

HUD Headquarters Personnel Clearinghouse

Introduction

As a new administration faces the challenges of managing the largest workforce in the nation, significant federal personnel issues demand immediate attention. Chief among these urgent issues is that of succession planning. It is well documented that a significant percentage of the federal workforce is eligible for retirement. The issue is particularly salient at HUD, where various estimates place the number of retirement-eligible employees at more than 40% of existing employees. Passing on the institutional knowledge of these seasoned employees is absolutely essential to ensuring that HUD can meet the challenges of its mission.

As HUD tailors its mission to address the challenges of the current economic environment, human resources must be used effectively to achieve greater efficiencies. Workplace flexibility, and the ability to quickly move employees to program areas where they are most needed will become essential to HUD's success. Retention of younger employees who are not retirement-eligible will also become critical. As HUD is hit with a wave of retirements, retention of experienced employees will play an important role in ensuring a smooth transition to the next generation of workers.

Finally, the challenges of day-to-day management of federal employees are equally well-documented. Much needed protections for Federal employees require management's careful adherence to applicable statutory, regulatory and contractual provisions. Managers devote a significant amount of time to personnel issues, time that could be devoted to mission-related duties. Conflicts between employees or between employees and their managers result in time consuming grievances, EEO actions and other disputes. It has been the experience of AFGE Local 476 that transfer of employees to other work units often resolves an ongoing personnel dispute, as an employee is able to perform in a new environment absent personality conflicts or work-related tensions that created the conflict.

AFGE Local 476's proposal for a Headquarters-wide personnel Clearinghouse would serve the dual function of 1) cross-training employees in different program areas to facilitate continuity of service as employees retire or leave the agency; and 2) reducing the amount of managerial resources devoted to resolving personnel-related disputes. This is a win-win proposal that creates a meaningful partnership between labor and management.

Program Benefits

Succession Planning

Both the Government Accounting Office (GAO) and the Office of Management and Budget have warned that this administration will face a “tsunami” of retirements over the next ten years. OPM estimates that almost 50% of the Federal workforce will be eligible to retire by the year 2013 (see OPM’s, “Analysis of Federal Employee Retirement Data,” attached as “A”). This problem is particularly significant at HUD, which has one of the oldest employee populations in government. According to a 2001 GAO report, almost 40% of HUD’s employees were eligible to retire in 2006, one of the higher percentages among Federal agencies, and reflective of HUD’s older employee population (see Attachment “B,” page 15). A significant portion of this percentage consists of managers and high-level employees who have years of institutional expertise and knowledge. It takes a significant amount of time to train replacements for these upcoming retirees and, due to the unique nature of many HUD programs areas, much of this training much take place “on-the-job.” Waiting to begin the training of replacements until employees actually leave is a recipe for disaster.

The Clearinghouse offers a unique, efficient and cost effective solution to the challenges of succession planning. By providing training opportunities to current HUD employees *before retirement-eligibles leave*, institutional knowledge can be passed on. Lower graded and younger employees would be provided with realistic and effective training, allowing them to fill outgoing retirees’ slots without the “down” time associated with posting a vacancy and searching for an appropriate replacement – who would then encounter a significant post-hiring learning curve after joining the agency. The Clearinghouse is a virtually no-cost succession planning tool which could be immediately implemented with existing personnel.

Better Utilization of Existing Human Resources

Federal jobs offer a number of advantages over jobs in the private sector, including job security, good benefits, and the personal fulfillment associated with public service. For these reasons, as well as the current difficult economic times, a significant portion of HUD employees are under-employed. That is, many are serving in positions or grades that are well below their abilities, expertise or educational levels.

Many employees have entered Federal employment at HUD in capacities that are simply not suited to their qualifications. For example, the union can provide at least a dozen examples of college graduates serving in clerical positions, where they perform routine administrative tasks such as data entry, copying and filing. Job applicants took these low-level positions to get a “foot in the door,” to gain some on-the-job experience and to build a resume. They are capable of far more, and their under-utilization is a poor human capital allocation decision.

In addition to over-qualified new employees, many long term employees are also functioning in positions which do not utilize their education and experience. Frequently, HUD employees continue their education at night, obtaining college degrees over the course of their tenure at HUD. While their continuing educational efforts may have been aimed at career advancement, they are often stuck in dead-end positions with no promotion potential. They also may be unable to compete with outside applicants who may have job-related experience. Allowing these current HUD employees to obtain pertinent experience without leaving the agency is a solution which benefits both management and

employees; HUD gains employees who are cross-trained and able to replace retirees immediately and under-employed HUD personnel are given the opportunity to advance.

Workforce Flexibility

Short-term rotations into other service units would result in the cross-training of employees, broadening employees' skills and program knowledge. This cross-training would provide management with the benefit of a flexible workforce, which could be utilized to address changing mission needs. As the new administration begins to implement new program initiatives and agendas, management will need to move employees to different program areas quickly. The Clearinghouse would provide a procedural vehicle for these quick transfers, as well as serving as a much needed pool of qualified talent with program knowledge who would be ready to "hit the ground running."

Employee Retention

HUD is fortunate to have a number of long-term employees, who have served HUD for 20, 30 and even 40 years. These senior employees are an invaluable resource, serving to provide continuity and, as mentioned above, broad institutional knowledge. In addition, however, HUD has numerous, highly-talented younger employees who have held their positions for ten or more years, who have become bored with their job duties and are ready for a change. This latter category, experienced employees who are years away from retirement, are most likely to leave HUD for new opportunities that provide them with a challenge and the potential for career growth. Unless HUD is able to provide the potential for career advancement and challenging job opportunities within the Department, it will be difficult to retain these employees. HUD does not have a good history of employee retention, and often the best and the brightest employees leave HUD for agencies which can offer innovation and opportunities for career advancement.

Rotating employees who have become "stale" would keep them interested, in addition to providing career growth potential. Often just a temporary reassignment or rotation is enough to invigorate and re-energize a "burnt-out" employee, ensuring that they remain committed to HUD's mission and do not view their tenure at the Department as a career "dead-end." Other agencies, such as the National Science Foundation, have recognized the need for temporary rotations and details as a retention tool, and have implemented programs which permit such personnel flexibilities. HUD could be the first agency to combine this retention tool with a comprehensive program for succession planning.

Low-Cost Resolution of Personnel Disputes

The difficulties facing Federal managers are well-documented. Rules and regulations applicable to the discipline, reassignment and termination of Federal employees were designed to provide fair treatment, prevent discrimination and ensure a non-partisan Federal workforce. However managers complain that these procedures make it difficult to deal with employee personnel problems. As a result, managers often do not address performance issues and related problems until they escalate. This perception is substantiated by the yearly OPM Human Capital Survey, which consistently shows that Federal employees perceive management to be doing a poor job of addressing performance issues. At HUD in particular, the most recent OPM Human Capital Survey disclosed that over 40% of HUD

employees either disagreed or strongly disagreed with the statement,”[i]n my work unit, steps are taken to deal with a poor performer who cannot or will not improve.” (see Attachment “C”).

As many supervisors can attest to, managers spend an extraordinary amount of time addressing personnel issues, including the myriad of paperwork requirements attending disciplinary actions. Preparing the required Performance Improvement Plan or “PIP,” Opportunity to Improve Notices or “OIPS” and responses to claims of disparate treatment is very time consuming and adversely impacts mission-related functions. Resolution of personnel-related disputes consumes a disproportionate amount of managerial resources and, ultimately, reduces organizational efficiency.

Through years of representing employees in disciplinary proceedings, adverse actions and grievances, the union has extensive experience in the resolution of personnel disputes that cuts across all program areas and involves thousands of managers and employees. Based on this extensive experience, it is the union’s view that the majority of personnel disputes can be resolved by simply changing the work environment and giving an employee a “fresh start” in another service unit. As conflicts develop, positions solidify and both managers and employees become entrenched in their views. Resentments over past treatment or poor performance may be difficult to overcome. These impediments to the organization’s efficiency can be eliminated by transfers or job swaps, as more fully described below.

Program Operation

AFGE Local 476 is proposing the establishment of a central Clearinghouse for all HUD Headquarters employees, providing employees with the opportunity to voluntarily rotate or permanently transfer to positions throughout Headquarters. While the program would be placed in the Office of Human Resources, the program would be administered in coordination with the union. The union proposes that a committee of three members be established, two representatives from management and one union representative (the “Committee”). The Committee would be responsible for developing policy, as well as making individual decisions on permanent transfers, temporary reassignments and SWAPS, as more fully discussed below. In addition, the Committee would be responsible for oversight and ongoing monitoring of the Clearinghouse program. To fulfill these functions, all members of the Committee would have full access to position and vacancy rosters, union member applications, and other documents essential to oversee the efficacy of program operation. Essential operation of the program would include the following:

Permanent Transfers

- OHR would maintain a database of vacant permanent positions within HUD Headquarters, along with pertinent information such as job series, grade and qualifications.
- The database would be available to employees seeking non-competitive transfers at the same grade level, thus eliminating the expense and delay associated with external postings.
- Employees would have the option of voluntarily submitting their resume into an applicant database, which would periodically be reviewed by the Committee.
- On a regular basis, the applicant database would be compared with the database of vacant positions, to attempt to “match” vacancies with qualified personnel seeking transfer or permanent reassignment.

Temporary Reassignments

- OHR would also maintain a database of temporary and short term work force requirements submitted by managers, for special projects or temporary increases in program work load requirements.
- HUD employees would voluntarily rotate into these temporary assignments, building valuable skill sets that would greatly enhance succession planning.
- Underutilized or overqualified employees at HUD, such as college graduates currently filling clerical positions would be given the opportunity to obtain on-the-job experience in temporary and short-term assignments that would allow them to successfully compete for jobs fully utilizing their education and skills.
- Employees would have the option of submitting their resume into an applicant database, which would periodically be reviewed by the Committee, to match the applicant’s skills with short term needs and temporary assignments.

Swaps

- Employees would have the option of putting in a request for a “swap” where two employees encumbering positions at the same grade level change positions.
- The Committee would periodically review swap requests, to try to arrange appropriate employee swaps.

Monitoring

In order to monitor the program’s operation, quarterly reports (with names or other personal identifiers deleted) should be prepared by OHR documenting all transfers, “swaps” or rotations effected during the quarter. To facilitate full utilization of the program, monthly meetings of the Committee should be conducted, permitting specific situations and cases to be resolved, with follow-up to ensure that specific requests are addressed.

Program Benefits

Operation of the program would enable employees to develop new skills, making them more productive and more valuable. The resultant cross-training of employees would better prepare the agency for the expected wave of retirements. In general, the program would result in better utilization of both management and employee resources. Many employees are currently underutilized and don't have enough work – other program areas are understaffed. The Clearinghouse would allow these inequities to be quickly and efficiently addressed, and permit the short-term reallocation of resources to meet sudden and temporary staffing needs that do not merit a permanent hire.

As discussed above, the Clearinghouse would also reduce and eliminate a significant number of personnel issues. Experience has shown that many employees benefit from a “clean slate” in another service unit, where they are given a second chance to demonstrate their ability to perform at a satisfactory level. Many personnel issues arise out of personality clashes or other incompatibilities that can be easily eliminated by a better “fit” between a manager, an employee and particular job duties. The Clearinghouse would greatly reduce the management burden of dealing with ongoing personnel issues which are time-consuming and demanding for both managers and employees.

The Clearinghouse will greatly improve employee morale. Employees want to be productive and want to contribute to the agency's mission. The Clearinghouse represents a commitment to valuing the skills, abilities and dedication of HUD employees. Establishment of the Clearinghouse would send a clear message to HUD employees that they matter, and that their job satisfaction is critical to HUD's success.

Finally, as already described, the most significant benefit of the Clearinghouse will be to facilitate succession planning. Allowing employees to be trained by current employees who are near retirement will facilitate the transfer of institutional knowledge, and reduce the learning curve typically associated with new hires.

Model Programs at Other Agencies

In response to an email sent to other agency union representatives, Local 476 learned that other agencies have informal processes to cross-train employees and to effect voluntary intra-agency transfer of employees. Some agencies, however, have highly formalized program structures to achieve these objectives. The best example is the Career Enrichment Program (CEP) at the Bureau of the Census Economic Directorate. The Bureau of Census CEP has been in existence since 2006 and is more fully described at <https://harvester.census.gov/cep/asp/main.asp>. The CEP consists of a Job Rotation Component, Stretch Assignments, a “SWAP” program and an InterBureau Exchange component.

- *Job Rotation*
Job rotations in the CEP consist of “long-term career broadening assignments that expand staffs' technical expertise.” The rotations are limited to the Economic Directorate of the Bureau of Census.
- *Stretch Assignments*

Stretch Assignments in the CEP are of two to three months in duration, and provide employees with the opportunity to work with Divisions and Offices outside of the Economic Directorate. Stretch assignments are advertised on a rolling basis and are only open to certain employees of specified job series.

- *SWAP*

The CEP SWAP program is limited to managers and is designed for GS-13 and GS-14 managers who would otherwise be unable to participate in CEP. Managers self-nominate for the program, which permits two managers at the same grade level to exchange positions for a one-year period. Both the sending and receiving divisions must approve the SWAP.

- InterBureau Exchange

Under the CEP InterBureau Exchange Program, Bureau of Census employees are given an annual opportunity to work for Census' sister agency, the Bureau of Economic Analysis, for a nine month period. Half of the exchange period is spent working in an area that is aligned with the employee's work experience, with the remaining time spent "to expand the knowledge skills and abilities of participants through an assignment in a work area that is only tangentially related, or completely unrelated, to their home Bureau work area."

Our union contacts at the Bureau of the Census report high usage of the CEP program, as well as a high level of employee satisfaction with its operation.

CONCLUSION

The time has come for real change to the outdated personnel practices of Federal agencies. As the unavoidable wave of retirements approaches, it is critical that HUD immediately implement measures that will ensure that trained and competent employees are ready to carry on HUD's mission. The Clearinghouse represents a new way of doing business at HUD – treating employees like a valued asset and making the best use of their skills and abilities. Not only does the Clearinghouse create an effective tool for succession planning, but it creates a real partnership between employees and management that will eliminate many employee disputes. AFGE Local 476 looks forward to working with the new administration to make real changes in the way that government operates, allowing HUD's mission to take center stage.