



DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C.

JAN 4 2005

ASSISTANT SECRETARY

**MEMORANDUM FOR ALL BUREAU HEADS**

**FROM:** Jesus H. Delgado-Jenkins  
Acting Assistant Secretary for Management

**SUBJECT:** Dispute Prevention Strategy

I thank you for your continued support of the Department's equal opportunity and diversity policy. Your efforts to promote a work environment which supports a competitive, highly-qualified, motivated and diverse workforce helps to ensure equal opportunity for all employees.

Despite our best efforts, however, we know that disputes do occur. Disputes can be costly and disruptive to the workforce and to the work environment in a number of ways. To assist in preventing disputes, I am pleased to provide a copy of the Department's Dispute Prevention Strategy. This document provides a number of initiatives for bureaus which can help manage areas of conflict, and hopefully prevent disputes. I thank you for your support and acknowledge the contributions of a number of bureau employees who worked together on a Treasury-wide team to develop this strategy.

I encourage you to use this strategy within your respective bureaus and to designate a bureau team to develop a bureau-specific implementation plan. For the Department, this initiative is managed by the Office of the Deputy Assistant Secretary and Chief Human Capital Officer (DASHR/CHCO). Bureaus will be asked to provide progress reports on this initiative at quarterly Human Resources Advisory Council meetings.

Thank you for your support of this initiative and for all of your efforts to create and maintain a talented, diverse workforce at the Department. If you have any questions, please contact Pat Pointer, Acting DASHR/CHCO at 202-622-5206.

Attachment

# ***DEPARTMENT OF THE TREASURY***



## ***DISPUTE PREVENTION STRATEGY***

**November 2004**

# DEPARTMENT OF THE TREASURY DISPUTE PREVENTION STRATEGY FOR FY 2004-2008

## *The Business Imperative*

The Department of the Treasury's Diversity Strategy and Human Capital Plan are designed to assist the Department in creating and maintaining a talented, diverse workforce. The Department recognizes that, to be competitive, it must solicit from every available source of candidates to ensure the highest quality workforce. However, to maintain a competitive edge, we must ensure that Treasury bureaus and offices offer an optimum work environment conducive to a high level of employee satisfaction.<sup>1</sup> The Dispute Prevention Strategy will assist the bureaus and offices in finding strategies to improve work environments in the area of conflict and conflict resolution.

### *The Costs of Disputes:*

Although conflict is normal in any organization, unabated conflict becomes harmful and creates a dysfunctional organization. Conflicts that result in disputes are costly and disruptive to the workforce. Conflict detracts from optimum work environments, causes employees to focus on the conflict rather than the mission, and can be a prime motivator for talented employees to leave the Treasury workforce. Productivity of the complainant, coworkers and management often suffers as a result of workplace conflict and unresolved issues. While not always measurable, these costs are significant.

There are also measurable costs. In FY 2003, employees involved in EEO complaints throughout the Federal government received over \$61 million in monetary awards. This figure represents nearly \$40 million awarded by agencies in settlement of complaints or from final agency decisions with corrective relief. Approximately \$20 million was awarded by the Equal Employment Opportunity Commission at the appeals stage.

In FY 03, Treasury paid out over \$1 million in lump sum payments, compensatory damages, and attorney's fees to provide corrective relief in addressing formal EEO complaints. Over 2,000 employees or applicants sought EEO counseling, and over 850 formal EEO complaints were filed in FY 2003. Moreover, these figures do not account for the actual costs to administer the EEO complaint process (a cost of over \$10 million in FY 03). Similarly, costs for union and administrative grievances also resulted in

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<sup>1</sup> The Diversity Strategy, the Human Capital Strategic Plan and the Treasury Strategic Plan all have a goal of retaining a high performing workforce and maintaining an environment conducive to a high level of employee satisfaction.(HCSP Goal 3; Treasury Strategic Plan Goal M5B3; Diversity Strategic Objective 3.1)

significant outlays for Federal agencies, both in terms of lost productivity and real dollars.

***Business Results***

An effective dispute prevention program will contribute to significant cost savings for Treasury, as well as improving morale and productivity. Our goal is to develop innovative processes that aid in the prevention, early identification and early resolution of disputes. By offering alternatives outside of the agency grievance process, EEO and MSPB, we are sure to decrease liability, litigation and costs, along with enhancing the working environment for all employees of the Department of Treasury. Even a 15% decrease in formal complaints would render a cost savings of approximately \$150,000 in lump sum payments, compensatory damages, and attorney's fees, not to mention the associated costs of complaint administration.

## ***Introduction***

The Department of the Treasury's Strategic Plan for Dispute Prevention is designed to assist the Department and its bureaus in meeting its strategic objectives. The cornerstone of all our activities, and the key to meeting our mission requirements, is our workforce. To succeed in meeting our mission, we must have a workforce that is healthy and productive. Moreover employees must have confidence that their legitimate concerns will be heard promptly, considered objectively and resolved fairly.

A wide array of strategies addressing dispute prevention is currently successfully utilized in private industry and in other Federal, state and local governments. Treasury has adopted many of these best practices to build a meaningful Plan of its own. This plan lays the foundation for cultural change in the area of dispute prevention.

This Plan incorporates strategies for achieving our vision, goals and objectives.

***Our Vision:*** An organizational culture that addresses conflict in a positive and constructive manner.

***Our Goals:*** To facilitate the establishment and implementation of model dispute prevention strategies among Treasury bureaus.

***Our Objectives:*** To minimize the impact of dysfunctional conflict that detracts from employee satisfaction and undermines organizational efficiency.

We recognize that not all of these strategies are adaptable to every bureau, and we encourage the bureaus to identify what we can do together, what we can each do separately, and to share results and best practices to support each other.

This plan is intended to be proactive and address workplace conflicts, whether or not discrimination is raised. To measure our effectiveness, we will examine complaints filed in any arena, including EEO complaints, MSPB appeals, and administrative and union grievances. Complaints under any of these complaint systems are costly and detract from the organization's ability to carry out the primary mission.

However, we recognize that, at times, complaints will arise. We are dedicated to ensuring our complaint systems will operate to ensure that all employees are given fair and equal treatment under the law and that no employee will be retaliated against for his or her decision to exercise rights available under any complaint process. At the same time, we will look for opportunities to resolve workplace conflict as early as possible, given the particular facts and circumstances of the complaint, and considering the best interests of the government.

***Treasury Strategic Goal M5: Ensure Professionalism, Excellence, Integrity and Accountability in the Management and Conduct of the Department of the Treasury***

**1.1. Strategic Objective: Ensure this Dispute Prevention Initiative is integrated into the Treasury Strategic Plan and is supported at the highest level of the Department and the bureaus.**

**1.1.A. Outcome(s) Expected**

- Dispute Prevention Initiative is supported at the highest level and demonstrates management's support and commitment for the initiative.
- Strategy is linked with Diversity Strategy, Human Capital Strategy, the President's PMA, and the Department's Strategic Plan.
- Accomplishments are recognized appropriately.

**1.1B. Means and Strategies for Achieving Objective**

- Establish a line of sight between the Dispute Prevention Strategy and the Treasury Diversity Strategy and Human Capital Strategic Plan.
- Develop a policy statement for the Deputy Secretary's signature, to the bureau heads, expressing his commitment to the goal of dispute prevention, and asking each bureau head to personally champion the goals advanced in this strategy.
- Establish working groups at each bureau, consisting of coalition of EEO, HR, LR, ADR, union officials, to develop plans specific to the needs of each bureau. The working groups will report semi-annually to the Human Resources Advisory Council.
- Recognize significant, innovative accomplishments in this area at both the bureau and Department level. Share success stories and accomplishments on the web, at forums, and in our Human Capital Report as examples of best practices.

**1.2 Strategic Objective: Measure the success of the initiative and hold managers and employees accountable for results.**

**1.2.A. Outcome(s) Expected**

- Decrease in the number of precomplaint counseling contacts, EEO complaints, MSPB appeals, and grievances
- Support for dispute prevention initiatives from managers and rank and file employees.
- Identification of root causes of conflict in the bureau and positive actions to remedy conflicts.
- Improvement in employee satisfaction survey results.

**1.2 B. Means and Strategies for Achieving Objectives**

- Establish a baseline for FY 04 of counseling contacts, EEO complaints, MSPB appeals and grievances and track for succeeding years, to measure success bureau-wide and Department wide.
- Use employee surveys, complaint data or other tools to measure employee satisfaction and areas causing conflict and take necessary action to improve work situations.
- Analyze complaint data to identify "hot spots" and specific bases/issues where complaints may be increasing and develop rapid response teams or other technical assistance to improve the environment.
- Require performance commitments from managers in the area of dispute prevention. Commitments will measure positive initiatives shown in this area such as training, support for ADR or other initiatives, etc.

***Strategic Objective M5B3: To retain a diverse, high quality workforce dedicated to accomplishing the mission of the organization.***

**2.1 Strategic Objective: Deliver dispute prevention and resolution training for all employees to improve their capacity to deal with conflict situations.**

**2.1A. Outcome expected**

- To further a lasting cultural change in the workforce that values communication and resolution skills.

**2.1B. Means and Strategies for Achieving Objectives**

- Bureau development of training modules to include application of problem-solving, interest-based negotiation, and effective communication skill-building.
- Sharing of training modules between the bureaus.
- Establishment of a Treasury shared coaching cadre to assist managers and employees in dealing with conflicts.
- Development of mentoring process in bureaus for new managers, to assist them in dealing with difficult conflict situations.
- Development and publication of Treasury Shared Yellow Pages of Dispute Prevention Resources
- Establishment of Treasury Dispute Prevention Speakers bureau
- Addition of various dispute prevention/conflict resolution courses to TEI curriculum for GS-15's and above.



## **2.2 Strategic Objective: Improve the capacity to resolve complaints early.**

### **2.2A. Outcome expected**

- To create a culture where managers and employees work together for common solutions to problems.

### **2.2B. Means and Strategies for Achieving Objectives**

- Determine barriers causing employees or managers to decline mediation when offered.
- Increase marketing of ADR programs.
- Share ADR success stories on the web or other venues.
- Reissue the Secretary's policy on alternative dispute resolution.