor in the workforce, it is usually necessary to engage in specific culture change interventions to demonstrate the positive business case for these programs. Thus, there is a strong link between work-life effectiveness, diversity initiatives, women's advancement, mentoring and networking.

IV. Benefits of a Coherent Work-Life Strategy

Not only are there numerous best practices from which to model a coherent strategy for federal work-life programs, there are also numerous studies that document the variety of benefits that come with a successful work-life portfolio. Many studies have shown that the quality of workers' jobs and the supportiveness of their workplaces are key predictors of workers' job productivity, job satisfaction and commitment to employers. Work-life initiatives are also predictive of an employers' ability to retain workers.

WorldatWork's 2007 survey "Attraction and Retention: The Impact and Prevalence of Work-Life & Benefit Programs" found that a successful work-life portfolio can result in tangible increases to retention and attraction. In that survey, WorldatWork found that a majority of companies report moderate to high impact on attraction and retention for most work-life programs, including all those listed under the categories of workplace flexibility, paid and unpaid time off, culture change initiatives, coaching/mentoring, and learning and advancement opportunities.³

The evidence for flexibility's prowess in both attracting and retaining employees as well as creating value for the company comes from several sources, including Watson Wyatt's Human Capital Index research, which has established the link between superior human capital management and equally

³ WorldatWork. "Attraction and Retention: The Impact and Prevalence of Work-Life & Benefit Programs." October 2007. <http://www.worldatwork.org/waw/adimLink?id=21945&nonav=yes>

superior shareholder value. Excellence in five key human resource areas is associated with a definable increase in bottom-line performance. One of these clusters is labeled "Collegial, Flexible Workplace," which centers on management practices and support for flexible work arrangements and the concomitant trust and shared values that are required for successful implementation. This cluster of eight specific human capital practices creates 9 percent of shareholder value, of which company support for flexible work options alone contributes the most with 3.5 percent.⁴

There are also numerous benefits to the employees themselves. According to the Families and Work Institute 2009 Guide to Bold New Ideas for Making Work Work, employees in more flexible and supportive workplaces are more effective, more highly engaged and less likely to look for a new job in the next year. These employees also enjoy better overall health, better mental health and lower levels of stress.⁵ In a report released last September based on data collected in the 2008 National Study of Employers, the Families and Work Institute found that 41 percent of employees report experiencing three or more indicators of stress sometimes, often or very often. However, twice as many employees in organizations defined as "highly effective" (based on criteria that include economic security, autonomy, work-life fit) reported being in excellent health than employees in "low effectiveness" organizations.⁶

These results aren't just confined to the private sector. There is also data that show similar outcomes for public sector employees. In fact, according to the Best Places to Work in the Federal Government report by the Partnership for Public Service, work-life balance and a family-friendly culture are among the key drivers of engagement and satisfaction for employees in the federal workforce, as shown by the fact that these are two of the "Best in Class" categories used to rank federal agencies.⁷

It's not just one demographic group that values these programs. Finding a good work-life balance is important to everyone. From experienced workers ages 50-65 to students just graduating from college, work-life programs appeal to workers in multiple generations, which is especially important with four generations currently working today. Nearly 50 percent of workers between the ages of 50 and 65 find flexible work schedules "extremely appealing," according to a study conducted by the Partnership for Public Service.⁸ On the other end of the spectrum, the Partnership for Public Service found that attaining a healthy work-life balance was an important career goal of 66 percent of students graduating in 2008.⁹

And although some still identify work-life programs as programs geared toward women, more and more men are showing a preference for flexibility in their work schedules. The Radcliffe Public Policy Center found that men in their 20s and 30s and women in their 20s, 30s and 40s identified a work schedule that

⁴ Watson Wyatt. "Watson Wyatt Human Capital Index: Human Capital as a Lead Indicator of Shareholder Value." 2002. <http://www.watsonwyatt.com/research/deliverpdf.asp?catalog=W-488&id=x.pdf>

⁵ Eby, S., Galinsky, E., & Peer, S. 2009 Guide to Bold New Ideas for Making Work Work. 2009. New York, NY: Families and Work Institute. <http://familiesandwork.org/site/research/reports/2009boldideas.pdf>

⁶ Aumann, K. & Galinsky, E. "The State of Health in the American Workforce: Does Having an Effective Workplace Help?" September 2009. <http://www.familiesandwork.org/site/research/reports/HealthReport.pdf>

⁷ Partnership for Public Service. "2009 Best Places to Work;" 2009. <http://bestplacestowork.org/BPTW/assets/BPTW09.pdf>

⁸ Partnership for Public Service; "A Golden Opportunity;" January 2008. www.ourpublicservice.org/OPS/publications/download.php?id=122

⁹ Partnership for Public Service and Unversum; "Great Expectations! What Students Want in an Employer and How Federal Agencies Can Deliver It;" January 14, 2009. www.ourpublicservice.org/OPS/publications/download.php?id=131

allows them to spend time with their families as the most important job characteristic for them.¹⁰ Also, data from the 2008 National Study of Employers from the Families and Work Institute show that for the first time ever men are experiencing more work-life conflict than women.¹¹

There is also strong evidence that work-life programs, such as workplace flexibility programs, have a large impact on commitment and retention among both low- and high-wage workers. A 2005 Corporate Voices for Working Families study found that workers, both low- and high-wage, who had access to flexibility and the freedom to use it without repercussion experienced significantly less burnout than those who did not.¹² It is increasingly clear that this is an issue that cuts across all demographic characteristics.

V. Recommendations

The notion that the federal government should be America's model employer is a familiar refrain. Twenty years ago, Congress required OPM to establish a Federal Flexible Workplace Pilot Project in conjunction with GSA. However, OPM has also recently launched another Workplace Flexibility Pilot project. It feels like we are trying to remake the wheel instead of making forward progress toward the goal of serving as an employer-of-choice role model.

The most straightforward path out of this maze is to do as Director John Berry said recently: consider the big picture. Instead of pursuing one discrete work-life program after another, in relative isolation from each other, I recommend that the entire exercise be ratcheted up a notch and considered in its entirety as one coherent people strategy. Using the work-life portfolio as the well-tested roadmap it has become for employers everywhere, all of the component elements of policy and practice required to meet the dual agenda of federal workers throughout their career lifecycle will fall into place. Any important missing pieces will become evident and can be developed as necessary.

A few immediate tactics will make this task easier:

- Apply a consumer lens, viewing the work environment from the perspective of the people who work there. Organize all benefits, policies and practices around the most common life events experienced by everyone who works, from career entry, to marriage, to buying a home, having children, reforming family, illness, caring for elders, preparing for retirement, etc. This methodology automatically builds and reinforces the work-life portfolio, making it obvious what work-life conflicts are not sufficiently addressed for specific populations or subgroups within the workforce.
- Revise the Federal Employee Viewpoint Survey to better reflect actual experience within the work environment. One enhancement would be to ask about ease of access to and usage of work-life initiatives instead of relying on satisfaction scores without verifying that respondents are commenting based on first-hand knowledge. Allow the best work-life researchers (of whom there are many) to partner in analyzing data from the current 2010 survey to help clarify

¹⁰ Radcliffe Public Policy Center with Harris Interactive (2000). Life's work: Generational attitudes toward work and life integration. Cambridge, MA: Radcliffe Public Policy Center.
http://wfnetwork.bc.edu/statistics_template.php?id=1114&topic=2&area=All

¹¹ Galinsky, E., K. Aumann & J. Bond. "Times Are Changing: Gender and Generation at Work and at Home." March 2009. http://familiesandwork.org/site/research/reports/Times_Are_Changing.pdf

¹² Corporate Voices for Working Families and WFD Consulting. "Workplace Flexibility for Lower Wage Workers." October 2006. <http://www.corporatevoices.org/system/files/lowerwageflexreviewreport.pdf>

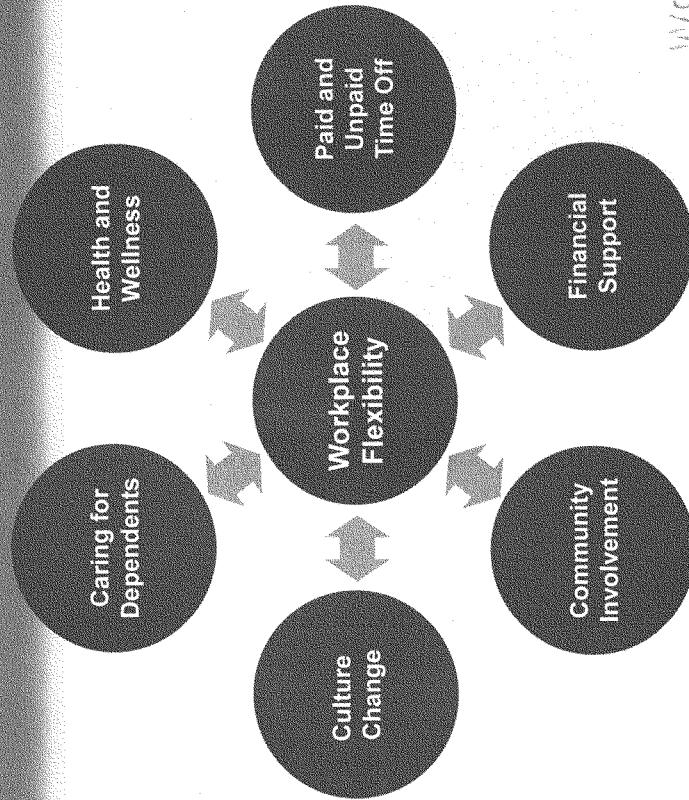
questions of most value for flexibility data and other work-life issues, based on appropriate national norms and scales.

- Consider conducting a one-time work-life needs assessment in between administrations of the Federal Employee Viewpoint Survey, with the objective of eliciting what is working and not working in terms of support for work-life conflict across all of the categories of the work-life portfolio, by agency, demographic group, etc. In addition, it would be useful to conduct a government-wide work-life needs assessment to address the issue of how well employees are being supported, to perform gap analysis and define necessary enhancements for each agency to achieve its mission. The combination of these data points would provide a much fuller picture of how each agency is positioned within the work-life portfolio.
- Consider establishing a work-life Technical Assistance platform, a national website that would serve as a repository of work-life resources, data, best practices, tools and other expertise.
- Re-constitute a viable, staff-level Interagency Family-Friendly Workplace Working Group, in coordination with the White House Council on Women and Girls with representation from every federal agency and ensure the Working Group will be sustainable and permanent by housing it within an agency, such as OPM or the Department of Labor Women's Bureau. Carefully define roles and responsibilities and make the function of serving on this Working Group a career-enhancing service to the government. It would be advantageous to provide professional facilitation for this group to ensure neutrality, continuity and sustainability. It would be helpful to identify and emulate existing best practices within the federal government, as well as importing those from other sectors as appropriate. The most stellar example I am aware of today is the WorkLife team at NSA, which has been amplifying and expanding the work-life portfolio in all of its manifestations for at least as long as I've been in the work-life field.
- Increase the depth and breadth of work-life and total reward competency across the entire spectrum of human resources professionals in the federal government. This will help solidify the role of government as a model employer, because both private industry and academia are struggling to produce/replace enough work-life expertise to successfully engage a 21st century workforce. In this regard, the federal government can lead the way, by virtue of its sheer size and impact.
- Reinforce and publicize what a strong employment value proposition the idea of service in the federal government represents today vis a vis private industry.
- Expand current narrow perceptions and practices surrounding flexible work arrangements to encompass the more important and strategic capacity for organizational agility, working to delayer cumbersome decision-making, streamlining processes, and empowering people to take greater control and accountability for the conditions of their own work. Make the federal government a more nimble, proactive, flexible set of organizations, united around a coherent set of people practices.

VI. Conclusion

Despite the popular perception, the federal government has many of the tools needed to create a successful work-life portfolio, from the desire to change to programs and policies already in place to support employees' various needs. It just needs to be pulled together into a comprehensive strategic framework. Thank you for the honor of testifying before you on this important issue today. The Alliance for Work-Life Progress at WorldatWork stands ready to provide any additional resources and information to help the federal government move toward its goal of becoming a model employer.

The Work-Life Portfolio



worklife



PARTNERSHIP FOR PUBLIC SERVICE

**Written Testimony of Max Stier
President and CEO, Partnership for Public Service**

Prepared for

**The Senate Committee on Homeland Security and
Governmental Affairs
Subcommittee on the Oversight of Government Management,
the Federal Workforce and the District of Columbia**

**Hearing Entitled,
“Work-life Programs: Attracting, Retaining and Empowering
the Federal Workforce”**

May 4, 2010

Chairman Akaka, Senator Voinovich, Members of the Subcommittee, thank you very much for the opportunity to appear before you today. I am Max Stier, President and CEO of the Partnership for Public Service, a nonpartisan, nonprofit organization dedicated to revitalizing the federal civil service and transforming the way government works.

The Partnership has two principal areas of focus. First, we work to inspire new talent to join federal service. Second, we work with government leaders to help transform government so that the best and brightest will enter, stay and succeed in meeting the challenges of our nation.

We thank you for introducing the Senate resolution designating the first week of May as *Public Service Recognition Week (PSRW)*, and we are pleased to see that the Subcommittee has set aside time during *PSRW* for this hearing to discuss how the federal government can promote greater work-life balance for employees. In this testimony, I plan to share the Partnership's views on how work-life programs impact recruitment, retention and employee engagement, and recommend ways in which Congress can assist federal agencies in improving these programs.

The Impact on Recruitment, Retention and Employee Engagement

As our nation's largest employer, the federal government will need to fill more than 273,000 mission-critical positions by the end of 2012.¹ There is a significant need for new talent at all levels, from recent graduates to seasoned professionals. In order to attract and retain this mission-critical talent, the federal government will have to compete with the private sector for limited talent pools. A key to remaining competitive is fostering workplace cultures that are family friendly, promoting greater work-life balance and better utilizing and expanding existing work-life programs and flexible work arrangements (e.g., compressed workweeks, flextime, part-time work, job sharing and telework).

Recruiting Talent

In an effort to help the federal government attract new talent, the Partnership surveys different populations to better understand what job seekers of all ages are looking for in an employer. Using data from Universum USA's 2008 annual survey² of undergraduates across the country, we found that 61 percent of American students surveyed said that work/life balance was a priority characteristic of any future employer.³ The Partnership did a similar study of experienced employees and found that 47 percent of older workers

¹ *Where the Jobs Are: Mission-Critical Opportunities for America*, Partnership for Public Service, September 2009.

² The Universum IDEAL Employer Survey 2008 – American Undergraduate Edition: 13th Annual Edition.

³ *Great Expectations: What Students Want in an Employer and How Federal Agencies Can Deliver It*, Partnership for Public Service, January 2009.

(ages 50-65) cite an employer who offers flexible work arrangements as extremely appealing.⁴ It is clear from these studies that work-life balance is a priority for job seekers, young and old.

To help address government's critical talent needs, the Partnership has launched two programs, *Fed Recruit* and *FedExperience*, aimed at building specific pipelines of talent. The *Fed Recruit* program helps to build the capacity of agencies to recruit highly skilled individuals in fields such as information technology, acquisition, and human resources. In the *FedExperience* pilot, we work with federal agencies, corporate partners and other stakeholders to inspire experienced older workers to serve in government, particularly in mission critical jobs. In both of these instances, we've had a chance to interact directly with job seekers and our experiences confirm the research – job seekers are looking for an employer that can offer flexibility, whether it be the ability to work remotely, part-time or flexible work hours, or on a compressed workweek schedule. Government must be able to adapt to the needs of the workforce if it hopes to attract and retain key talent.

Retaining Talent – Work-Life Balance is Key to Employee Satisfaction

Research has also shown that flexible work programs impact not only recruitment but also retention. Private sector companies are raising the bar by investing in workplace flexibilities and they are seeing great returns on their investments. The Great Places to Work's "100 Best" study shows that 99 companies have flexible work policies and consistently outperform the overall Standard & Poor 500 in retaining key talent. Their turnover rates are half the national average.⁵ A new report by the Council of Economic Advisers entitled *Work-Life Balance and the Economics of Workplace Flexibility* found that flexible work arrangements reduce turnover and absenteeism, improve productivity, and reduce environmental impact.⁶

A closer look at data from current federal employee surveys shows how work-life balance is a key indicator of employee satisfaction and commitment. Not surprisingly, employee engagement is directly related to organizational productivity and outcomes. As one goes up so does the other.⁷ And we know that employees who are more satisfied in the workplace are more likely to stay.

Since 2003, the Partnership, in collaboration with American University's Institute for the Study of Public Policy Implementation, has produced the *Best Places to Work in the Federal Government* rankings. The rankings of federal agencies are based on employee survey data collected by OPM as part of the Federal Human Capital Survey, recently renamed the Federal Employee Viewpoint Survey.

⁴ *A Golden Opportunity: Recruiting Baby Boomers Into Government*, Partnership for Public Service, January 2008.

⁵ *Workplace Flexibility: Employers Respond to Changing Workforce*, Institute for a Competitive Workforce, Winter 2008.

⁶ *Work-Life Balance and the Economics of Workplace Flexibility*, Executive Office of the President: Council of Economic Advisors, March 2010.

⁷ See, for example, *The Power of Federal Employee Engagement*, U.S. Merit Systems Protection Board, November 2008.

According to the 2009 *Best Places* rankings, the Work/Life Balance dimension was the third most influential driver of overall satisfaction government-wide, ranking behind only Effective Leadership and Skills/Mission Match. The good news is that government-wide more than 75 percent of respondents say they believe their supervisors support their need to balance work and other life issues. However, only 51 percent of respondents feel they have sufficient resources (people, materials, and budgets) to get their job done, which may negatively impact workload and overall work-life balance.

The *Best Places* rankings also include questions from the Federal Human Capital Survey that make up the Family-Friendly Culture and Benefits dimension. The positive responses to most of the questions in this category were low (though it is also important to note that not all survey respondents answered these questions). For example, only 39.9 percent of respondents said they were satisfied with telework/telecommuting; however, on a more positive note, 61.2 percent of respondents said they were satisfied with alternative work schedules. Just under half of the respondents said they were satisfied with work/life programs (for example, health and wellness, employee assistance, eldercare and support groups) and just a quarter of respondents said they were satisfied with child care subsidies. These results indicate that agencies can and should explore creative and cost-effective ways to increase the impact of family-friendly programs, but to do so successfully they need additional measures to better understand how to improve currently available workplace flexibilities and benefits.

We are pleased to see that OPM is now administering the Federal Employee Viewpoint Survey on an annual basis. A new question has been added to the survey this year that asks employees how often they telework. If they do not telework, they are asked to identify the reasons why they do not. These new questions will shed light on the barriers to effectively implementing and expanding telework policies at federal agencies.

OPM has also expanded the questions about work-life programs on the Federal Employee Viewpoint Survey. The survey used to ask only one question: "How satisfied are you with work/life programs (for example, health and wellness, employee assistance, eldercare, and support groups)?" Now, the survey asks employees to identify how satisfied they are with each specific program (health and wellness, employee assistance, child care programs and elder care programs). The original "work/life programs" question was very broad, and this change will provide for the collection of data on satisfaction with specific programs. Agencies still need to collect more data on the use and impact of flexible work arrangements such as compressed workweeks and flextime. We also encourage agencies to supplement the annual OPM survey so they can probe further to understand the barriers to implementing these flexible work arrangements. Focus groups or more in-depth employee and management surveys can provide a deeper examination of the current state of flexibility programs and opportunities to expand and improve them. Ultimately, it is challenging for agencies to make the case for expanding workplace flexibilities without systems to track the use and impact of these programs on recruitment, retention and performance and a clear understanding of the barriers to implementing them.

In addition to the Federal Employee Viewpoint Survey, there are other efforts underway to help agencies collect important data on work-life programs. In particular, Congress is currently considering legislation that would take data collection a step further with respect to telework. The House bill, the *Telework Improvements Act of 2009* (H.R. 1772), includes specific language calling on agencies to collect data on the impact of telework on recruitment, retention, and employee and program performance. Similar legislation, the *Telework Enhancement Act of 2009* (S. 707), is pending in the Senate and we thank you Senator Akaka and Senator Voinovich for championing this effort. We hope the legislation agreed upon between the House and Senate will continue to emphasize the importance of clear and consistent telework eligibility guidelines, the assurance of secure systems, proper training for teleworkers and supervisors, and data collection on the impact telework has on recruitment, retention and productivity. It is also important for telework to be used in support of agency continuity of operations planning. We encourage Congress to pass this legislation soon.

Preliminary Findings on Flexible Work Arrangements

The Partnership for Public Service and Booz Allen Hamilton are currently engaged in an extensive study to determine how flexible work arrangements are used in the federal government. Our study focuses on five flexible work arrangements: compressed, flex and part-time schedules; job sharing and telework. As part of our data collection, we held focus groups with federal work-life and telework coordinators, teleworkers, managers and federal executives; surveyed telework and work-life coordinators; and interviewed agency officials, work-life and telework thought leaders from the private and nonprofit sectors, federal executive associations and labor union officials.

We are in the final stages of collecting our data and will be formulating recommendations based on what we have learned. A report will be released this summer. In the next year, the Partnership will work with Booz Allen Hamilton to try and pilot our recommendations with a select group of agencies. Though we are still researching and formulating our conclusions and recommendations, I am pleased to share some of our early observations.

In general, there is great variation among agencies as to the level of employee participation in flexibility programs. Overall, however, we are confident saying that some flexible work arrangements are underutilized.

Take telework for example. In a 2009 report to Congress, OPM reported that 102,900 of 1,962,975 federal employees teleworked. This is 5.2 percent of all federal employees and 8.7 percent of those who are eligible. Participation rates vary by organization: in some agencies, nearly 50 percent of eligible employees telework, while participation rates in other agencies are substantially lower. The Patent and Trademark Office has by far the highest percentage of eligible workers teleworking (82.7 percent). The General Services Administration, Securities and Exchange Commission and National Science Foundation

have between 40 and 50 percent of their eligible employees teleworking. The Departments of Homeland Security, Justice, Treasury and Energy rank among the lowest in utilizing this workplace flexibility.⁸ OPM has set a goal of increasing by 50% the number of eligible employees who actually telework. This goal may sound ambitious, but achieving it would only marginally increase the number of teleworkers, to just seven percent of the federal full-time workforce.

In addition to telework, other flexibilities are also underutilized. Although most agencies use some form of compressed work flexibilities, the percentage of federal employees who work part-time schedules or job sharing arrangements is very low. Only 428 federal employees job share, and only about three percent work part-time. These flexibilities can be particularly effective in retaining employees with young families, those considering retirement or those facing elder care or personal medical challenges.

From our research, we identified several reasons why agencies and their employees are not fully utilizing workplace flexibilities. Managers are often resistant to the use of flexible work arrangements. When employees work offsite, or follow compressed or nontraditional work schedules, many managers feel they are forced to give up some of their control and some fear that these flexibilities will negatively impact productivity and office culture especially if there is less face-to-face interaction. Other managers are simply untrained in how to effectively supervise a diverse and often remote work force.

We know that this Subcommittee shares our view on the vital importance of training. Managers need to learn how to implement strong outcomes-based performance management systems, where employees are evaluated based on their ability to achieve clearly-defined goals – not their ability to clock “face time” with their manager. Establishing clear expectations about accessibility and accountability and developing an open line of communication and trust between supervisors and employees are key.

With respect to telework, there is a lack of consistency regarding eligibility. In some agencies, all employees are eligible to telework unless their managers decide otherwise. However, in most agencies, eligibility is determined case-by-case, by position or individual, and employees may feel that decisions are arbitrary or subjective. Most important, these practices limit the number of employees who telework.

Current technology can mitigate security challenges for employees who work remotely. But information security challenges can – and should – be addressed. Agencies need to identify and address IT security issues that could impact the use of remote access systems. This includes investing in new software solutions that will allow employees to communicate and collaborate more effectively regardless of location (e.g., integrated voicemail, phone forwarding, pass codes for conference calls, and software that provides notification of on-line status).

Our preliminary observations support our findings from a 2008 Partnership and Grant Thornton study where we interviewed Chief Human Capital Officers (CHCO's), deputy

⁸ *Status of Telework in the Federal Government*, United States Office of Personnel Management, 2009.

CHCO's and other key human resource advisors to learn about critical issues in federal human capital management. When asked about the usefulness of particular personnel flexibilities, 90 percent of respondents said that allowing employees to follow alternative work schedules was useful to a great or very great extent.⁹ The respondents cited reluctance of managers, intergenerational differences and scheduling difficulties for team projects as barriers to effectively utilizing alternative work schedules.

With respect to telework, more than half of respondents thought it was a useful tool, though 23 percent felt that telework was useful only to a limited extent. Respondents cited several barriers to using telework including the fact that telework is not appropriate for all jobs, reluctance of management, technology limitations and security concerns.

In order for agencies to more effectively implement flexible work programs they will need to address these issues. In addition, it is incumbent upon agency leadership to strategically champion these programs, engaging stakeholders, setting clear goals and metrics and also leading by example by participating in the very programs they set out for their staff. We also encourage agency leaders to continue to test and evaluate new technology and methods of communicating remotely to constantly improve their systems. The recent telework days implemented at federal agencies in Washington, D.C. during the Nuclear Security Summit (April 12-13, 2010) provided such an opportunity to practice working remotely.

Moving Forward

We applaud the Office of Personnel Management (OPM) for leading by example and actively seeking opportunities to promote work-life programs and healthy workplaces. At a recent White House forum on workplace flexibilities, Director Berry announced the creation of a new Result-Only Work Environment (ROWE) pilot program which will engage 400 workers at OPM in an eight month project emphasizing flexible work environments and bottom line results. OPM is also working with several other agencies in the D.C. metro area to promote healthy workplaces. This winter OPM unveiled a new health and wellness center that will serve thousands of employees at the agency, as well as GSA, the Department of the Interior and the Federal Reserve Board. OPM is looking to expand this model "work-life campus" to other regions in the country. We are encouraged by these developments and urge Congress to charge OPM with capturing data on the effectiveness of the ROWE program and campus wellness centers and the impact they have on recruitment, retention and employee satisfaction and performance.

We urge Congress to support OPM and other agencies in making flexible work arrangements a priority by passing the telework legislation (H.R. 1772 / S.707). In addition, Congress should support work-life programs by investing in them to ensure that agencies have the funds necessary for management training programs, secure technology, and cutting-edge communication systems that address the barriers that currently exist to

⁹ *Elevating Our Federal Workforce: Chief Human Capital Officers Offer Advice to President Obama*, Partnership for Public Service, December 2008.

their use. These investments will pay for themselves over time; indeed, a well-implemented and well-used set of workplace flexibilities will save resources and contribute to a more efficient and effective federal workforce.

Conclusion

Mr. Chairman and Senator Voinovich, we thank you for your continuing interest in making the federal government an employer of choice. As our nation confronts an unprecedented array of challenges, the American people need all hands on deck. Creating a high-performing work environment that also respects the work/life balance of federal employees will aid in recruitment and retention, and we appreciate the opportunity to share our views.

Thank you. I would be pleased to answer any questions.



Statement of

Colleen M. Kelley
National President

National Treasury Employees Union

Before the

Subcommittee on Oversight of Government Management
U. S. Senate

May 4th, 2010

On

*Work-life Programs: Attracting, Retaining and Empowering the
Federal Workforce*

Mr. Chairman, Ranking Member Voinovich, and other Members, I am Colleen Kelley, National President of NTEU, representing over 150,000 federal employees in 31 different agencies. Thank you for holding this hearing today. The federal government is the nation's largest employer. For years, the federal government served as a model for other employers. Today, the federal government is losing ground in areas important in attracting, retaining and empowering its workforce. We welcome this opportunity, Mr. Chairman, to discuss how we can bring back a leadership role to the federal government and make it the employer of choice in the U. S.

A model employer makes it easy for its employees to concentrate on their jobs. It provides opportunities for a healthy work-life balance, it provides protection when disclosures of fraud, waste or abuse are made, it provides affordable health care, it provides the opportunity for representation through collective bargaining, and it provides a system of pay and promotion that is fair, credible and transparent.

WORK-LIFE BALANCE

Dramatic changes in the workforce in the last 40 years have created what Workplace Flexibility 2010 calls a "work-family mismatch and conflict". As noted at the White House Work-life Forum this past March, in 1968, 48 percent of children were raised in households where the father worked full-time, the mother was not in the labor force, and the parents were married; by 2008, only 20 percent of children lived in such households. Among families with very young children (less than 6 years old), well over half of parents are now both working. In families with children between the ages of 6 and 17, two-thirds of them have two working parents.

We need to rethink the way we work. Employers who follow dated policies and practices that limit workplace flexibility do not serve the interests of either the employer or the employee. When that employer is the federal government, it does not serve the interests of its citizens, either. As we move to an economic recovery, it makes sense to put in place policies that will not suffer from the same "structural mismatch" as the old one.

Flexible work arrangements can alter the time and/or the place where one works on a regular basis. Ideally, it is worked out on a mutually satisfactory basis between employer and employee. Increasing the access and use of flexible work arrangements will change the nature of the workplace, allowing us to be competitive far into the future. NTEU is enthusiastic about the endorsement of flexible work arrangements by the Director of OPM and by the White House. We believe that joint ventures between management and employee representatives will result in a more flexible workplace that will prove to be a tremendous advantage to a well-functioning government. We would like to see flexible work arrangements as the "standard operating procedure" in the federal government.

PAID PARENTAL LEAVE

There is no getting around the point that the federal government lags behind the private sector in parental leave. It doesn't provide any paid parental leave at all. When the 1993 Family and Medical Leave Act was passed, it was viewed as an important step in helping Americans balance family needs and work needs. But it was also just a first step. Finally, it would be possible to stay with your newborn child or newly adopted child, care for a sick child or seek medical attention for yourself without the added stress of losing your job. Since that time, however, it has become clear that many who would take advantage of time off for family and medical leave reasons have not done so because they were unable to forgo their income. We have to ask ourselves the question – Is it fair to have a benefit that many federal employees cannot take advantage of?

It is time for the federal government, as the largest employer in this country, to step up and make family leave real, not a mirage that few can afford to use. Being able to substitute any leave without pay under FMLA with four weeks of paid leave in addition to any leave accrued or accumulated will make a significant difference in the lives of both parent and child. This is an opportunity to provide federal workers with a benefit that not only helps them, but helps society in general, by offering a chance for a mother or a father to bond with the child. It allows employees time to adjust to their role as parents and to recover from childbirth and/or find child care for when they go back to work.

I want to share with you what one of my members wrote, "It takes a woman over 3 years to save enough sick leave to cover the period of incapacitation after a pregnancy (6-8 weeks)—that's without taking a SINGLE day of sick leave during those 3 years. With about 14 doctor's appointments during a healthy pregnancy, not taking any sick leave is no easy task. Not to mention the sick leave to care for any other children you may have. This means women are never taking sick leave when they themselves are ill. This is both a public health issue (and threat to the government in the face of swine flu or other epidemics) and a moral issue. Many federal workers have been affected by the economy. Our spouses have lost jobs, our houses have had to be refinanced with equity plowed in, and our savings have been decimated as we have tried to make up for lost income. Making sacrifices to take unpaid leave to care for a newborn is no longer possible for many of us."

According to Columbia University's Clearinghouse on International Developments in Child, Youth and Family Policies, "Some 128 countries currently provide paid and job-protected leave each year. The average paid leave is for 16 weeks, which includes pre- and post-birth time off." (Issue Brief, spring 2002.) In addition, in 2008, the Joint Economic Committee surveyed Fortune 100 companies and found that 74 percent of the responding companies offered a specific paid parental leave program to new mothers. The median length of leave being offered was six to eight weeks. Finally, a report by the Institute for Women's Policy Research in October 2009, states, "Younger workers demand greater work-life flexibility, and while many private sector companies are leading the way with paid parental leave packages, the current federal benefits do not meet younger workers' needs." IWPR calculates that the federal government could prevent 2,650 departures per year among female employees by offering paid parental leave, preventing

\$50 million per year in turnover costs. With your leadership, Mr. Chairman, we would like to see your committee work with Senator Webb to pass S. 354 this summer.

TELEWORK

NTEU strongly believes in the need to expand telework programs. The benefits of telework were clear during the government shutdown due to snow earlier this year.

Experience has shown us that telework has many advantages. We have found that where agencies have good telework programs, employees feel they can handle work-life issues much better than in agencies resistant to such programs.

Telework can bring about increased productivity due to uninterrupted time for employees to plan work, reduce tension levels by eliminating difficult commutes and improve quality of life due to time saved not commuting. The benefits are not just to the employee and the employer. There is a social dimension as well. Telework saves energy, improves air quality, reduces congestion and stress on roads and bridges, and enhances the quality of family life.

NTEU strongly believes that the success of several agencies in implementing telework programs proves that the merits and effectiveness of telework are real. We believe that honest and meaningful collaboration with employee representatives can resolve any reservations about telework. What is needed is leadership, openness and a sense of innovation from managers and agencies. Where that does not exist, Congress must use its authority to see it is created.

Legislation is needed to hold agencies accountable. Such legislation should require each agency head to review the entire agency workforce and determine which employees are eligible for telework and establish a written policy under which eligible employees may elect to telework. Congress should require that all agencies have a telework training program for both teleworking employees and the managers who supervise them. It is also essential that Congress require all but the smallest agencies to have a full time telework managing officer to advise agency managers and to be a resource for employees. Finally, Congress must maintain oversight and evaluation of the progress agencies are achieving. The Office of Personnel Management (OPM) should be required to prepare an annual report to Congress addressing the telework program of each agency. Such a report needs to include detailed information on each agency's telework policy, the degree of participation and the percentage of employees eligible to telework. Also, OPM should be required to grade each agency on their compliance, partial compliance or failure to implement the telework requirements Congress directs. The common red/amber/green light method might be the best approach.

Many of the legislative recommendations we mention above are included in **S. 707, the Telework Enhancement Act of 2009**, introduced by you, Chairman Akaka. This legislation has been approved by the full committee and is now awaiting floor action. During the last session of Congress, the Senate passed similar legislation without opposition. Given the convincing merits

of the Akaka Telework bill and the few remaining months in this session of Congress, we believe that it is very important that the Senate acts swiftly to pass this important bill.

DOMESTIC PARTNER COVERAGE

Another proposal that would help a number of federal employees with balancing work and family obligations is the **Domestic Partner Benefits and Obligations Act**. This legislation, S. 1102, has already been considered and approved by the full committee and is awaiting floor action. Under this bi-partisan legislation, NTEU members and all federal workers with domestic partners will be able to participate in employee benefit programs similar to the options allowed for married couples and will be subject to the same employment related obligations and duties that are imposed on married employees and their spouses and the same ethics requirements, such as anti-nepotism rules and financial disclosure requirements. Programs included are the Federal Employees Health Benefits Program (FEHBP), retirement and disability plans, family, medical and emergency leave, Federal Group Life Insurance (FGLI), long term care insurance, Workers Compensation, death and disability benefits, and relocation, travel and related expenses. The legislation would further allow counting both partners' income for means tested, contractually negotiated child care subsidies offered by federal agencies.

Mr. Chairman, I want to emphasize this point. This legislation proposes both benefits and obligations. The integrity of the civil service system demands not only that there be fairness in benefits but that nepotism and other abuses not be permitted because of an exemption of domestic partners.

We do not believe that federal workers can be optimally productive when they are worried about the health insurance coverage of other members of their own household. While the full committee's favorable action is appreciated, it is imperative that the Senate move to floor consideration and passage during this session of Congress. Too many federal workers have waited too long for this family benefit.

RESULTS-ORIENTED WORK ENVIRONMENTS (ROWE)

ROWE is a management philosophy based on the premise that giving employees complete control over their time is the best way to increase productivity and boost morale in the workplace. Started by two Best Buy HR managers, departments that use ROWE report average productivity increases of 35 percent. ROWE is the next step beyond flextime. There are no mandatory meetings. You work where and when you want to. Obviously, it works best in situations where there are measurable results. The literature indicates that for a ROWE to be effective, there must be a seasoned, goal-oriented manager in charge. ROWEs force managers to figure out what they want done, and some will live up to that challenge better than others. Providing training and support for managers is key to the success of ROWE.

NTEU is pleased that Director Berry has wholeheartedly endorsed the idea with two pilot programs started at OPM. NTEU looks forward to the results of these pilots.

HEALTH AND WELLNESS PROGRAMS

OPM Director Berry has set two goals for his Healthy People 2010 program: 75% of worksites offer a comprehensive worksite wellness program, and 75% of employees participate in the program. Many of the agencies where NTEU members work take advantage of such programs as smoking cessation classes, walking groups, and screening programs and we have been successful in advocating for such programs. Wellness programs contribute positively to the work-life balance.

Sometimes, even the best of intentions are not enough, however. In 1996, NTEU negotiated a one year pilot agreement with the Department of Treasury and Customs whereby employees would be granted up to three hours of administrative leave per week, workload permitting, to participate in physical fitness activities. Customs delayed the implementation of the pilot and then refused to extend it after its one year term. Customs' resistance to the pilot has been continued by CBP, which has rejected a similar proposal presented by NTEU during term bargaining. That experience is in direct contrast to a program being implemented this year, where CBP and NTEU are working together to support CBP employees mentally, physically and emotionally. With a commitment on both sides to the CBP wellness program, we expect to see real change.

The federal Employees Health Benefits Program Call Letter contains several proposals by OPM to provide wellness programs for federal employees. They are encouraging programs to stop childhood obesity and to promote consumer awareness about healthy lifestyles. OPM instructs the carriers that it expects to see comprehensive smoking cessation benefits, including multiple quit attempts. In addition, OPM informs the carriers that coverage of dependents has been extended to age 26 by the recently passed health care law, and that the effective date is January 1, 2011. This last item, one of NTEU's initiatives, will provide a much-needed safety net for those dependents just starting out in their careers – often without health insurance.

NTEU has worked with some agencies in the government to offer programs similar to smoking cessation and fitness activities at work sites. We believe it is in everyone's best interest to make it as easy as possible to be healthy.

WHISTLEBLOWER PROTECTION

Under your able leadership, S. 372, the Whistleblower Protection Enhancement Act, is ready for floor action. S. 372 represents years of work in addressing gaps in whistleblower protection as a result of imprudent and unfair decisions, and for the first time, will extend statutory whistleblower protection to Transportation Security Officers at the Transportation Security Administration. NTEU stands ready to assist in whatever way necessary to see this bill successfully passed in the Senate.

COLLECTIVE BARGAINING

NTEU believes that the best way to achieve an optimal work-life balance is for an organization to involve its employees in the planning of programs to recruit and retain workers. Employees who have a voice in their workplace feel invested in the success of that organization. If the workers can have a collective voice, the effect is stronger. In agencies where NTEU is an equal partner in the management of workplace issues, everyone wins. Sadly, this is not the case at TSA. TSA employees labor under a system that has almost completely demoralized them. Poor workforce management has led to one of the highest attrition rate in the government, and astronomically high on-the-job injuries. Concerns have been voiced about increased costs and potential security gaps in our aviation systems because of the turnover and job dissatisfaction. We can strengthen TSA by providing its workers with a pay and performance system that is fair, credible and transparent, and with a voice in the development of workplace quality standards that will make all the traveling public even safer. We would like to see a Senate version of Rep. Nita Lowey's bill, HR 1881, introduced. While we wait for a new Administrator to be named, we ask your help in persuading the Department of Homeland Security to grant collective bargaining rights through a directive now.

In conclusion, Mr. Chairman, NTEU stands ready to participate in a meaningful dialogue with the federal government to make it possible for all our workers to lead healthier, well-balanced lives. We want the federal government to be a leader in this movement, and we pledge to bring all our resources to bear to promote the programs passed by Congress and endorsed by the administration that further our members' ability to balance the demands of their job with the demands of their families, and have a little energy left over to look after their own health.

American Federation of Government Employees, AFL-CIO

STATEMENT BY

**JOSEPH P. FLYNN, NATIONAL VICE PRESIDENT
AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES, AFL-CIO**

BEFORE

**THE SUBCOMMITTEE ON
OVERSIGHT OF GOVERNMENT MANAGEMENT,
THE FEDERAL WORKFORCE, AND
THE DISTRICT OF COLUMBIA**

**SENATE COMMITTEE ON HOMELAND SECURITY
AND GOVERNMENTAL AFFAIRS**

ON

**WORK-LIFE PROGRAMS:
ATTRACTING, RETAINING AND EMPOWERING
THE FEDERAL WORKFORCE**

MAY 4, 2010

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Mr. Chairman and Members of the Committee, my name is Joseph Flynn and I am a National Vice President of the American Federation of Government Employees, AFL-CIO (AFGE). On behalf of the members of our union, which represents more than 600,000 federal employees, thank you for the opportunity to testify today regarding work-life programs which would attract, retain, and empower the federal workforce. AFGE strongly supports the goal of creating a healthy work-life balance for federal employees.

In the 21st century, one can easily see the effects that home computers, e-mail, smart phones, and cell phones have in enabling a 24/7 work environment. The bottom line for most working families is that 9 a.m. to 5 p.m. just isn't working anymore. Time is an employee's most precious commodity. Employees are looking for balance between work and their personal and family demands.

In today's society many highly-skilled workers are delaying the start of their families until they have achieved financial and career security. Given the long years of training and education required of these highly-skilled workers, work-family tensions tend to rise as they reach their 30's and 40's. If the federal government fails to provide assistance in handling this tension, they risk losing these valuable employees to employers who offer more flexibility. Work-life programs have proven to be effective for attracting and retaining these highly-skilled employees.

The federal government is on the right track with the work-life programs that have been established thus far. The idea behind these programs is to reduce the stress of trying to balance family obligations with the responsibilities of one's job. To reduce this tension, many employees tell us that they are considering jobs in firms or organizations that offer a better work-life balance than their agency. For employers like the federal government, who are trying to build valuable human resources with specific skill sets, work-life programs provide powerful retention and performance enhancement tools.

Since it is well-established that work-life programs are necessary, we have to ask whether the work-life programs offered by the federal government are working. Do employees access these programs? What barriers do employees face when trying to take advantage of these programs? What are the myths surrounding the programs? Finally, how can these programs be improved?

Telework

It is important to put into place the material and policy infrastructure to vastly expand telework for federal employees. Telework, the ability of employees to work from locations other than the office, has become a critical part of strategic planning for both agencies seeking to find more efficient means of carrying out their missions in both normal and emergency circumstances, as well as allowing workers to strike a better balance between work and family. The FY 2001 Department of Transportation appropriations law required agencies to establish policies that would allow eligible federal workers to telework to the maximum extent possible. Experience in the federal

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and private sectors has proven that effectively managed telework programs strongly support workforce recruitment and retention, managing office space and overhead costs, and addressing environmental and energy concerns. And they provide an invaluable means for continuity of operations during an emergency.

The OPM's most recent report to Congress on telework found that the number of regular federal teleworkers had declined from 2005 to 2006. Only 7.7% of the federal workforce participates in telework, although more than half of all federal workers currently hold jobs classified as eligible for telework. Even more telling was the finding by a recent Federal Human Capital Survey that only 22% of all workers were satisfied with their telework situation, while 44% stated they had no basis on which to answer the question, indicating that telework is not an option for close to half of all federal workers. When just over a fifth of federal employees express dissatisfaction with their telework options, and it is in the interest of the federal government to promote telework for numerous reasons, including continuity of operations in emergencies and disasters, the time has come to expand telework opportunities.

Mr. Chairman, several weeks ago AFGE participated in an OPM-sponsored thought forum on telework. Among the recommendations developed by participants was the proposal to have managers determine **before a job announcement is posted** whether and what level of telework opportunities would be available for the position. We believe this would help applicants determine whether the job would be a good fit for them before they have been hired. And since telework will be an added incentive for the best and brightest candidates to apply, managers may get in the habit of thinking about telework as an attractive benefit of the job, rather than a detriment to the agency's mission. Additionally, the thought forum explored ways to make telework the "norm" for the federal workforce. Their report is expected shortly. My major impression of the forum is that if Director Berry's enthusiasm is any predictor of our future success, we will succeed in making telework the norm.

Legislative Efforts to Encourage Telework

Two bills are currently before the Congress that would take steps to expand federal telework. The Telework Enhancement Act of 2009 (S. 707), introduced by Senator Daniel Akaka (D-HI), was reported out of the Senate Committee on Homeland Security and Governmental Affairs in May 2009. The Telework Improvements Act of 2009 (H.R. 1722), introduced by Representative John Sarbanes (D-MD), was passed by the House Oversight and Government Reform Committee last month. Both bills require that all federal workers be considered eligible for telework unless the agency shows they are ineligible. Under current law, federal workers must overcome the presumption that they are *ineligible* for telework unless the agency determines otherwise. However, while the bills require agencies to appoint a "Telework Managing Officer" to report to Congress information on the number of workers involved in telework programs, they lack an enforcement mechanism if agencies fail to meet the telework requirement.

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AFGE members working at agencies with established telework programs such as the Center for Medicare and Medicaid Services and the Citizenship and Immigration Services report that those agencies have self-imposed an arbitrary "cap" on the number of workers allowed to participate in telework. At the National Science Foundation, the local union has succeeded in negotiating a telework program, but they were forced to trade off the right to file any grievances on the matter, regardless of their merit. This makes it almost impossible to ensure that telework at NSF is applied fairly and uniformly to the workforce. Our experiences are reflected by a 2007 study by the Telework Exchange Federal Managers Association study finding that only 35% of federal managers believe their agencies support telework, despite a 2001 Congressional mandate.

The snows of 2010 are only the most recent event that highlighted the need for more extensive telework opportunities in the federal government. The 2009 H1-N1 flu outbreak focused attention on the low numbers of federal workers participating in telework programs and the need for the federal government to increase agency and employee participation in telework programs. In April 2009, OPM issued a plan to increase the number of federal workers who telework. The plan consists of a review of agency telework policies, encouraging agencies to establish a telework manager, and the convening of an advisory group of telework program managers to help formulate standards for telework policies.

AFGE supports extending telework opportunities to all eligible employees. However, we believe it is important that these programs not interfere with the ability of unions to communicate with their members. It is especially important that unions have access to the agency's e-mail system to broadcast information to the entire unit, including those who telework. Workers should not be forced to forego the full benefits of union membership and representation solely because they participate in telework programs.

Both bills from the 111th Congress represent good steps in the right direction by removing unnecessary barriers to the ability of federal workers to participate in telework programs. However, given the advances in technology that readily facilitate telework, the benefits of telework programs that allow the work of the federal government to continue in the event of natural disasters or events such as pandemics, and the need to conserve resources, the bills should take additional steps so that access to telework is a real option for the majority of federal workers.

Managers must be trained on how to manage employees who use telework. The frequent managerial attitude of "If I can't see the employee, how do I know he is working?" must be dismissed. In the 2009 report from OPM to Congress on the status of telework, agencies continued to report that office coverage and management resistance were considered one of the largest barriers to implementation.

There has to be trust between management and employees in order for these programs to prosper. Employees have to feel comfortable that less face to face interaction with management will not result in lost promotion opportunities or negative reviews.

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Employees must also be clear about how to request and use these programs and what the rules are surrounding the various work-life programs.

Alternative Work Schedules

AFGE has been successfully negotiating flexitime arrangements, or alternative work schedules, since the mid-1970s. A common type of flexitime allows employees, working cooperatively with their supervisors, to establish the beginning and end times of their work days, five days a week, as long as they are present during core hours of duty. Other popular types of arrangements are compressed work schedules in which a full-time employee works eight 9-hour days and one 8-hour day for a total of 80 hours in a biweekly pay period. Thus the employee will have one day off every two weeks. Another popular compressed work schedule is the 4-10, in which a full time employee works 10 hours a day, 40 hours a week and 80 hours a pay period. This allows the employee to have a day off every week. The resulting improvements in productivity and morale are substantial.

Mr. Chairman, when we began negotiating alternative work schedules, there was great reluctance on the part of management to agree to it. They were often fearful of how this would work, and questioned whether productivity would in fact remain the same. After several examples of such schedules became so popular both with employees and management, alternative work schedules have become quite common in our bargaining units. We hope that the reluctance which we are seeing from management with regard to telework can be overcome in the same way that it was with alternative work schedules.

Results Only Work Environment (ROWE)

AFGE Local 32 is working closely with Director Berry's office in the implementation phase of the Results Only Work Environment (ROWE) pilot at OPM, another flexible workplace initiative, which allows employees to work whenever they want and wherever they want, as long as the work gets done. Managers are expected to manage for results rather than process. Employees are trusted to get the work done.

OPM has included Local 32 in the process from day one of the decision to implement this pilot project. Local 32 representatives have been involved in Requests for Proposals, in the interviewing of companies bidding for the work and for selecting the contractors that met the requirements to assist OPM with transitioning and evaluating the proposed ROWE pilot. There have been a series of forums held with managers and employees, including baby boomers and employees from generation x and generation y. In addition, individual shadowing has been done with selected employees and managers. We are currently in the process of selecting employees to be interviewed by the evaluating subcontractor for the week of May 10th.

AFGE Local 32 is excited about this pilot. One of the work groups selected to participate has had major workload processing problems for some time, and joint

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management and labor forums have been established to address these problems. Local 32 can already see that preparing this group to participate in the ROWE pilot has driven the resolution of some of the issues raised by the union this past year. We believe that if the ROWE pilot works with this particular work group, it can work within *any* other offices.

We particularly appreciate Director Berry's efforts. He truly leads by example and has identified members of his office to participate in this pilot also. Though the pilot is only in the early stages, it has already given a glimpse of hope for those employees who are single parents, caregivers of parents or grandchildren, or those with medical conditions which prevent them from working during regular core hours if they are to receive proper medical treatment.

Wellness Programs

Workplace wellness programs have been around for years. Many employers have started programs that focus on the overall wellbeing of their workforce because they see the long-term benefit in cost savings. Workplace wellness programs have been shown to reduce health insurance premiums, workers' compensation premiums and workplace injuries and illnesses. Employers also see the benefit that maintaining a healthy lifestyle can have in the workplace in terms of increased productivity, improved employee relations and employee morale. Healthier workers take fewer days off for illness and may experience less severe symptoms. Other benefits include employee retention and recruitment. Offering wellness programs makes a workplace more attractive, especially to healthy workers looking to maintain their healthy lifestyle while at work.

More recently, employers have recognized the nexus between work life and family life and how intricately involved they are. Offering programs that allow employees more opportunities to strike the balance between work and family improve the quality of employees' lives. Healthier employees who are less worried about their family life are likely to be better focused on their work and their productivity is likely to increase. Increased worker productivity directly affects organizational performance. As a result, employers that offer wellness programs become more efficient in accomplishing their missions.

Not only do workplace wellness programs result in healthier workers, but they also lead to increased well-being, self-image and self-esteem. Moreover, a worker who develops or maintains a healthier lifestyle helps promote a healthier lifestyle at home. This can only help fight the current trend in childhood obesity.

Workplace wellness programs include weight loss, physical fitness, smoking cessation, stress management, among others. The types of programs and services offered are based on the needs of the employees and on their interests. A good wellness program seeks to encourage healthy behaviors by providing education on health promotion and

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disease prevention, providing a supportive environment for participation, and establishing workplace policies and practices that value health and safety.

While we support workplace wellness initiatives that will result in a healthier workplace -and a healthier nation-- we are cautious about the potential for shifting the responsibility for workplace injuries and illnesses from the employer to the employee. When a workplace injury or illness is seen as being caused by the employee's obesity, for example, it blames the worker and takes attention away from the workplace causes. When workplace injuries or illnesses are reported, the cause should be investigated following standard health and safety practices.

Recommendations for establishing a worksite wellness program

- Establish a wellness committee
- Gain support from management and 'buy-in' from potential participants
- Assess employee needs and interests
- Establish goals and benchmarks
- Establish a budget
- Create a supportive environment
- Consider incentives or rewards for participation or for achieving goals
- Promote the program
- Assess progress and evaluate programs

Recommendations for agency participation

To improve agency participation, wellness programs already in existence and those currently being developed should be publicized. The federal government has several mechanisms for communications among agencies. Federal professional associations such as federal human resources specialists can be good tools for informing professionals about wellness programs. Agencies for which wellness programs are a new undertaking can be reassured by making available existing tools such as surveys which have been used by other agencies.

We want to highlight the importance of promoting the wellness program. The program may be great, but if employees are not aware of the services offered, are not encouraged to participate, it will be underutilized. Promotion is also important among management because employees may see their supervisors' support as further encouragement to participate.

In addition, we urge agencies establishing wellness programs to ensure that employee personal information is protected, particularly medical information. The wellness program must have safeguards for ensuring confidentiality.

Agencies should engage their union representatives in the development of the program and in its implementation. AFGE locals have been involved in the planning and

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development of the wellness initiatives at OPM and Citizenship and Immigration Services.

Finally, we encourage agencies to ensure that adequate funding is allocated for the wellness programs.

Paid Parental Leave

The majority of Fortune 100 companies keep their best employees loyal by offering paid parental leave. This work-life program is a must in order to retain the brightest and most talented employees. The Institute for Women's Policy Research (IWPR) states that two thirds of Fortune 100 companies offer paid parental leave and most developed countries have national leave programs. The federal government, which aspires to be a model employer, does not provide any paid parental leave to its employees.

IWPR calculates that the federal government could prevent 2,650 departures per year just among female employees by offering paid parental leave, preventing \$50 million per year in turnover costs. Paid parental leave is a necessary work-life program that the federal government must implement in order to be a competitive employer.

Although federal employees can utilize sick leave in order to care for a newborn, it would take the employee years to save up a leave balance to take parental leave. IWPR calculates that new federal employees, many of whom are young professionals, must work for over four years to accrue enough paid leave to receive pay during the 12 weeks of leave guaranteed under the Family and Medical Leave Act.

Despite the protections of the Family and Medical Leave Act (FMLA), federal workers are among those who are forced to choose between a paycheck and meeting their family obligations because they currently have no paid parental leave.

On June 4, 2009, the House of Representatives passed H.R. 626, the Federal Employee Paid Parental Leave Act introduced by Representative Carolyn McCarthy (D-NY), by a bipartisan vote of 248–154. The bill and its Senate companion, S. 354, introduced by Senator Jim Webb (D-VA), would provide federal employees 4 of the 12 weeks of family and medical leave as paid leave upon the birth, adoption, or fostering of a child.

Virtually all research on child development and family stability supports the notion that parent-infant bonding during the earliest months of life is crucial. Children who form strong emotional bonds or "attachments" with their parents are most likely to do well in school, have positive relationships with others, and enjoy good health during their lifetimes. These are outcomes that should be the goal for all children, including those of federal employees. Spending time with a newborn or a newly adopted child should not be viewed as a personal choice, or a luxury that only the rich should be able to afford.

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The only reason a new parent would ever go back to work immediately after the birth or adoption of a child—even with the protections of the FMLA—is because she or he could not do without his or her paycheck. And far too many workers in both the federal government and outside must make this terrible choice.

Congressional opponents of paid parental leave for federal employees have raised arguments largely based on cost, or notions that are unrealistic about the ability of federal workers to accrue leave. No one can accurately project the cost of extending this benefit to new parents, but we can speculate on the categories of cost of failing to do so. Productivity is lost when a parent has had to come back to work too soon to have found proper daycare for a newborn or newly adopted child or when federal employees come to work when they are ill because they used up all of their sick leave during the adoption process. A lack of paid parental leave also negatively impacts the government when a good worker, trained at taxpayer expense, decides to leave federal service for another employer who does offer paid leave.

Federal workers who take unpaid parental leave too often fall behind on their bills and face financial ruin. Federal workers in their child-bearing or adopting years, earn less, on average, than other federal employees. They are at a moment in their careers when they can least afford to take any time off without pay, and least likely to have accumulated significant savings. One AFGE member wrote she has been a federal employee since 2002, and has had 3 children during that time. She said:

I found it very difficult to keep leave since I am using it for doctor's appointments, maternity leave, and other instances of sickness that may occur with me or my children. Since 2002 I have borrowed 6 weeks of leave for maternity leave—which took me over 2 years to pay back. During the period of time when I returned to work and had to pay my sick leave back, neither my kids nor I could afford to get sick because I did not have any leave to use. During my duration of leave without pay I had to resort to public assistance to make ends meet. It was very hard to ask for help during my maternity leave. I had to explain to them that I make more than some of the social workers taking my application but I am currently on leave without pay and need assistance until my 8 weeks maternity period is over.

Although there is no law providing paid parental leave for federal workers that would prevent the situation described by the AFGE member, the federal government currently reimburses federal contractors and grantees for the cost of providing paid parental leave to their workers. Surely if such a practice is affordable and reasonable for contractors and grantees, federal employees should be eligible for similar treatment.

The time has come for the federal government to set the standard for U.S. employers on paid parental leave. AFGE is an active member of a coalition of worker and work-family advocates in support of the legislation. The coalition is currently campaigning for a vote on S. 354 by the Senate Homeland Security and Governmental Affairs

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Committee and a vote by the full Senate prior to sending the bill to President Obama by the end of the year. The federal government should set a clear example to the majority of private employers who refuse to extend this crucial benefit to their employees unless their competitors or the law requires it of them. The benefits to children and families of four weeks of paid parental leave are enormous and long-lasting. AFGE strongly urges Congress to pass the Federal Employee Paid Parental Leave Act during the 111th Congress.

This concludes my statement. I would be happy to answer any questions Members of the Committee may have.

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BACKGROUND
WORK-LIFE PROGRAMS: ATTRACTING, RETAINING, AND EMPOWERING THE
FEDERAL WORKFORCE
MAY 4, 2010

Background

Work-life practices include programs for workplace flexibility, family and dependent care, and health and wellness. The U.S. Office of Personnel Management (OPM) 2010-2015 Strategic Plan recognizes the importance of promoting a healthy work-life balance across the Federal Government.¹

With almost 50 percent of the Federal workforce eligible for retirement in the next five years, the Federal Government must adapt to attract and retain the next generation of civil servants who have different work expectations and appear to value workplace flexibility as much as traditional fringe benefits. As OPM Director John Berry noted recently, "Availability of health, wellness and work-life options for Federal employees is a critical tool for improving the ability of the Government to recruit and retain a high-performing workforce."²

In March 2010, the President's Council of Economic Advisors (CEA) released a report, *Work-Life Balance and the Economics of Workplace Flexibility*, which discussed the economic perspective on flexible workplace policies. The report identifies major changes in the composition of the U.S. workforce that have increased the need for workplace flexibility, provides an overview of the current state of work-life flexibility programs in the U.S., and concludes by addressing the potential economic benefits of work-life flexibility arrangements. The report also contains several brief case studies describing the experiences of organizations that have implemented flexibility arrangements.

Work-life balance is not only an issue for attracting new employees to the Federal Government; current Federal employees considering advancement to leadership positions within agencies have raised work-life balance concerns. In a recent survey of GS-14 and 15 employees, over half of these employees stated the number one reason they do not apply for SES or other leadership positions is the lack of work-life balance for people in these senior positions.³ It is critical that these positions are filled by our most qualified Federal employees – and that is not possible if these employees do not even apply.

¹ U.S. Office of Personnel Management Strategic Plan 2010-2015 (February 2010), at pp. 12-13, *available at* http://www.opm.gov/strategicplan/StrategicPlan_20100310.pdf.

² Testimony of John Berry, Director, U.S. Office of Personnel Management before the U.S. Senate Committee on Appropriations, Subcommittee on Financial Services and General Government, March 24, 2010, *available at* <http://appropriations.senate.gov/ht-financial.cfm?method=hearings.view&id=43a1e030-981d-4d3b-9382-48d04bbb7aea>.

³ Senior Executives Association and Avue, *Taking the Helm: Attracting the Next Generation of Federal Leaders* (April 2010), at pp. 16-20, *available at* http://www.seniorexecs.org/fileadmin/user_upload/Professional_Development/Research/Taking_the_Helm/Report.pdf.

Workplace Flexibilities

Workplace flexibilities, such as telework and alternative work schedules, give employees more control over when and where they accomplish their work. These programs enable employees to meet their responsibilities both at work and at home, while also helping agencies fulfill their missions by attracting and retaining a committed and effective workforce.

Alternative Work Schedules

Many agencies allow employees to take advantage of flexible or compressed work schedules, to help balance work and family responsibilities. Flexible work schedules require employees to work certain core hours and then designate flexible time when employees may choose their work hours. Compressed work hours allow full-time employees to work 80 hours in less than 10 days in a pay period.⁴

Telework

OPM and the General Services Administration (GSA) define telework, or telecommuting, as the ability to perform work at a location other than an employee's "official duty station."⁵ The rapid growth in the use of the internet, notebook computers, and smart phones, has led to a significant expansion in viable telework opportunities for Federal employees. The benefits of telework are not limited to individuals, as communities benefit from the reduced number of cars on the road and less traffic congestion during rush hour. From a national security perspective, telework is a central component of an agency's continuity of operations plan, and thus critical for ensuring the Federal Government can sustain operations through a variety of emergencies.

Telework is also a vital part of a human capital strategy seeking to attract and retain high performing workers. Allowing Federal employees the flexibility to telework from home or a remote location closer to home can improve the overall morale of employees and their quality of life, which can work to attract and retain Federal workers.

Senators Akaka and Voinovich introduced the *Telework Enhancement Act* (S.707), which was ordered to be reported out of the Homeland Security and Government Affairs Committee on May 20, 2009. This bill would require all agencies to consult with OPM in establishing telework policies, designate a Telework Managing Officer within the agency, and ensure telework is made part of an agency's continuity of operations planning. Similar legislation (H.R. 1722) was reported out by the House Committee on Oversight and Government Reform on April 14, 2010.

⁴ 5 U.S.C. §§ 6120-6133 authorize, define, and provide guidelines for compressed and flexible work schedules for Federal employees.

⁵ The Office of Personnel Management and U.S. General Services Administration Interagency Telework Web site, www.telework.gov.

Results-Only Work Environment

Results-Only Work Environment (ROWE) is a management strategy that evaluates employees on performance, not presence in an office. Unlike flexible work schedules, ROWE is predicated on a work environment where employees can work however and whenever they want.⁶

ROWE was developed in 2003 by two Best Buy human resource managers, Cali Ressler and Jody Thompson. By 2008, 80 percent of employees at Best Buy headquarters were working within ROWE. Anecdotal evidence suggests ROWE can bring significant gains in productivity. The strategic sourcing and procurement team at Best Buy embraced ROWE and within two years experienced a significant increase in employee retention and decrease in costs, and terminated 10 low-performing employees.⁷

This is not the first time a ROWE pilot has been implemented in the public sector. Ressler and Thompson previously worked with the Human Services and Public Health Department of Hennepin County, Minnesota, which started a ROWE pilot of 400 employees. That project is currently expanding with the goal of training all 2,700 department employees by mid-2011.⁸

There are important qualifications that must be addressed when discussing ROWE. A recent CEA report notes that the level of flexibility provided by ROWE is dependent on circumstances, and may be ill-suited for industrial and service-based environments, among others.⁹ Additionally, ROWE is highly dependent on identifying proper performance metrics, an extremely challenging task for many of occupations.

Despite these caveats, OPM Director John Berry has embraced the concept, unveiling OPM's ROWE pilot program at a workplace flexibility forum at the White House in March 2010. For the pilot, OPM identified a representative group of 400 employees, making sure to include bargaining unit employees. Pilot participants include employees in the OPM office in Boyers, PA, and the Office of the Director and Office of Communications at OPM headquarters in Washington, DC.

OPM did not request special demonstration project authority, as it wants to observe how ROWE fits with current Federal workforce law. Certain Federal workforce rules have created complications. For instance, a Federal employee may not work on Sunday without supervisor approval, which conflicts with the ROWE philosophy. Thus, OPM will designate Monday through Saturday as the period ROWE is in effect.¹⁰

⁶ Further information located at the official Results-Only Work Environment website, <http://gorowe.com/know-rowe/what-is-rowe>.

⁷ Lindsay Blakely, "What Is a Results-Only Work Environment?" *BNET* (Sept. 25, 2008), available at http://www.bnet.com/2403-13059_23-237128.html.

⁸ Heather Kerrigan, "ROWE Against the Tide," *GOVERNING* (Jan. 13, 2010), available at <http://www.governing.com/column/rowe-against-tide>.

⁹ Executive Office of the President Council of Economic Advisors, *Work-Life Balance and the Economics of Workplace Flexibility* (March 2010), at p. 12, available at <http://www.whitehouse.gov/files/documents/100331-cea-economics-workplace-flexibility.pdf>.

¹⁰ Information provided in a briefing to the Subcommittee on Oversight of Government Management by OPM on April 23, 2010.

OPM has contracted with Ressler and Thompson to implement the program, and Deloitte to conduct an independent evaluation. OPM is currently working to provide guidance to participants in the pilot, which will begin in June of this year.

Family

Work-life programs also include programs to help employee engagement in the community and at home, including child care, elder/dependent care, and leave for family purposes. These programs can help prevent absenteeism and turnover by providing resources to help employees care for family members who depend on them.

Paid Parental Leave

Federal employees currently are entitled to 12 weeks of unpaid leave under the Family and Medical Leave Act (FMLA). However, the Federal Government does not offer any paid time off specifically to care for an infant or newly adopted child, placing the United States apart from most industrialized countries. Federal employees who have a child and want paid time off have the option of using any accrued sick days and vacation time they have available.

Many U.S. firms offer paid parental leave as part of their benefits package, making it difficult for the Federal Government to compete for and retain the best employees, which is particularly concerning given the large number of Federal employees likely to retire over the next few years.

The Federal Employees Paid Parental Leave Act (S. 354), introduced by Senator Webb, would permit Federal employees to substitute four weeks of paid leave among the 12 weeks of unpaid leave guaranteed by the FMLA, for the birth or adoption of a child. Employees would still be permitted to use any accrued annual or sick leave as well. Similar legislation (H.R. 626) passed the House on June 4, 2009, by a vote of 258-154. The cost of implementing paid parental leave is the key objection to these proposals.

Health and Wellness

According to OPM, worksite health and wellness programs improve employee health, lower overall health care costs, reduce absenteeism, and improve employee morale and productivity. Further, OPM has found comprehensive health and wellness programs have achieved returns on investment averaging a \$3 benefit for every \$1 in cost. Despite these benefits, the quality of worksite health and wellness programs across the Federal Government varies widely, and most or all, fall short of best-practice models found in the private sector.¹¹

¹¹ U.S. Office of Personnel Management Request for Quotations Solicitation number OPM10-10-R-0002 (February 2010), pg.3, available at https://www.fbo.gov/index?s=opportunity&mode=form&tab=core&id=29d8691fa1f21ed6f122901f0c5871c5&_cvi_ew=0

Worksite Wellness and the Federal Workforce

In a June 2009 memorandum on Fiscal Year 2011 budget and performance planning, OMB Director Peter Orszag stated the Obama Administration's strong support for wellness programs. He further directed all agencies and departments to promote health and wellness initiatives and to report on their steps to do so. Specifically, agencies were required to submit as part of their FY2011 Budget submissions, an inventory of their current wellness activities, including health clinics, cafeteria and fitness facilities, as well as any plans to enhance these programs. OMB and OPM plan to use these inventories to compile and promote best practices in Federal employee worksite wellness initiatives.¹²

OPM's Worksite Wellness Pilot

On May 12, 2009, President Obama met with business leaders to discuss innovative worksite wellness initiatives their corporations used to increase employee morale and productivity, while lowering costs associated with poor health, low retention, and absenteeism. Encouraged by these programs, the President asked OPM, OMB, the National Economic Council, and the Department of Health and Human Services, to work together to develop similar programs for the Federal workforce. This inter-agency task force developed a plan that included the creation of a prototype health and wellness program to serve as a model for future comprehensive worksite wellness programs that could be implanted across the Federal Government.

The interagency planning group developed two prototypes:

- Prototype A – sites characterized by comprehensive health and wellness programs staffed by nurse, health promotion specialists, physicians, and other health professionals. These are similar to successful private sector models, and far more advanced than current agency programs; and
- Prototype B – sites containing all the features above, with the addition of certain clinical services run by full-time physicians, nurse practitioners, or physician assistants. Services could include additional preventive screenings, diagnoses, and treatment interventions, in close collaboration with any existing primary care providers the employee may already have.

For the initial pilot program, OPM chose to develop a prototype A site at a Federal campus comprised of the DC offices of OPM, GSA, and the Department of the Interior. Services will be provided at all three agencies, which house approximately 5,000 Federal employees. OPM will select a service provider through the competitive bid process. This three-year contract will be performance-based, featuring one

¹² Peter R. Orszag, "Planning for the President's Fiscal Year 2011 Budget and Performance Plans" (June 11, 2009), available at http://www.whitehouse.gov/omb/assets/memoranda_fy2009/m09-20.pdf.

base year followed by two subsequent one-year option periods.¹³ The Department of Health and Human Services and OPM will be taking the lessons learned from this pilot to develop at least two more campus wellness pilots in 2011, one of which will likely be a prototype B site.

Feds Get Fit

In October 2009, OPM launched its FedsGetFit (FGF) initiative to raise awareness of the value of wellness and prevention. FGF is designed to be an interactive and fun way for Federal employees to participate in activities that promote a healthy lifestyle. To date, FGF has sponsored a work/life and wellness exposition to launch the program in Washington, DC, run/walk events in various cities, and a healthy recipe contest.¹⁴

Employee Assistance Programs

Federal agencies provide Employee Assistance Programs (EAP), which are free, voluntary, short-term counseling and referrals for various issues affecting employee mental and emotional well-being. These services are available to employees facing alcohol and other substance abuse, stress, grief, family problems, and psychological disorders. Services are confidential except in instances of suspected child abuse or neglect or when an employee commits or threatens to commit a crime that could harm someone or cause substantial property damage.¹⁵

HealthierFeds

OPM maintains a website [www.healthierfeds.opm.gov], which provides information and education to Federal employees and retirees about healthy living, individual responsibility for personal health, and best-treatment strategies. Through this website, OPM hopes to encourage healthier living by focusing on four pillars of health: physical activity, nutrition, prevention and healthy choices.

Additional Information

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- Executive Office of the President, Council of Economic Advisors, *Work-Life Balance and the Economics of Workplace Flexibility*, March 2010, *available at*

¹³ U.S. Office of Personnel Management Request for Quotations, Solicitation number OPM10-10-R-0002 (February 2010), pp. 3-5, *available at* https://www.fbo.gov/index?s=opportunity&mode=form&tab=core&id=29d8691fa1f21ed6f122901f0c5871c5&_cvi_ew=0.

¹⁴ FedsGetFit website, *available at* <http://www.fedsgetfit.gov>

¹⁵ Information about Federal employee assistance programs is *available at* http://www.opm.gov/Employment_and_Benefits/WorkLife/HealthWellness/EAP.

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- U.S. Office of Personnel Management Work-Life Web site, http://www.opm.gov/Employment_and_Benefits/worklife/index.asp.
- U.S. Office of Personnel Management and U.S. General Services Administration Interagency Telework Web site, www.telework.gov.
- Official Public Service Recognition Week Web site, www.publicservicerecognitionweek.org.

**Testimony of Cindy Auten
General Manager of Telework Exchange**

before the
**Senate Committee on Homeland Security and Governmental Affairs
Subcommittee on Oversight of Government Management,
the Federal Workforce, and the District of Columbia**

Hearing on
Work-Life Programs: Attracting, Retaining, and Empowering the Federal Workforce

May 4, 2010

Subcommittee Chairman Akaka, Ranking Member Voinovich, and Subcommittee Members: Thank you for the opportunity to submit a written testimony on the topic of work-life programs in the Federal government. We commend you for your efforts to recognize public service officials and the promotion of flexible work arrangements. Public Service Recognition Week is a great opportunity to thank each and every citizen that serves our country as government employees. It is fitting that today we are discussing ways to ensure that these employees are motivated, productive, and empowered to continue their service. As important, we must focus on how we can continue to recruit valuable employees. My name is Cindy Auten and I am the general manager of Telework Exchange, a public-private partnership focused on increasing awareness and adoption of telework in the Federal government. On behalf of Telework Exchange, its industry members, affiliates, and thousands of Federal, state, and local members, who all support moving the ball forward on government telework, we are pleased to participate in the discussion on attracting, retaining, and empowering the Federal workforce.

A few important facts. According to the Office of Personnel Management (OPM), 60 percent of the Federal government's non-seasonal full-time permanent workforce will be eligible to retire by 2016.¹ Further, a recent CIO Council report found that 63 percent of the Federal IT workforce is older than 45 years old and those aged between 17 and 44 years old are significantly unrepresented in the Federal IT workforce when compared to the general population.² This presents a challenge for all agencies – how to attract talent and retain knowledge.

Agencies are competing with other agencies and even with the private sector for talent. So, how can the Federal government remain competitive? Focus on workplace flexibility. Telework is a valuable tool in recruiting and retaining a knowledgeable workforce. Further, agencies have the opportunity to tap into a new workforce that spans across the country. Have no doubt, prospective employees are demanding telework. A 2007 study by Telework Exchange found that Generation Y is interested in flexible jobs that allow for family and personal lives – compressed work weeks/telework options are key job perks. Generation Y is 70 million strong and rapidly entering our nation's workforce. They work to live, not live to work, and want flexible jobs that provide balance. Participants in the study believe telework is, and should be, a priority and said that if they didn't have telework, they would think twice about their career in the government.³

¹ Office of Personnel Management, "An Analysis of Federal Employee Retirement Data," March 2008.

² CIO Council, "Net Generation: Preparing for Change in the Federal Information Technology Workforce," April 2010.

³ Telework Exchange, "Generation Y in the Federal IT Workplace", November 15, 2007

As agencies continue to look for ways to increase recruitment and retention within the Federal government, telework must be a top priority. With less than 10 percent of eligible Federal employees teleworking, Telework Exchange believes that significant progress has yet to be made to establish telework as a mainstream standard operating procedure in the Federal government.⁴ We commend the administration's focus on telework and setting a goal for a 50 percent increase in telework by FY 2011. Director John Berry at OPM, Federal Chief Technology Officer Anesh Chopra at the White House, and Administrator Martha Johnson at General Services Administration are blazing the trail for greater telework adoption and we praise them for their leadership. Telework brings benefits to agencies, employees, and the region alike. It is a win-win-win proposition – focusing on the work, not where employees work. Telework Exchange strongly supports S. 707, The Telework Enhancement Act of 2009, as a common-sense proposal to encourage telework expansion in the Federal government.

About Telework Exchange

Telework Exchange is a public-private partnership focused on eliminating telework gridlock. We focus on demonstrating the tangible value of Federal telework initiatives, serving the emerging education and communications requirements of the Federal teleworker community, and measuring Federal agencies' progress on telework requirements. Telework Exchange is an online community that features news and resources at www.teleworkexchange.com, including:

1. **Commuting Costs and Telework Savings Calculators:** Telework value calculators tally Federal telework potential cost savings and environmental dividends as well as provide a mechanism to gauge Federal agencies' relative telework performance
2. **Online Telework Eligibility Gizmo:** Used in tandem with Telework Exchange's Commuting Costs and Telework Savings Calculators, the Online Telework Eligibility Gizmo empowers employees to make an integrated business case for telework to management. Telework Exchange conducted an analysis of Federal agencies' telework eligibility policies and found that a consistent framework or eligibility criteria does not exist. We thus created an Online Eligibility Gizmo, a quiz-based calculator that helps employees cut through the double-speak and ambiguity surrounding their eligibility to telework. The Online Eligibility Gizmo is available at www.teleworkexchange.com/gizmo
3. **Resource Center:** Includes a repository of Telework Exchange-conducted research on telework hot button issues such as management resistance, business continuity, technology, security, employees with disabilities, and environmental stewardship
4. **The Teleworker:** A quarterly news resource reporting exclusively on Federal telework. The Teleworker is available online at www.teleworkexchange.com/teleworker-03-10.asp and is distributed free to thousands of government employees

In addition, Telework Exchanges also hosts bi-annual Town Hall Meetings and an annual awards program to recognize and honor excellence in government telework. We meet regularly with Federal government employees who manage telework programs and thus believe we are in a unique position to serve as an information clearinghouse to facilitate sharing knowledge and best practices about telework. We design all of our programs to increase telework awareness and adoption to establish telework as a mainstream standard operating procedure in the Federal government.

⁴ Office of Personnel Management, "The Status of Telework in the Federal Government 2009."

Benefits of Telework

Based on the 2009 OPM Status of Telework in the Federal Government Report, 91 percent of eligible employees are not teleworking.⁵ We firmly believe telework is a win-win proposition for Federal agencies and employees through the varying benefits it provides.

Benefits to Federal employees:

- Reduced commuting time. Telework Exchange research finds that the average Federal employee spends 245 hours commuting each year, but can get 98 hours of their life back by teleworking two days per week.⁶
- Reduced commuting costs. Telework Exchange research shows that teleworking one day per week delivers approximately \$2,000 in savings to each teleworker annually.⁷
- Flexibility to manage work/life balance. Telework Exchange research finds Americans spend more time commuting than on vacation.⁸
- Maintained performance and productivity. Telework Exchange research highlights that 66 percent of managers who manage teleworkers find that teleworkers are as productive as their in-office counterparts.⁹

Benefits to Federal employers:

- Personnel recruitment and retention. Research by Telework Exchange finds that compressed work weeks/telework options are key job perks.¹⁰ Further, as stated in the White House's Forum on Workplace Flexibility in March 2010, it costs approximately \$40,000 to bring in a new employee.¹¹ Agencies need to consider their employees' needs and focus on providing better flexibility. Retaining employees saves money and drives productivity.
- Providing job opportunities to Americans with disabilities. A recent Telework Exchange and Federal Managers Association study found that 84 percent of respondents believe their organization offers reasonable accommodations for employees with disabilities, yet few offer telework, technical support, job-share options, or personal care assistance. Agencies must offer improved physical, access, communications, and technical accommodations. Telework provides a unique opportunity to tap into this workforce.¹²
- Business continuity. During both minor events, such as a snow storm, and major events, such as when an agency building is unusable, agencies can use telework to continue operations. Most recently, OPM Director John Berry reported that the Federal government saved approximately \$30 million a day in productivity by teleworking during the snow storms. Telework is a way to keep government and businesses running under difficult circumstances like weather emergencies or pandemics.
- Reduction of office space requirements. The United States Patent and Trademark Office reports that telework has enabled the agency to avoid \$11 million in additional office space costs.¹³

Benefits to the environment:

- Less traffic on already congested roads
- Reduced wear and tear on all modes of transportation

⁵ Office of Personnel Management, "The Status of Telework in the Federal Government 2009."

⁶ Telework Exchange, "Federal Telework: No Free Ride," November 16, 2005.

⁷ Telework Exchange, "What We Saved; What We Learned," September 3, 2009.

⁸ Telework Exchange, "Federal Telework: No Free Ride," November 16, 2005.

⁹ Telework Exchange, "Face to Face with Management Reality – A Telework Research Report," January 22, 2007.

¹⁰ Telework Exchange, "Generation Y in the Federal IT Workplace," November 15, 2007.

¹¹ The White House, "Forum on Workplace Flexibility," March 31, 2010.

¹² Telework Exchange and Federal Managers Association, "Unnecessary Barriers," March 29, 2010.

¹³ United States Patent and Trademark Office, "2008 Telework Annual Report," 2009.

- Reduced greenhouse gas emissions. Telework Exchange research finds that if all Federal employees who are eligible to telework full time were to do so, Federal employees could eliminate 21.5 billion pounds of pollutants out of the environment each year.¹⁴ Bob Perciasepe, deputy administrator at the Environmental Protection Agency said, "The impact on carbon footprints is important. If the Federal government is going to make progress, we are going to need to look at vehicle miles traveled to come to work every day. One of the ways we are going to accomplish that is not only through mass transit, but through more flexibility and how and where our employees work."¹⁵

Conclusion

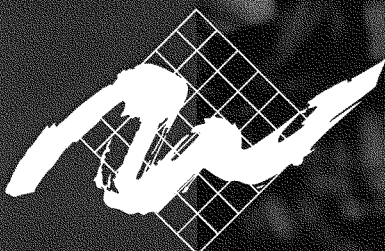
Mr. Chairman, we sincerely hope that flexible work arrangements, including telework, continue to gain momentum in the Federal government. As you can see, telework provides the Federal government a unique opportunity to remain competitive and to ensure employees maintain work/life balance. This week, we are honoring Federal, state, county, and local government employees for their service and dedication to the American people. Telework empowers and motivates this critical community to ensure that they remain productive, ready, willing, and able to continue to serve our nation. We stand ready to discuss our initiatives and recommendations, and we look forward to working with you and the Committee to bring about additional improvements to telework in the Federal government.

¹⁴ Telework Exchange, "Telework Eligibility Profile: Feds Fit the Bill," February 19, 2008.

¹⁵ Spring 2010 Telework Exchange Town Hall Meeting, "Reducing Government's Carbon Footprint," April 8, 2010.

The Need for Paid Parental Leave for Federal Employees: Adapting to a Changing Workforce

Kevin Miller, Ph.D., Allison Suppan Helmuth, and Robin Farabee-Siers



Institute for Women's Policy Research

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About the Institute for Women's Policy Research

The Institute for Women's Policy Research (IWPR) conducts rigorous research and disseminates its findings to address the needs of women, promote public dialogue, and strengthen families, communities, and societies. The Institute works with policymakers, scholars, and public interest groups to design, execute, and disseminate research that illuminates economic and social policy issues affecting women and their families, and to build a network of individuals and organizations that conduct and use women-oriented policy research. IWPR's work is supported by foundation grants, government grants and contracts, donations from individuals, and contributions from organizations and corporations. IWPR is a 501(c)(3) tax-exempt organization that also works in affiliation with the women's studies and public policy programs at The George Washington University.

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The Need for Paid Parental Leave for Federal Employees: Adapting to a Changing Workforce

Kevin Miller, Ph.D., Allison Suppan Helmuth, and Robin Farabee-Siers

Executive Summary

Facing Workforce Challenges

The federal government, unlike many large private employers, does not provide paid parental leave to its employees. The federal government is the largest single employer in the United States, but federal employees are significantly older and better educated than private sector workers and have already begun retiring at an increasing rate. The departure of many baby boomers from the federal workforce will require the government to recruit and retain younger workers, who expect more job flexibility than workers from previous generations.

The Federal Employees Paid Parental Leave Act would provide four weeks of paid leave for federal workers who adopt, foster, or have a child. This report discusses the role that providing paid parental leave to federal employees could play in addressing federal workforce challenges. Providing paid parental leave for federal workers is expected to improve recruitment and retention of young workers, preventing \$50 million per year in costs associated with employee turnover.

Recruiting Young Workers

- ▶ Employers increasingly recognize that young workers place a priority on finding jobs that accommodate their family and personal lives.
- ▶ Two-thirds of college students say that balancing work and family is a priority for them.
- ▶ Work-family balance is valued by both men and women, especially those with children.
- ▶ Younger workers increasingly make up a larger proportion of the workforce.
- ▶ Companies attract a broad range of workers by providing benefits that meet the needs of younger workers with families.

Competing with the Private Sector

- ▶ Overall, federal employees are less satisfied with their jobs and employers than are employees of private companies, and federal sick and vacation benefits are not substantially greater than those offered at large corporate employers.
- ▶ Paid parental leave is part of strategy employed by many companies to improve recruitment and retention of employees.
- ▶ About three-quarters of the Fortune 100 offer maternity leave (median amount of six to eight weeks) and a third of Fortune 100 companies offer paid paternity leave.
- ▶ *Working Mother* magazine's 100 best companies for working mothers all offer paid maternity leave and most offer other workplace flexibility benefits such as telecommuting, flextime, and part-time phase-back scheduling.
- ▶ Three-fourths of the companies on the *Working Mother* list also provide paid leave for new fathers.

Addressing a Gap in Benefits

- ▶ Federal employee satisfaction with work-life benefits averages 43%, compared to 86% satisfaction with vacation and sick time; younger workers are less satisfied than older workers with the paid leave they receive.
- ▶ Workers newer to federal service need more than four years of service to accrue enough sick leave to take twelve weeks of parental leave with pay.
- ▶ Complications from pregnancy and childbirth can deplete accrued sick leave, requiring new parents to take unpaid leave.
- ▶ High-quality, affordable child care for infants is very difficult to find, and having a child is estimated to cost families \$11,000 in a child's first year of life alone.

Keeping Parents in the Workforce

- ◆ New mothers who are able to take leave are more likely than those without leave to return to work within three months of giving birth.
- ◆ Women with paid parental leave are more likely to return to the same employer after the birth of a child.
- ◆ When Aetna increased the length of its maternity leave, retention of new mothers increased from 77% to 91%.
- ◆ Workplace flexibility improves workers' commitment to their employer, and work-life balance is a leading concern cited by employees deciding to remain with their employer.

Reducing the Costs of Turnover

- ◆ Improved employee retention would yield significant savings for the federal government.
- ◆ The costs of turnover result from recruiting new employees, the low productivity of new workers, drains on the productivity of colleagues and supervisors, human resources processing, training, and the productivity lost between the departure of an employee and the hiring of a replacement.
- ◆ OPM data show that in 2008, women of childbearing age were 31% more likely to quit federal employment than were men of the same age.
- ◆ IWPR calculates that the federal government could prevent 2,650 departures per year among female employees by offering paid parental leave, preventing \$50 million per year in turnover costs.

Introduction

In many regards, the federal government is viewed as exemplary in its provision of employee benefits. When it comes to parental leave, however, it lags behind the private sector—the federal government provides no paid parental leave to its workers. The Federal Employees Paid Parental Leave Act (FEPLA, H.R. 626/S. 354), introduced by Representative Carolyn Maloney and Senator Jim Webb in early 2009, would provide four weeks of paid leave for use after the birth, adoption, or fostering of a child to most employees of Congress and federal agencies who are already eligible to take unpaid parental leave under the Family and Medical Leave Act (FMLA).¹ Members of the armed forces would not be covered, but already receive six weeks of paid parental leave.

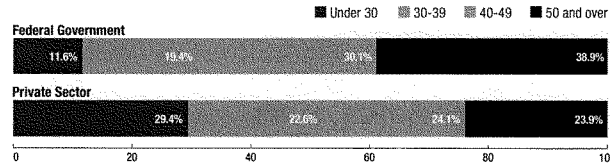
In the coming years, the federal government will face unprecedented challenges in maintaining its highly skilled workforce. In 2008, the U.S. Office of Personnel Management (OPM) predicted that 36 percent of the federal workforce employed as of 2006—more than 566,000 workers—would be eligible for retirement by 2010 (U.S. Office of Personnel Management 2008a). Younger workers demand greater work-life flexibility, and while many private sector companies are leading the way with paid parental leave packages, the current federal benefits do not meet younger workers' needs. The Federal Employee Paid Parental Leave Act of 2009 would enable the government to improve employee health and morale, reduce the cost of employee turnover, and recruit and maintain a highly skilled workforce.

The U.S. Government Faces Unprecedented Challenges in Maintaining its Highly Skilled Workforce

The civilian federal government employs more workers—almost 2 million who would be eligible for benefits under FEPLA—than any other employer in the United States (Bureau of Labor Statistics 2008). In 2008, the U.S. Office of Personnel Management estimated that of the employees in the federal workforce as of 2006, more than 566,000 will be eligible for retirement by 2010 and nearly one million will be eligible for retirement by 2016. Between 2006 and 2016, more than 586,000 federal employees will have retired (U.S. Office of Personnel Management 2008a). The retirement of baby boomers will impact the federal government more heavily than it will impact the private sector due to the greater proportion of employees over age 45 employed in the federal government (58 percent versus 41 percent in the private sector) (Partnership for Public Service 2008). As Table 1 shows, more than two-thirds of federal employees are older than 40 and almost 40 percent are older than 50.

These upcoming retirements present a challenge for re-staffing many positions in the federal workforce, but will cause a substantial drain on supervisory workers in particular, 58 percent of whom will be eligible for retirement by 2011, compared with 42 percent of non-supervisory personnel (Bureau of Labor Statistics 2009). The rate of retirement in the federal workforce has been increasing for some time. Between 2002 and 2006, the annual rate of departing employees increased by 34 percent and voluntary retirement of full-time employees increased by almost 50 percent (Partnership for Public Service 2008).

Figure 1. Federal Government Workers Are Older than Private Sector Workers



Source: Partial reproduction of "Figure 2: Educational Attainment of Workers in Private and Government Sector, 2006" in Stuart Greenfield's *Public Sector Employment: The Current Situation*; used with permission (Greenfield 2007).

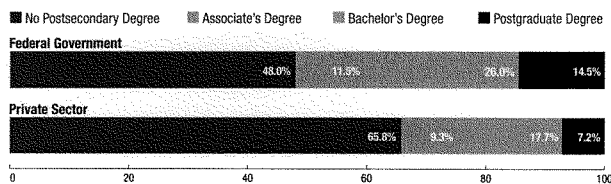
¹ In order to be eligible for benefits under FEPLA, employees must have been a federal employee for at least a year. District of Columbia employees, workers who work less than 1,250 hours a year, postal workers, employees of the Federal Aviation Administration, and some others are not eligible for benefits under FEPLA.

This exodus of baby boomer workers will create an unprecedented recruitment challenge that may be difficult for the federal government to meet. According to a 2003 General Accounting Office report, it takes more than three months, on average, to fill a competitive federal position, and by the time an agency responds to applications, as few as 1 in 20 applicants are still interested in a position (General Accounting Office 2003). One survey found that more than two-thirds of college students said they would not wait more than one month to receive a job offer from the federal government (Partnership for Public Service 2005). Max Stier (2007), an expert on federal employment and the President and CEO of the Partnership for Public Service, has noted that the government is not well connected with private-sector job seekers and tends to recruit from within, making it more difficult to recruit new workers or replace workers who have left the federal workforce.

The federal government's recruitment task is made more difficult by the high average skill level of the federal workforce. Table 2 shows the percentage of employees with post-secondary education in the private and public sectors. Forty percent of federal employees have at least a bachelor's degree, compared with only 25 percent of private sector workers.

Federal employment is strongly slanted toward professional occupations—66 percent of employees are in management, business, financial, or professional occupations, compared with 30 percent of private-sector workers—and the share of professional employment in the federal government is projected to increase (Bureau of Labor Statistics 2009). Most of the 273,000 new hires that it is estimated the federal government will need to hire between 2009 and 2012 will be in the fields of medicine and public health; law; program management and administration; compliance and enforcement; and security and protection (Partnership for Public Service 2009). The Partnership for Public Service (2006) reports that "all sectors of the American economy are increasingly competing with each other for pools of talent that will not grow substantially in size for the foreseeable future" (7). Despite the current recession, which has created a surplus of workers at most skill levels, analyses have concluded that demographic trends will continue to create more demand for skilled workers without a corresponding increase in supply (Aspen Institute 2002; Holzer and Lerman 2009).

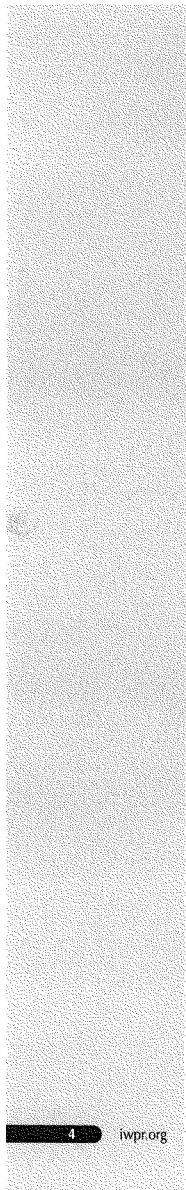
Figure 2. Federal Government Workers Are More Highly Educated than Private Sector Workers



Source: Partial reproduction of "Figure 2: Educational Attainment of Workers in Private and Government Sector, 2006" in Stuart Greenfield's *Public Sector Employment: The Current Situation*; used with permission (Greenfield 2007).

Younger Workers Demand Greater Work-Life Flexibility

Using comprehensive benefits packages to attract top talent is likely to appeal to younger workers who will dominate the workforce in the coming years. While federal government employment has traditionally been viewed as very secure and that reliability has been very important to older generations of workers, younger workers have other priorities and values in addition to job security that they value in the workplace (Smola and Sutton 2002). Surveys have shown that people of all generations, but especially the youngest workers, are far less likely to endorse traditional gender roles relating to work and family responsibilities. Men in particular are now substantially more likely to be concerned with balancing work and family concerns than they once were (Galinsky, Aumann, and Bond 2009). James Craft, Professor of Business Administration at the University of Pittsburgh, has noted that employers are



increasingly aware of this generational shift in priorities and use flexible scheduling to attract younger workers (Aratani 2008).

Approximately two-thirds (63 percent) of college students find the opportunity to balance work and family to be an attractive aspect of federal employment. It is even more compelling for Hispanic and African-American students (69 and 68 percent, respectively; Partnership for Public Service 2006). Furthermore, both women and men value work-life balance. A study of over 400 working fathers found that 73 percent would be stay-at-home parents if it were financially feasible and less than half think their employers allow working fathers to balance work and family adequately. The study also found that more than 85 percent of fathers view prospective employers more positively if they offer paternity leave (Esola 2008).

The demand for workplace policies that allow workers to balance career and family is likely to increase as younger workers become a larger share of the total workforce. The Bureau of Labor Statistics (2004) estimates that there will be a nine percent increase in the number of workers under age 24 by 2012, while the proportion of the workforce in the age category of 35 to 44 will decrease by four percent, making younger workers a more dominant workforce group.

In addition, women, who still bear the majority of caregiving responsibilities in families, are likely to make up a greater share of the highly skilled workforce as time goes on. Women already make up an increasing majority of those receiving bachelor's and master's degrees and they are expected to begin receiving the majority of doctoral and professional degrees within the next few years (U.S. Department of Education 2008). Along with the rapid retirement of baby boomers and the trend for younger men to value work-family balance more highly, these changes will make finding and retaining qualified workers a significant challenge for employers who lack competitive work-life policies.

Offering a more flexible workplace and comprehensive benefits package may be the key to recruiting and retaining these younger workers. Melissa Proffitt Reese, Linda Rowings, and Tiffany Sharpley (2007) write in *Employee Benefit Plan Review* that "organizations should no longer rely on the traditional benefit plan structures and features. To be competitive and attract the best and brightest workforce, employers must create innovative benefit packages that appeal to a broad range of workers" (25). Offering paid parental leave would move the federal government in the direction of comprehensive work-life benefits that would attract younger, more family-oriented workers.

Private-Sector Benefits Increasingly Match or Exceed Federal Benefits

Better work-life policies would increase employee satisfaction not only among younger federal workers, but across the age spectrum. Results from the 2008 Federal Human Capital Survey reveal that federal workers overall are unsatisfied with the work-life benefits offered by their employers. While employees' satisfaction with benefits like health insurance and vacation time has increased or stayed the same since 2004, the percentage of federal employees who are satisfied with the work-life benefits offered by their employers is notably low—satisfaction with federal work-life programs has decreased by 6 percentage points in the last five years, and overall, private-sector workers are more satisfied with their employers than are federal employees (U.S. Office of Personnel Management 2008b).

Government employees receive health, retirement, and other benefits that are comparable to those received by the employees of most large companies. Like the staff of other large employers, federal workers with one year of employment tenure are allowed up to 12 weeks annually of job-protected, unpaid leave under the Family and Medical Leave Act (Department of Labor 2009). Federal workers also receive paid annual (vacation) leave at a rate of 13 days per year for those with fewer than three years of employment tenure, 20 days for those with at least three but less than 15 years, and 26 days a year for those with 15 or more years. Federal workers receive 13 paid sick days per year (U.S. Office of Personnel Management 2009a).

These federal benefits do not substantially exceed benefits provided by private sector employers, however. Eighty-six percent of workers employed by companies with 100 or more employees have paid vacation (Bureau of Labor Statistics 2008b). The average vacation time provided by large employers ranges from 11 days per year for workers with one year of job tenure to 22 days per year for workers with 20 years of job tenure (Bureau of Labor Statistics 2008c). In addition to paid vacation, 50 percent of employees in large companies have paid personal days, a benefit not provided to federal employees (Bureau of Labor Statistics 2008b).

The majority of the most competitive private-sector companies offer paid parental leave as part of a comprehensive benefit package. In 2008, the Joint Economic Committee surveyed Fortune 100 companies and found that nearly three-quarters (74 percent) of the responding companies offered a specific paid parental leave program to new mothers, with the median length of leave being six to eight weeks (Joint Economic Committee Majority Staff 2008). The length of paid leave offered to fathers was typically less, averaging approximately two weeks, with one-third (32 percent) of Fortune 100 companies offering paid parental leave for fathers. Forty percent of the responding companies offered more unpaid leave time than that required by the Family and Medical Leave Act in addition to paid leave.

A quarter of the Fortune 100 companies appear on *Working Mother* magazine's list of "100 Best Companies for Working Mothers" (Joint Economic Committee Majority Staff 2008). All the *Working Mother* 100 Best Companies offer paid maternity leave. Leave benefits among the "100 Best Companies for Working Mothers" range from fully or partially paid leave before and after the birth or adoption of a child to options for telecommuting, flextime, and part-time phase-back scheduling following a period of leave. Some companies offer as many as 18 weeks of paid leave to mothers.

Most companies offer four or more weeks of paid maternity leave, and 75 percent of the 100 Best offer paid paternity leave to fathers. The top 10 companies offer an average of 4 weeks of paid paternity leave and 32 additional weeks of job-guaranteed unpaid leave (Best 100 Companies for Working Mothers 2008).

Paid parental leave, as part of a comprehensive benefits package, is one way that private sector employers distinguish themselves in competition for employees. According to an article in *Compensation and Benefits Review*, work-life balance is a "particularly fertile area for companies to differentiate themselves" to attract new employees and improve employee retention. It reduces the pressure on employers to invert pay (offering new employees higher salaries than those who have worked with the company for years) and attracts employees based on a broad benefits package rather than primarily on a high salary (McNatt, Glassman, and McAfee 2007). Employers who offer a wider range of benefits often report doing so for the bottom-line impact obtained through improved recruitment and retention (Pickering 2002).

Existing Federal Benefits Don't Meet the Needs of New Parents

Though existing federal leave benefits may be adequate for many workers, these benefits may be insufficient to meet workers' needs in connection with pregnancy, childbirth, or the demands of the adoption process. In addition to using paid sick days and paid vacation time for the same purposes as other workers (e.g. illness, family emergencies, or vacation), pregnant women must visit the doctor frequently. In developed countries, women typically make between 8 and 11 doctor visits during pregnancy (Institute for Clinical Systems Improvement 2008). In addition, the American Academy of Pediatrics (2008) recommends seven medical check-ups in a baby's first year of life, with three in the first month. These routine doctor visits, along with any complications from birth or infant health problems, can require both mothers and fathers to take leave from work.

Complications resulting from birth can further deplete accrued sick leave—studies have shown that complications can continue for several weeks after the birth of a child. In particular, women who give birth by cesarean section may not be fully recovered from surgery for at least five weeks, and caring for a newborn reduces the ability of the mother to rest and recuperate (McGovern et al. 2006). Because it provides more time for the mother to recover from childbirth, paid parental leave is likely to have positive, long-term impacts on both physical (McGovern et al. 1997) and mental (Hyde et al. 1995) maternal health.

The limitations of existing paid leave for federal employees typically will be most noticeable for younger employees. While older federal workers with more job tenure have more accrued paid sick leave and more yearly paid vacation time, younger employees are the ones most likely to have children and need leave—the mean age for first births in the United States is 25 (Martin et al. 2009).

Table 1 shows the sources and likely uses of paid leave for a current federal employee trying to accumulate twelve weeks of paid parental leave to use during FMLA-guaranteed leave time. Assuming an employee takes only 2 weeks of annual vacation leave per year and utilizes only 3 sick days per year, that federal employee will accumulate 13 days of paid leave per year for the first 3 years he or she is employed by the federal government (this increases to 20 days per year for the next 12 years.)

Accruing 12 weeks of paid leave for use under FMLA would take more than four years from an employee's date of hire. This calculation does not, however, account for the use of sick leave for personal or family illness beyond the average use of three days (IWPR analysis of the 2007 National Health Interview Survey), the use of sick leave to address complications that may occur during pregnancy, or the use of sick leave to address infant health problems that may occur after birth, adoption, or foster placement. Any of these eventualities could substantially reduce the amount of paid leave available for new parents. In the event of an unplanned pregnancy, an unexpectedly quick adoption process, or a sudden foster placement, parents may be left with very little paid leave for parental leave and may need to take unpaid leave or return to work after only a short period of time.

Table 1. Current Sources and Likely Uses of Leave for a Federal Employee Attempting to Accrue Twelve-Weeks of Paid FMLA Leave

Leave Needed	Number of Days
Twelve weeks parental leave	60 days
Prenatal doctor visits	Equivalent of 2 days
Well child checkups	Equivalent of 1 day
<i>Total Leave Need:</i>	<i>63 days</i>
Sources of Paid Leave	Amount
Annual (vacation) leave	13 days per year for first 3 years, then 20 days per year
Assumed vacation use	Average use of 10 days per year
Annual sick leave	13 days per year
Assumed sick leave use	Average use of 3 days per year
<i>Annual Leave Accrual:</i>	<i>13 days accrued per year for first three years, then 20 per year</i>
Unforeseen Needs for Paid Leave	Amount
Pregnancy complications	Unpredictable
Other personal or family illness	Unpredictable
New child's medical needs	Unpredictable
<i>Approximate time to accrue leave: 4.2 years, barring unforeseen leave needs</i>	

Sources: U.S. Office of Personnel Management; Institute for Clinical Systems Improvement; American Academy of Pediatrics; Institute for Women's Policy Research analysis of 2007 National Health Interview Survey data.

Returning to work soon after birth or adoption may not be a realistic option for many employees, not only because of complications that may necessitate rest and recuperation for several weeks, but also because of difficulty finding outside care for young infants. Most child care centers do not accept young infants. Of the 27 child care centers for federal employees administered by the General Services Administration in the National Capital Region (the District of Columbia and surrounding counties in Maryland and Virginia), none accept infants under six weeks of age. The average age at which infants are eligible for care is nine weeks, but more than one-third of these centers do not accept children less than three months of age (U.S. General Services Administration 2009). Hiring a nanny or other private, in-home source of care for this period may be prohibitively expensive for many families.

Given the high cost of having a child—estimated at \$11,000 in a child's first year of life (Lino 2008)—federal workers without enough accrued paid leave will be placed in a difficult financial position. Returning to work soon after birth or adoption may be an option for those with family members who can care for their children, but for those who lack access to caregivers able and willing to work at low cost or for free, arrangements may be difficult to make. Taking unpaid leave can deprive families of urgently needed funds at the moment costs are highest, and quality private child care options are scarce and expensive (California Child Care Resource and Referral Network 2007). New parents without adequate paid leave may find it simpler to leave the workforce temporarily or may find private sector work alternatives more conducive to balancing work and family roles.

Workers with Paid Leave are More Attached to their Employers

Research has shown that workers—especially new mothers—with paid leave are more likely to remain with their employers than employees who lack paid leave, resulting in reduced employee turnover and lower replacement costs. Independent of their feelings of loyalty or attachment to their employer, employees about to have a child must make opportunity cost decisions when considering what type of leave, if any, to take, and whether it is cost effective to return to work. Having a child means that working brings with it an additional cost—that of child care.

A report from the U.S. Census Bureau found that the type of leave arrangements available to women after the birth of a child is a factor in their decision to continue working. Analysis of a sample of women whose first birth occurred between 2000 and 2002 revealed that 44 percent of women with some form of leave returned to the workforce within three months of giving birth, compared to 23 percent of women without leave (Johnson 2008). Another U.S. Census Bureau report found that women with *paid* leave are more likely to return to the same employer than those with *unpaid* leave, indicating that receiving pay during leave is a key factor contributing to the ability and motivation of women to remain with the same employer (Smith, Downs, and O'Connell 2001).

Longer leaves have been found to significantly decrease job attrition in a random sample of employed pregnant women in the United States (Glass and Riley 1998), a finding replicated in cross-national studies (Waldfoegel, Higuchi, and Abe 1999). When Aetna increased the length of its maternity leave, the proportion of new mothers returning to work after having a baby increased from 77 percent to 91 percent (Institute for a Competitive Workforce 2008). When paid leave policies are in place, women who might have otherwise chosen to quit are more likely to continue working, partly because the overall cost of continuing to work decreases, since the cost of child care is reduced (Joesch 1997).

There is substantial evidence that organizational commitment to helping employees balance the demands of work and family has positive effects for employers and employees. Corporate surveys show that greater attention to workplace flexibility substantially improves workers' commitment to their employer (Corporate Voices for Working Families 2005). Flexible workplace policies are strongly associated with higher levels of job satisfaction among employees with family commitments (Scandura and Lankau 1997). Workplaces that implement flexible working arrangements also see positive effects on productivity and morale—in one survey, high-performance employees at a technology company ranked flexibility second only to compensation in their decision to remain with the company (Rodgers 1992).

Despite the efforts of the federal government to help its employees balance work and family, results from the 2008 Federal Human Capital Survey show that federal workers are not satisfied with the work-life benefits provided to them. Compared to satisfaction with insurance benefits, paid vacation, and paid sick leave, federal employees are substantially less satisfied with child care subsidies, work-life program offerings, telecommuting, and alternative work schedules. Satisfaction with these benefits averages only 43.4 percent², while satisfaction with currently-provided paid leave—vacation and sick time—stands at 86.0 percent (U.S. Office of Personnel Management 2008b). Paid parental leave may help bridge the gap between high levels of satisfaction with currently offered paid leave and low levels of satisfaction with the work/family and workplace flexibility programs offered to federal workers.

Reducing Turnover Can Save the Federal Government Money

Though providing paid parental leave for federal employees will clearly require additional government expenditures, IWPR estimates show that the program would yield substantial economic and organizational benefits to the federal government. The Congressional Budget Office (2008) estimates that the average benefit payment for maternity leave under FEPLA would range from \$2,600 to \$5,100, depending on a worker's earnings; for paternity leave, the range would be \$2,800 to \$5,800, for those taking the full four weeks of leave.

² Satisfaction is calculated by dividing the number of 'satisfied' and 'very satisfied' responses by the total responses among those workers with a basis to judge the benefit. For instance, only 9.1 percent of federal employees were satisfied or very satisfied with child care subsidies, but 63.7 percent said they had no basis on which to judge. This was recorded as a satisfaction rate of 25.1 percent – 9.1 percent divided by the 36.3 percent who offered a response for that survey item.

Improved employee retention would yield substantial government savings by reducing the costs associated with staff turnover. Recruiting new employees, the relatively low productivity of new hires, drains on the productivity of colleagues and supervisors, human resources processing time, training, and lost productivity between the departure of an employee and the hiring of a replacement are all real costs to employers (Phillips 1990). Providing paid parental leave helps to reduce these costs by improving retention of employees that might otherwise choose to leave the workforce either temporarily or permanently.

Calculating a dollar value for turnover costs is complex, but numerous studies have generated turnover cost estimates. Turnover costs vary widely across fields and job positions, with higher costs to replace employees who are highly educated or hold positions requiring specialized knowledge. One study conducted in the 1990s estimated that costs of turnover for hotel workers, for example, ranged from \$1,300 to replace a line cook to \$7,700 to restaff an administrative assistant position (Hinkin and Tracey 2000). Turnover costs for public school teachers vary by district between \$4,400 to \$18,000 per teacher (Barnes, Crowe, and Schaefer 2007). Appelbaum and Milkman (2006) found the cost of turnover varied widely among professionals, with costs of \$8,500 to \$13,000 to replace a financial professional and costs of \$80,000 to \$90,000 to replace senior managers at a construction company.

IWPR analysis of government data suggests that paid parental leave would improve retention, especially for female employees, since women still tend to bear most of the caregiving responsibility within families. IWPR analyzed data from the U.S. Office of Personnel Management (2009b) on the number of federal employees quitting federal service in 2008 to determine the relative departure rates for men and women. The data show that women of childbearing age were substantially more likely to leave federal employment than were men of the same age. Whereas 5.8 percent of men under age 49 employed by the federal government voluntarily quit in 2008, 7.6 percent of women in the same age group did so—a relative difference of 31 percent between women and men. Among employees age 50 and over, however, the difference is small, with a quit rate of 1.6 percent for men and 1.7 percent for women, a relative difference of only 5 percent. For example, if women of childbearing age had quit at a rate only 5 percent higher than men of the same age, the federal government would have retained an additional 8,000 employees in 2008.

Providing paid parental leave would almost certainly narrow the gap between male and female retention rates among federal employees. An additional IWPR analysis (Table 2) estimates the possible reduction in turnover costs to the federal government associated with reducing the departure of female employees of childbearing age by providing paid parental leave.³

Using national fertility data and OPM employment data, IWPR estimates that women employed by the civilian federal government give birth to about 19,000 children per year. Average per-employee turnover costs were estimated at between \$4,500 and \$25,000—with consideration of the comparability of position types between federal positions and those for which costs were estimated in the turnover studies mentioned above (Hinkin and Tracey 2000; Barnes, Crowe, and Schaefer 2007; Appelbaum and Milkman 2006). Estimated turnover costs are higher for older employees, whose employee pay grade and salary are higher. It was assumed that providing paid parental leave would result in a 14 percent reduction in turnover, equivalent to that experienced by Aetna when it increased the length of its existing maternity leave (see above). IWPR estimates that the federal government would save more than \$50 million per year by preventing the departure of 2,650 women of childbearing age. This number represents a potential savings associated with a reduction of only one-third in the relative difference between departure rates for federally employed men and women of childbearing age.

³ Due both to the higher quit rate among women and to the inapplicability of existing data to the departure of male employees, the benefits of reduced turnover are calculated only for female employees.

Table 2. Annual Turnover Savings from Reducing the Departure of Female Federal Employees of Childbearing Age by Offering Paid Parental Leave

Age Range (1)	Female Federal Employees ^a (2)	Adjusted Birth Rate ^b (3)	Annual Births (4)	Average Salary ^c (5)	Turnover Cost as Percent of Salary ^d (6)	Turnover Cost per Departure (7)	Departures Prevented ^e (8)	Turnovers Savings (9)
<20	4,016	20.6	83	\$23,408	20%	\$4,682	12	\$54,000
20-24	28,594	72.1	2,062	\$34,345	25%	\$8,586	289	\$2,479,000
25-29	62,002	91.9	5,698	\$53,006	30%	\$15,902	798	\$12,685,000
30-34	70,111	79.7	5,588	\$58,855	35%	\$20,599	782	\$16,116,000
35-39	87,413	43.2	3,777	\$60,554	40%	\$24,221	529	\$12,809,000
40-44	113,932	11.7	1,335	\$61,350	40%	\$24,540	187	\$4,588,000
45-49	145,426	3.0	443	\$61,402	40%	\$24,561	62	\$1,524,000
Totals:	511,494		18,987				2,658	\$50,255,000

^a U.S. Office of Personnel Management: FedScope Federal Human Resources Data for 2008.

^b Birth rates by age range are adjusted by IWPR according to the national fertility rate for employed women (42.9 births per 1,000 women) relative to the overall national rate (54.9 births per 1,000 women). Source: United States Census Bureau, Fertility of American Women: 2006 (Dye, 2008).

^c U.S. Office of Personnel Management: FedScope Federal Human Resources Data for 2008. OPM data specifies only employee pay grade information; salaries correspond to step 2 of federal pay grades.

^d Estimated by IWPR based on comparability of federal positions with existing turnover cost estimates; see page 9.

^e Based on a 14 percent reduction in turnover among employees giving birth as experienced by Aetna (Institute for a Competitive Workforce 2008), multiplied by column 4.

Column 4 is calculated by multiplying columns 2 and 3, and divided by 1,000. Column 7 is calculated by multiplying columns 5 and 6. Column 9 is calculated by multiplying columns 7 and 8.

In addition to reducing turnover among female employees, a paid parental leave program for federal employees could also yield health benefits for employees and their children and would be likely to reduce male employee turnover as well. Men are now more likely than ever to express interest in balancing work and family concerns (Galinsky, Aumann, and Bond 2009), suggesting that paid parental leaves could help recruit and retain male workers. There is also a substantial body of evidence suggesting that longer parental leaves are associated with a variety of benefits for mothers and families, including improved physical and mental health among new mothers (McGovern et al. 1997; Hyde et al. 1995), extended duration of breastfeeding⁴ (Lindberg 1996), reduced infant mortality (Ruhm 2000; Tanaka 2005), and improved child health and development (Bronte-Tinkew et al. 2008; Clark et al. 1997; Waldfogel, Han, and Brooks-Gunn 2002). These effects would have likely benefits for the federal government in the form of reduced absenteeism and improved productivity among those employees who benefit from longer leaves.

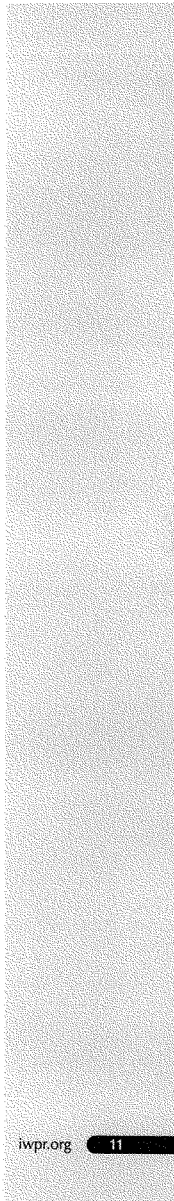
The Private Sector Is Moving Fast

The federal government has implemented many policies designed to help its workers attain a healthy balance between work and family obligations, but its reputation as a leader in helping employees balance work and family concerns is at risk. The private sector increasingly recognizes work-life policies as a strategic business tool to improve productivity, increase profits, and reduce costs. The 2008 report,

⁴ Longer duration of breastfeeding is associated with improvements in outcomes for children and mothers. Breastfeeding contributes to improved immune functioning, possible reductions in adverse conditions in infants, and more rapid recovery from pregnancy for mothers (American Academy of Pediatrics 2005).

"Workplace Flexibility: Employers Respond to the Changing Workforce," produced by an affiliate of the U.S. Chamber of Commerce, reports that both small and large employers are making improvements in workplace flexibility and paid leave policies in order to recruit and retain workers and improve their bottom line (Institute for a Competitive Workforce 2008).

The average federal worker is older and better educated than workers in the private sector. As federal workers begin to retire at a faster rate, the federal government will face an unprecedented challenge in competing with the private sector for qualified workers. Offering benefits that match or exceed those offered by the top private sector employers will help the federal government to attract and retain young, educated workers, reducing turnover costs and securing a productive, healthy workforce able to balance the demands of work and family.



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**WRITTEN STATEMENT OF
FEDERALLY EMPLOYED WOMEN (FEW)**

**SENATE SUBCOMMITTEE ON OVERSIGHT OF GOVERNMENT
MANAGEMENT, THE FEDERAL WORKFORCE,
AND THE DISTRICT OF COLUMBIA**

**HEARING on Work-life Programs: Attracting, Retaining and Empowering
the Federal Workforce**

May 7, 2010

**Federally Employed Women
700 North Fairfax Street, Suite 510
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202-898-0994
www.few.org**

FEW is a private, non-profit organization founded in 1968 after Executive Order 11375 was issued that added sex discrimination to the list of prohibited discrimination in the federal government. FEW has grown into a proactive organization serving more than one million federally employed women (both civilian and military). FEW is the only organization dedicated solely to eliminating sex discrimination in the federal workplace and the only organization that monitors legislation particularly of concern to women employed in the federal government.

INTRODUCTION

Federally Employed Women (FEW) appreciates the opportunity to submit this written testimony about the need to attract, retain and empower the federal workforce. FEW's members remain very concerned about the high number of retirements expected over the next five years when more than half of the federal workforce will be able to retire. We absolutely need to attract new workers to the federal government.

On behalf of the more than one million women employed in the federal government (civilian and military), we thank Chairman Daniel Akaka and Ranking Senator George Voinovich and the other legislators serving on this Subcommittee for conducting this hearing. We pledge to work with all of you to improve work-life programs in the federal government.

BACKGROUND

As a private organization, FEW is the only national organization that works as an advocacy group to further the advancement of women employed by the federal government. Accordingly, FEW advocates promoting women's equality, eliminating sex discrimination in the federal service, and providing quality training opportunities to enhance skills and abilities. This includes contact with Congress to encourage progressive legislation. FEW national officers also meet with officials at all levels of agencies to demonstrate support of the Federal Women's Program (FWP), ask for their support and assistance with these efforts and to obtain insight into the effectiveness of programs to improve the personal and professional development of women in their agencies.

Every day, nationwide, FEW members work together to bring about an awareness of the issues facing women throughout the federal government and achieve positive reforms and equality for women in the federal workplace.

FEW SURVEYED ITS MEMBERS

FEW recently polled its membership following a request from the Obama Administration's White House Council on Women and Girls to obtain their views on work/life balance benefits currently provided at their agencies and/or those benefits most desired from their agencies. By far, the benefit most desired was the ability to telework, followed by onsite day care facilities and flexi-workplace/flex time. Of those respondents who stated that work/life balance benefits were available at their workplaces, by far the most offered were flexi-workplace/flex time and telework capability. The survey also focused specifically on the availability of day care facilities at their agencies. The complete survey follows at the end of this written statement.

FEW supports initiatives in the Congress to expand telework opportunities throughout the federal government. The back-to-back blizzards this past winter in Washington, DC clearly proved the need to allow federal workers to remain safe at home and yet still continue fulfilling their job responsibilities. Because our colleagues who testified at the hearing covered this issue so well and thoroughly, we would just like to state our support for these initiatives and pledge to help in any way we can to help move them through the legislative process.

PAID PARENTAL LEAVE IS CRITICAL

However one issue that we would like to elaborate on is the enactment of a Paid Parental Leave bill which is one of the top critical needs in our federal government today. It seems simply incredulous to us that the United States has joined Papua New Guinea, Liberia and Swaziland as those very few countries in our world not offering some type of paid parental leave to its citizens. (Even Lesotho – which used to be another “member” of this small group – has adopted some type of paid parental leave and has asked us to remove them from this “list”.) This must be corrected!

Currently new parents employed by the federal government can take up to 12 weeks off upon the birth or adoption of a child – provided they can afford it or have enough annual or sick leave to use. These 12 weeks of leave are unpaid. As a result, many federal workers cannot enjoy the birth or adoption of a new child because they cannot afford to take time off work without pay.

If we want to compete for younger workers to choose the federal government as a career, then it is absolutely essential that we offer similar benefits as those offered in the private sector. The Institute for Women's Policy Research has found that two thirds of Fortune 100 companies offer paid parental leave. If the federal government wants to be the “model” employer, then they must match these benefits offered in the private sector.

S 354, the *Federal Employees Paid Parental Leave Act*, would provide four weeks of paid leave for federal workers following the birth or adoption of a child. This leave is for both mothers and fathers. We urge this Subcommittee to vote on this important bill and move it to the Senate floor for a vote.

RATIONALE FOR BENEFITS

It's Right for Families:

Extra weeks of paid leave would relieve employees from having to use their sick or annual leave which they might need in the future if their child becomes sick or for regular doctor's visits essential during the first few years of a child's life.

Attracting New Federal Workers:

This bill would not only benefit current federal employees, but would also be a great new incentive for younger generations to work for the federal government. Considering the large number of retirements expected over the next couple of years, we need to ensure that enough employees are employed with the federal government so that essential services they provide to all Americans will not be interrupted – from disbursing Social Security payments and benefits to protecting

our nation, delivering the mail and helping the needy across the United States. Without an influx of new federal workforce recruits, these services, as well as hundreds more, will be in serious jeopardy.

Even the previous Office of Personnel Management (OPM) Administrator Linda Springer admitted that the federal government's lack of paid leave was "hindering its ability to recruit women of childbearing age."¹

Keeping Up with the Private Sector:

As mentioned above, the private sector is competing for these young workers as well. As the Subcommittee members are already aware, federal workers on average do not earn as much in comparable salary as their counterparts in the private sector. Therefore to attract new federal workers, employment benefits must be at least comparable to the private sector.

IN CONCLUSION

Again, we very much appreciate the Subcommittee and Chairman's interest in this issue and all the support you have given federal workers in the past. The members of FEW are concerned about the future federal workforce in our country and firmly believe that this added incentive could fill an ever-increasing gap in our federal workforce following the expected retirements of a large percentage of federal employees.

In addition, quite simply, new parents should be with their children and able to enjoy one of the most important moments in their lives without worrying about how to pay the bills. They deserve at least four weeks of paid leave to ensure that their children receive all the needed attention and doctor's visits essential to the child's healthy start.

¹ Ballenstedt, Brittany. "House Members Unveil Paid Parental Leave Legislation." July 26, 2007 www.Gov.Exec.com.

We look forward to working with the Subcommittee members and their staffs to make the federal government the top choice for a career of younger and talented Americans entering the workforce and to retain our current workforce members in order to train them to become experienced and efficient managers.

Sincerely,

A handwritten signature in black ink, appearing to read "Janet Kopenhaver". The signature is fluid and cursive, with the first name "Janet" being more prominent than the last name "Kopenhaver".

Janet Kopenhaver
Washington Representative

APPENDIX



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Work/Life Balance Issues Position Paper from Federally Employed Women

Overall Position:

Federally Employed Women (FEW) recently polled its membership following a request from the Obama Administration's White House Council on Women and Girls to obtain their views on work/life balance benefits currently provided at their agencies and/or those benefits most desired from their agencies. By far, the benefit most desired was the ability to telework, followed by onsite day care facilities and flexi-workplace/flex time. Of those respondents who stated that work/life balance benefits were available at their workplaces, by far the most offered were flexi-workplace/flex time and telework capability. The survey also focused specifically on the availability of day care facilities at their agencies.

Work/Life Balance Benefits Currently Offered

Over 64 percent of survey respondents answered that their agencies offered valuable work/life balance incentives to their employees. Over 25 federal agencies were cited (see Appendix for listing of agencies and benefits offered). Every one of these listed agencies offered flexi-workplace and teleworking. More than half offered some type of fitness facility or program, as well as some type of onsite day care facility. On a smaller scale, respondents cited access to Employee Assistance Programs (financial, mental and medical counseling), sick and annual leave flexibility to take care of sick family members and day care subsidies. Finally, one agency offered stress management classes, another eldercare and a couple offered tuition assistance.

Work/Life Balance Benefits Desired

In response to what work/life balance benefits were desired by federal employees, the following benefits were identified and ranked in order of importance:

1. Teleworking
2. Day care facilities
3. Flexi-workplace/flex time
4. Physical fitness facilities/incentives
5. Part-time work
6. Paid parental leave
7. Job share

Feedback on Federal Day Care Facilities

FEW respondents cited many benefits of having federal agency day care facilities onsite, including one commute for parents instead of two (one to the offsite day care center and then to work); less stress for parents which leads to more productive work days; and great incentive for younger workers to choose the federal government as a career.

However, FEW members cited several improvements that could be made to federal day care facilities to help federal workers be able to succeed in their jobs while receiving assurances that their children are being well cared for. By far, the biggest problems associated with federal day care facilities in those agencies that had them were availability, costs and flexibility.

Availability of Day Care: Many members cited the fact that while day care facilities were available in many headquarters offices, few were out in the field. For example, the Department of Labor has offices throughout the United States, yet the vast majority of these regional and field locations do not have onsite day care facilities. With respect to military bases, preference was given to military members and civilians were often bumped off the list.

Cost of Day Care: A vast majority of respondents stated that the cost of day care was very expensive. However, many offered some suggestions for keeping these costs down. Many respondents stated that the day care fees should be based on the employee's income. Another option would be to have the services privately-owned with government subsidized assistance or scholarships. This subsidy could allow for a tax allowance for those agencies. Finally, at the very least, if a family has more than one child, the weekly rate should be adjusted to a lower level per child. Currently most centers do not allow for any sibling discounts.

One respondent added that in some agencies, where day care facilities are not available, there is a childcare subsidy to help lower-income employees pay for licensed day cares. These payments are made through the Federal Employee Education and Assistance (FEEA) Programs.

Flexibility: Another major problem with day care facilities at federal agencies was their lack of flexibility in many instances. Most cited the fact that lawmakers and Administration officials are encouraging more agencies to provide telework opportunities for their staff, yet the day care facilities mostly accept only full-time enrolled children. Most agencies also charge flat rates for a week with no consideration of flex time or compressed work schedules yet part-time care is needed in many more cases. At the very least, facilities could allow two families to split one full-time slot. Furthermore, the facilities have limited drop-off and pick-up hours which are not in tune with the many jobs requiring longer hours.

(DRAFT: April 26, 2010)

OPM ROWE Pilot Program

Ground Rules for Hours of Work, Leave, and Premium Pay

Maxiflex Schedule. A maxiflex schedule is a flexible work schedule that provides an employee with the maximum work schedule flexibility permitted by law and U.S. Office of Personnel Management (OPM) regulations. Employees in the OPM pilot program will use the Maxiflex rules to work in a version of the Results-Only Work Environment (ROWE) where the focus will be on performance, not presence at the office under standard work schedules.

- Employees may choose the days and hours to work, Monday through Saturday.
- Employees must work on certain designated workdays and core hours.
- Within the rules set by the participating organizations, maxiflex schedules enable employees to select and alter their work schedules to better fit personal needs and help balance work, personal, and family responsibilities.

Basic Workweek

- Full-time employees are required to work or account for 80 hours (e.g., leave, compensatory time off, credit hours, leave without pay) in a biweekly pay period.
- Part-time employees are required to work or account for the number of hours (e.g., leave, compensatory time off, credit hours, leave without pay) required by their appointment and determined by their organization.
- The basic administrative workweek is Sunday through Saturday. Employees may choose to work Monday through Saturday. Employees may not complete their basic work requirement hours on Sunday.
- Work on Sunday and holidays requires prior approval of the supervisor because of the additional costs associated with Sunday and holiday premium pay.

Basic Workday

- Each organization will establish at least 2 designated workdays each pay period during which all employees must work to allow for real-time communication between employee and supervisor and among employees.
- Aside from core hour requirements and requirements governing premium pay, overtime pay, and compensatory time off, employees may choose the number of hours and when they work during the 24-hour day.
- Employees are not required to work on each day, Monday through Saturday, but may choose to do so.
- Employees may not work on Sundays or holidays without prior supervisory approval because of additional costs.

- Supervisors may alter the maxiflex schedule and order work on particular days or hours as necessary to meet emergency work requirements.

Core Hours

- Each organization will establish at least 2 core hours on each of 2 designated days each pay period during which all employees must work to allow for real-time communication between employee and supervisor and among employees.
- Subject to supervisor's approval, an employee unable to work core hours may request to –
 - use leave or previously earned credit hours or compensatory time off to account for hours not worked, or
 - work the core hours on another time (within the same workday) or another day within the pay period.

Credit Hours

- Credit hours are hours within the maxiflex schedule which are in excess of the employee's basic work requirement and which the employee elects to work so as to vary the length of a workday or workweek.
- Credit hours may be earned and accumulated up to a total of 24 hours in any one pay period.
- The employee may elect to work credit hours without supervisory permission.

Sunday and Holiday Work

- Work on Sunday and holidays requires prior approval of the supervisor because of the additional costs associated with Sunday and holiday premium pay, and overtime work on Sundays and holidays.
- Under maxiflex work schedules, work on Sundays and holidays is considered regularly scheduled and incurs an additional cost.
 - Sunday premium pay is 25 percent of basic pay.
 - Holiday premium pay is 100 percent of basic pay.

Rules for Determining Holidays

- A full-time employee is entitled to receive 8-hours of paid time off for a holiday. This is regardless of the number of hours the employee would usually work under a maxiflex schedule on that day. Therefore, in an 80-hour biweekly pay period in which a holiday falls, an employee is expected to work 72 hours (80 hour biweekly pay period minus the 8 hour holiday).
- A part-time employee receives a pro-rated amount of time off for a holiday proportional to the biweekly pay period work requirement (e.g., an employee who works 20 hours per week will receive 4 hours off for a holiday).

- Holidays will be observed on the actual holiday (i.e., no “in lieu of” holidays), except for a holiday that falls on Sunday. (Sunday is a non-workday.). Holidays that fall on Sunday will generally be observed on Monday (i.e., “in lieu of” holiday).
- Time and attendance reports will reflect an 8-hour holiday on the actual day of the holiday, except for Sunday (the 8 hour holiday is documented on the in lieu of holiday, Monday).
- Employees are prohibited from working on a holiday, (including an in lieu of holiday), unless officially ordered and approved in advance by the supervisor.
- Any employee officially ordered and approved to work on the holiday will receive holiday premium pay equal to 100 percent of basic pay.

Night Pay

- Night pay is not payable for maxiflex schedules [when employees have the opportunity to complete the work outside of the night hours (6:00 p.m. to 6:00 a.m.) that require night pay for regularly scheduled work.]

Overtime Pay and Compensatory Time Off

- Any overtime pay or compensatory time off earned under a maxiflex schedule must be officially ordered or approved in advance by the supervisor. This includes Fair Labor Standards Act (FLSA) overtime work (i.e., suffered or permitted standard is not applicable).
- Hours of work over 8 hours in a day or over 40 hours in a week (under both FLSA and title 5, United States Code) are not overtime hours (for purposes of pay or compensatory time off) unless officially ordered or approved in advance by the supervisor.
- If the employee voluntarily chooses to work more than 8 hours in a day or 40 in a week (with a total of not more than 80 hours in a biweekly pay period), the work is not considered overtime.
- Hours of work beyond the basic work requirements for the pay period (80 hours for full-time employees) that an employee chooses to work are credit hours (up to the 24 hour accumulation limitation).
- Hours of work officially ordered or approved in advance by the supervisor beyond the basic work requirement for the pay period (80 hours per pay period), are subject to the normal rules governing overtime and compensatory time off.
- If an employee cannot receive overtime pay or compensatory time off because the employee would exceed the biweekly premium pay cap, the employee may still be ordered to perform overtime work by the supervisor without additional pay or compensatory time off (e.g., GS-15, step 10).

Time and Attendance

- Each organization will establish a time-accounting method to provide affirmative evidence that each employee subject to the maxiflex schedule has worked the proper number of hours in a biweekly pay period.

- Supervisor must certify that employees complete their biweekly pay period requirements (e.g., 80 hours for full-time employees) for time and attendance purposes.
- Employee must account for each hour during the 80-hour pay period in order for the supervisor to certify time and attendance.

Use of Leave and Compensatory Time

- An employee unable to work the basic work requirement in a biweekly pay period may request permission to use leave (as applicable) or compensatory time off earned from the supervisor to account for hours not worked.
- An employee must file an application—written, oral, or electronic, as required by the organization—for sick leave within established time limits. The employee must request advanced approval for sick leave for medical, dental, or optical examination or treatment, and where possible, for family care, bereavement, or adoption purposes. Leave must be approved by the supervisor prior to use. A supervisor may deny annual leave for work-related reasons.
- The Family and Medical Leave Act (FMLA) requires employees to provide not less than 30 days notice before the date the leave is to begin under FMLA birth or placement, or for medical treatment, unless unforeseen circumstances arise.
- Employees are required to schedule annual leave in advance of the third pay period prior to the end of the leave year to avoid forfeiture of any annual leave above the 240 hour maximum cap.

Dismissal and closure

- Upon closure of the Theodore Roosevelt Building or the Boyers facility, as applicable, for emergency purposes, (e.g., weather emergencies, loss of power or water), employees who work at an alternative location (e.g., home) and who are not affected by the emergency do not receive excused absence and may continue to work in accordance with the requirements of their maxiflex schedules.
- Each organization may determine ad hoc group or individual exceptions to this policy based on individual circumstances related to the emergency.

Authority

- 5 U.S.C. 6120 - 6126; and 5 U.S.C. 6129 - 6133
- 5 CFR part 610, subpart D
- 5 CFR 630.308, 630.402, and 630.1206
- OPM Handbook on Alternative Work Schedules (December 1996)
- OPM Operating Manual (THEO) □ HYPERLINK
"http://theo.opm.gov/handbooks/ch610.asp"
<http://theo.opm.gov/handbooks/ch610.asp> □
- AFGE Local 32 Collective Bargaining Agreement
- AFGE Local 2450 Collective Bargaining Agreement (Article 11)

References

- FPM Chapter 610, Hours of Duty, Comparison of Alternative Work Schedules, Appendix C (December 16, 1991) (Sunset document)

ROWE Alternative Worksite Work Agreement

The following constitutes an agreement between:

(Employee's Name:) and	
(Supervisor's Name:) of	
(Division/Center/Office, etc. :)	

of the U.S. Office of Personnel Management to participate in the alternative worksite (telecommuting) program.

Tour of Duty: Tour of duty will be in accordance with ROWE Pilot provisions

Duty Station:

The address of the employee's official duty station is: _____

The phone number and address of the employee's primary alternate worksite is:

Phone Number (with area code): _____

Address: _____

Alternate Work Site Work Agreement: Information Sheet A

Duty Station. All pay and travel entitlements are based on the official duty station.

Voluntary Participation. The employee may voluntarily agree to work at the primary alternative worksite indicated above (or other sites, in accordance with ROWE Pilot provisions) and agrees to follow all applicable policies and procedures. This is a flexibility that may be used by management to accomplish work needs. However an employee may not be forced or coerced into a telecommuting arrangement.

Salary and Benefits. Working at an alternative worksite is not a basis for changing the employee's salary or benefits.

Official Duties. The employee will perform official duties only at the official duty station or alternative worksite. Employee agrees not to conduct personal business while in official duty status at the alternative worksite.

Time and Attendance. The employee will follow established office procedures for requesting and obtaining approval of leave. The supervisor agrees to certify biweekly the time and attendance for hours worked at the regular office and the alternative worksite.

Overtime. Supervisors are responsible for ensuring that telecommuters work overtime only on duties for which the supervisor intends to make overtime payment. Non-exempt employees must be paid overtime (or compensatory time, under certain circumstances) when overtime hours are ordered and approved in advance by a supervisor with the authority to authorize overtime. Employees designated as non-exempt are covered by the overtime provisions of the Fair Labor Standards Act (FLSA). Any work performed by a non-exempt employee that a supervisor suffers or permits must be counted as hours of work for pay purposes. Suffered and permit is defined as any work performed by an employee for the benefit of OPM, whether requested or not, provided the supervisor is aware that work is being performed and has the opportunity to prevent the work from being performed. Employees agree that failure to obtain proper approval for overtime work may result in termination of the telecommuting privilege and/or other appropriate action.

Equipment. The employee will protect any Government-owned equipment and use of such equipment is governed by the OPM Policy on Personal Use of Government Office Equipment. The agency will maintain and service Government-owned equipment. The employee may be required to bring the equipment into the traditional Federal office for service. The telecommuting center will install, service, and maintain all telecenter equipment.

Liability. The Government will not be liable for damages to an employee's personal or real property while the employee is working at the approved alternative worksite, except to the extent the Government is held liable by the Federal Tort Claims Act or the Military Personnel and Civilian Employees Claims Act.

Worksite. The employee will perform work in an area adequate for performance of official duties. The employee agrees to review work space that is located in a personal residence for conformance with suggested safety checklist.

Alternate Work Site Work Agreement: Information Sheet B

Alternative Workplace Costs. The Government will not be responsible for any operating costs that are associated with the employee using his or her personal residence as an alternative worksite, for example, home maintenance, insurance, or utilities. However, the employee does not relinquish any entitlement to reimbursement for authorized expenses incurred while conducting business for the Government, as provided by statute and implementing regulations. The Government will be responsible for costs associated with using a workstation in a telecenter. The employee will not be held responsible for costs associated with ordinary and authorized use of a workstation.

Injury Compensation. The employee may file a claim under Federal Employee's Compensation Act if injured in the course of actually performing official duties at the official duty station or the alternative worksite. The employee agrees to notify the supervisor immediately of any accident or injury that occurs at the alternative worksite. The supervisor will investigate such a report immediately.

Work Assignments. The employee will complete all assigned work according to procedures mutually agreed upon by the employee and the supervisor, ROWE Pilot provisions, and according to guidelines and standards in the employee's performance plan.

Work Reporting. The supervisor and employee will agree on terms of reporting work progress and accomplishments from alternate worksite in accordance with the guidelines and standards in the employee's performance plan.

Classified Information: Classified data may not be taken to alternative worksites. Privacy Act and sensitive non-classified data may be taken to alternative worksites if necessary precautions are taken to protect the data.

Disclosure. The employee will protect Government records from unauthorized disclosure or damage and will comply with requirements of the Privacy Act of 1974, 5 U.S.C. 552a.

Personally Identifiable Information (PII). The employee will protect PII from unauthorized disclosure. Specific PII guidance can be found on OPM's intranet site THEO on <http://theo.opm.gov/references/privacy/pii/index.asp>

Standards of Conduct. The employee agrees he or she is bound by agency standards of conduct while working at the alternative worksite.

Cancellation. If a decision is made to terminate the ROWE Pilot after the evaluation period, 30-days prior notice will be provided to employees for transition purposes.

Computer Use. Employees are prohibited from connecting to the OPM network, OPM systems or working with sensitive or PII materials through a wireless connection. The only current exception to the prohibition is a wireless connection using an Air Card. Questions on computer connectivity can be addressed to the IT Security staff on (202) 606-2150.

Supervisor's Signature

Date (mm/dd/yyyy)

Employee's Signature

Date (mm/dd/yyyy)

Alternate Work Site Work Agreement: Supervisor Checklist

Supervisors should use the following checklist to ensure that telecommuting requirements are met and that covered employees understand the policies and procedures of the telecommuting program. After an item is completed, list the date on the line next to it.

CHECKLIST ITEM:	DATE COMPLETED:
1. Guidelines and outlining policies and procedures of the ROWE/telecommuting program have been explained to the employee.	
2. The provisions governing premium pay have been explained to the employee including that he/she must receive the supervisory approval in advance of working overtime.	
3. Performance expectations been discussed with the employee. Standards are in place and have been signed.	
4. Policies and procedures covering classified, secure and privacy data have been explained to the employee.	
5. The employee has been given the safety checklist which identifies safety and adequacy issues that employee should consider when working from home.	
6. Equipment issued to the employee has been documented with an OPM Form 4753, "Receipt and Pass for Property".	

Also, identify and check items taken below, as applicable:

ITEM:	YES:	NO:
Computer:		
Modem:		
Fax Machine:		
Telephone:		
Desk:		
Chair:		
OTHER:		
OTHER:		

Supervisor's Signature

Date (mm/dd/yyyy)

Employee's Signature

Date (mm/dd/yyyy)

Safety Checklist for the Home Work Space

Participating employees may use the following checklist to assist them in a survey of the overall safety and adequacy of their alternate worksite. The following are only recommendations, and do not encompass every situation that may be encountered. Employees are encouraged to obtain professional assistance with issues concerning appropriate electrical service and circuit capacity for residential worksites.

- Practice a fire evacuation plan for use in the event of an emergency.
- Check your smoke detectors regularly and replace batteries once a year.
- Always have a working fire extinguisher conveniently located in your home, and check the charge regularly.
- Computers are heavy. Always place them on sturdy, level, well maintained furniture.
- Use a sturdy chair that provides good support and can be adjusted.
- Choose office chairs that provide good supporting backrests and allow adjustments to fit you comfortably.
- Locate your computer to eliminate noticeable glare from windows and lighting. Place computer monitor at height which is comfortable and does not require neck or back strain. Locate computer keyboards at heights that do not require wrist strain or place the keyboard on an adjustable surface.
- Install sufficient lighting in locations that reduce glare at the work surface.
- Arrange file cabinets so that open drawers do not block aisles.
- Be sure to leave aisle space where possible to reduce tripping hazards.
- Always make sure electrical equipment is connected to grounded outlets.
- Avoid fire hazards by never overloading electrical circuits.
- Inspect and repair carpeting with frayed edges or loose seams. Avoid using throw rugs that can cause tripping hazards in your work space.
- Locate computers, phones and other electrical equipment in a manner that keeps power cords out of walkways.
- Always power down computers after the work day is over and always turn off all electrical equipment during thunderstorms.
- Keep your work area clean and avoid clutter which can cause fire and tripping hazards.
- Do not allow non-government employees to operate or repair government owned equipment.
- Always keep government files and information in a secure place and do not advertise your home office to strangers.
- Always use proper lifting techniques when moving or lifting heavy equipment and furniture.
- Always report accidents and injuries immediately to your supervisor.

**Addendum to Retirement & Benefits ROWE Telecommuting Agreement
To protect Personally Identifiable Information**

- I have available for immediate use a lockable carrying case/file cabinet at my telecommuting work site suitable for the purpose of transporting/securing PII consistent with agency guidance. (A locked container may be, e.g., a locked briefcase for carrying an encrypted, down loaded data disk, or, e.g., a locked portable suitcase for paper files.) I agree to at all times transport any media containing PII in this locked container. _____ (Employee initials)
- I will keep any media containing PII will remain in my immediate custody when transporting it from one work site to another. I understand that this includes a privately owned vehicle. I further understand and agree that I will proceed directly to and from each work site when transporting PII. I will not leave PII in a vehicle, even if locked.

- I will secure documents and records containing PII at the telecommuting work site as follows: When documents and records are not in use, I will keep them in a lockable storage medium. I will lock this container when work is interrupted or concluded for the day. _____
- I have read, discussed with my supervisor, and understand PII guidelines found on OPM's intranet site THEO on <http://theo.opm.gov/references/privacy/pii/index.asp> _____
- I will maintain, and keep in my possession apart from all PII items, a current and active inventory of all PII items that are away from my primary duty station. I will ensure that the inventory is available to my supervisor at all times, irrespective of my physical work location. _____

Employee Signature: _____ Date: _____

Supervisor Signature: _____ Date: _____

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Frequently Asked Questions for OPM Employees

1. What is a Results-Only Work Environment (ROWE) and How Will the Pilot Project Be Implemented in the Federal Workplace?

A ROWE gives employees the opportunity to do **whatever** they want, **whenever** they want – **as long as the work gets done**.

In a ROWE:

- Each employee is able to make better choices about when and where they are the most productive;
- Each job has concrete, measurable goals and expected results;
- Each employee is responsible for managing her/his work and meeting her/his expected results;
- How the work gets done is up to the employee;
- Performance is measured by results, not time or physical presence;
- A team-based approach drives cross-training; and
- Supervisors support employees as they work to achieve their goals.

Of course, in the federal workplace, there are limits on the extent to which ROWE principles can be given their full effect. The Federal Government is therefore implementing ROWE to the maximum extent possible within the constraints of the current law and regulations.

2. How is ROWE different from an ordinary “flexible schedule”?

A ROWE gives each person control over her or his time and is not a “program.” It is intended to bring about a complete cultural transformation that permeates an entire workplace, leveling the playing field and giving all employees the opportunity to come and go as they please as long as performance expectations are met and, the work is getting done. In the federal workplace, of course, the law requires employees to work 80 hours each pay period. Nonetheless, employees participating in a ROWE in the federal workplace will be able to do their best work in the way they work best.

A traditional flexible schedule provides employees with flexibility to report to work within prescribed times within the workweek or biweekly payroll period. In a ROWE, this flexibility of when and where to do your work is enhanced, and employees have the maximum flexibility to decide when it is necessary (or not) to work, and when it is necessary (or not) to report to their traditional worksite. The focus of a ROWE is on performance not presence at the office under standard work schedules.

Traditional programs can provide some flexibility. In traditional programs, managers decide which employees are granted the ability to work in a flexible manner whereas in a ROWE, everyone is part

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of the environment. If performance suffers and does not improve with coaching, employees are subject to consequences for their poor performance, just as they would be under more traditional schedules.

3. Why are we piloting a ROWE?

By piloting a ROWE, the U.S. Office of Personnel Management (OPM) seeks to increase productivity and meet the challenge of shrinking resources, improve results/outcomes, and position the agency to be successful in delivering services to stakeholders. In addition, OPM considers itself a leader in workforce strategy and innovation. A ROWE is a flexibility benefit that has a proven recruitment and retention advantage for State and private sector entities. OPM is piloting a ROWE to determine whether its implementation in the federal workforce would promote its goals of attracting and retaining the brightest and most qualified employees.

OPM aims to use ROWE as a way to test the extent to which it would help:

- Attract and retain the best talent;
- Maximize workforce capacity and increase productivity;
- Foster innovation;
- Improve response time to customers;
- Increase customer satisfaction;
- Expand individual and team capacity;
- Improve employee engagement and morale; and
- Optimize the use of current tools and technology.

OPM will test whether, in a ROWE:

- Each employee is more productive;
- Each employee focuses on efficient execution of the work;
- Each employee takes ownership of the use of her/his time and resources;
- Each employee defines her/his work by what she/he accomplishes; and
- Each employee focuses on goals and accomplishments, not time.

4. What is the process for becoming a ROWE?

The move from a 'traditional' work environment to a ROWE is an adaptive change. It is a cultural shift that questions and transforms how and why people work the way they do.

First, the contractor performs an audit of OPM's culture to see where the organization stands. Next, OPM leadership learns about the ROWE philosophy and how their role will shift during this change. Then, teams migrate together in a series of experiential sessions that help them systematically remove the restrictive powers of time, judgment and beliefs about the way work needs to happen. Finally, the contractor completes a post-migration audit of the changed organizational culture. The following outlines the process:

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Phase 1: Prepare for the Change (Weeks 1-6)

- Research & Discovery. Research & Discovery includes focus groups, interviews, and job shadowing sessions to ensure an in-depth understanding of the organizational culture.
- Culture Survey. The Culture Survey gauges perceptions between managers and individuals in terms of the overall climate and establishes a baseline for measuring any cultural shifts.
- Survey Review. Survey Review compiles information into a summary of the overall organizational climate.
- Leadership Education Sessions. Leadership Education is an opportunity for leaders in the organization to become informed about ROWE and the potential benefits for OPM.

Phase 2: Set the Change in Motion (Weeks 7-12)

- ROWE Kickoffs. ROWE Kickoffs are sessions designed for everyone to learn about ROWE and the potential benefits for OPM.
- Sludge Sessions. In Sludge Sessions, employees learn how to identify language that judges others based upon how they are spending their time and how to shift to greater open-mindedness.
- Manager-Only Part 1 Session. This session is focused on Leadership Sludge, challenges managers are experiencing, and the shift from the traditional management style to Results-Only.
- Culture Clinics. Culture Clinics are designed as problem solving sessions to determine how work will get done in a ROWE and how employees will operate with each other on an everyday basis.
- Go ROWE. Go ROWE marks the official point in time when everyone begins living and working under ROWE.

Phase 3: Learn and Evolve (Weeks 13-24)

- Manager-Only Part 2 Session. Managers utilize the ROWE assumptions to role-play actual scenarios that they'll be running into with their employees in the weeks following Go ROWE.
- Check-In Survey. The Check-In Survey takes the pulse of the current state of the pilot groups. Survey results also inform the development of Forums – Part 1 and 2.
- Forums – Part 1 and Part 2. Forums are designed as feedback sessions to check-in on the status of ROWE and see how it is working. Employees share wins and challenges. CultureRx provides positive reinforcement and coaching to continue evolving the culture.
- Post-Migration Culture Survey Review. The Post-Migration Culture Survey Review uses the same questions as the Culture Survey in Phase 1 and analyzes changes in results. Analyzed results are compiled into a final report which includes recommendations.

5. When do we start ROWE?

The official shift to a ROWE is immediately following the completion of the Culture Clinic. However, if ROWE is working, mindset changes should begin happening after the Kickoff, and behavior changes should begin happening after the Sludge Session. Some teams may want to begin experimenting with a ROWE before the official start date referred to as "Go ROWE." The most important objective

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is that work is getting accomplished, expectations are being met, and everyone involved is focused on results.

6. What does "Go ROWE" mean?

Immediately following Culture Clinic sessions, teams begin operating in a ROWE by solving workplace issues using tools and knowledge from Phase 1 and Phase 2. In prior instances where ROWE has been adopted, **the opportunity for teams to manage through ambiguity during Phase 3 has proven to be critical to the adoption of behaviors that will create a results-only focus.** The time period following "Go ROWE" may take some areas/teams longer than others. Ideally, this period should be filled with self-discovery, team discovery, and intense problem solving using ROWE.

7. Other than making employees happy by better addressing work-life balance, what are the anticipated advantages to having a ROWE?

As OPM strives to determine how best to regulate the civil service, administer pay and benefit programs, and provide services in an ever-changing job market, OPM anticipates that having a ROWE may aid in attracting the best candidates to the Federal workforce.

It is hoped that OPM's migration to a ROWE will also lead to:

- Maximized workforce capacity that drives increased productivity/contribution;
- Innovation;
- Improved response time to customers;
- Increased customer satisfaction;
- Expanded individual and team capacity;
- Improved engagement and morale – commitment to OPM; and
- Optimized use of current tools and technology.

8. Can ROWE be taken away? What if someone is not meeting productivity standards?

Absent extraordinary circumstances, ROWE will not be taken away for the duration of the pilot. It is a fundamental reshaping of the culture and will become how the pilot group operates. If someone is not achieving her or his results, the supervisor has the responsibility to address it as a performance issue.

9. What does the basic workweek actually look like in a ROWE?

Full-time employees must work and account for a total of 80 hours during a bi-weekly pay period to be in compliance with the law. Employees generally can work whenever they want, wherever they want. ROWE employees may choose to work anytime Monday through Saturday, but are not required to work each day. Employees cannot work on Sundays or holidays without prior approval from their supervisor.

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In a ROWE, the belief that work only happens Monday through Friday between the hours of 8:00 a.m. and 5:00 p.m. is no longer true. In a ROWE, people get credit for the work they do, not when and where they do it. For example, if an employee is not working on Wednesday, but is working on Saturday, that is fine. All that's important is that the work is getting done and the employee is fulfilling the 80 hours in a biweekly pay period.

10. What about traditional business hours?

Employees have the ability to manage how the work gets done and their time within the context of their particular job:

- If a particular job can be done during non-traditional work hours, employees can choose to do so, provided the results are achieved and they put in the required hours.
- As long as results are achieved, employees have control over where and when they work within the context of the type of work they do.

11. How about overtime pay and compensatory time off? Can an employee still receive them in a ROWE?

Yes. Any overtime pay or compensatory time off earned under ROWE must, however, be **officially ordered or approved in advance** by the supervisor. For employees who voluntarily choose to work more than 8 hours in a day or 40 in a week (with a total of not more than 80 hours in a biweekly pay period), the work is not considered overtime hours. Hours of work officially ordered or approved in advance by the supervisor beyond the basic work requirement for the pay period (80 hours per pay period), are subject to the normal rules governing overtime work and compensatory time off.

12. What about my leave plans?

ROWE will not affect an employee's ability to request and take leave (annual, sick, military, court, leave without pay). The administration of leave programs will be handled the same for ROWE employees as it is for non-ROWE employees. Employees will follow the normal procedures for requesting leave. Employees should carefully plan the use of leave throughout the biweekly pay period and assure they combine the number of hours of work and leave, if any, to account for an 80 hour biweekly pay period. Except for circumstances beyond the employee's control, leave should be requested in advance and approved by the supervisor...

13. Can an employee work on Sunday?

Employees are able to work Monday through Saturday based upon their personal needs and the job. Due to Sunday premium pay cost, employees will need advanced approval to work and be paid on Sundays.

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14. How about holidays?

Employees are not normally permitted to work on holidays due to additional costs associated with holiday premium pay. Employees should not work holidays unless officially approved in advance by the supervisor. If the employee is officially ordered and approved to work on the holiday, she/he will receive premium pay equal to 100 percent of basic pay.

When holidays fall during a normal, 80-hour biweekly pay period, employees are expected to work a total of 72 hours (80-hour biweekly pay period – 8-hour holiday), and their T&A report should reflect the 8-hour holiday on the actual day of the holiday. Holidays are observed on the actual holiday unless the holiday falls on a Sunday in which case the holiday is observed on Monday.

15. What about sick leave? Can an employee be too sick to come into work but still work from home?

Each pilot organization will need to address "sick" leave differently. However, the basic question is this: can employees contribute to their team in a productive way (i.e. produce results) while ill or working from another location? Employees need to work with their team to determine what choices they have, but if they are ill they are entitled to the sick time that is available to them. In most cases, they would not be obligated to take sick time if they are able to make up the hours in the same biweekly pay period.

Employees have the option to find a way to fit in the hours throughout the biweekly pay period instead of taking sick leave. One thing shared with staff is that the mindset of, "you are working from home, therefore you are not contributing to the team" needs to change. Employees may be able to work for a few hours that day at home, but not well enough to come into the office. This is still a positive for the team: they are contributing to the team from home in some capacity. Unless employees request leave, employees do not need to get permission to account for their work throughout the week. The supervisor needs to certify that employees work 80 hours per biweekly pay period or have taken leave.

16. Will we still have a time and attendance policy?

The only time and attendance policy is that employees must account for 80 hours of work per biweekly pay period to receive 80 hours of pay. How and when the work is performed is up to the employee and team in most circumstances, with the exceptions required by law as described in this document.

17. What about breaks and meal break policies?

OPM will follow applicable internal policies, as well as any applicable labor agreement provisions, as they pertain to meals and employee breaks.

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18. What about Worker's Compensation?

Worker's Compensation claims will be handled on a case-by-case basis just as they are handled today.

19. With employees coming and going at different times, how will work get done?

Supervisors will continue to set clear, measurable expectations in the elements and standards in employee performance plans, with input from employees. In addition, individual discussion time will be utilized during employee meetings to identify any issues or concerns about the work. During these meetings, supervisors and employees can discuss how goals are being accomplished and results are being achieved.

The way in which employees and teams achieve results may not fit into traditional paradigms of how we think about the work day. Managers and supervisors will work with employees and teams to provide ample opportunity to explore efficient ways to produce results.

20. If I complete my work in less than 40 hours, will I get paid for less?

Federal employees get paid only for time worked. They must work at least 80 hours within the biweekly payroll period or use leave, compensatory time off, or credit hours to make up the difference. Employees under ROWE, however, have much greater scheduling flexibility within an 80-hour biweekly payroll period. Employees could balance hours within a biweekly payroll period, working more hours in one week and fewer hours in the next, work extended days, or work Saturdays -- all in an effort to flexibly and creatively accomplish their goals. However, employees must still account for 80 hours during the biweekly pay period.

21. How do we let our stakeholders know that we are implementing ROWE?

Your goal is to make ROWE seamless to OPM's stakeholders while continuing to provide the level of service they require.

22. Will OPM provide everyone with the ability to work remotely (i.e. laptops, mobile phones, calling cards, high-speed internet access in the home)? Will the air be adjusted in buildings for employees who want to work on the weekend?

OPM will strive to provide employees with the tools and technology necessary to do work from their primary work location. If employees choose to work from another location that is not their primary work location, they will be responsible for making sure they have the tools necessary to work remotely. If employees do not have the necessary connectivity on their home computers, they can contact the OPM Help Desk to resolve connectivity problems within the system requirements and policies.

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OPM will not pay for internet access in employees' homes.

23. Do employees have to give their personal cell phone numbers out?

Giving cell phone numbers out is a personal choice for those individuals working away from the office. OPM will not be reimbursing employees who use their personal mobile phones for business. OPM provides phones and voicemail for each employee to conduct business in the office building. Currently, OPM is working with IT to understand the tools and equipment employees will need to do their jobs.

24. Will employees be reimbursed for purchasing home office equipment? How will ergonomic issues be handled?

Employees will not be reimbursed. OPM provides office equipment in an OPM-owned or leased location. Any expenses incurred for home office equipment that were not pre-approved by the supervisor will be the responsibility of each employee.

Ergonomic issues will be handled the same way they are now.

25. What about training?

Training is part of the expectations of the job. Employees are responsible for completing the training necessary to complete their work and be successful.

26. How does OPM make sure employees aren't taking advantage of ROWE, slacking off, and not making good use of their time? How will "non-producing underperformers" be identified?

ROWE is about results. The only way to "slack off" in a ROWE is to not meet the goals and expectations of the job or falsify hours of work on a T&A statement. If an employee is not meeting her/his job results, that is a performance issue.

When performance issues arise, employees are coached on ways to meet the results or outcomes. If results and outcomes are still not met, then employees may be subject to discipline or performance-based actions. Employees should continue to have discussions with their manager and their team to ensure that measurable goals and expectations are clear.

27. Are all OPM employees in a ROWE?

ROWE is being implemented using a pilot approach beginning with an initial pilot group of approximately 400 employees. If the pilot is a success, OPM will consider expanding it to other parts of the agency.

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28. What about employees who need more supervision?

In a ROWE, employees are expected to meet goals and expectations regardless of when and where they are working. It is everyone's responsibility to be clear about what she/he needs to deliver. It is the responsibility of the supervisor and/or manager to **monitor and determine** whether the goals and expected results are being met and **act** when those goals and expected results are not being met.

29. How will OPM know if the work is getting done? How will employees be monitored and disciplined in terms of their time?

Federal law requires employees to keep Time and Attendance (T&A) records which must be certified as accurate by their supervisors. Federal law also requires that employees be evaluated as to their performance. In a ROWE, performance is evaluated based on the work that is getting done, consistent with employees' performance standards. Managers and supervisors will be expected to be crystal clear about goals, expectations, and commitments. If employees do not deliver the work, supervisors and/or managers will know immediately, and can act accordingly. If a person is not meeting her/his results, this is a performance issue that should be addressed by the supervisor in the same manner as non-ROWE employees. If a person falsifies T&A, this is a conduct issue and needs to be addressed accordingly, just as it is with non-ROWE employees.

30. How is OPM going to really know what the results are supposed to be?

This question is important whether an employee is in a traditional work environment or a ROWE. In a traditional work environment, when organizations plan for work capacity or scheduling, they base their assumptions primarily on hours, but it should be a discussion of outcomes. Part of the migration process involves an individual, team, and organization finally asking what should be the obvious question: what are we really trying to accomplish here? Some jobs' performance measures (making widgets, for lack of a better term) are easier to figure out than others (servicing customers or making policy), but in the end, everything can be measured. The supervisors will seek employees' input to clarify goals and define measurements, both quantitative and qualitative. Evaluating performance on these clear measures is what leads to the impressive productivity gains that a ROWE creates.

31. If employees become more efficient, are there going to be layoffs?

No. A ROWE's goal is to drive efficiency and reveal the true capacity of individuals and the organization as a whole. It is not the goal of OPM to create efficiencies in order to reduce staff. Rather, by creating efficiencies OPM will be able to meet the challenge of shrinking resources and increased workloads. Ultimately, OPM wants employees in the right job to fit their skill set, thus driving strong customer service.

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32. Support staff has a very unique job. They can't be included in a ROWE, right?

Support staff is being included in the ROWE to the maximum extent possible.

33. How will expectations and results be identified in our ROWE?

ROWE focuses upon results and figuring out the best way, as a team, to reach those results. In the private sector ROWE model, the most successful ROWE teams come to an agreement on the outcomes they are working toward, and then arrange/divide the work according to who has the skill sets, energy, and passion to do it. The theory is that if work is continually being distributed "from the top," the team will miss natural efficiencies and productivity that could be driven by the employee group determining who should be completing the work. Although in the Federal Government, assignment of work is a management right, managers and supervisors will continue to seek employee involvement to develop, communicate and achieve the ultimate results.

If some employees in the work unit/team are clearly relied upon to complete more work than others on the team, this is not in alignment with the ROWE philosophy, and the strategy described in the previous paragraph should be utilized to return balance to the team.

34. As a manager and/or supervisor, what actions can I be taking now with my team even though "Go ROWE" isn't until after Culture Clinics?

The best course of action is to review current employee performance plans to ensure they contain the clear outcomes that the team is accountable for and appropriate performance standards to realize these outcomes. Employees should clearly understand not only what they are accountable for, but how their work will be evaluated based on jointly agreed upon measures. The job of setting goals and expectations benefits from employee input. Meet with employees both as a team and individually to help identify and set performance measures.

35. Will ROWE force some employees to switch jobs even though they enjoy their current job?

No. It is not the goal of ROWE to force employees to switch jobs. ROWE is all about being more efficient, effective, and productive in the current job. Management retains the right to reassign based on need, however, regardless of ROWE.

36. If performance standards are being met, how does productivity increase?

In a ROWE, employees are given more control over their time, and employees are encouraged to stop doing anything that is a waste of time. The theory is that this control and encouragement allows employees to become more efficient with their time and look at ways to work smarter. Discovering efficiencies and working smarter should lead to increased capacity, and ultimately increased productivity. This does not mean that supervisors automatically will request their

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employees to produce 25 percent more; this means that the employees will find ways of working that are smarter and better.

37. Does the concept that no meetings are mandatory really mean that no meetings are mandatory?

In a ROWE, meeting planners will need to be explicit and clear about the purpose and outcomes expected from a meeting so that all invitees understand the linkage between a meeting and the employee's results. If an employee is unsure if the meeting will help them reach their results, the employee should ask clarifying questions surrounding the purpose of the meeting. Employees need to participate in meetings that relate to achieving their results or the results of the organization. If an employee chooses to decline a meeting that impacts their results, it will be addressed as a performance issue.

38. Is it okay for children to be present while a ROWE worker is performing work tasks?

Children may be present while a ROWE worker is performing work tasks only if the child's presence does not affect the work results. Employees should use their best judgment. If the child impacts the work results, the employee should work other hours to account for her or his 80 hour work requirement.

39. How will timesheets be different? Will ROWE workers record their hours?

ROWE employees will still have to track their time and attendance in order to be paid. T&A timesheets must be completed for each pay period. Employees have maximum flexibility permitted by law and regulation to choose the hours they work, but will be required to fill in the time they worked during an 80-hour biweekly pay period. Pay periods begin and end on the same dates as the normal GSA-OPM payroll cycle.

For example, if an employee works on Saturday, that time will be documented. If an employee then takes Monday off, for example, no time would be recorded. Time sheets could look like this--
Monday: 2 hours, Tuesday: 10 hours, Wednesday: 10 hours, Thursday: 8 hours, Friday: 8 hours, Saturday: 2 hours, Monday: 0 hours, Tuesday: 9 hours, Wednesday: 9 hours, Thursday: 9 hours, Friday: 8 hours, Saturday: 5 hours. All of these hours equal 80, which all full-time employees are required to work within a pay period. See question 15 for further information.

40. How will work be distributed in a ROWE team vs. a non-ROWE team? Will ROWE workers be assigned more work?

Being in ROWE does not mean an employee will have more work. In most circumstances it is contemplated that the employees decide together how to get the work done. Managers, supervisors, and staff work together to determine results. Through ROWE, employees will discover how to work smarter and more efficiently.

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41. Who will decide when a ROWE worker will come into the office to work – the ROWE worker or the supervisor?

The employee will decide where they need to be based on their understanding of the requirements discussion with their supervisor. ROWE is not a Remote-Only Work Environment. If employees' results require them to be in the office (seeing people with whom we are working or members of the public, for example) that is where employees need to be. If employees can do their work from another location and meet their results, they can work at another location. In many cases, this is also dependent upon working with the team and working well with others.

If there is a performance issue, an employee may be put on a performance plan that may require her/him to be in the office on a regular basis for coaching, mentoring, or training purposes.

42. ROWE materials say, "In a ROWE, asking someone about their time is a personal question. As long as the work is getting done, then time is nobody's business but the employee's." Does OPM accept this statement as fact?

Yes. With regard to the employee's peers, OPM does accept this statement. With regard to the role of supervisors, employees should understand that Federal law does place some restrictions on this flexibility. Under ROWE, each organization will establish a time-accounting method to provide affirmative evidence that each employee subject to the maxiflex schedule has worked the proper number of hours in a biweekly pay period. However, the focus will still be on the employee producing results and not accounting for their time to co-workers. As mentioned previously, all employees will be expected to work and report 80 hours per pay period. There also may be occasions when a supervisor may ask an employee for further information or clarification of the T&A timesheet. This would be related to the supervisor's requirement to certify time sheets.

43. Will ROWE workers continue to have a desk/cubicle?

Employees who work away from an OPM-owned or leased location may not have a permanent office. Employee access to office equipment will be the same as it always has been.

44. Has OPM begun to identify which jobs and job settings require various levels of flexibility and non-office requirements?

No. OPM will not be identifying those jobs or job settings that are flexible and/or have non-office requirements under ROWE. That is left to the determination of the employee, the supervisor, and the team. Persons on the team talk about how to get the work done. The employee takes full responsibility for her or his job and decides what she/he needs to do to complete the results within the context of the job and consistent with his/her performance standards.

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45. If ROWE workers are expected to have and use their personal internet connection, what if the ROWE worker has a dial-up connection?

If employees choose to work from home, these employees must obtain/purchase internet access that allows them to do their job effectively. A dial-up connection will not provide the speed necessary to complete the job in a manner that will meet results. Therefore, employees would need a work location that does.

46. Can a ROWE worker log more than 10 hours of work per day?

Yes, ROWE employees can log more than 10 hours of work in a day as long as the employee does not go over 80 hours in a pay period without permission. If an employee expects to go over 80 hours, she/he must receive prior approval from the supervisor. ROWE workers must abide by the same laws, regulations, labor relations, union contracts, and human resources (HR) rules that they have always followed. Being a ROWE employee does not exempt you from these regulations. An employee who voluntarily works more than 10 hours in a day will not be eligible for overtime pay unless the hours are in excess of 80 hours in a biweekly pay period.

47. How does telework fit with the ROWE principles? With this scenario, what work can be done at home?

ROWE and telework are not the same. Not all employees are part of a ROWE, so the Telework Policy will remain in place. When ROWE employees choose to work away from their official site, they are responsible for complying with IT policies and procedures and maintaining the confidentiality of private and confidential data.

48. Local union members have asked about ongoing discussions and work between management, labor relations, and human resources to monitor and discuss ROWE and contract issues. How often will this group meet?

OPM managers meet with labor relations and HR representatives as needed. In addition, ROWE may be a recurring agenda item at labor/management forum meetings, if agreed to by the Transformation Forum co-chairs.

49. Does night pay apply to a worker in ROWE who may work evenings or nights, in the same way it applies to a non-ROWE employee who would work days?

No. If an employee under ROWE chooses to work various hours, that is her/his choice. OPM is not responsible to pay night pay when an employee chooses to work such hours. If an employee is directed by her/his supervisor to work during the night pay hours (6 p.m. - 6a.m.), the employee will be paid accordingly.

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50. What will ensure that ALL management is on board and following through on this initiative? Who will watch the watchers?

If there is a concern about a member of management behaving in a way that is not aligned with ROWE, have a conversation with her/him about the behaviors that should be changed. If the behavior continues, please inform the ROWE team at the following email address: ROWE@opm.gov.

51. In a ROWE, what is the best way to know when people are working?

If there is a need, based on results, to connect with a co-worker, proceed with using the communication tools we have today: email, phone, face-to face contact, etc. If meetings or other interactions need to be scheduled, shared calendars can be utilized for determining availability.

52. Will we have core hours?

Each organization will establish at least 2 core hours on each of 2 designated days each pay period during which all employees must work. Subject to discussions with supervisors on performance and results and supervisory approval, employees may:

- Use leave or previously earned credit hours or compensatory time off to account for hours not worked; or
- Work the core hours at another time within the same workday, or another day within the pay period.

53. If the building is closed, do employees still have to work?

Yes. Normally, employees in a ROWE continue to work their 80 hours in the biweekly pay period even when the facility is closed. However, in special circumstances, where the employee is directly impacted, excused absence may be appropriate. Your supervisor will provide additional information as circumstances warrant.

54. In a ROWE, will employees be able to earn and use credit hours?

Yes. Credit hours are hours which are in excess of the employee's basic work requirement and which the employee elects to work so as to vary the length of a workday or workweek. Credit hours may be earned and accumulated up to a total of 24 hours in any one pay period. The employee may elect to work and use credit hours without supervisory permission.

**Post-Hearing Questions for the Record
Submitted to Dr. Cecilia Rouse
From Senator Daniel K. Akaka**

**“Work-life Programs: Attracting, Retaining and Empowering the Federal Workforce”
May 4, 2010**

1. In your testimony, you noted that a growing literature suggests not all firms adopt the most efficient management practices, especially in less competitive industries. As you know, many economists believe the reluctance of certain firms to adopt best management practices is likely due to a lack of information, such as the direct and indirect benefits that result from enhance work-life balance initiatives.

Do you believe the Federal Government would benefit from an evaluation to ensure work-life practices in the Federal Government incorporate efficient management practices and are keeping pace with the evolving needs of today’s Federal employees?

- A. *Yes I do believe that the Federal Government would benefit from an evaluation to ensure work-life practices in the Federal government incorporate efficient management practices and are keeping pace with the evolving needs of today’s Federal employees. One important lesson highlighted in the report written by the Council of Economic Advisers is that more research and data are needed in this area.*
2. You stated that you look forward to seeing the results of the U.S. Office of Personnel Management’s (OPM) Results Only Work Environment (ROWE) pilot program. Does the Council of Economic Advisers plan on analyzing the data from this program to further our understanding of the costs and benefits of ROWE for the Federal Government?
 - A. *The Council of Economic Advisers would be happy to work with the OPM to analyze their data to better understand the costs and benefits of ROWE for the Federal Government.*
3. Private sector firms such as Best Buy and the GAP, as well as public sector organizations such as the Hennepin County, Minnesota, Human Services and Public Health Department, have experienced productivity gains from adopting ROWE at their respective headquarters.

Can you provide an economic rationale that would explain these productivity improvements?

- A. *We have not looked into all of these specific examples, however, in general productivity improvements experienced by companies can stem from decreases in turnover and absenteeism, increases in worker morale, improvement in worker health, and an ability to attract more productive workers.*

4. Some have raised concerns with the cost of the Federal Government providing paid parental leave to employees.
 - a. Does evidence from the public or private sector indicate that adoption of paid parental leave may result in long-term cost savings in some cases
 - A. *The literature to date typically does not distinguish between types of workplace flexibility programs, however, it does suggest that such programs, in general, can in some cases lead to long-term cost savings.*
 - b. In what ways may the potential costs of providing parental leave be overstated or the potential benefits understated?
 - A. *Managers and other decision-makers within firms may perceive the potential costs of providing parental leave to be greater or the potential benefits lower if they are uninformed or have not considered broader-reaching changes in their human resource management that would allow them to institute such policies at lower cost. Further, such managers may well perceive the short-run cost of having a worker take parental leave without considering the longer-run benefits in lower turnover, better worker morale, and the ability to attract a more productive workforce.*
 - c. What further information is required to enable the Federal Government to perform an effective cost-benefit analysis?
 - A. *Collecting more data and conducting additional research would enable the Federal Government to perform an effective cost-benefit analysis. This need not delay the implementation of a paid parental leave policy for federal employees, if Congress were to move forward on that issue; such a study could be undertaken at the same time or after such a policy were implemented.*
5. Based on your knowledge of education policy and the economics of education, what evidence is there regarding any social and educational benefits providing paid parental leave may have for children?
 - A. *There is a long literature documenting the importance of parental involvement in children's lives from birth. For example, maternal employment within the first nine months of a child's life has been linked to reduced school readiness scores at age three (Brooks-Gunn, Han & Waldfogel, 2002). This association may operate through several channels. Health is a significant factor determining school readiness (Currie, 2005), and children of mothers who return to work early are less likely to receive regular medical checkups and needed immunizations (Berger, Hill & Waldfogel, 2005). In addition, mothers who work less following childbirth are more likely to breastfeed (Lindberg, 1996), and breastfeeding can lead to improved performance on childhood intelligence tests (Johnson, et. al., 1996). Lengthening maternity leave may also reduce the number or frequency of depressive symptoms experienced by the mother (Chatterji and Markowitz, 2004). This, in turn, may improve educational outcomes as maternal depression in the early months of a child's life leads to poorer performance on cognitive tests taken at ages 18 months and 4 years (Murray, et. al., 1996; Cogill, et. al. 1986).*

**Post-Hearing Questions for the Record
Submitted to Mr. Jon Foley
From Senator Daniel K. Akaka**

**“Work-life Programs: Attracting, Retaining and Empowering the Federal Workforce”
May 4, 2010**

1. The Results Only Work Environment (ROWE) requires a dramatic culture shift for both management and employees involved in the pilot program. It is vital that participants receive proper training as they transition to this new program. Please describe the training that ROWE pilot participants are receiving and provide the Subcommittee with the training materials that are being used to train pilot participants.

Thus far, each employee in the pilot group has received at least six hours of training by the co-creators of the Results-Only Work Environment (ROWE), Cali Ressler and Jody Thompson. All employees have attended a Kick-Off session, a Sludge Session and a Culture Clinic before “Going ROWE.” Each of these sessions has specific objectives and associated training materials. Managers attended all of these sessions plus a Manager-Only session before the Go ROWE date.

The purpose of the two-hour Kick-Off session is to introduce the concepts of ROWE and begin the dramatic shift in focus from time and attendance to results and only results. Participants are told about the 13 Guideposts in ROWE, which are “a glimpse into the future of work.” Some of the key concepts can be implemented right away, while others, such as unlimited paid time off, would require a change in the law. Each office has a different journey in ROWE based on the laws and work requirements.

The two-hour Sludge Sessions group employees with their co-workers to discuss what really matters (results) and begin the process of eradicating old notions about time and attendance from the workplace. Sludge is the term the trainers use for comments that reinforce old habits. The central theme of ROWE is that each employee is free to do what they want to do (time, place, work-life balance, etc) as long as the work gets done, so Sludge consists of comments related to hours (coming in late or leaving early) or physical presence (in the office is better than out of the office). If all that truly matters is customer service and results, Sludge has no place in a ROWE.

The two-hour Culture Clinics get employees who work together regularly to start thinking about what ROWE will mean for their daily activities. Each session is somewhat different due to different work requirements. For example, the expectations and processes discussed by the Director’s Office group were different than the Retirement claims offices. If the Kick-Off provides the “what” and the Sludge Sessions reinforce the “why,” the Culture Clinics begin the “how” discussion. Since ROWE is an adaptive change, the majority of the learning is experiential. One cannot know all the processes that may change during ROWE before actually starting the program. After the Culture Clinic sessions, employees are given the signal to Go ROWE. Managers and employees are now meeting outside of the formal

training sessions to discuss what is possible under ROWE. Managers are provided with extra training materials to help them focus from permission granting to performance guiding. All of the materials used in the sessions are being forwarded to the Subcommittee. In addition, a website that can only be accessed by pilot participants has been created to facilitate internal discussion.

Pilot participants have been operating in a ROWE environment since the conclusion of the Culture Clinic sessions on June 23 in Boyers, Pennsylvania, and July 1 in Washington, DC.

2. As discussed at the hearing, the Office of Personnel Management (OPM) did not request project demonstration authority to conduct the ROWE experiment in order to evaluate how ROWE works within existing Federal law.
 - a. Please identify the adjustments that OPM is making to ROWE to comply with Federal law.

Included in the materials submitted to the Subcommittee is a document dated April 26, 2010, called "Ground Rules for Hours of Work, Leave, and Premium Pay." This document was created by our Employee Services governmentwide policy experts and reviewed for legal sufficiency by the OPM Office of General Counsel. It spells out all the existing rules that conflict in some way with the ROWE Guideposts. It is important to note that everywhere ROWE has been implemented, there have been existing rules and restrictions that conflict with the pure ROWE concepts. Each OPM office has to decide how it will manage those conflicts, whether by seeking exceptions to policy, or by revising the implementation of the ROWE Guideposts where no flexibility exists.

- b. What are you doing to ensure that the pilot is as faithful to the ROWE model as possible, and in your view, are any of these changes to ROWE significant enough that they fundamentally alter the ROWE experiment?

OPM is striving to remove all barriers to ROWE except those required by law. For example, one of the ROWE Guideposts is that all meetings are optional. Of course, there is no legal requirement to hold meetings, and yet, in some parts of the Federal government, there is a culture heavily dependent upon meetings. From Director Berry on down, supervisors have been instructed to treat meetings as optional. Employees are being encouraged to seek clarity on the purpose of each meeting and what role they will be expected to play. The end goal is better meetings that lead to clearer outcomes. If an employee chooses to opt out of a meeting where their participation was vital, that should be dealt with as an opportunity for coaching by the manager. While the ROWE Guidepost states that all meetings are optional, some meetings, such as off-site training events aimed at communicating supervisors' expectations of employees and thus necessary for achieving results, will still be required.

Another example is the use of leave. In a pure ROWE, there is no such thing as leave. Employees are paid to meet expectations and trusted to get the work done. They take paid time off when needed. This is similar to the way Senate-confirmed appointees, such as Director Berry, are treated now. Obviously there is still an 80-hour pay period work requirement, but that requirement is unlikely to be waived under any demonstration authority and would represent a

fundamental change in the way Federal employees work. In the journey to a pure ROWE, the 80-hour pay period requirement would probably be the last thing to change. Once ROWE is viewed as a journey, which is different for each pilot group, one can see where the current restrictions of Federal law do not fundamentally alter the ROWE experiment. The keys to ROWE are a focus on results and an increased level of communication and trust between employees and their supervisors.

3. How is OPM ensuring that all 400 OPM employees participating in the ROWE pilot have the right technology to enable them to have all the IT capabilities they have at the office within their home or other alternative worksite location? Is OPM procuring additional equipment for pilot participants?

OPM will look for opportunities to upgrade and improve technology during the pilot project but choice is a fundamental part of ROWE. When the corporate headquarters of Best Buy began their journey to ROWE, less than a third of employees were equipped with company-provided laptops. Employees in ROWE have the option of working in the office with government-provided equipment or working from an alternate worksite with government-provided or other equipment. Procedures are put in place to make sure data is secure.

In most cases in the past OPM employees have been provided with government equipment, but due to budget constraints the equipment sent home with employees was often outdated. The last time OPM asked agencies to report the extent to which they provide employees with telework equipment was in the 2008 "Status of Telework in the Federal Government" report to Congress. Between calendar year 2005 and 2007, agencies reported an increase in the percentage of employees who provide their own equipment, from 29 percent to 41 percent. In 2010, most OPM employees have personal computers at home that are better than the outdated government-issued models. By using a secure portal, OPM employees can use their personal computers to log on and access all the files and applications on their computers in the office.

OPM and GSA are advocating a "one computer" model for employees who expect to telework regularly, meaning that the employee is issued a laptop and docking station rather than a desktop. This transition is being made over time during the regular computer replacement cycle.

4. Beyond survey-based program evaluation, does OPM plan to conduct additional econometric-based evaluations of the ROWE and Campus pilot programs, focused on assessing each pilot's impact on employee productivity? If so, please provide the Subcommittee with a description of the planned evaluations for each pilot program.

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In addition to the training and evaluation that is being provided by the creators of ROWE, OPM has hired Deloitte to conduct an independent evaluation of the ROWE pilot, specifically to measure the effect of the pilot project on productivity and morale. Deloitte's survey questions and other materials related to their evaluation are also being submitted to the Subcommittee for review. Deloitte is asking supervisors to evaluate each employee at the end of July, September and November. A final report from Deloitte is due in February 2011.

Campus Pilot Programs

OPM has contracted with a team of experts to evaluate the impact of the campus wellness project on employee productivity and health. The evaluation will attempt to quantify the impact of the project through analysis of factors such as absenteeism, employee morale, and employee productivity as well as health status, health insurance claim costs, workmen's compensation claims, and disability costs. The evaluation will ultimately quantify the return on investment, which will be supported by cost-benefit analysis, econometric modeling, and comparisons with a control group. As with most evaluations of worksite wellness programs, we do not expect to be able to see changes in health outcomes and associated costs until three to five years after the beginning of the intervention. However, the evaluation team will provide interim results that should indicate progress on the demonstration project and inform similar interventions in federal agencies.

**Post-Hearing Questions for the Record
Submitted to Ms. Kathie Lingle
From Senator Daniel K. Akaka**

**“Work-life Programs: Attracting, Retaining and Empowering the Federal Workforce”
May 4, 2010**

1. There have been concerns raised about the cost of implementing work-life programs in the Federal government. As you know, Dr. Rouse noted in her testimony that a growing literature suggests not all firms adopt the most efficient management practices, especially in less competitive industries.
 - a. How could the Federal government more accurately and effectively evaluate the real costs and benefits of offering additional work-life programs to Federal employees?

A comprehensive set of work-life programs is an admirable goal for any organization, especially the federal government, which is the largest employer in the United States. Work-life programs have been shown to address many of the pain points felt by organizations, such as how to reduce absenteeism or how to cut health-care costs, as well as being highly valued by employees and leading to higher levels of productivity and increasing attraction, engagement and retention of valuable talent. However, before contemplating the addition of new work-life programs, I think the federal government, either as a whole or on an agency-by-agency basis, would benefit from stepping back, conducting a simple inventory of current offerings and then developing a comprehensive work-life strategy to optimize desirable organizational outcomes that will establish the federal government as an employer of choice. This approach often reveals that new initiatives aren't the first priority and will allow for strategic management of current work-life offerings. When an organization can move from utilizing work-life as an accommodation in response to a need for personal balance, to utilizing work-life as a strategic business tool that produces greater effectiveness, economies of scale can result and the employee/employer value proposition goes up.

Step One: What Defines Work-Life?

The Seven Categories of Work-Life Effectiveness I referred to in my testimony define the entire scope of work-life initiatives that employers across all sectors have developed in response to the work and personal life demands of their employees over the past several decades. I have also attached more information on these in our “Categories of Work-Life Effectiveness” brochure. Assess the current state of your own work-life portfolio by conducting an inventory of existing offerings across the seven categories (by agency). This has already been done for wellness and telework programs, which should provide the benefits of experience and some pre-existing data. To assist in this task, attached you will find a copy of our Work-Life Audit checklist that many employers have found useful.

Step Two: How Much Does it Cost?

The second question to answer is how much is being spent on these programs and practices today? To this end, while taking inventory of programs and services, collect and tally the contracts and invoices associated with them. Although there are no published, widely applied guidelines for optimal levels of work-life expenditures, my experience leads me to the strong conclusion that an adequately funded work-life portfolio (a healthy representation of programs spanning all seven categories) costs between 2-5% of the associated human resources budget (*not* the entire organizational budget). To my knowledge, no one has applied this baseline to the federal government, so I recommend this threshold as a logical starting point. I suspect this calculation will need to be done by individual agencies, because rolling up to one figure across the entire federal government would be a daunting task. At this stage, ballpark estimation is all that is required.

Step Three: How Does it Align With the Mission? Align the existing components of your work-life portfolio with your organization's strategic goals/mission. What specific people outcomes are you trying to create/establish/ensure and in what order of priority? Retention of key talent? Recruitment? Higher levels of productivity? Greater engagement? A healthier workforce? More creativity and innovative thinking? Faster decision times? Greater agility? A reduction in absenteeism? Different combinations of work-life (and other total rewards) elements can be applied to achieve the results you desire.

Step Four: How Well is it Meeting the Needs of Those at the Receiving End? Conduct a work-life needs assessment (either as a pilot in agencies that yield especially replete or deficient results, or across the entire federal workforce) that is specifically designed to assess the match between employee needs with the work-life supports offered across the typical career life cycle.

Step Five: Are There Any Holes in the Safety Net? Perform a gap analysis to look for useful patterns upon which to expand (or contract) work-life support. What is the "core" set of practices and programs in existence across the most agencies (flexible work arrangements, wellness programs and some level of support for dependent care are probable contenders)? What are the biggest holes in the safety net mentioned by the most people? Look for demographic differences and similarities that can be consolidated. For example, both Boomers and Gen Y'ers are interested in leaving a legacy — one that often includes service to the community, which might suggest economies of scale by ramping up policies that support community involvement.

Step Six: How Much Value Does it Yield?

Balance costs with corresponding ROI and break-even analyses (using conservative assumptions) to yield a set of preliminary returns on investment for specific "core" work-life practices. One key variable in cost/benefit analysis is usage among employees, which is affected by many factors. These factors include awareness that programs exist, ease of access, ease of use, individual comfort zone, existence of role models who look like me, word of mouth (the grapevine), microinequities (the culture cues from managers, spouses and coworkers, often unspoken, that communicate what is and isn't a career-limiting move), and deeply rooted cultural norms that determine what people can and can't think or do without suffering a career penalty. Work-life strategy must take any or all of these obstacles into account and devise effective ways to neutralize them. The math is inexorable: as usage grows and costs stay constant or increase at a slower pace than usage, ROI rises. There are many tools

and calculators available that can help you calculate this important metric. Accessing work-life expertise will help to better understand on-the-ground realities of work-life economics and the factors that go into calculating ROI. For example, workplace flexibility, the keystone of the work-life portfolio, has little to no associated direct cost, because it is essentially a leadership style or philosophy. This is one reason why the cost of the work-life portfolio has been so strikingly reasonable compared to other HR expenditures. However, this is one area where poorly educated managers, lacking people skills anchored in respect and trust, will require an upgrade in their competency levels if culturally embedded workplace flexibility is an organizational goal. Based on the experience of hundreds of employers, the resolution of this conundrum may or may not require expensive intervention, depending on the strength of leadership exerted and the level of priority assigned to a successful outcome.

Step Seven: Align Work-Life Strategy Into Overall HR Strategy

Finally, decide on an overall Federal HR strategy. [See Step Three.] What are you trying to accomplish, and in what order? Determine how the work-life strategy you have defined coordinates with other components of the total rewards mix. For example, if you are determined to create and retain a healthier, more individually accountable workforce, then a specific combination of responses will maximize the probability of achieving that outcome, i.e. workplace flexibility, wellness promotion, paid leave policy, incentive pay that rewards supervisors who maintain low(er) turnover, high(er) flexibility quotients, and measurable reduction in burnout and overwork.

- b. Do you believe the Federal Government's work-life programs have kept pace with the most efficient management practices and the needs of today's Federal employees?

It's very difficult for me to determine this for two main reasons. The first is the lack of a comprehensive federal strategy for work-life. Work-life in the Federal government is a very siloed, fragmented endeavor. Each agency seems to have the authority to do a little, a lot or nothing at all with regard to work-life. There is no noticeable application of an over-arching work-life strategy, one that leverages the power of the work-life portfolio with all of the measurable benefits that are known to accrue. Thus, it is hard to make one definitive statement that accurately summarizes the current state of all federal work-life programs.

Examples of the lack of strategy are the federal government's current initiatives around telework and wellness. Telework seems to be a huge focus on the flexibility front, but it is not clear why this one program has been so isolated from the larger suite of flexible work arrangements, which, properly positioned, would offer a platform of flexibility for everyone in the federal workforce. Instead, the action is centered on only 8% of employees, with a lot of energy around increasing this number exponentially as an end in itself. Programs in wellness and telework are currently positioned as separate benefits rather than coordinated in a coherent way that yields measurable results. There doesn't seem to be any awareness or application of the most recent work-life studies that are suggesting a compelling connection between flexibility practices and better health outcomes. Instead of connecting these two pillars of the work-life portfolio, it appears that OPM has been asked to inventory only telework

practices and wellness programs as separate things, without the strategic linkage that the rest of the world is pursuing.

The second reason is the lack of data surrounding whether or not current work-life programs are meeting the needs of today's Federal employees. The current Federal Employees Viewpoint Survey lacks the proper questions to adequately assess whether or not federal employees have access to, feel comfortable using, or actually use current federal work-life programs. There are data on whether or not employees know that work-life programs are available, but the survey is deficient in getting answers on whether or not employees are using the programs available to them and why or why not. If the federal government wants a better, more complete picture of the availability of, access to, and usage of work-life programs across its workforce, it is essential to update the FEVS with questions relating to these topics. This will allow the Federal Government to see if its work-life programs have kept pace with the most efficient management practices and the needs of today's Federal employees.

**Post-Hearing Questions for the Record
Submitted to Mr. Max Stier
From Senator Daniel K. Akaka**

**“Work-life Programs: Attracting, Retaining and Empowering the Federal Workforce”
May 4, 2010**

1. In your testimony, you urge Congress to require the U.S. Office of Personnel Management (OPM) to measure the impact their work-life pilot programs have on recruitment, retention, and employee satisfaction and performance.

What are your recommendations for what specific data should OPM capture and how it should conduct this review?

Answer: OPM is well positioned to measure the impact of their Results-Only Work Environment pilot and should report the results of the pilot to Congress, OMB and the general public. We think they should disseminate lessons learned that focus on the results of instituting a new performance management system; factors that made the pilot successful; barriers that created challenges in implementing the pilot; recruitment and retention data associated with staff who participated in the pilot; and employee satisfaction as measured through surveys and focus groups before, during and upon completion of the pilot.

In addition to OPM reporting the results of their pilot, we also urge them to expand questions in its Employee Viewpoint Survey (EVS) that focus on employee interest in and barriers to part-time schedules and job sharing. While the EVS currently asks questions related to satisfaction with telework and alternative work schedules, employee perceptions about part-time schedules and job sharing are not collected. This information would help agencies understand the level of interest in these flexibilities and would provide actionable information about barriers that currently exist.

2. You testified that your preliminary findings from your research on flexible work arrangements in the Federal government indicate that intergenerational differences may be a barrier to the successful adoption of alternative work schedules.

Please tell us more about these findings, as well as any recommendations you have for overcoming this challenge.

Answer: Previous research conducted by the Partnership found that work-life balance is of critical concern to college students as they consider their career options. Support for flexible work arrangements can effectively position the federal government to be an employer of choice. Likewise, we found that 47% of older workers cited flexible work arrangements – including job sharing, part-time, telework - as an important consideration in applying for a job. When agencies use flexibilities inconsistently, do not include

references to work flexibilities in their job announcements or have low rates of employees who are eligible to telework, job candidates will often pursue other opportunities.

Flexible work arrangements not only help attract talent but they serve as an incentive for more experienced workers to remain engaged and interested in continuing to serve. When the federal government is at the forefront of offering flexible work arrangements that meet mission needs, the talent that is vital to running our federal programs may begin to reconsider federal service as an 'employer of choice.'

**Post-Hearing Questions for the Record
Submitted to Mr. Joe Flynn
From Senator Daniel K. Akaka**

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1. I understand that AFGE locals have worked with OPM to implement the ROWE pilot program and have been pleased with the results of this collaboration.
 - a. Please discuss how this collaboration has worked and what more can OPM do to ensure bargaining units are properly included in the implementation of this new program now -- and in the event it is more widely used in the future.
 - b. Have any issues or concerns been raised by the local representatives during this process?

AFGE Local 32, which represents bargaining unit employees at OPM, is working on pre-implementation for the Results-Only Work Environment (ROWE). This week, June 29-July 1, all affected employees at OPM in DC will undergo sessions called “culture clinics.” In addition, there is a draft Memorandum of Understanding between OPM and Local 32 which addresses issues of concern to the bargaining unit. Negotiations are ongoing with the agency on those matters.

There will be over 400 OPM employees participating in the ROWE pilot. They are from the Director’s Office, Communications, Human Resources Solutions, and Retirement and Benefits Claims 1 (DC) and Claims 2 (Boyers, Pennsylvania).

At this stage of the ROWE development, our reactions are only just forming. We appreciate the agency’s willingness to involve the local union in the program’s development, and we are eager to make it succeed.

At the appropriate time in the negotiations, AFGE will be happy to provide additional background materials to familiarize the subcommittee with the development of ROWE; i.e. preparation time, implementation, expectations, goals and pilot timeline milestones.

2. In private sector experience with ROWE, corporations have seen a decrease in voluntary separations, but an increase in involuntary terminations.

Has your membership expressed concerns about of ROWE?

AFGE Locals have not been offered the opportunity to work under ROWE programs, with the exception of Local 32 at OPM. So no concerns have been expressed to date, except at OPM, and as stated above, those are being addressed through the normal collective bargaining process.

