

Obama picks Ex-P&G exec to lead Veterans Affairs

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This Sept. 22, 2011 file photo shows Robert McDonald, CEO and president of Procter & Gamble, speaking at the Clinton Global Initiative in New York. President Barack Obama is selecting the former Procter and Gamble executive as his choice to be secretary of Veterans Affairs, an administration official said Sunday, June 29, 2014. McDonald, 61, is a native of Gary, Ind., who grew up in Chicago. (AP Photo/Mark Lennihan, File)

President Barack Obama plans to nominate former Procter & Gamble executive Robert McDonald as the next Veterans Affairs secretary, as

the White House seeks to shore up an agency beset by treatment delays and struggling to deal with an influx of new veterans returning from wars in Iraq and Afghanistan.

An administration official said Obama would announce McDonald's appointment Monday. If confirmed by the Senate, McDonald would succeed Eric Shinseki, the retired four-star general who resigned last month as the scope of the issues at veterans' hospitals became apparent.

In tapping McDonald for the post, Obama is signaling his desire to install a VA chief with broad management experience. McDonald also had military experience, graduating near the top of his class from West Point and serving as a captain in the Army.

The administration official insisted on anonymity in order to confirm McDonald's appointment before the president's announcement.

The VA operates the largest integrated health care system in the country, with more than 300,000 fulltime employees and nearly 9 million veterans enrolled for care. But the agency has come under intense scrutiny in recent months amid reports of patients dying while waiting for appointments and of treatment delays in VA facilities nationwide.

Obama dispatched one of his top advisers, Rob Nabors, to the VA to help investigate agency issues and appointed Sloan Gibson as acting secretary while awaiting a permanent replacement.

Nabors and Gibson delivered a scathing report to Obama, citing "significant and chronic system failures" in the nation's health system. The report also portrayed the Veterans Affairs Department as an agency battling a corrosive culture of distrust, lacking in resources and ill-prepared to deal with an influx of new and older veterans with a range of medical and mental health care needs.

McDonald's nomination was praised by his peers in the private sector and military.

Jim McNerney, Chairman and CEO of The Boeing Company, welcomed the development. "I believe Bob McDonald is an outstanding choice for this critically important position. Following his military service, Bob spent more than three decades in business, where he rose through the ranks leading increasingly large and complex organizations by demonstrating strong management skills and by understanding and attending to the needs of hundreds of thousands of individual consumers of Procter & Gamble."

The top Republican in the House, Speaker John Boehner, called McDonald "a good man, a veteran and a strong leader with decades of experience in the private sector. With those traits, he's the kind of person who is capable of implementing the kind of dramatic, systemic change that is badly needed and long overdue at the VA."

Senate Veterans Affairs Committee Chairman Bernie Sanders said in a statement that he looked forward to meeting with McDonald next week to get his views on issues he views as important.

Among them, Sanders said in a statement, "The VA needs significantly improved transparency and accountability and it needs an increased number of doctors, nurses and other medical staff so that all eligible veterans get high-quality health care in a timely manner."

A biography of McDonald on Procter & Gamble's website says he led the company from 2009 to 2013.

During that time, the company website states: "P&G realized annual sales of over \$84 billion. The company had more than 120,000 employees, 120 plants and 200 brands in 35 categories, of which 25

brands generate over \$1 billion in sales each year."

The company's Tide detergent, Crest toothpaste and other products can be found in 98 percent of American households. But under McDonald's leadership, it struggled to grow under increased competition and global economic challenges. Critics suggested he was having trouble getting the 150-year-old-plus company to fire on all cylinders.

Investors, including activist investor William Ackman, voiced frustration over the company's slow revenue growth and stagnant market share gains. Ackman, who took a 1 percent stake in the company, pressed for the company to streamline operations and improve results.

In a letter announcing his retirement from P&G, McDonald wrote, "This has been a very difficult decision for me, but I'm convinced it is what is in the best interests of the company and you."

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