A Report by a Panel of the National Academy of Public Administration

The Department of Veterans Affairs

April 2002

Diversity: A New Direction



About the Academy

The National Academy of Public Administration is an independent, nonprofit organization chartered by Congress to improve governance at all levels – local, regional, state, national, and international. The Academy's more than 500 Fellows include current and former members of Congress, cabinet-level appointees, senior federal executives, state and local practitioners, businesspeople, nonprofit leaders, and scholars with distinguished records in public management. Since its establishment in 1967, the Academy has assisted hundreds of clients, including federal agencies, congressional committees, state and local governments, civic organizations, and institutions overseas through problem solving, research, analysis, information sharing, developing strategies for change, and connecting people and ideas.

Most reports and papers issued by Academy panels respond to specific requests and needs of public agencies. Projects also address governmentwide and broader societal topics identified by the Academy. In addition to government institutions, the Academy is supported by businesses, foundations, and nonprofit organizations.

About the Center for Human Resources Management

The Academy's Center for Human Resources Management helps public sector organizations deal with a rapidly changing human resources field by performing research, benchmarking successful organizations, identifying best practices, analyzing operational processes and procedures, facilitating focus groups, and conducting educational and informational seminars and workshops. The Center uses innovative approaches such as GroupWare – a real-time collaborative brainstorming and decision-support computer tool – and is developing its own GroupWare laboratory for agencies that wish to develop rapid consensus on difficult and complex issues. In addition, the Center has developed a website (www.hrm.napawash.org) providing information on the Center and its services, as well as an electronic forum for sharing ideas and developing collaborative efforts.

The Center's Human Resources Management Consortium, composed of more than 60 federal agencies, plus several cities, states and international organizations, pools its resources to address the pressing issues of modern human resources management. Members set annual priorities and provide collegial direction for Consortium activities that have application throughout the public sector.

The Center also provides consultative services to individual public organizations on specific short- and long-term issues, including development of customized human resources systems. These services are provided to local, state, and federal government organizations, as well as to foreign governments and international organizations.

A Report by a Panel of the National Academy of Public Administration

The Department of Veterans Affairs

April 2002

Diversity: A New Direction

Advisory Panel Members

Singleton Beryl McAllister Curtis Smith Kristine Marcy

Officers of the Academy

Mortimer Downey, Chair of the Board Carl Stenberg, Vice Chair Robert J. O'Neill, Jr., President Cora Prifold Beebe, Secretary Sylvester Murray, Treasurer

Project Staff, Center for Human Resources Management

Myra Howze Shiplett, Center Director Maurice Brice, Project Director Leonard R. Klein, Senior Consultant Jane Chan, Research Analyst Hina Ansari, Research Assistant

The views expressed in this document are those of the panel alone. They do not necessarily reflect the views of the Academy as an institution.					
The views expressed in this document are those of the panel alone. They do not necessarily reflect the views of the Academy as an institution.					
The views expressed in this document are those of the panel alone. They do not necessarily reflect the views of the Academy as an institution.					
necessarily reflect the views of the Academy as an institution.	The wie	yya aymragaad in this da aym	ant are those of the no	mal alama. Thay da m	o.t
	The view	necessarily reflect the view	ws of the Academy as a	an institution.	31

TABLE OF CONTENTS

A REPORT	1
Background	1
Study Methodology	1
Definitions	2
Findings	2
Recommendations	
APPENDIX A: WORKFORCE DIVERSITY	. 11
Policy	11
Definitions	11
Strategy	12
Monitoring Progress	13
Responsibility and Accountability	14
APPENDIX B: FUNCTIONAL DISTRIBUTION	15
Office of Diversity Management	15
Office of Resolution Management	16
Office of Human Resources Management	16
APPENDIX C: PROPOSED VA ORGANIZAITONAL CHART	18
APPENDIX D: BEST PRACTICES DIVERSITY	20
What Is Diversity?	20
Approaches to Diversity	
The importance of Diversity (Valuing Diversity)	22
Barriers to Diversity	25
Managing Diversity	26
Making Diversity A Part of Business	27
How Important Is Employee Involvement	28
Measuring, Assessing, And Evaluating Diversity	29
Diversity Leaders	
Best Practices Findings	34
Best Practice Ideas Applicable to Recruitment and Hiring	40
Best Practice Ideas Applicable to Reduction in Complaint Grievances	40

A REPORT

BACKGROUND

In September 2001, the Deputy Assistant Secretary for Diversity Management and Equal Employment Opportunity at the U.S. Department of Veterans Affairs (VA) requested that the National Academy of Public Administration (the Academy) review the department's diversity and equal employment opportunity (EEO) policies, organizational structure, and staffing. The Academy's Center for Human Resources Management rendered this review. Its purpose was to recommend improvements to VA's diversity program that would contribute to the attraction and retention of a high quality workforce, supports the department's strategic mission, and delivers outstanding and cost effective services to its internal and external customers.

Specifically, the Academy was requested to recommend:

- a new diversity policy for VA
- an organizational structure for the Office of Diversity Management and EEO (ODM/EEO)
- a staff structure for ODM/EEO

STUDY METHODOLOGY

The project team approached this study using the following methodology:

- Current VA policy documents were reviewed regarding diversity management, EEO, and affirmative action. VA strategic plan was discussed with ODM/EEO staff.
- Interviews were conducted with all ODM/EEO staff.
- Interviews were conducted with senior management who have leadership and functional responsibilities related to diversity management at VA Headquarters and its three Administrations: the Veterans Health Administration, Veterans Benefit Administration, and National Cemetery Administration.
- Best practices in diversity management were researched and reviewed. A description of these best practices is included in Appendix D.
- VA's current organizational structure for diversity and EEO was reviewed.

- The current staffing and background of ODM/EEO employees were reviewed.
- Periodic progress reviews were conducted with the Deputy Assistant Secretary for Diversity Management and EEO.

DEFINITIONS

Finding a universally established definition for diversity is a formidable – if not impossible – challenge¹. The project team used the currently accepted definitions for "equal employment opportunity" and "affirmative action," and developed a definition for "diversity" using a number of sources.

Diversity represents the mosaic of people who bring a variety of backgrounds, styles, perspectives, values, and beliefs as assets to the organizations and groups with which they interact. It encompasses every characteristic and experience that defines each individual. Diversity includes the primary dimensions of race, ethnicity, gender, age, religion, and disability. Secondary dimensions include geographic origin, family status, language skills, education, military experience, and economic status. The concept of diversity encompasses all individuals, not only those belonging to groups identified as minority, underrepresented, or "protected."

Equal employment opportunity includes a set of laws and regulatory requirements that are designed to protect individual rights in hiring and employment. They establish avenues of redress for aggrieved individuals and are intended to provide protection for all federal employees and applicants for employment against employment-related discrimination based upon race, color, gender, religion, national origin, age, or handicap.

Affirmative action is an activity that focuses on expanding opportunities to treat the underrepresentation of affected groups in order to attain parity for them. It is focused on intensified recruitment and providing advancement opportunities to resolve existing underrepresentation.

FINDINGS

_

<u>Current Instruction.</u> The Deputy Assistant Secretary for Diversity Management and EEO identified the current instruction (MP-7, Part 1, Chapter 2) affirmative action program as an area requiring revision and updating. The instruction does not specifically deal with diversity management, but with the procedural and bureaucratic aspects of EEO and affirmative action. Further, it does not include a VA vision or management policy statement regarding diversity, or a strategy agenda for achieving it.

¹ The project team found that most VA staff described "diversity management" as a problem prevention activity and "EEO and affirmative action" as a problem resolution activity.

<u>Current Organization for Diversity.</u> Overall leadership for diversity-related matters resides with the Assistant Secretary for Human Resources and Administration. Directly reporting to this position are the Office of Human Resources Management (human resources functions), Office of Resolution Management (EEO complaint function), and ODM/EEO (workforce analysis and special emphasis programs). These offices carry out functions that affect diversity management at VA. The Office of Administration and Office of Security Management and Law Enforcement also report to this assistant Secretary.

ODM/EEO currently has 15 full-time personnel and 6 part-time/temporary staff. It is organized into two divisions: one focused on workforce analysis and evaluating VA facilities for EEO-related effectiveness (technical assistance reviews), and one concentrating on special emphasis program issues (recognition, celebrations, and group representation). Several administrative support staff also report to the Deputy Assistant Secretary directing this office.

<u>Current VA Program Focus and Resource Commitment.</u> At the direction of Congress, the Office of Resolution Management (ORM) was established in 1997 to accept, investigate, and attempt to resolve EEO complaints from all VA organizations. Approximately 267 full-time equivalents (FTEs) are devoted to this effort. Currently, there are approximately 3,530 active EEO complaints agency-wide, with approximately 2,150 new ones filed in 2001. On average, it takes slightly more than one year (386 days) to resolve an EEO complaint at VA.

ODM/EEO estimates that it costs \$50,000 to accept, investigate, and resolve an EEO complaint. Based on experiences at other agencies, the project team believes that this estimate is low (without considering lost productivity costs for employees, supervisors, and work teams). ORM is conducting a study to capture all complaint related costs.

In addition, the VA's three Administrations employ EEO specialists in their facilities. The Deputy Assistant Secretary for Diversity Management and EEO recently conducted a survey to determine diversity-related work years and activity being carried out in the various VA Administrations. The survey found that, in addition to dedicated ORM resources, approximately 30 percent of the EEO work years in the Administrations are devoted to EEO complaint process. EEO staff intertwined in the Administrations indicated that this amount is considerably understated. Totaling ORM, ODM/EEO, and Administrations staff resources shows that four out of five diversity-related staff resources are devoted to complaint resolution, rather than to activities that would produce a more strategically effective workforce.

VA work years devoted to diversity/EEO-related efforts are depicted in the following table:

WORKYEARS	ODM	ORM	NCA	VACO	VBA	VHA	Total
Complaints	1.0	267.0	.28	2.28	2.77	22.73	296.06
Other	16.0		.48	5.33	6.45	53.04	81.30
Total	17.0	267.0	.69	7.61	9.22	75.77	377.36

VA's diversity strategy is not unlike most federal agencies; it is primarily focused on complaints, representation, and traditional EEO issues. Diversity staff are heavily involved in the complaint process, its time-consuming information gathering requirements, and special emphasis programs, reports, and committees. During the past year, ODM/EEO has paid special attention to identifying specific occupations and grades that require priority attention. However, there is no organized activity to improve the work environment and employee/supervisor communications problems, the focus of most employee dissatisfaction and complaints.

In addition, diversity concerns are almost entirely internally focused – that is, on the VA workforce, rather than on VA's customers: America's veterans. The Assistant Secretary for Human Resources and Administration made this observation and expressed the view that increased attention should be paid to the requirements of veterans, especially minority veterans who often find that VA institutions do not reflect their diversity.

Current Roles and Functions of the Office of Diversity Management and EEO. In interviews with senior leaders, the project team found a lack of clarity about the role and functions of ODM/EEO. Executives had little contact with the office and were uncertain about the service or assistance it provides. They also indicated that supervisors and employees did not know about ODM/EEO. Although VA managers want a diverse workforce, they are unsure how to attain it or measure success in doing so. Several executives observed, "You get what you measure." They did not believe diversity is a priority at VA's operating levels.

When discussing special emphasis programs, several noted that those attending these special events predominantly are members of the particular group, minimalizing their effectiveness in sensitizing others.

Management Development. A VA-wide policy for executive, management, or supervisory development is lacking. Specific training or subject matter content is required. The VA Administrations have various training policies for their particular workforces. Some agencies (e.g. Social Security Administration) require 80 hours of supervisory management development and others (e.g. Internal Revenue Services) have established personnel coaching programs to assist executives, managers, and supervisors

on interpersonal skills needed to produce a productive and harmonious work

environment.

Several VA diversity and equal employment studies have indicated that exists ineffective communication between supervisors and employees. They note that employees who feel appreciated and respected are less likely to file complaints, and that employees and executives believe an improved work climate could be achieved through recurring supervisor/manager training that emphasizes communications skills and diversity.

RECOMMENDATIONS

- 1. Issue a Policy Statement/instruction on Diversity Management. The Academy's Advisory Panel recommends that VA develop a diversity policy and strategy for achieving it. The current policy statement (MP-7, Part 1) deals with traditional EEO and affirmative action issues, not the broader issue of diversity management. The Panel recommends that VA's strategy concentrate on three paramount goals:
 - A Harmonious and Productive Work Environment. Although 97 percent of VA's EEO complaints result in findings of no discrimination, this rate reflects an ongoing problem. Workforce complaints and grievances usually are result from workplace tensions, disagreements, and miscommunication between employees and supervisors. Increased attention on improving supervisory/employee interaction and supervisors' people management skills would yield a significant return-on-investment and service delivery dividends. In addition to philosophical arguments for diversity, greater resources for improving the workplace environment of VA organizations could result in considerable financial savings, organizational effectiveness, and improved service to veterans. A high-morale workforce provides better customer service than one that holds grievances, regardless of cause or validity. The cost of complaints aside, a good business case also can be made for such an investment. Mechanisms should be identified for holding all employees and managers accountable for maintaining a harmonious work environment.
 - A Diverse Workforce. VA's workforce should reflect the United States and its veterans. As such, data and priorities must include all groups. The U.S. Office of Personnel Management's Federal Equal Opportunity Recruitment Program, FY-2000 Report to Congress indicated that VA is one of three federal executive departments whose total workforce exceeds the relevant civilian laborforce for all minority groups and women. Although this total numbers are positive, shortfalls exist for some occupations and grade levels which require effective workforce analysis and priority setting to overcome. ODM/EEO has initiated action to identify those areas and provide useful data for effective planning. Close coordination with the Office of Human Resources management (OHRM) should receive special attention to ensure that diversity data are built into the overall strategic workforce plan.

Outstanding Service to All Veterans. VA's business is serving veterans, effective diversity management is key to this business. Such management must look beyond VA's workforce to ensure that all veterans, regardless of their backgrounds, receive outstanding service from its institutions. Veterans would be comfortable dealing with organizations that reflect their diversity. Similarly, they would receive quality service from organizations staffed by positively motivated individuals and work teams.

The Appendix A provides a draft diversity instruction.

2. Concentrate the Effort of all Diversity/EEO Staff Outside the Office of Resolution Management (ORM) on the Above Goals. Despite the fact that ORM is responsible for the EEO complaint process, other diversity staff spend much their time on complaints and information and data gathering requirements. Assuring EEO for employees and applicants in all employment-related decisions is the primary responsibility of VA management and its human resources function. Affirmative action activities – recruiting, hiring, training, promotion, etc. – also are management and human resources related responsibilities. Diversity management must take a broader and more proactive view of its role by focusing on the three goals outlined above, rather than augmenting or assessing OHRM and ORM efforts. Attention also should be paid to special emphasis programs to ensure that they are focused on the paramount goals, not solely on group observances and celebrations.

Appendix B includes the proposed distribution of functional responsibility.

- 3. Broaden Currently Conducted "Technical Advisory Reviews". ODM/ EEO conducts periodic reviews of VA installations EEO programs. These reviews should be broadened to focus on the three goals related the workforce, work environment, and service to veterans of all backgrounds. They also should focus on ways to achieve diversity goals, not only compliance issues. Review teams should be composed of diversity management, OHRM, and ORM staff working together. Installations with high rates of employee and/or customer complaints should be priority targets for supervisory training and coaching efforts.
- 4. Place Greater Attention and Resources on Executive, Management, and Supervisory Training. Dissatisfaction with their supervisor is a primary reason why quality individuals leave organizations. It is also the cause of most employee grievances and complaints. VA would improve the quality of its work environment and reduce its costs by increased investment in training for its supervisory/managerial staff. This training should concentrate on communications, interpersonal relations, and teambuilding skills. Supervisory/management training often tends to focus on federal human resources and financial laws, rules, and process, not on ways to manage people more effectively. Although VA's High Performance Development Model highlights coaching and mentoring skills, their widespread application are not fully implemented. If a \$5,000 investment in training/coaching per supervisor or manager (about 18,000 individuals)

were made over a five-year period (3,600 supervisors per year), the cost would total approximately \$18 million annually.

5. Pursue a Return-on-Investment Strategy to Reduce Complaint Resolution Costs.

As noted previously, 3,530 EEO complaints are being processed it takes slightly more than one year to resolve an average one. Meanwhile, 2150 new complaints were generated in the past year. At the current rate, approximately 2,850² complaints must be resolved annually over the next five years to avoid a larger backlog. This rate produces an average annual EEO complaint cost of approximately \$142.5 million³.

If an investment in management development gradually reduced the EEO complaint rate by 50 percent over a five-year period, the return-on-investment for the five years would exceed \$109 million. If the EEO complaint rate maintained a reduced 50 percent rate, and a \$10 million investment in supervisory training continued each year thereafter, a sustained return-on-investment of over \$61 million annually would be realized. The most important gain would be improved service to veterans. (The table and figure below illustrate these scenarios.)

FIVE YEAR RETURN-ON-INVESTMENT (ROI) (in million)

	1	2	3	4	5	6	7	8
Year	Projected Annual Complaint Cost	Annual Complaint Reduction (%)	Annual Complaint Cost Reduction	New Annual Complaint Cost ⁴	Manager Training Coaching Cost	Total Annual Cost (4+5)	Net Annual Saving (1-6)	Cum. Saving
1	142.5	5	7.12	135.38	18	153.38	(10.88)	(10.88)
2	142.5	10	14.25	121.13	18	139.13	3.37	(7.51)
3	142.5	15	21.37	99.76	18	117.76	24.74	17.23
4	142.5	10	14.25	85.51	18	103.51	38.99	56.22
5	142.5	10	14.25	71.26	18	89.26	53.24	109.46
Total	\$712.5	50		\$513.04	\$90	\$603.04	\$109.46	
Sustain		0	0	\$71.26	\$10	\$81.26	\$61.24	

Confidential coaching assistance could be provided through central, regional, or local contractual arrangements. Consideration also should be given to training employees so

 3 At a rate of \$50,000/complaint, resolving 2,850 complaints will cost: 2,850 x \$50,000 = \$142,500,000, which is the projected annual complaint cost.

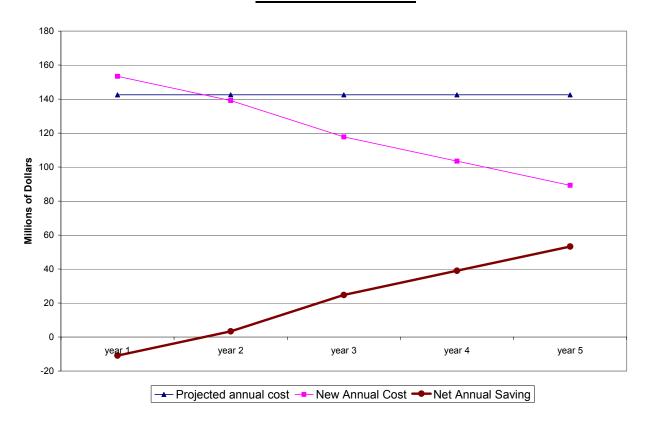
-7-

² This is a proximate number (round up to tens) of complaints that need to be processed annually for 5 years $-(3530/5 + 2150) = 2856 \rightarrow \sim 2850$.

⁴ The computation of this column: (**New Annual Complaint Cost** of the previous year <the projected annual complaint cost is used for the 1st year>) – (**Annual Complaint Cost Reduction** <column 3>)

they can more effectively share problems and concerns with supervisors and understand their own responsibility for contributing to a harmonious work environment.

COMPLAINT RESOLUTIONCOST SAVING BY ROI STRATEGY



<u>6. Emphasize Pipeline Recruitment and Development Programs to Prepare a Cadre of Highly Qualified and Diverse Candidates for Higher Grade Management</u>

Positions. Filling one or two positions at a time in widespread locations does not enhance long term planning or the development of educated and diverse personnel who could fill future high-grade vacancies. More effective strategies are consolidating hiring requirements by broad occupational category, particularly for occupations common to the Administrations, and using centrally managed development systems – such as cooperative education and internships – to recruit (especially to overcome diversity issues), hire, assign, and develop personnel on a VA-wide basis. These strategies can permit VA to more effectively influence the future quality and diversity of its professional workforce.

In addition, VA should support a departmental succession planning system for selecting and preparing staff to fill future management positions. The Panel understands that such a system is being developed. Similarly to other pipeline programs, succession planning can more effectively ensure a diverse cadre of future managers than by filling single positions independently.

7. Conduct an Annual Survey of Employee Attitudes and Use It to Monitor Change and Improvement over Time. Many companies conduct these surveys to monitor organizational health and consider them to provide a competitive advantage. Some base a percentage of managerial pay on the outcome. Considering the cost included by employee dissatisfaction, coupled with the fact that leading people is the principal reason for any supervisory position, their relationship is understandable.

To be effective, this survey must remain relatively unchanged from one year to the next to accurately measure progress. Results should be reviewed in an organized fashion, produce appropriate policy and/or operational activity, and be considered in performance appraisals and coaching of manager training.

- 8. Establish a Structured and Formal Exit Interview System and Collect

 Anonymous Data From Every Departing Employee. Departing employees can be a great source of qualitative information about their workplace environment, provided that the data collected uniformly and systematically. If they are assured that this information will be kept confidential, and will be used only with aggregate data, departing employees may feel encouraged to share their views.
- 9. Establish a Culture of Accountability among Executive, Managers, and Supervisors for Effective Diversity Management at VA. Drawing on data from the above sources, VA should hold individual supervisory/management team members accountable for the organization's morale and productivity. Clear objectives should be established for improvement and they should be outlined in annual objective setting. Some VA executives suggested establishing performance measures for individuals, as well as organizations.
- 10. The Name of the Current Office of Diversity Management and EEO and the Title of the Associated Deputy Assistant Secretary Should Be Changed. To emphasize their broader focus, these titles should be changed to "Office of Diversity Management" and "Deputy Assistant Secretary for Diversity Management." EEO should be dropped from the titles as it is not the primary function of the office, misleading employees and managers alike.
- 11. Increase the Structure the Organization of the Office of Diversity Management to Focus on the Three Principal VA Diversity Goals. ODM's organization, staff, and attention should reflect the diversity goals of improving the workplace environment, facilitating workforce diversification, and optimizing service to all veterans. Attachment C provides a proposed organizational structure. Recruiting new divisional leadership responsible for workplace environmental improvement is critical to provide successful

organizational development, industrial psychology, and change management capability needed for success in that area. Again, close collaboration between ODM and OHR will be required to produce effective change management capability. Additional ODM staff resources would be beneficial in the short term to accelerate the transition to new roles. Staff attrition and development can be used to adjust size and competency requirements.

Appendix C includes the Proposed VA Organizational Chart, Staffing Requirements for Diversity Management, and VA "People Team" Functional Responsibilities.

12. The Office of Diversity Management Should Increase Its Collaboration with Line Management. ODM must be visible to line officials and have a seat at their table. It should provide information and briefings to senior leaders on their organization demographics and data that shed light on their work environment. The ODM needs to be openly and actively with senior leaders to make diversity a "key topic" and change the face of VA.

ODM also should clarify its mission and functions so that line management and employees know what to expect from it. It should assist organizations to identify problems and their causes, and find solutions and models that build a more productive workplace. ODM should provide trend data to measure progress, the business case for a diverse and productive workforce, and show its their benefits to VA management.

13. Establish an All-VA Diversity Business Council. An All-VA Council should be established to guide, inform, and monitor VA's diversity initiatives. The Assistant Secretary for Human Resources and Administration should chair the Council. Key personnel-related organizations (ODM, OHR, ORM) should support this effort, and membership should include management and diversity support staff from the Administrations. The Veterans Health Administration (VHA) has established such a council that could provide an excellent link to an All-VA Council. The Council should develop business measures to monitor the diversity program, demonstrating the cost and service effectiveness of improved diversity management. The Deputy Assistant Secretary for Diversity Management should be secretary to the Council and provide primary management support.

For a reference, Appendix D provides some other organizations' best practice experiences in diversity.

APPENDIX A

WORKFORCE DIVERSITY

POLICY

The workforce of the Department of Veterans Affairs will reflect the diversity of the nation's workforce and the customers we serve. Our workplace environment will be managed to ensure that the characteristics and capabilities of all employees are valued, recognized, and used in a manner that contributes to the delivery of exemplary service to America's veterans.

DEFINITIONS

Diversity represents the mosaic of people who bring a variety of backgrounds, styles, perspectives, values, and beliefs as assets to the organizations and groups with which they interact. It encompasses every the characteristic and experience that defines each individual. Diversity includes the primary dimensions of race, ethnicity, age, gender, religion, and disability. Secondary dimensions include geographic origin, family status, language skills, education, military experience, and economic status. The concept of diversity encompasses all individuals, not only those belonging to group identified as minority, underrepresented, or "protected."

Equal employment opportunity includes a set of laws and regulatory requirements that are designed to protect individual rights in hiring and employment. They establish avenues of redress for aggrieved individuals and are intended to provide protection for all federal employees and applicants for employment against employment-related discrimination based upon race, color, religion, gender, national origin, age, or handicap.

Affirmative Action is an activity that focuses on expanding opportunities to treat the underrepresentation of affected groups in order to attain parity for them. It is focused on intensified recruitment and providing advancement opportunities for minorities and women to resolve existing underrepresentation.

Equal employment opportunity and affirmative action are important tools for helping to achieve a diverse workforce. Yet they are primarily focused on overcoming negative situations. The goal of the Workforce Diversity Program is to create a workforce and work environment in which individuals from all races and backgrounds can work together with maximum effectiveness and harmony for the good of the organization and its customers and stakeholders.

STRATEGY

To develop and maintain an organizational culture that values the diversity of our people, we will focus on three paramount goals. They are:

<u>A Productive and Harmonious Work Environment.</u> Valuing diversity and effectively utilizing the unique strengths of each individual results in an improved workplace environment for employees and supervisors. To ensure that we have the necessary tools and information to deal with this objective, the Department will take the following actions:

- Provide training to supervisors and managers in order to develop the interpersonal skills needed to manage a diverse workforce. This training will be a required element of VA's employee and management development programs.
- Conduct an annual employee survey of workplace environmental issues to assess progress in meeting this goal.
- Use a structured and anonymous exit interview process to collect the views of departing employees and track progress regarding this and other human resources issues
- Monitor employee complaints and prepare an annual report indicating the origin
 of complaints by race, national origin, and gender; organizational component; and
 issue. Prepare an analysis of these results.

A Diverse Workforce. The Department will develop and maintain a workforce that reflects the nation and its veterans. To achieve that objective we will have the following steps:

- Use a workforce diversity strategy as an element of the Strategic Human Capital Plan. Using the latest data, a statistical analysis of the workforce will be developed according to occupation, pay grade grouping, and race and national origin. Areas falling short or exceeding the relevant civilian labor force will be identified for all groups, and action plans will be developed to correct those imbalances.
- Establish 5-year objectives as part of the strategic Human Capital Plan, with annual progress updates. Priorities will reflect those areas with the most serious imbalances. Action plans may include external hiring, internal advancement, career development systems, or other appropriate objectives. The plan and related data will be shared with all employees.
- Make maximum use of pipeline recruitment and development programs, from cooperative education and intern programs to staff entry-level positions. Such

pipeline programs permit advance planning to meet diversity objectives. They also have provided very effective methods for producing high quality hires with future management potential. Retention results using such programs have been excellent government-wide.

• Utilize a succession planning system for selecting and developing future supervisors and managers with the necessary interpersonal skills to develop and manage a productive and diverse workforce.

To ensure adequate numbers of participants and broad developmental opportunities the above programs will be managed on an All-VA or Administration-wide basis, as appropriate.

Exemplary Service to All Veterans. The ultimate objective of VA's programs and activities is exemplary service to our customers: the veterans of the United States. Veterans of any race, gender, or ethnic background should expect and receive outstanding service from any of our organizations, anywhere in the nation. That goal will be more effectively achieved if our organizations reflect the veterans they serve. To assist VA organizations in this regard, we will take the following actions:

- Review customer complaints from all veterans to identify issues that have a diversity component, and attempt to discern general areas that require attention.
- Conduct periodic diversity business reviews of VA organizations and installations to assess progress in meeting the three goals outlined above.
- Issue reports outlining areas that require attention and recommendations for overcoming shortfalls.

MONITORING PROGRESS

<u>Business Measures</u>. Although EEO and affirmative action both focus on eliminating and overcoming discrimination, valuing diversity is a bottom-line business issue. Organizations that value diversity and reflect their customers they serve should be more successful than organizations that do not. Work teams with high morale deliver service that is superior to those that hold grievances and dissatisfaction. In this regard, objective measures similar to those listed below will be developed to track the status of the following business objectives:

• <u>A Productive and Harmonious Work Environment.</u> Measures: annual workforce survey, number and cost of complaints, complaint source and issues, turnover rate of high performing employees, exit interview data

- <u>A Diverse Workforce.</u> Measures: comparison of occupations and pay levels to relevant national labor force data for all groups, diversity of management cadre, diversity of succession program participants
- <u>Exemplary Service Delivery.</u> Measures: veteran satisfaction data, timeliness data, error rate information

All-VA Diversity Business Council. An All-VA Diversity Business Council will be established to guide, inform, and monitor the diversity initiatives outlined above. The Assistant Secretary for Human Resources and Administration will serve as chairman, and the Deputy Assistant Secretary for Diversity Management will provide principal staff support. Membership will consist of employee and management representatives from the VA Administration diversity business councils, the Deputy Assistant Secretaries for Human Resources and for Resolution Management, and others with responsibilities related to the objectives described above.

RESPONSIBILITY & ACCOUNTABILITY

VA Administrations will utilize the above framework to manage their diversity programs. Their representatives will serve on the All-VA Diversity Business Council.

Executives, managers, and supervisors are responsible for maintaining a balanced workforce and for creating a productive and harmonious work environment that values all of our employees.

Employees are equally responsible for doing their part to maintain harmonious working relationships with other employees of all backgrounds, their supervisors, and our external customers.

The **Assistant Secretary for Human Resources and Administration** will provide leadership and direction for the VA diversity program. The following executives will collaborate with him in this regard:

- The <u>Deputy Assistant Secretary for Diversity Management</u> will provide the management and policy development support for the diversity program.
- The <u>Deputy Assistant Secretary for Resolution Management</u> will manage and conduct all aspects of the EEO complaints system and will illuminate areas requiring management attention.
- The <u>Deputy Assistant Secretary for Human Resources Management</u> will manage programs and activities that ensure equal opportunity principles are adhered to in recruiting, hiring, compensation, training and development, and employee relations.