

# Government Workforce Performance Optimization

A research report from The Performance Institute



Redefining Priorities  
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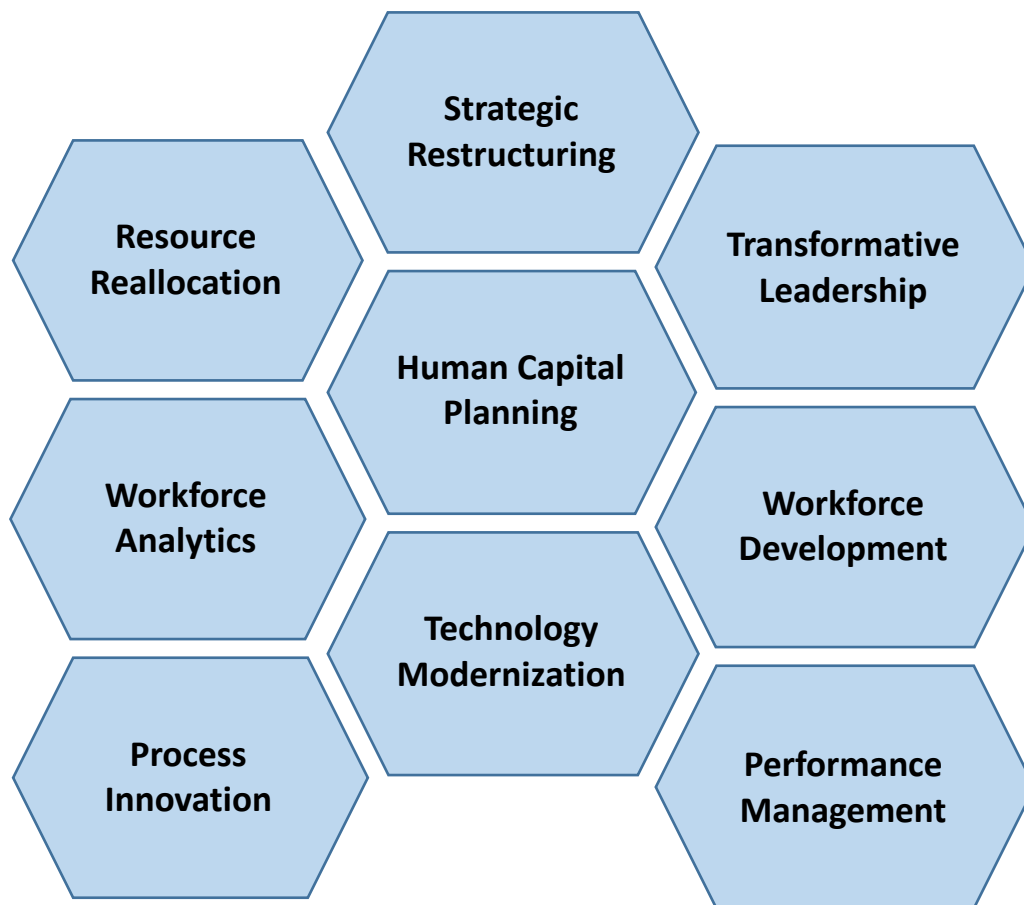
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## Executive Summary

The President's Executive Order 13781 in March of 2017, the related guidance from OMB in the M-17-22 memo a month later, and several other recent directives issued by government leaders intend to drive fundamental reform and restructuring in the federal government. The combination of these directives, if effectively implemented, is likely to produce significant improvements in government performance, but will also have a profound impact on the government workforce.

Over the last six months, The Performance Institute, in collaboration with subject matter experts from five partner organizations, has been engaged in a research program to explore the opportunities and challenges associated with responding to those driving forces. In the course of that research, we reviewed hundreds of publicly available documents and websites, interviewed over 50 senior government officials from a variety of agencies and functional disciplines, and held several working sessions to review and refine observations and conclusions. The research focused on nine interrelated Performance Optimization Imperatives:



This report summarizes findings and conclusions from our research and provides an integrated set of “assessment templates” intended to be used as a guide in helping agencies evaluate priorities for continued performance improvement.

## Summary of General Observations

Conclusions from the research, supported by a consensus from our interviews, can be summarized in five general observations, providing both encouragement and caution:

- 1. There is broad-based acknowledgement of the need for change and the opportunities for significant performance improvement, but also agreement there is much work to do.**
  - Recently released agency strategic plans have made a good effort to identify many improvement opportunities consistent with current direction from the EOP.
  - However, few agencies have yet thoroughly addressed the complete range of opportunities and issues.
- 2. Many successful initiatives are being undertaken, and there should be numerous opportunities to replicate those successes across other agencies, but challenges will persist.**
  - The government's intent to accelerate sharing of best practices through Departmental Reform Plans, Centers of Excellence and Category Management should accelerate progress on replicating successes.
  - Change and improvement within agencies is seen as much easier than taking advantage of opportunities for improvement across agencies or departments.
- 3. Adoption of new methods in analysis, planning, operating processes, use of technology and performance support will be key to achieving maximum performance gains.**
  - The President's 2018 Management Agenda and recently passed legislative initiatives will provide significant support for these objectives.
  - Encouraging and supporting faster rates of adoption with lower implementation risks will be key to success.
- 4. Many needed improvements, along with other major government employment trends, will have significant implications for the composition and deployment of the government workforce.**
  - Improved planning and effective implementation of workforce development and engagement efforts will be required to meet expected requirements.
  - Resolving persistent human resource management challenges will be key to achieving desired performance levels.
- 5. Long lead times should be expected between undertaking these initiatives and realizing potential results.**
  - » Numerous structural and attitudinal barriers exist that must be overcome by sustained strong leadership.
  - » Focus on strengthening the change leadership skills of the government's middle and senior managers will be an important factor in accelerating the achievement of intended results.

## Summary of Major Opportunities

The following outline summarizes critical performance optimization opportunities to address:

Performance Optimization Imperatives	Requirements for Success
<b>Restructuring &amp; Resource Reallocation</b>	<ul style="list-style-type: none"> <li>Align results-focused funding to current priorities</li> <li>Reduce redundancies &amp; overlaps</li> <li>Shift resources from low to higher value activities</li> <li>Improve administrative efficiencies &amp; effectiveness</li> </ul>
<b>Workforce Analytics</b>	<ul style="list-style-type: none"> <li>Deploy enhanced analytical tools</li> <li>Reconcile &amp; align consistent, usable data sources</li> <li>Develop &amp; reinforce improved analytical skills</li> <li>Ensure effective application &amp; follow-through</li> </ul>
<b>Process Innovation and Improvement</b>	<ul style="list-style-type: none"> <li>Establish process ownership &amp; improvement goals</li> <li>Re-engineer core processes</li> <li>Exploit opportunities for automation &amp; digital services</li> <li>Implement performance support &amp; continuous improvement</li> </ul>
<b>Technology Modernization</b>	<ul style="list-style-type: none"> <li>Exploit cloud-based and outsourced services opportunities</li> <li>Limit spending on legacy systems operations and enhancements</li> <li>Invest in new capabilities with modular, incremental approach</li> <li>Strengthen IT governance, budgeting &amp; acquisition practices</li> <li>Ensure effective use of agile development</li> <li>Strengthen program management and implementation management</li> </ul>
<b>Transformational Leadership</b>	<ul style="list-style-type: none"> <li>Clearly define vision and transformation potential</li> <li>Develop transformational leadership skills</li> <li>Mobilize and engage employees</li> <li>Reinforce the on-going change process</li> </ul>
<b>Human Capital Planning</b>	<ul style="list-style-type: none"> <li>Incorporate an explicit human capital strategy within strategic planning</li> <li>Effective workforce planning within &amp; across agencies &amp; programs</li> <li>Define Human Capital Operating Plan &amp; implementation management</li> </ul>
<b>Workforce Development</b>	<ul style="list-style-type: none"> <li>Identify &amp; quantify needed future skills &amp; capabilities</li> <li>Define &amp; implement programs to fill technical &amp; operational skill gaps</li> <li>Strengthen focus on needed leadership &amp; management skills</li> <li>Develop &amp; implement a robust Talent Management program</li> </ul>
<b>Performance Management</b>	<ul style="list-style-type: none"> <li>Clarify top priorities &amp; results-driven strategies</li> <li>Cascade strategies into specific actions &amp; measures</li> <li>Strengthen implementation management &amp; continuous adaptation</li> <li>Improve methods for managing operational &amp; individual performance</li> </ul>

(see additional details in the Assessment Templates Appendix)

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## Acknowledgements

The scope of this research was necessarily broad, requiring extensive support from subject matter experts and examples of success from our partners. We thank Suntiva, Grant Thornton, Learning Tree, Qlik and The Institute for Transformational Leadership at Georgetown University for their encouragement and considerable contributions to this effort.

In addition, we gained important perspective and a richer understanding of workforce performance opportunities and issues from insights, suggestions and examples provided by a large number of senior government officials. In the course of this research, we were able to talk with over 50 current or recent officials from various agencies in 10 major Departments and 9 other independent agencies of the US Federal Government. Included were a wide range of functional backgrounds including Administration, Strategic Planning, Human Capital Management, Technology, Finance, Procurement, and Performance Improvement.



## Section 1 – Why Workforce Performance Optimization

Forces are combining to put increasing pressure on the government's need and ability to maintain operational capabilities, achieve critical mission goals, respond to new requirements, improve service delivery performance and achieve necessary cost reductions. In the recent environment of budget impasses and overall uncertainty, it has been more difficult than ever to take the initiatives required to fully address these needs.

From a workforce perspective, these pressures add to an already challenging scenario. Policy continues to sway between competing mandates to in-source functions from contractors, to shift functions to disadvantaged services suppliers, and now to significantly reduce the size of the government's civilian workforce. Adding to this confusion are some difficult to manage trends:

- A significantly growing number of government employees are moving towards retirement eligibility (currently over 30%) at the same time private sector employment is getting tighter. This implies retaining key resources will be challenging and retaining the associated knowledge and skill base will become more difficult.
- Skill requirements within government operations are shifting as new technologies and operating methods require a different mix of personnel. Many of the newer skill types have been more difficult for the government to attract and retain.
- The needs for new and younger government employees brings with it significant challenges in integrating and meeting the needs of a generation with very different attitudes about work, careers and lifestyles.

These workforce challenges are the source of much concern across government. According to AGA's 2017 survey of the government's financial management community, their top three concerns are Budget Uncertainty, Human Capital and Financial/Information Systems. And barriers to achieving needed workforce changes are substantial. According to a 2016 survey of government employees by the Government Business Council, 71% of respondents say their organizations face critical skill gaps, only 29% say employees advance based on their skills and achievements, 82% feel managers are unresponsive or slow to act on reported employee issues, and only 8% believe their organization effectively utilizes a talent management strategy.

### Driving Forces

Government leaders are attempting to address these issues through key directives and mandates. Though intended to help overcome the challenges, they also add pressures to re-prioritize and rethink basic approaches to government operations:

- A steady flow of reports, rulings and legislative actions intending to strengthen and modernize government operations include:
- **GAO's annual reports to Congress** on opportunities to reduce fragmentation, overlap and duplication in government continue to recommend actions to achieve greater efficiency and effectiveness. GAO's Action Tracker regularly reports on progress relative to those recommendations.
- **OPM's December 2016 "Personnel Management in Agencies"** ruling (81 FR 89357) calls for revised human capital planning and management practices to better align them with mission goals and strategic plans, and to streamline and strengthen workforce planning and human capital reviews and reporting.

- **S.1550 Program Management Improvement and Accountability Act**, signed into law in December 2016 calls for the creation of standards, improvement plans, leadership responsibilities and cross-agency coordination to significantly strengthen program management, reduce waste and improve success in government programs.
- Building on a foundation established by the **Federal Information Technology Acquisition Reform Act** and the **Digital Accountability and Transparency Act**, the **Modernizing Government Technology Act**, enacted in December 2017, provides a broad framework and financial support intended accelerate investment in new technology solutions to improve service delivery, secure sensitive data and save taxpayer dollars.
- **Executive Order 13781** in March of 2017 and **OMB's M-17-22** related guidance required all agencies to develop and submit "Agency Reform Plans" with their FY'19 budget proposals. These directives asked for:
  - Immediate actions to achieve near term workforce reductions
  - an outline of reform actions to achieve budget targets
  - a comprehensive reform plan to be reflected in agency strategic plans, human capital operating plans and IT strategies
  - periodic tracking of progress beginning in February 2018
- After reviews of strategic plans and budgets submitted by all agencies, the government recently issued the **President's 2018 Management Agenda**, which elaborates on priorities for the next several years:
  - reducing accumulated regulatory burdens and organizational silos that fragment services and inhibit collaboration improving data-driven decision-making practices, transparency and accountability
  - modernizing government processes and technology to achieve improved service delivery effectiveness and reduced operating costs
  - realigning the workforce to reduce low value activities and focus on serving higher value priorities
  - refining human capital management practices to enhance talent management and overall performance
  - improving the government's capabilities and competencies to yield a 21st Century workforce

## Workforce Implications

The driving forces indicate significant changes are coming in the composition, deployment and management of the government's workforce. Those expectations raise several questions which need to be answered carefully by department and agency leaders. These questions framed this research:

1. **Government Restructuring and Resource Reallocation** – How are departments and agencies responding to the need to reduce overlapping activities, improve efficiencies and reduce the size of the civilian workforce? How will they reduce or eliminate low value activities? What workforce changes will be driven by those demands and how will they be accommodated?
2. **Workforce Analytics** – How fast are agencies acting on opportunities and mandates for improved data-driven decisions and utilizing available analytical tools to find and act on performance improvement opportunities? What barriers must be overcome to realize full value from those capabilities?
3. **Process Innovation and Improvement** – How can agencies rethink core service delivery processes to create opportunities for major improvements in efficiency and effectiveness? What will be required to successfully act on those opportunities? How must workforce capabilities evolve to adapt to those changes? How will continuous improvement be embedded and supported in these processes?

4. **Technology Modernization** – How will government accelerate progress in reducing the cost and dependence on outdated and inflexible legacy systems, and take best advantage of new capabilities offered by new approaches? How will the workforce and management practices need to change to reduce risks and achieve results in making those changes?
5. **Transformative Leadership** – To successfully implement major changes, what leadership capabilities and approaches are needed? How can agencies create the needed levels of understanding, mobilization and engagement of employees to facilitate major transitions in operating practices and performance levels?
6. **Human Capital Planning** – What must agencies do to anticipate and respond proactively to needed workforce composition and human capital management practices? How must recruitment, development, utilization and retention practices be improved to help meet those needs?
7. **Workforce Development** – How should agencies address critical skill shortages? What approach should be taken to evolve and maximize the capabilities and performance of their workforce? How can on-going development and continuous learning be accelerated and best supported?
8. **Performance Management** – How can organizations ensure their plans and initiatives are optimally focused on their mission goals and top strategic priorities? How can they ensure effective follow-through on those plans and adapt them quickly to new developments and changing circumstances? What can be done to strengthen management focus on performance and results?



## Section 2 - Government Restructuring and Resource Reallocation

The “Comprehensive Plan for Reforming the Federal Government and Reducing the Federal Civilian Workforce” (M-17-22) memorandum outlines steps Agencies must take to fulfill the requirements of the previous “Hiring Freeze” memorandum and Executive Order 13781 on reorganizing the executive branch. The memorandum was built around four objectives:

- **Optimize Priorities** - Focus on effectively and efficiently delivering programs that meet the highest needs of citizens and where there is a unique Federal role.
- **Streamline Operations** - Create a more lean, accountable, and efficient Federal government that works for the American people.
- **Maximize Performance** - Strengthen agencies by removing barriers that hinder front-line employees from delivering results.
- **Modernize the Workforce** - Align workforce to meet the needs of today and the future rather than requirements of the past.

To address the mandates and directives to increase effectiveness and efficiency, government agencies have been asked to develop and implement three types of plans:

**Agency Reform Plans** to eliminate, reduce or combine programs or activities that:

- are not core to their primary mission
- are no longer necessary in today’s society
- are not achieving significant results
- are not necessarily best provided by the federal government
- might be better provided by an outside supplier
- are redundant and can be better provided by consolidation

**Workforce Reduction Plans** to improve the efficiency and effectiveness of services provided by:

- » streamlining or eliminating outdated processes
- » better leveraging technology to improve underlying processes or performance
- » shifting to alternative service delivery models
- » streamlining or consolidating mission-support functions
- » leveraging existing solutions for common requirements

**Employee Performance Maximization Plans** to maximize employee effectiveness and reduce costs by:

- » improving transparency and accountability for meeting goals and objectives
- » improving employee capabilities through training and performance support
- » improving employee engagement in performance improvement initiatives
- » improving the Performance Improvement Plan process
- » strengthening policies and practices for managing poor performers
- » increasing management training for senior and supporting HR staff
- » implementing improved manager support strategies

## Perspectives from Government Leaders

In interviews with senior government officials, we asked how their agencies or departments are responding to these requirements. In general what we heard was:

- *Restructuring requirements are being primarily addressed by incorporating them into the agency strategic planning process.*
- *Having a focused description of “what is most important” provided by very senior leadership is an essential way to accelerate the planning process.*
- *Realigning budgets to better align with our strategic roadmap is a noble goal but very difficult in practice due to inflexibilities in the funding process.*
- *“Funding what works” is a helpful way to think about restructuring at the program level, and many organizations are trying to move to shorter funding commitments and requiring evidence of results before renewing them.*
- *Most progress is being made by focusing on consolidating operations to have fewer organizations doing the same type of work.*
- *It is much easier to address duplication within an agency than it is across agencies or across departments. Opportunities for the latter will evolve slowly and require strong top-down push.*
- *There is skepticism about government-provided shared services because of historical problems and general mistrust. Use of external providers is seen as easier and safer.*
- *Overall what is needed is for government organizations to adopt a more agile mindset in everything they do, not just IT. But many structural barriers inhibit that progress.*

We asked what the most critical challenges are in being able to achieve mandated restructuring goals. In general what we heard was:

- *There is a big need for simplification in government. Government has a ratio of three times the number of HR staff to other staff compared with the private sector, driven by 1200 HR laws & rules, many of which are redundant or outdated.*
- *There is not a well understood method for identifying and reducing lower value activities and re-allocating those resources to higher priorities.*
- *If shared services is to be a major solution, then progress needs to be made in assuring effective governance practices and successful delivery performance.*
- *There is considerable controversy over the best contracting methods to yield best cost, best value and best overall results. That controversy tends to slow down the process of making good investments in improvements.*
- *Reducing headcount by any means other than retirement is an extremely difficult process, but the retirement process doesn't necessarily yield the most desired reductions.*
- *Reducing resistance to change among the many stakeholders is key.*
- *Accelerating Congressional support for funding reallocations will be a gating item.*

In cases where interviewees believed good progress was being made, we also asked what they thought the keys were to successful restructuring initiatives. Common answers were:

- *Strong overall senior leadership direction and continued involvement/support*
- *Laser focus on a few things with major potential impact*
- *Get operational leaders involved from the start*
- *Effective methods for sharing innovations across organizations*
- *Stronger development and use of business cases to guide decision-making*
- *Focus on implementation planning and implementation management*
- *Overall creation of a performance-focused culture*

## Perspectives on Shared Services

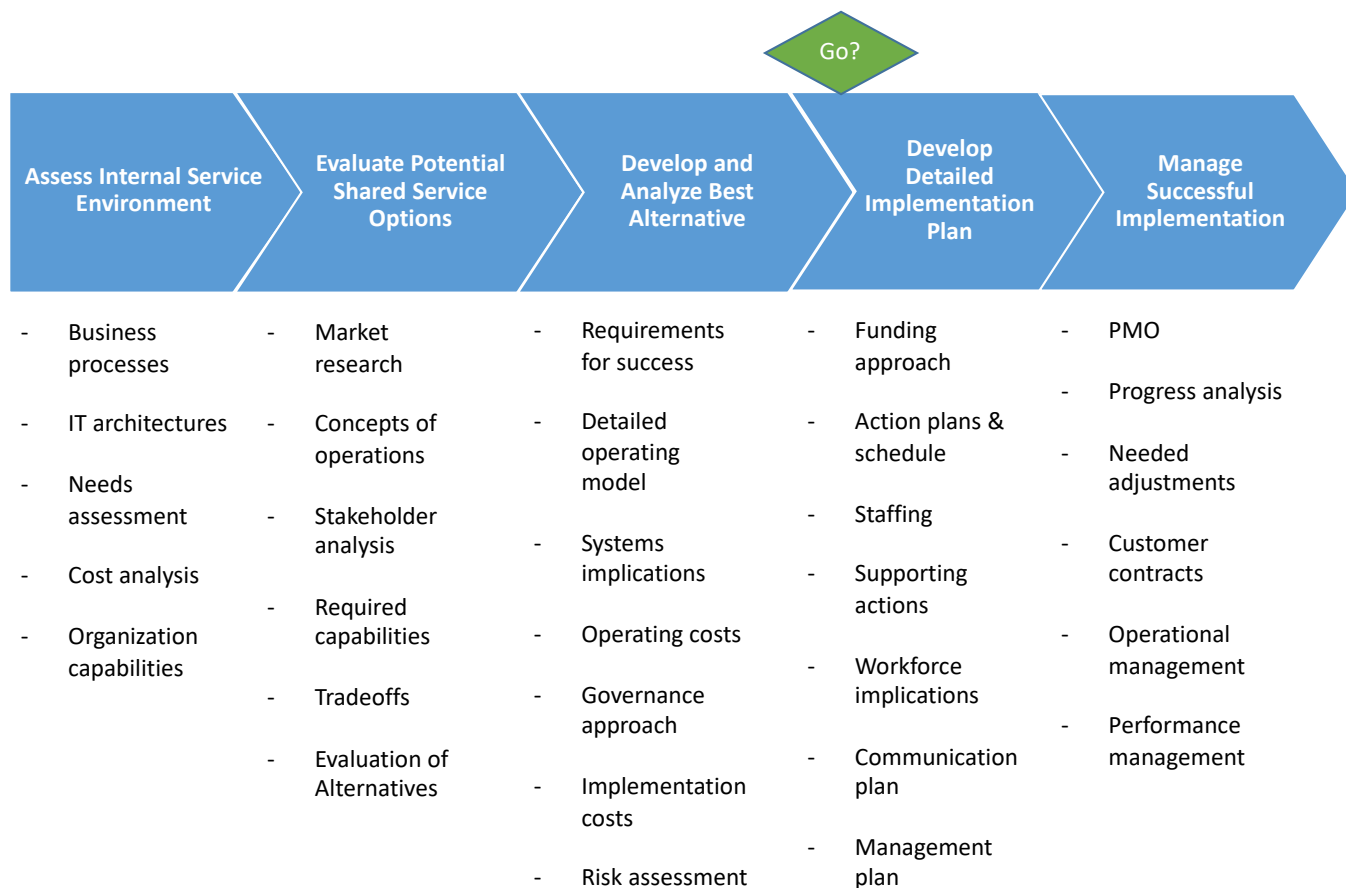
Exploiting **Shared Services** opportunities is a controversial subject. The concept of shared services in government has been around a long time. Attempts have been made to establish financial systems shared services for over two decades. There have been some successes, for example with payroll and payments processes, but usually they have been in smaller agencies. Department-wide migration to outside Shared Services Providers has a poor track record.

The savings potential of Shared Services, however, is generally acknowledged and can be substantial. It can offer a way to avoid significant investment costs in dedicated new processes and systems development to implement improved/modernized capabilities. It can also offer potential operating cost savings due to greater economies of scale and improved access to established support resources. And it may offer the possibility of paying only for services actually used versus incurring larger fixed costs that may not be fully utilized.

Our interviews identified several key success factors for effectively utilizing shared services. They include:

- *Focus on complete processes, not just systems.*
- *Do your research to ensure you are dealing with the best possible service provider.*
- *Utilize explicit service contracts with regular performance reviews.*
- *Establish clear guidelines and agreements for how to respond to workload prioritization and meeting unexpected new requirements.*

Grant Thornton's Shared Services experts recommend following a detailed process for evaluating, selecting and managing successful shared services initiatives, and addressing their many requirements for success:



## Perspectives on Resource Reallocation

Our interviewees say there has been much discussion of resource reallocation but not much progress on it because it's hard to do. They often site lack of a proven methodology for resource reallocation as a common concern. Nevertheless, they tend to agree that identifying and capitalizing on opportunities to reduce or eliminate lower value activities and refocus resources on more important priorities is an underexploited opportunity. Most organizations tend to hang on to activities once deemed important long after their usefulness and priority has significantly declined. Often things continue to be done without question because "that is the way we do things" even though more important or higher value needs are going unaddressed.

**"Deliverables Cost Analysis"** is a proven method for reallocating resources to higher value activities. A thorough review of all deliverables produced by an organization, with a forced requirement to identify opportunities to eliminate, reduce, streamline or outsource those deliverables and the activities they require, rarely fails to produce significant and permanent cost reductions, increased capacity to address unmet needs, and general relief on the part of employees. The analysis requires only the application of well-known Activity-Based Costing techniques and a disciplined process for generating reduction ideas, evaluating their impact, selecting the justifiable set of those ideas to implement, and then resetting organizational budgets and resources to reflect the agreed reductions. Typically those reductions enable a partial reallocation of freed-up resources to address new priorities that would otherwise lack sufficient attention. This remains a largely untapped opportunity for improvement as our interviews did not identify any examples of applying this proven technique.

## Action Examples

Although it is early in the process of responding to the new government restructuring mandates, we found numerous examples of successful initiatives that are encouraging. Those include:

- USDA has launched an impressive program to realign its organization from many agencies into fewer Mission-focused organizations. This will be difficult to implement, but the objectives are to reduce redundant activities and realign customer interfaces to so the needs of most customers can be addressed by a single point of contact.
- DHS is forming “Integrated Team Efforts” focused on specifically identified issues and opportunities with the intent of using them to break through organizational silos and stimulate cross-agency synergies and coding.
- To help identify optimization opportunities, the Department of Transportation is undergoing a comprehensive review of all programs using a newly refined Program Assessment Rating Tool that evaluates mission, purpose, progress and achieved results.
- Several organizations (e.g. GSA, EPA and Navy) are developing new funding approaches based on explicit business case competitions and utilizing annual ROI assessments to justify continued funding.
- FEMA is working to consolidate and reduce redundancies across some procurement contracts for better visibility into real capabilities and improved acquisition efficiencies.
- NASA is taking an aggressive posture towards exploiting shared services by establishing several independent Shared Services Centers reporting directly to departmental executives and following well-defined, customer-involved governance processes. It is expected this approach will reduce concerns about contention for resources and reinforce achievement of required service levels.
- The State Department realized significant cost savings and productivity improvements associated with relocating a major portion of back office processes to a new facility in a different geography.
- GSA has made extensive use of virtual workforce strategies to reduce overhead costs, and is providing guidance and support to other organizations who are evaluating similar ideas.

## Success Story

The Department of Health and Human Services launched a comprehensive program named “Relmagine HHS” to focus their response to the White House directives on restructuring. That program includes several key components:

- An extensive ideation program collecting hundreds of staff suggestions and holding an in-depth leadership summit to consider over 1900 ideas to establish direction and priorities
- Establishing “Six Strategic Shifts” as key guiding principles:
  - » putting people at the center of HHS programs
  - » leveraging the power of data
  - » generating efficiencies through streamlined processes
  - » restoring market forces
  - » developing a more innovative and responsive organization
  - » moving to a 21st century workforceUtilizing extensive current situation analysis to refine many solution concepts into the HHS submitted Agency Reform Plan in June 2017
- An explicit validation process to evaluate cost, impact and implementation requirements and develop specific visions for the future prior to submitting their finalized plan in September
- A focused cascade process to translate the direction and goals established in the HHS plan to more specific initiatives and action plans in each of the HHS agencies
- The development of a multi-module training program to broadly communicate needs, content and expectations relative to the overall implementation plan across HHS.

## Key Conclusions for Restructuring and Resource Allocation

- Current Reform Strategies are a good start in most places, but considerable opportunity for further improvement and additional initiatives remain...**long term commitment** and regularly refreshed plans are needed to achieve the full potential.
- **Better sharing of success stories** across departments and agencies will facilitate accelerated replication...there is a genuine interest in copying successful initiatives.
- **Increased top-level support** and drive is needed to identify and capture cross-agency and cross-departmental opportunities to reduce duplication and redundancy.
- **Robust business process models** and performance management training is needed for Shared Services leaders to strengthen delivery practices and overcome skepticism.
- **Better methods for optimizing resource allocation** across programs, along with help resolving authorization barriers, is needed to better align **activities** with current priorities.
- A stronger push is needed to drive the identification and **reduction of low value activities** in all areas...collectively that represents a very large savings/reallocation opportunity and will be surprisingly well received by most organizations.
- Many good streamlining opportunities will be dependent upon successful initiatives to **simplify government rules and practices**.



## Section 3 – Workforce Analytics

Opportunities for significant performance improvement are rarely in short supply. The challenge is to identify them, to know what to do about them, and to follow through on making the needed changes. Fortunately, significant advances are occurring in using enhanced workforce analytics tools to help meet those needs. According to SHRM, **Workforce Analytics** uses statistical models and other techniques to analyze worker-related data, allowing leaders to improve the effectiveness of people-related decision-making and human resources strategy.

Workforce Analytics offers an advanced set of data analysis tools to support comprehensive workforce performance measurement, analysis and improvement. The tools facilitate analysis of recruitment, staffing, training and development, personnel management and compensation-related issues. Typical statistics include such elements as time to fill, cost per hire, accession and retention rates, turnover and replacement rates, and predictors of success and/or problems. These increasingly powerful tools are usually relatively easy to deploy and help leaders make better decisions regarding planning, scheduling and performance improvement.

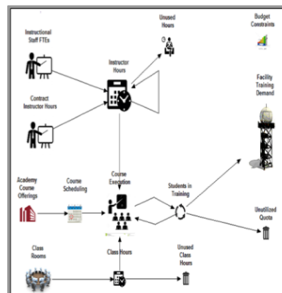


### Scheduling Models

Scheduling models recommend **efficient allocation of resources** based on workload **demand** and calculate the associated cost savings

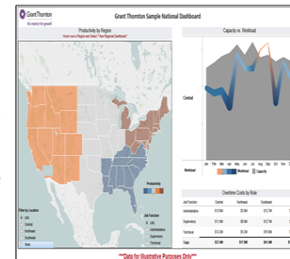
### Planning Models

Workforce optimization solutions provide a quantitative basis for establishing an **optimal mix of resources** in strategic and tactical planning



### Dashboard Development

**Dynamic workforce** dashboards integrate workload and workforce data to show geographical and seasonal capacity at multiple levels of the organization



In our discussion with government officials, we wanted to understand the most common barriers impeding the deployment and utilization of these capabilities. Common responses included:

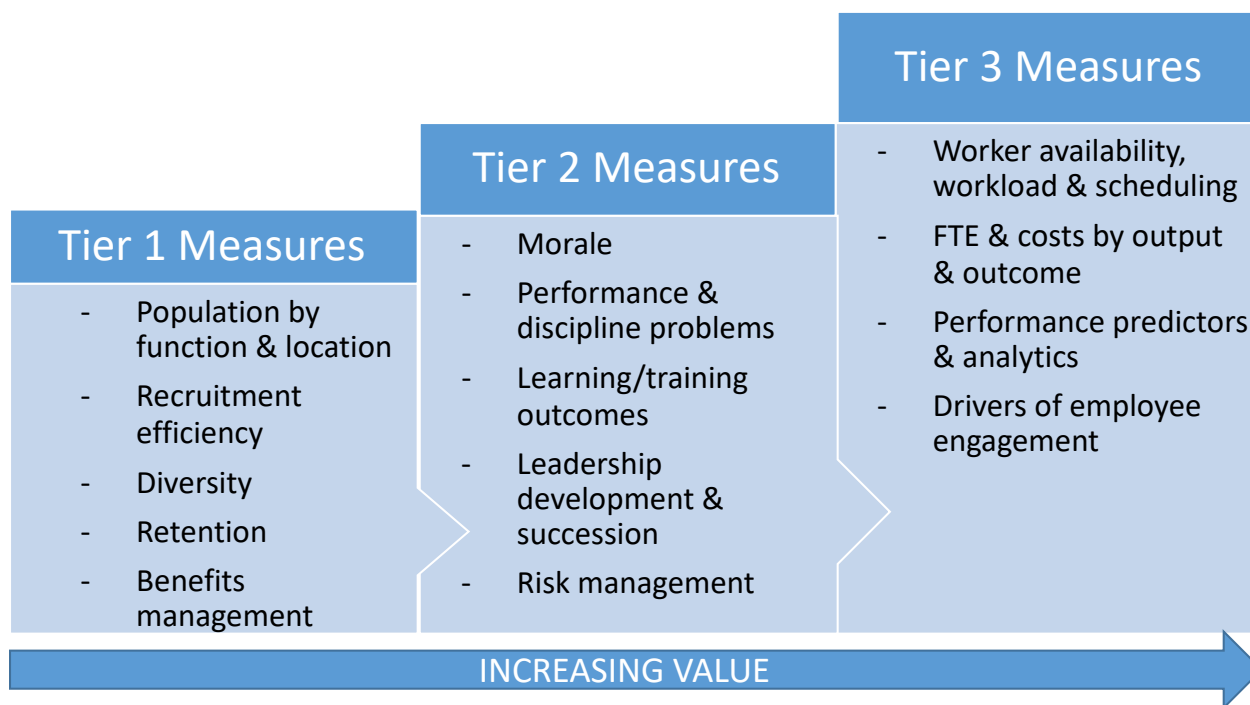
- Current workforce management systems are generally fragmented, mostly transactional, generally very old and not easily enhanced.
- Data definition inconsistencies across agencies and systems are a major hurdle to overcome in trying to do cross-organizational analysis.
- It is difficult to have data-driven decisions without having decision-driven data. Most HR systems were built for operational needs and not for making business decisions.
- Government generally has tons of data, but very few employees have the analytical skills to effectively use it.
- Little has been done to equip people to utilize emerging workforce analysis tools, and more training is needed.

Understanding potential data sets and the way they can be used to analyze performance issues is the necessary place to start. There are a **large number of potential types of workforce data** that are generally available, albeit in various systems that usually are not very well integrated. Those include:

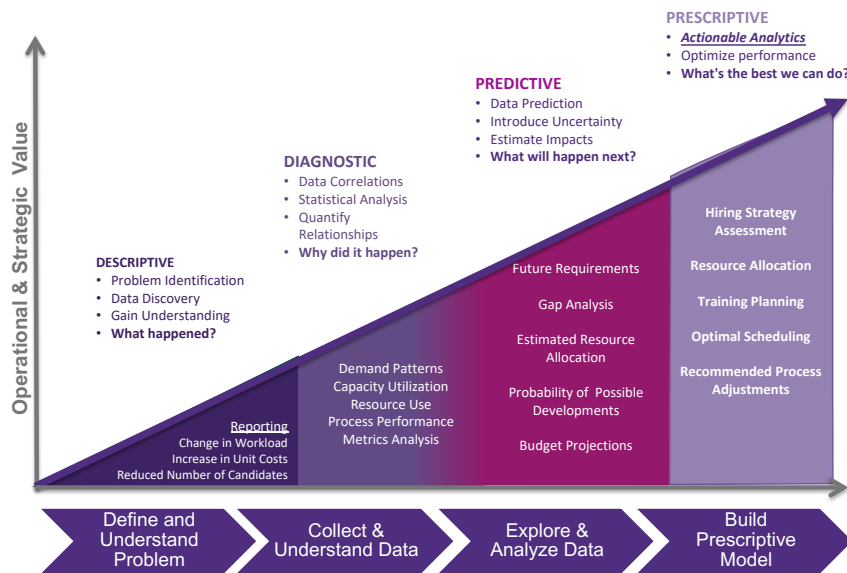
- Aggregate workforce (# of staff, by level, by location, by function, etc.)
- Demographics (headcount by age, grade, retirement eligibility, etc.)
- Movement data (attrition rates, hiring rates, advancement rates, etc.)
- Supervisory data (management personnel demographics, supervisor to staff ratios, etc.)
- Training data (who has completed what, education levels, prior experience, etc.)
- Workload data (activity levels, mix of activities, staff utilization, etc.)
- Performance data (ratings histories, performance to goals, # of problems by type, etc.)
- Mission data (allocation of work to programs & initiatives, results, costs, etc.)
- Timeline data (historical trends re all of the above, potential future demands, etc.)

Most available Data Analytics tools incorporate data integration capabilities to make it fairly easy to take data from multiple sources and organize it in a way that facilitates analytical inquiries. However, action may be needed to make data definitions accurately comparable and that takes specialized attention.

The effectiveness and value of Workforce Analytics depends on data quality and the issue being evaluated. Potential applications can range from very simple to quite sophisticated. In general, more agencies make use of fairly basic analytical capabilities and relatively few have migrated to consistent use of more sophisticated analysis. One way to understand these possibilities is as follows:



The types of analysis that can be supported tends to evolve over time. To fully exploit the potential value of Workforce Analytics in achieving performance improvements, agencies should be proactively working to advance their data analysis capabilities and utilization:



## Action Examples

Overcoming the barriers to effective utilization takes a little time and experience, but progress can be accelerated by addressing the following requirements and following the leads taken by several progressive agencies:

- Many have learned that Workforce and Performance Analytics need a clear “owner” committed to driving their use in management decision-making.
- Several agree that hiring a few expert resources can go a long way as “catalysts, advocates and trainers” to help the organization learn and apply analytical skills. Once managers see it, they tend to understand and value it.
- Find opportunities to demonstrate the value and power of BI tools. For example SBA utilized BI analysis of submissions during their budget process to gain important decision-influencing insights and stimulate increased interest in the use of those tools for on-going performance analysis.
- Establish good workforce baselines. For example VA invested in developing a much clearer understanding of existing resources, their capabilities and deployment, and current versus likely future demands...which led to significant improvements in the needed time to open new sites.
- Utilize real-life problems to train management personnel in available data and how to use it to advantage. For example DHS creatively held “Data Jam” sessions for managers across all their agencies to give them experience and coaching in using available datasets to analyze a set of problem cases.
- Focus on known problems and hypotheses to drive future data requirements and priorities for improved capabilities.
- DHS has created “Organizational Crosswalk” tables to facilitate integrating and analyzing organizational and workforce data for 32 functional capability areas across the Department where coding schemes would otherwise be inconsistent and incompatible.

- USDA has used new Mission Dashboards and an Analytics Center of Excellence to track and diagnose progress on key goals and encourage cross-agency collaboration.
- NIH is using “Organizational Health Reports” to track key trends and identify critical needs by occupational groups and areas.
- Aggressively utilize Strategic and HR Stat Reviews to highlight successful use of analytics capabilities and replicate them across multiple organizations.

## Success Story

A large police department has had much success using Data Analytics to analyze use-of-force and allegations against police officers. Analysis covered demographics of the police force (age, ethnicity, gender, etc.), experience and training (years of service, Academy class, lateral recruit, military background, etc.) as well as situational analytics (geography, type of service call, demographics of suspects, division, etc.). Based on the data analytics the police department surfaced several actionable recommendations:

- **Recruitment:** Several recruitment sources were identified as more reliable than others to produce better recruits to the Academy as measured by likelihood of completing the Academy and staying with the Department for at least 3 years.
- **Retention:** Family and relationship support and mentorship efforts were determined to have a significant impact on improving retention of police officers who engaged in these programs versus those that did not.
- **Allegations and Use of Force:** Body camera use, ethnicity, and years of service all were identified as drivers that impacted the number of allegations made against an officer and whether the allegations were likely to be substantiated.

## Key Conclusions for Workforce Analysis

- The requirements to use evidence to analyze and inform **data-driven decisions** will continue to grow as the potential positive impact of Data Analysis is more broadly understood.
- Emerging tools are very powerful and relatively easy to deploy, but the **skills** to effectively utilize them are lacking... simple and effective tactics exist to address that problem.
- There are extensive and useful data resources to support meaningful analysis, but **data inconsistencies** are a significant barrier that must be addressed to make them useable.
- Developing data consistency **standards** across organizations will greatly facilitate use and realization of value from these tools.
- The addition of a relatively small number of expert analysts to serve as demonstrators, **trainers, catalysts, and coaches** is a low cost and high impact tactic.
- Incorporating demonstrations of the power of these analytical tools into ongoing processes such as Strategic Planning or STAT Reviews is a powerful way to demonstrate their value and train management on their use.
- Moving from Descriptive and Diagnostic forms of use to **higher value Predictive and Prescriptive applications** should be an ultimate goal.

## Section 4 – Process Innovation and Performance Improvement

Government's recent mandates for improved customer service levels and improved efficiency create the need to fundamentally rethink many core operating processes. Desired outcomes from these mandates include improved customer value and satisfaction and overall greater effectiveness with lower costs. Well-conceived and executed, efforts to significantly improve process performance generally yield very positive results. Core concepts to achieve improvements include:

- improve ability to deliver needed results requiring **fewer steps and handoffs**
- increase use of **automation** to improve efficiencies and quality
- make effective use where feasible of new/**alternative delivery models**
- improve **availability of needed information** and use of **best practices** to streamline operations and achieve improved performance
- improve **measurement and analysis** of process performance to continuously identify opportunities for improvement
- create an operating **culture** that strives for high performance

In our interviews of government officials we asked what their perspective was on opportunities to significantly improve operating practices and processes. Common answers included:

- *Government usually focuses on programs, not processes.*
- *Most organizations focus more attention on compliance than they do on efficiency.*
- *There is a general lack of accountability for process performance or process improvement.*
- *Many operational support systems are old, inflexible, and don't easily support newly required capabilities.*
- *Flatter organizations would reduce the number of processes needed.*
- *Many services are being moved to the web with a greatly increased need for process improvement and a significant impact on workforce roles and skills.*
- *GSA is giving good guidance on Customer Service improvement, a growing theme.*
- *Performance improvement requires clarity of changes required, technology support and improved personnel adoption of new methods.*
- *Organizational resistance to change is often a significant problem.*
- *Creating a culture that seeks high performance is critical but not many managers have much experience doing that.*
- *Continuous learning and continuous improvement need to be designed into processes for it to happen.*

## Process Ownership and Measurement

Achieving significant gains in process improvement requires establishing clear **process ownership responsibilities**. Effective process owners are generally charged with improving the explicit definition and documentation of required processes and best practices. They play a primary role in measuring current process performance levels and identifying opportunities and goals for improvement. Typically they also identify and make available resources for supporting high performance and accessing expert assistance, and they serve as a hub for gathering and sharing information about new performance-enhancing innovations.

With clearly established responsibility for measuring and improving core processes, some basic tools can be used to bring clarity to the current state for those processes and the most important change levers. Those include answering the following questions:




- Are policies and the required processes adequately mapped and defined?
- Are standards and procedures adequately documented and effectively incorporated into training programs and support tools?
- Are expectations for actions and performance levels adequately communicated and well-known by staff performing those functions?
- Are adequate information and tools to perform needed actions readily available and effectively used by that staff?
- Is it easy for front-line workers to access sources of help for questions or problems encountered?
- Do process owners and operational leaders effectively monitor and manage process performance?
- How quickly and effectively are performance problems identified and corrected?
- How quickly and effectively are process improvement ideas and opportunities identified and acted upon?

There are a range of good techniques and tools available for tracking process performance and identifying needs and opportunities for improvement. While many operational intelligence tools on the market today provide this transparency for complex programs, oftentimes simple techniques can be used for less complex efforts. For example, the following “Heat Map” focuses on improving time-to-hire in a major government department, and is being used to help define opportunities to re-engineer their hiring processes and practices to improve their responsiveness in meeting new requirements:



**Target/Actual Heat Map Based on Steps in the Hiring Process Q2 FY 201X**  
**Time-to-Hire: Commonly Measurable Phases 1–10 by Occupation**  
 (Component Target Average vs. Actual Average Calendar Days Comparison)

	1 Recruitment Planning	2 JOA Open Period*	3 Evaluate Applications	4 Component Assessment	5 Medical Examination	6 Background Investigation	7 Applicant Added to Ready Pool/ Final Cert	8 Final Job Offer	9 Entrance on Duty Waiting Period	10 Average Num of Calendar to Hire
<b>responsibility</b>	HR & Hiring Manager	HR & Hiring Manager	HR	HR	HR & Applicant	Security Office	HR	HR	Applicant	All
<b>Unit #1</b>	**	20=actual	18=target 17=actual -1=difference	40=target 29=actual -11=difference	76=target 31=actual -45=difference	189=target 133=actual -56=difference	**	4=target 5=actual +1=difference	31=target 28=actual -3=difference	290=target 377=actual +87=difference
<b>Unit #2</b>	**	20=actual	16=target 20=actual +4=difference	60=target 28=actual -32=difference	51=target 39=actual -12=difference	189=target 176=actual -13=difference	**	6=target 9=actual +3=difference	31=target 32=actual +1=difference	367=target 475=actual +108=difference
<b>Unit #3</b>	1=target 1=actual 0=difference	18=actual	0=target 0=actual 0=difference	90=target 67.48=actual -22=difference	21=target 32.57=actual +11=difference	21=target 19.8=actual -1.2=difference	21=target 21=actual 0=difference	10=target 8.39=actual -1.6=difference	15=target 23.27=actual +8.27=difference	182=target 174=actual -8=difference
<b>Unit #4</b>	2=target 2=actual 0=difference	3=actual	14=target 26=actual +12=difference	14=target 16=actual +2=difference	30=target 59=actual +29=difference	14=target 49=actual +35=difference	14=target 62=actual +48=difference	1=target 1=actual 0=difference	30=target 18=actual -12=difference	118=target 340=actual +222=difference
<b>Unit #5</b>	2=target 2=actual 0=difference	1=actual	30=target 40=actual +10=difference	14=target 30=actual +16=difference	30=target 79=actual +49=difference	14=target 22=actual +8=difference	14=target 79=actual +65=difference	1=target 1=actual 0=difference	30=target 21=actual -9=difference	134=target 484=actual +350=difference

 At or below target  
 1-10 days > target  
 10 > above target

\*no targets set because of regulatory requirements  
 \*\*measurement not currently tracked  
 In step 10, the total average time-to-hire for these occupations includes additional Unit-specific hiring phases not represented in this chart.

## Process Innovation

The opportunities to think dramatically differently about how core processes can be conducted has never been greater. Government mandates are calling for it, and numerous developments and trends support it. Two studies of innovation in government have recently been published and they generally share a common message: exploit emerging technology to make innovative improvements in core operating processes.

### Gartner's Top Ten Strategic Technology Trends for Smarter Government

personal mobile workspace  
 mobile citizen engagement  
 big data and actionable analytics  
 cost effective open data  
 citizen managed data  
 hybrid IT and cloud solutions  
 the internet of things  
 cross-domain interoperability  
 process management systems  
 gamification for engagement

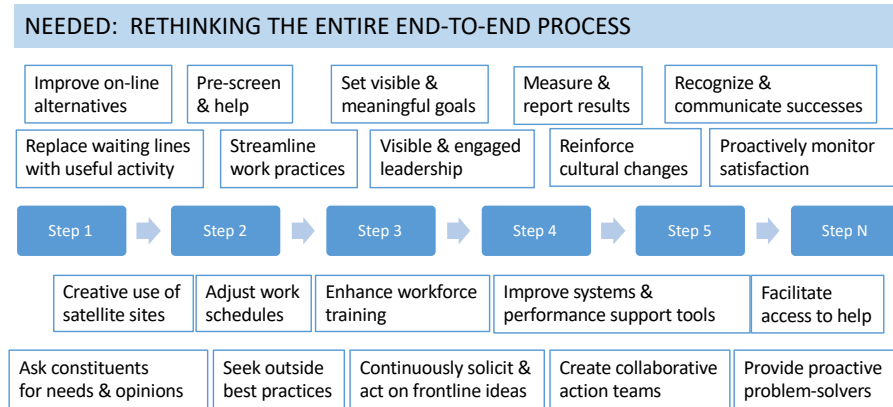
### OECD's global study of trends titled "Embracing Innovation in Government"

pairing human knowledge with innovative tools  
 scaling from small labs to macro implementation  
 citizen engagement and public involvement  
 personalized/innovative service delivery  
 rethinking the machinery of government  
 open/transparent government  
 internal culture that supports innovation

## Re-engineering Core Processes

To take full advantage of these opportunities, what is needed is a systematic analysis of existing procedures and a creative approach to examining alternatives. Typically this starts with a thorough assessment of the current state, including mapping existing process steps and identifying resources (information, people, templates, policies, rules, etc.) used at each step. Then analysis of alternatives against the performance benchmark of the current state can be effectively done. This might include evaluating do versus buy options, changes in workflows, automation ideas, potential system enhancements, changes in staffing approaches, etc.

Usually successful initiatives to re-engineer a core process involve identifying, integrating and implementing a large number of relatively small but mutually-reinforcing changes which collectively add up to make a very big difference in how that process operates and the levels of improved performance that can be attained.



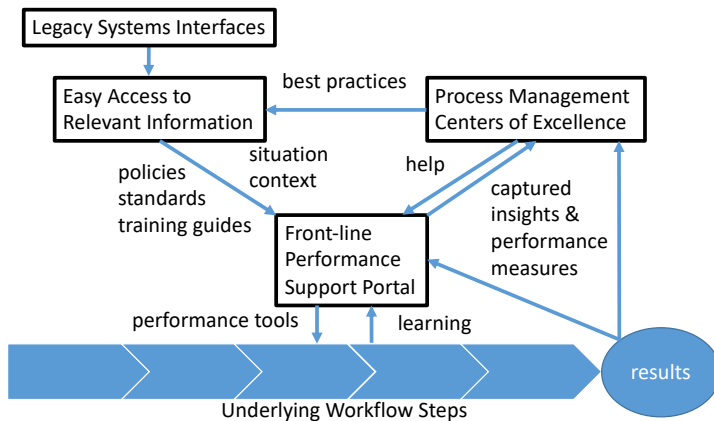
Staff involvement in the design, investments in re-training and effective change management are required to achieve desired goals. To successfully implement process changes and support high performance, experts remind us it's not just a process problem, and that many of the people aspects of implementing improved processes must be addressed:



## Performance Support

An important element in many process improvement strategies is to incorporate better tools and information to help staff follow best practices and more easily utilize key information to help them perform at higher levels. For front-line staff, “Performance Support Systems” are generally designed to be used as tools that are a fundamental part of each person’s work process. They can facilitate access to best practice templates, procedural help if needed and important context information critical to completing important tasks, and they can support continuous improvement.

*Critical Elements of Performance Support System Solutions*



For both operational and process managers, “Process Management Systems” track key process performance parameters and help identify actions needed to address problems or achieve better results. Both types of systems are generally relatively easy to define and implement, and they interface well with underlying legacy systems that contain critical data.

## Action Examples

Fundamental process improvements are not as far along in most government agencies as some other aspects of performance improvement. Training in Lean Six Sigma and other continuous improvement methodologies is growing, and technology-driven enhancements are working their way into some places, but good process transformation examples are still rare. There are, however, some notable exceptions:

- Several organizations such as DOE and DHS are taking a “re-engineering” approach to make fundamental improvements in their recruiting and hiring processes
- VHA is significantly expanding capabilities for tele-health and tele-mental health to provide faster and improved services remotely.
- Both USDA and SSA are making progress deploying front line performance support systems to foster “one-stop” customer interactions and help improve customer satisfaction and operating efficiencies.
- The Category Management initiative driven by GSA has led to several examples of purchasing process improvement for participating agencies.

- FEMA is developing a set of performance support tools and rapid learning procedures to enhance disaster recovery capabilities and performance not only for their own resources, but also to make them available to state-based and other organizations that typically partner with FEMA in critical situations. Key features include:
  - » predefined workbooks to guide operations for all disaster types
  - » data warehouse of key information from past experiences
  - » serious after action reports to summarize key learnings for future reference
  - » logs of all calls, tracked until resolved, with captured learnings

## Success Story

One of the better documented examples of a fundamental process improvement program is from John Bernard's 2015 book *Government That Works*. It describes how a poorly-performing Department of Motor Vehicles in New Mexico was significantly transformed by a new leader. Prior performance under 11 leaders in 12 years was seen as a customer service nightmare. Long lines, often forming before opening, combined with offices that closed with many customers still waiting caused over 40% of customers to say service was “poor or unacceptable.” Repeat visits were frequently required, quality customer service had never been a stated priority, and no one believed DMV could be any better.

New leadership effectively engaged managers and employees, sought external inputs to identify best practices and created collaborative action teams that helped them rethink the entire DMV process. Numerous changes were identified including:

- Creating a first ever “Customer Bill of Rights”
- Improving on-line service offerings
- Streamlining work practices
- Adjusting work schedules
- Enhancing worker training
- Improving systems and performance support tools
- Establishing clear process performance measures and goals
- Proactively monitoring customer satisfaction with problems addressed immediately
- Undertaking an extensive communications program that recognized and rewarded successes

The results achieved through this program were rapid and amazing to all involved. Capacity was much better matched to demand and wait times significantly reduced. Customer complaints were down by a factor of 10 and customer satisfaction was consistently 90+% good or excellent. New systems capabilities were streamlined and rapidly introduced with no budget increases. And DMV employee satisfaction soared with the renewed sense of success.

## Key Conclusions for Process Improvement

- » Process improvement is not rocket science but takes **disciplined effort**.
- » **Many incremental changes** are often needed and must be effectively integrated.
- » Many ideas are usually readily available both **from outside and from existing staff**.
- » Many opportunities exist to **utilize technology** to significantly change delivery models.
- » **Accountability** for process management and process improvement is a key requirement.
- » Best practices awareness and **continuous knowledge management** are often missing links.
- » Employee engagement in performance improvement is critical.
- » Effective **leadership** makes the difference.
- » Every agency should be required to define their key processes and **process performance measures** and regularly report their results.

## Section 5 – Technology Modernization

The cost, limitations and inflexibility of an aging government IT infrastructure is a commonly voiced concern and growing operational constraint. Modernizing information systems and the IT infrastructure of federal government agencies is one of the top priorities in the President's 2018 Management Agenda. It is a critical requirement for achieving many of government's goals including improved customer service, improved transparency, protecting data security, and improving the quality and efficiency of services.

Key themes in the government's strategy include:

- Shift more core systems and applications to **cloud-based service providers**.
- Increase utilization of **Digital Services delivery** strategies.
- Strengthen Cybersecurity by better leveraging **cutting-edge commercial systems** tools.
- Develop and implement a **Federal Data Strategy**.
- Utilize **modern architecture and agile development** methods to reduce implementation risks and accelerate implementation of new capabilities.
- Strengthen the skills and **capabilities of the IT workforce**.
- Better leverage **federal government buying power** and consolidated purchasing vehicles.
- Facilitate new programs with supplemental funding from the newly created **Technology Modernization Fund**.
- Improve IT governance and operating practices by following the **FITARA guidelines**.

In our interviews with government officials we asked what they saw as the greatest needs and opportunities for acting on this overall direction. Common answers included:

- *Too frequent leadership turnover, and resulting changes in priorities and perspectives, is a major source of IT development start-overs and wasted effort.*
- *Eliminate unnecessary fragmentation and duplication of systems. (e.g. "Why are there thousands of different case management systems?")*
- *Government shouldn't own anything it doesn't have to own. "If we can get it outside without all of the fixed costs, it will be better and less costly in the long run."*
- *Accelerate implementation of Digital Services to eliminate manual processes and reduce costly manual intervention.*
- *Put caps on continuing investments in outdated systems.*
- *Utilize modular "Systems of Systems" architectures to accelerate adoption of emerging technologies and reduce the implementation risks of huge development programs.*
- *Reconcile differing acquisition guidelines between IT and Procurement.*
- *Revise acquisition and contracting procedures to facilitate different types of systems implementation strategies.*



- *A more flexible and agile development approach is needed for improved tracking, reporting and analysis capabilities.*
- *Different skills are needed within government IT organizations to successfully shift to new operating styles (e.g. managing services versus assets.)*
- *More needs to be done to better equip users to fully utilize the capabilities of modern tools.*

Two factors are combining to significantly reduce those risks and concerns: the growing use of **Agile Development** methods to accelerate, simplify and reduce risk, and the emerging concepts relating to “**Systems-of-Systems**” **architecture** to enable more incremental and rapid adoption of new technologies and new capabilities.

## Agile Development

There are numerous horror stories involving system development overruns, delays, cancellations or new systems implementations that are not effectively implemented, do not meet user needs or do not deliver promised results. In general the bigger the implementation the larger the risk. Concerns about those risks is one of the major contributors to difficulty in funding and implementing the IT modernization initiatives that government needs to undertake.

Agile development methods are well-known and rapidly gaining ground in government IT development programs. The bigger and more complex the system, the more challenging it is to conceive and control using Agile techniques. But those challenges can be solved with excellent up-front architectural guidance and strong scrum-team coordination practices. Generally accepted key success factors for agile development projects include:

- Top management commitment & support
- Good teamwork culture
- Clear goals and objectives
- Clear & stable requirements
- Realistic schedule & budget
- Right team size/resources/skills
- End-to-end user involvement
- Modular architecture
- Proper tools & infrastructure
- Simple, well-understood process
- Project management discipline
- Effective communications and reporting practices
- Rapid iterations
- Responsive decision-making process
- Active testing & code reviews

## System-of-Systems Architecture

An architectural concept that facilitates agile development of larger systems initiatives and further reduces implementation risk is System-of-Systems. Under this concept, front-end interface portals are used to facilitate a modular approach to replacing underlying application components. That allows smaller development efforts of focused new capabilities to be added to the portal without requiring massive changes to other system components. This concept can be used to incrementally enhance existing systems and more carefully pace their retirement.

A good example of this concept in development by software provider PTC is for support systems used to optimize Maintenance Repair and Overhaul of complex, large scale production and refurbishment operations.

### *System of Systems solution* for Maintenance Repair and Overhaul Operations

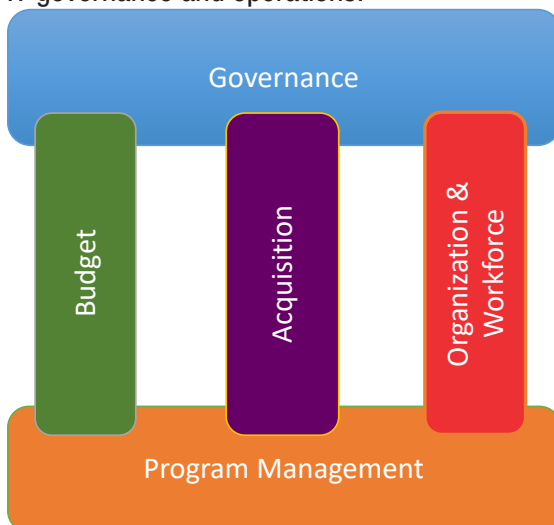


#### Key Features include:

- SoS Presentation Layer establishes a connected platform for all key MRO support systems
- Data integration with existing systems
  - CAD data files & schematics
  - Service Parts Management System
  - Production Scheduling Systems
  - Performance Management Systems
- Integrated Augmented/Virtual Reality for workforce performance support & increased productivity
- Internet of Things interconnection with advanced sensor data
- Advanced analytics to support

## Strengthening Governance & Operations

The IT Management Maturity Model developed by a group of senior IT experts and experienced CIOs working with ACT/IAC follows the FITARA 5 function model which provides a robust and effective template for changes needed to strengthen IT governance and operations.



#### Governance Themes

- Involvement of all appropriate stakeholders
- Linkage from strategies to portfolios to programs
- Each level has appropriate decision-making ability
- Decisions are evidence-based using accurate data
- Governance decisions are completed timely & support needs

#### Organization & Workforce Themes

- Involvement of all appropriate stakeholders
- Workforce policies align with strategies, processes and programs
- Leadership has needed experience and skills to drive needed changes
- Planning processes address workforce skills and competency gaps
- CIOs and leaders have proper organizational placement and authority

## Action Examples

- Consolidating and outsourcing storage facilities across multiple systems and converting to usage-based cost arrangements has produced significant savings for the IRS.
- In-sourcing and consolidating all system access control functions improved costs and control for USDA.
- Several agencies have achieved improvements in cost and services by consolidating network operations centers.
- SBA has integrated legacy systems behind a common access portal to facilitate process changes and personnel performance improvements.
- ITA is acting to automate and modernize Customer Services related systems and practices, including a new CRM system for improved customer service with fewer resources.
- FBI replaced a classical SI program that “had delivered tons of requirements but little tangible progress” and converted to an agile/rapid prototype development effort focused around a small dedicated team of users which achieved fast results and a major reduction in development costs.
- NIH is consolidating applications for shared use from multiple organization units including Purchase Orders, Travel Management and Ethics.
- Many organizations have adopted the ACT/IAC IT Management Maturity Model to strengthen governance, staff development and operating practices with positive impact.

## Success Story

The Internal Revenue Service’s Business Systems Modernization (BSM) program is a multi-billion dollar, high risk and critically important effort involving development and delivery of a number of modernized systems to replace the agency’s aging business and tax processing systems. Those systems are massively complex and geographically dispersed, involving complicated scheduling, millions of transactions, frequently required changes, rapidly evolving technology, extensive skill requirements, high personnel costs and very time consuming processes.

Successful implementation of this program has been widely recognized and it serves as a model for much current thinking regarding major IT transformation. Keys to its success were:

- IT leadership stability
- Clear long term plan including an explicit Enterprise Architecture
- Strong partnership between Mission owners and IT leadership
- Partnership between IT and HR to identify, obtain and develop the needed skills
- Establishing a culture that included a strong Program Management discipline
- Efforts to clearly define business models and processes
- Establishing Centers of Excellence for standards, tools, training, mentoring and support
- Focused attention up-front on people/transition issues
- Strong emphasis on a full-scale change management program

## Key Conclusions for Technology Modernization

- » With over two thirds of the government's annual IT spending going to maintain legacy systems versus the growing need for modernization, **significant changes in priorities are needed.**
- » Effective application rationalization and modernization requires a clear plan and **detailed IT Strategy.**
- » Opportunities for effective utilization of cloud-based **outsourcing strategies** continue to grow and have many advantages.
- » Use of **Agile Development and System of Systems** architectures reduces risk and accelerates adoption of new capabilities and technologies.
- » Rethinking and adjusting **acquisition and contracting approaches** is needed to facilitate taking advantage of many new technology trends.
- » There is insufficient understanding of the **level of rigor/discipline/skills needed** to successfully deliver major IT transformation programs.
- » An even stronger **push from OMB on the roll-out of the FITARA guidelines** will generate accelerated rates of improvement.

## Section 6 – Transformative Leadership

If realization of significant improvements in mission performance, strategy execution and process efficiencies and effectiveness are to be achieved, the vision and drive for that success rests on the shoulders of those organizations' leaders and managers. Those changes do not come easily in most organizations.

According to The Institute for Transformational Leadership, achieving significant improvements depends on having a clear understanding of the Transformation Potential, and on effective change leadership skills at both the senior and middle levels of the organization.

- Transformation Potential means a way of re-understanding the core mission, strategies and/or basic operating approaches of the organization that can yield significant changes in effectiveness and results
- Transformational Leadership requires a deep understanding of the change readiness of the organization, the most effective ways to mobilize and engage employees, and the ways to communicate and behave to reinforce the organization's success in achieving the vision

In our discussions with senior government leaders, many focused on leadership effectiveness and leadership development as critical needs to achieve their strategies. A common perspective was that these improvement ideas and initiatives are not new, they have been proposed before, some have been tried before, but sustaining momentum and realizing expected results is always a big challenge. When asked what they thought the major barriers were to achieving significant change, their responses included:

- *Too frequent leadership changes, and thus changes in priorities*
- *Leaders, managers and HR are all too risk averse*
- *Limited organizational understanding of the need and context for change*
- *Underlying Learned Helplessness beliefs ("That's is just the way it is.")*
- *Lack of understanding of what specifically needs to change*
- *Limited employee motivation and/or ability to respond to needed changes*
- *Lack of management confidence in their ability to implement changes*
- *Lack of knowledge/skill in successfully implementing transformational change*

At the same time, our government interviewees and subject matter experts were asked to identify examples of successful change initiatives and the characteristics or actions that made them successful. In these discussions several common observations were expressed:

- *Performance improvement almost always starts at the local level*
- *Connecting employees with the organization's core mission/purpose is the major motivational force*
- *Focus on culture – it will top strategy every time*
- *Successful change leadership requires effective employee engagement*
- *Nothing beats leaders spending time in field operations*
- *People are quickly discouraged if they don't see action on their ideas and feedback*

Our research focused on three critical aspects of Transformative Leadership: clarity of vision, effective leadership skills and behaviors, and effective mobilization and engagement of employees.

## Clarity of Vision

There are two important aspects in establishing a **clear vision of a transformed organization**. The first begins with how the leader and the leadership group see the future state. The second deals with conveying that vision to the organization at large. Both are needed to fully grasp the potential of a needed transformation, and to power the effort to achieve it.

Vision starts with developing what The Institute for Transformational Leadership defines as a “Deep Understanding of the Transformation Potential.” That means shifting the way of “seeing” the organization – from what it strives to do, down to specific operational details of what needs to change. That begins from within and from where you are now, but also requires an iterative, interactive approach for tapping into the collective knowledge of the organization and utilizing external inputs that can help highlight “out-of-the-box” possibilities. It also requires some type of synthesis activity to tie together various ideas into a complete picture of the “transformed” way of being.

Most government organizations periodically go through strategic planning exercises that might be a time to explore and develop such concepts. But too often those exercises fail to identify and explore fundamentally new ways of thinking. To successfully accomplish that requires a number of different conditions: (1) insightful assessment of the current situation, (2) adequate information about alternatives, (3) discussion participants who are well-chosen, well-prepared, and in the right mindset to think deeply about possibilities, and (4) sufficient time to do the hard work of evaluating and developing detailed plans. In the right circumstances that needn't take long, but rarely are planning activities conducted that way.

Just as important is how well the resulting vision of the future state and needed actions are communicated and integrated into the way of thinking by the organization at large. Transformative Leadership is very much about helping employees come to a new way of seeing the organization's work and their role in it. It depends greatly on leadership's skills at communicating, connecting with and engaging people, and on their ability to develop a culture that responds positively to a well-understood need for change.



## Leadership Skills and Behaviors

**Certain skills and behaviors on the part of leaders** are critical to establishing a climate and culture that embraces transformational change. Effective communications skills and tactics are critical, with the most important factors being how leaders see their role in the organization and the change process, and what they consistently say and do in their interactions with the organization. This applies not only to initial efforts to communicate the vision, priorities and expectations, but also to continuing activities that reinforce understanding and commitment. Too many leaders focus on launching major initiatives but then largely disengage from implementation.

The following model summarizes several key aspects of successfully leading transformational change. Explicit focus on each of these elements can have a tremendous impact on both the speed and the success of any major transformation.

CRITICAL  
NEED:

### A Deep Understanding of the Transformation Potential

1. How you SEE it – clear vision and overall perspective
2. What you SAY – how to describe it to others in a clear and convincing way
3. How to BE – actions that reinforce your vision/conviction
4. What to DO – clarity on specific actions needed to achieve the vision

KEY  
LEVERS:

<u>Mission-driven</u> connect needs to sense of purpose	<u>Systems Thinking</u> focus on critical linkages	<u>Assimilation</u> a view of the needed culture	<u>Inspiration</u> tap into people motivators
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REINFORCING  
BEHAVIORS:

- Progress review participation and engagement
- Follow-up on issues and problems
- Regular communications on progress and impact
- Identifying and communicating successes
- Proactively adjusting plans and expectations

## Mobilizing and Engaging Employees

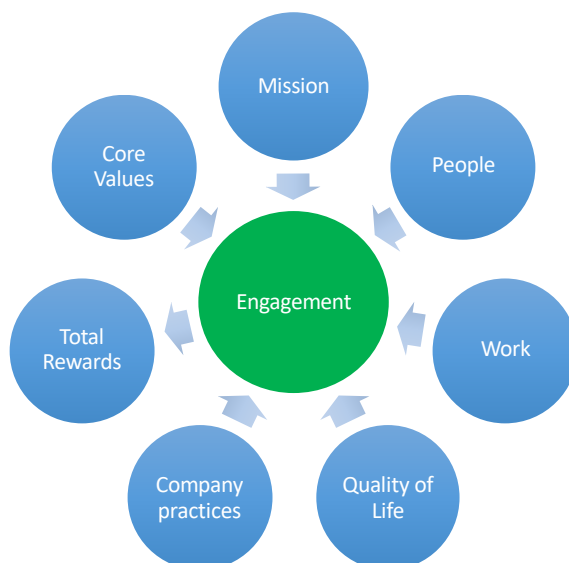
Many government agencies and departments are training leaders and managers on effective employee engagement. Many of our interviewees identified specific engagement initiatives they thought to be at least partly successful in influencing positive trends in their Federal Employee Viewpoint Survey results. However, to accomplish transformational change, a broader perspective on Employee Engagement needs to be used, addressing the many drivers for ensuring the organization is truly engaged. Specifically:

### Engagement is NOT

- Satisfaction
- Happiness

### Engagement IS

- Emotional commitment to Mission & Purpose
- Appreciation for organization's values & culture
- Belief in ability to contribute & personal rewards for doing
- Enjoyment of work & people
- Feeling accepted & valued
- Energy & willingness to be fully involved



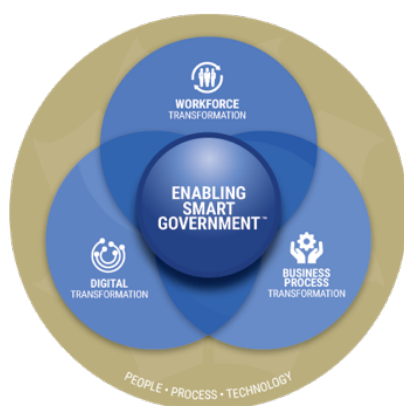
OPM has given a strong push to utilize the **Federal Employee Viewpoint Surveys (FEVS)** to routinely measure satisfaction, engagement and workplace inclusiveness in all federal organizations. Those scores and trends are regularly reported. Sustained focus on those measures have led to numerous Employee Engagement initiatives across federal government, and generally steadily improving results. Recent OPM guidance reinforces the use of FEVS and commits to making continued improvements in the process.

However, experience has shown that FEVS scores offer a starting point for understanding employee engagement, but not sufficient answers for what to do to address barriers or achieve breakthrough improvements. Drilling down deeper is required to get to those insights. That means doing the following:

- Find out what your employees really think through systematic employee conversations.
- Pay particular attention to specific questions where results seem out of line.
- Link FEVS survey questions to other data reflecting higher level objectives and interests.
- Analyze scores from multiple issue-focused perspectives.
- In areas where concerns exist, perform additional investigation to obtain specific insights.
- Identify specific actions that are proven to make a difference and replicate them.
- Respond quickly and openly to issues raised by new data.

## Adopting A Systems Thinking Paradigm

The relationship between successful organizational transformation initiatives and leaders who understand and master systems thinking has been well-established. Successful transformational leaders are those who **understand the relationship between the different parts of the organization** and who are capable of transforming the different parts of the organization together at the same time. The newest thinking in enabling organization transformation in the federal government points to the need for government leaders to focus on transforming three parts of the system simultaneously; digital transformation, workforce transformation, and business process transformation. The “Enabling Smart Government” model as an example of an effective framework for successful organization transformation.



## Action Examples

To be fully successful in implementing and achieving the performance improvement gains that are being asked of all departments and agencies, implementation plans would ideally include many elements of these successful models for Transformative Leadership. Very few have fully developed that aspect of their plans, but there are many instances of successful initiatives being undertaken by addressing some of these concepts. For example:

- Baltimore National Aquarium's change from entertainment/destination strategy to conservation/learning business model required an extensive change program dealing with everything from its economic model to research activities, exhibits, facilities, staffing and leadership behavior. Detailed understanding of the new desired end state by leaders and staff was critical.
- An Intelligence Agency found that facilitated strategic alignment workshops that focused on leadership actions and outcomes to achieve mission success created a needed foundation for significant organizational change.
- SEC, through its SEC University, has developed a large scale training approach to embed transformational leadership skills more broadly across their distributed leadership team.
- The Department of Veterans Affairs has utilized succession planning and leadership training activities to more effectively communicate their new vision, strategic plans and expectations to all leaders, managers and supervisors. These messages are then reinforced with a strategy to encourage "Story-Telling Town Hall Meetings" and by designating local "Reporters" to communicate successes.
- Dissatisfied with certain FEVS results, another organization conducted deep-dive analytics to better understand the drivers of Employee Engagement in greater detail. Through a confidential process of understanding employee challenges, concerns and motivators, a series of specific actions were identified and acted upon, yielding rapid and sustained improvements in overall teamwork, empowerment and results.

## Success Story

During the last several years the FDA has worked to realign the operations of their Office of Regulatory Affairs (ORA) from a geographically-based management structure to one that organizes field operations by FDA-regulated product area and realigns several headquarters functions to mirror the FDA's broader structure and that of the industries they regulate.

ORA's mission is to protect consumers and enhance public health by maximizing compliance of FDA-regulated products and minimizing risk associated with those products. Its workforce serves as the FDA's field operations, responsible for inspections and investigations of regulated products and manufacturing facilities (both civil and criminal), the regulatory science and sample analyses of regulated products that supports the work, oversight of all FDA-regulated imported products offered for entry into the U.S., and a robust portfolio of global/federal/state/local partnerships to advance shared goals and expand the FDA's reach in protecting public health. To keep pace with the acceleration of scientific innovation, global expansion of markets, and modern legal authorities, ORA sought to address this by increasing specialization in their organization and realigning by program area. This required transformation of a workforce of nearly 5,000 employees, frontline supervisors, mid-level managers, and senior leaders, in approximately 230 locations across the U.S.

Achieving the needed transformation required attention to a range of important organizational elements, including:

- development and implementation of a true grassroots program to ensure stakeholder engagement throughout the entire organization and understanding of the purpose and goals of the initiative
- employee engagement and change management initiatives to give managers the tools needed to address employee concerns and areas of resistance
- a detailed workforce baseline survey and analysis of existing capabilities
- organization-wide assessments of drivers and barriers to change
- development and implementation of a multi-year campaign to identify, validate, and promote ORA's Culture and Values among staff and leadership
- numerous employee and leadership working sessions to clearly define evolving roles and responsibilities
- implementation of a leadership development and coaching program to more than 300 leaders, managers and supervisors focused on building leadership capacity and maintaining resilience during times of change

The FDA learned from this experience that effective transformations take a long time with many operational details and challenges to be addressed. However, the potential for progress on major objectives regarding workforce effectiveness, customer satisfaction, and reinforcing their mission-focused culture has been well worth the effort.

## Key Conclusions for Transformative Leadership

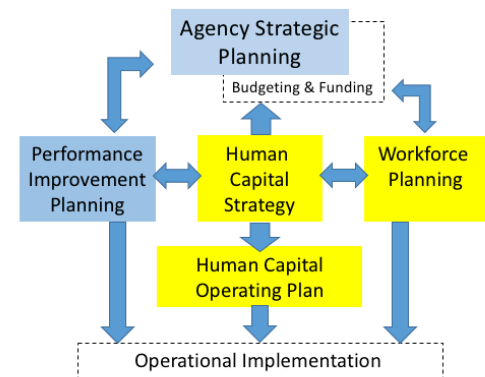
- » The ability to successfully lead major transformations is not the same as general management skills...special attention is needed to **develop the beliefs, skills, tactics and style of leaders** who must achieve success with transformational change.
- » Without sustained careful attention, there is a great tendency for transformational efforts to lose steam and performance to revert to old habits and levels.
- » Transformation cannot be accomplished by just a few. It needs to be clearly **understood and believed by many**.
- » Motivation to accept and respond to change is driven by various things, but **mission-necessity** is high among them.
- » Transformations take time and **persistence**.
- » Effective **employee engagement** will accelerate success.
- » Identifying and engaging "**opinion leaders**" will help facilitate broader understanding and adoption. Opinion leaders are not necessarily leaders or champions. They are individuals whose personal views are likely to have great influence on many others.
- » Effective **change management methods** will be necessary to sustain progress and reinforce the new vision.

## Section 7 – Human Capital Planning

Effective planning, development, deployment and management of Human Capital resources has never been more critical than it is now in the rapidly-evolving federal government environment. Ensuring sufficient skills and resources capable of meeting mission requirements will be a moving target. Allocating those resources optimally among competing priorities under growing budget constraints will be critically important. And successfully achieving the performance improvements required to meet expectations will be very challenging.

Human Capital Management is a multi-faceted discipline. Strategic Human Capital Planning is the process by which an organization assesses how its people and management practices align with and support its mission and strategic goals, and how well its capabilities align with likely future requirements. Across government, a number of very important objectives exist for strengthening this aspect of operations. Common key themes include:

- **Tighter linkage** between agency strategic plans, program plans, operational goals, human capital strategies, and workforce planning
- Greater **ability to predict** and meet future requirements
- Improved focus on implementation and management of human capital plans
- **Strengthened practices** for employee development, engagement and performance management
- **Re-profiling** the workforce for the 21st Century



### Overall Planning Goal: Tighter Linkages between Strategy and Implementation

In response to these needs, last year OPM provided new guidance that **refined human capital planning practices**. That guidance included some subtle but important changes:

- The former Human Capital Assessment Framework (HCAAF) has been revised, now Human Capital Framework (HCF), to emphasize four major “systems” – Strategic Planning and Alignment, Performance Culture, Talent Management and Evaluation.
- The requirement to submit Human Capital Strategic Plans was replaced with a requirement to develop Human Capital Operating Plans in alignment with Agency Strategic Plans – the intent being to tie human capital plans more closely with overall strategies and to focus more on implementation.
- OPM is now required to issue quadrennial **Federal Workforce Priorities Reports** to provide guidance to CHCOs on critical initiatives
- The prior requirement to submit Human Capital Management Reports has been replaced by requirements to institutionalize the use of HRStat review meetings and to have annual Human Capital Reviews with OPM.
- The commitment to use the Federal Employee Viewpoint Survey as part of the overall evaluation process was reinforced along with refinements to modernize and make the FEVS process more flexible.

In February of 2018, OPM issued the required Federal Workforce Priorities report. Driven by the challenges in the current environment, that report identified 6 major priorities for CHCO's to address in their plans and programs. They include:

- Succession Planning and Knowledge Transfer
- Improved Communication Tools
- Strengthened Technology Solutions for Human Capital Analysis
- Expand Employee Development Opportunities
- Bolster Employee Recognition Programs
- Enhance Productivity through a focus on Employee Health

With so much happening in government thinking about human capital, we asked in our interviews with government officials what their perspectives were on these trends, directives and changes. What we heard was:

- *Strategic Planning and Human Capital Planning have generally been a very “disconnected handoff.”*
- *There has been a historical tendency to treat Human Capital Planning as a “check the box” exercise, with too little attention focused on implementation or using the plan as a management tool.*
- *Significant time lags between Strategic Planning and Human Capital planning are often a problem.*
- *There are lots of underutilized resources that need to be refocused, reskilled and/or redeployed.*
- *Agencies need improved predictive modelling capabilities to better anticipate requirements.*
- *Workforce planning is easier at the program level than at the agency level.*
- *Significant skill gaps exist and they are growing over time.*
- *The time horizon for workforce planning needs to be longer to allow for the time required to effect changes.*
- *Understanding headcount is only part of the problem – also needed is a better understanding of the infrastructure, training and support requirements of that headcount.*
- *Too much focus is put on compliance and too little on proactive solutions to management problems.*
- *There is a significant need to create greater mobility and flexibility within the workforce to increase government's ability to adapt to peaks and valleys and to changing needs...there are significant structural barriers to overcome in achieving that.*



## Human Capital Operating Plans

Human Capital Operating Plans are intended to be a roadmap of actions needed to ensure that HC policies, programs and practices align to enable achievement of agency strategic objectives. It is intended to be used as a tool by leadership to develop and assess progress of actions and initiatives needed to implement Human Capital strategies and standards as defined by OPM's Human Capital Framework. While there is not a specific format defined for HCOPs, it is expected they will address several key questions such as:

- What actions are needed to ensure we have the right type and number of staff to meet operational requirements?
- What do we need to do to obtain, develop and retain the right skills to meet performance expectations?
- Do we have the right information to support agency decision-making and effectively manage implementation of initiatives?
- Does our performance management process ensure clear expectations and accountability?
- What is needed to better engage and motivate staff?
- Do our recognition and reward programs drive desired results?

## Human Capital Planning Support Resources

The good news is that there is a large and growing base of support resources to assist HCM staffs in responding to these needs. Some key examples of those resources include:

- OPM's recently updated **HC Business Reference Model (HCBRM)** defines an end-to-end reference model for human capital management in government. Its 15 functions and 54 sub-functions represent all statutory requirements that must be performed and met to establish and manage a world class-workforce. It is intended to be used to streamline and standardize government-wide HR operations, and to provide guidance on necessary elements of an effective human capital management capability.
- The web-based OPM **Human Capital Framework Diagnostic Tool** is an assessment framework to help agencies evaluate their strengths and weaknesses. The tool provides information and ideas about key aspects of effective human capital management in each of 16 major focus areas.
- OPM's recently updated **Workforce Reshaping web site** (<https://www.opm.gov/policy-data-oversight/workforce-restructuring/reshaping/implementing-reshaping-options/>) offers a broad overview of policy guidance and references to a range of specific tools to help agencies address the requirements for re-profiling and developing a 21st Century workforce.
- DOE's guide for workforce planning (<https://www.energy.gov/hc/downloads/guide-workforce-planning>) offers a good example and descriptions of the steps required for effectively aligning human resource planning and development practices to meet future requirements.
- The USGS web site for Workforce and Succession Planning (<https://www2.usgs.gov/humancapital/sw/workforceplanning/>) is a robust example of resources provided within an agency to support effective planning and management action across their organization.

## Workforce Planning

Effective workforce planning is a fundamental requirement for being able to achieve performance requirements and mission objectives. As missions, requirements, conditions and processes change, effective workforce planning becomes more and more difficult. What is needed is a **robust workforce planning capability and process** that is closely tied to agency strategic plans and human capital plans.

Effective workforce planning starts with a detailed current workforce baseline. Fundamentally the need is to correctly predict future requirements for skills and capacity, and to identify actions needed to address expected gaps. However, rather than simply applying percent change factors to existing headcount, new advances in workforce planning are focused on developing increasingly sophisticated dynamic demand forecasting models, and using them to better predict future requirements. Increasingly workforce planning also must take into consideration data-driven ways to predict changes in workforce performance and productivity to better understand the supply side dynamics and better evaluate alternative gap-filling strategies.

## Action Examples

Our interviews identified numerous examples of agencies acting to address these many issues. Collectively they address many of the key success factors required to respond to the challenges facing the HC community:

- More active participation by HC management in the overall Strategic Planning process at DHS enabled much tighter linkage between those plans.
- DOE's focus on identifying and sharing best practice examples in agency HC plans.
- Several agencies and departments are undertaking detailed analysis and reengineering of their recruitment and hiring processes and achieving significant reductions in time to hire and the quality of on-boarding activities.
- Sophisticated regression models enable more accurate forecasting of future requirements at FAA.
- NASA's Workforce Planning and Analysis group has implemented a robust workforce planning support system including data warehouse capabilities, dashboards, analytics and customized planning applications to strengthen requirements forecasting.
- DHS has made significant progress developing sophisticated staffing models for several organizations including CBP, TSA and CIS

## Success Story

The Department of Veterans Affairs is in the midst of a major transformation to address challenges associated with meeting the surging demand for veterans health care and other support services. To address those challenges VA has undertaken numerous initiatives to strengthen Human Capital planning and their implementation capabilities and approach.

VA responded to the Executive Orders in a comprehensive way to advance and continue those improvements:

- *Several working sessions of 80+ operational leaders were held to review M-17-22 and generate and evaluate possible ideas/opportunities.*
- *VA invested in first-ever comprehensive workforce baseline to create detailed manpower view of the organization by function, skill type, level and location.*
- *An explicit exercise to link organization goals to the workforce baseline was conducted.*
- *Undertook comprehensive 4+ month program to cascade 5 major top level priorities down to specific operational actions.*
- *A Manpower Office was established to increase the use of staffing models to predict workforce demand and improve planning methods.*
- *Significant investments in technology were identified to consolidate multiple HR systems and significantly improve Supply Chain processes.*
- *Specific enhancements of performance measurement methods focused on customer service were identified and implemented.*

For workforce planning, VA defined and implemented a robust 6 step process for development of Strategic Workforce Plans. This rigorous organization-wide process enabled VA to integrate plans and accountability down to the individual program level. Key features include:

- Environmental Scanning - strategic plan requirements, workload implications, key workforce-related trends and issues
- Guidance Development - needed issue focus, data template development
- Guidance and Consulting - issue guidance messages, training webinars, planning process support resources
- Analysis and Evaluation - assessments of draft SWPs, criteria-based feedback, coordinate adjustments as needed
- Authoring - draft consolidated SWP, brief a SWP Review Council, identify risks and improvement strategies, summarize needed action plans
- Publication - publish consolidated VA SWP- initiate and track required action plans

## Key Conclusions for Human Capital Planning

- » Recent guidance to focus on Human Capital Operations Planning did not mean to eliminate the development of effective Human Capital Strategies...it meant to **integrate HC planning with other planning activities** and focus more attention on implementation management.
- » Effective HC planning cannot be done just by HR, but need active involvement from programs and other functions.
- » **HC plans need to be dynamic** – adjusting to shifts in agency mandates and requirements.
- » HR needs to understand and learn more about the programs so that they can effectively support the programs in ensuring they attract, develop, reward and retain the right employees, with the right skills, at the right time
- » Workforce planning is foundational – with shrinking budgets and ever increasing workloads, fed organizations need to make sure that they are strategically using every resource they have.
- » Comprehensive strategic workforce planning enables a **robust method to assess workforce demand along with workforce supply**, while considering future organizational requirements.

## Section 8 – Workforce Development

With the benefit of good workforce planning to understand future requirements, significant improvements are possible in Talent Management and Workforce Development. Complicated by recent budget crises, most government organizations acknowledge that large skill gaps are expected and likely to get worse. An effective program to develop, deploy and retain the resources to achieve success is increasingly critical.

We asked our interviewees what they believed to be their biggest challenges in reshaping and reskilling their workforces. The common answers were:

- *We need to improve our understanding of real requirements in order to improve our ability to hire the right people.*
- *Get the right people into the right jobs, hold them accountable, and get rid of them if they don't come through – but all of that is easier said than done.*
- *There is an over-reliance on old outdated job descriptions.*
- *Many government workers do not get good direction on specific roles and expectations.*
- *We need to develop greater business acumen within the government.*
- *There is a critical need for more business analysis, architecture and contract management capabilities to oversee increased use of external service providers.*
- *The current SES CDP process is too slow, cumbersome, expensive and focused primarily internally.*
- *We need to get better at bringing in top level talent and experience from outside government.*
- *Development of middle level management personnel is less structured and more spotty than at higher levels – so they quality of personnel you get is much more unpredictable.*
- *Good development programs are generally available but often not heavily used, particularly at higher management levels.*
- *The younger generation expects to move more and stay less long in the same roles – that creates challenges in both staffing plans and development needs.*
- *Most organizations are barely scratching the surface in utilizing alternative development and new training delivery concepts.*
- *Real time performance support and knowledge management solutions are not widely implemented.*
- *We need a solution for preventing the potential loss of critical knowledge due to increased retirement and turnover rates.*
- *Not much is offered to help us bridge cultural gaps.*

In spite of those challenges, many good frameworks exist to guide development and implementation of highly effective Talent Management strategies and comprehensive Workforce Development programs.

**Talent Management** refers to programs that refine and implement the policies, practices and systems required to meet the future human capital requirements of an organization. The goals of a Talent Management strategy are to develop and promote a high performance workforce, to identify and close skill gaps, and to design and maintain programs that help to attract, acquire, develop, promote and retain the talent needed to achieve mission goals. Generally driven by overall Human Capital Strategies, effective Talent Management programs address several specific needs:

- Future business requirements and their implications for needed workforce capabilities
- Current workforce-related capabilities and critical gaps
- Needed workforce development programs
- Refine human capital management policies and practices to achieve specific capability-building goals
- Other initiatives required to achieve needed performance levels
- Strategies to support continuous learning and knowledge management

Because of demographic, technological and other trends, the pace of reskilling and reshaping the federal government workforce will continue to accelerate. Critical challenges to be addressed by effective Talent Management strategies include:

- **Retaining critical organizational knowledge** in the face of an expected increase in retirement rates
- **On-boarding and integrating the next generation workforce** and their methods into existing processes and practices
- **Accelerating adoption of changing work processes and practices** driven by the need for improved efficiencies and effectiveness
- **Gaining, spreading and supporting new technical skills** driven by adoption of new technologies, architectures and IT development methods
- Evolving the skills needed to successfully address **changes in acquisition, contracting, service level agreements and program management**

**Workforce Development** refers to the specific programs needed for an organization to meet and maintain the knowledge, skill and competency requirements for achieving their mission and strategic goals. Effective Workforce Development programs address the full employee lifecycle from selecting and successfully on-boarding new hires to helping them understand and acquire the skills and competencies needed for success, to supporting their use in practice, and encouraging on-going learning and further development. They also address the full spectrum of workforce needs from support staff to individual practitioners to management and leadership personnel. If done well, workforce development programs can provide considerable support for creating and sustaining a desired culture.

There are many best practices and evolving techniques to facilitate the effective implementation of Talent Management and Workforce Development strategies and programs. The ultimate goal is to develop an efficient and effective solution to delivering the capabilities required. For example:



- **Blended learning** strategies that combine the best features of instructor-led classroom training, remote learning and self-paced learning strategies, increasingly facilitated by flexible and often virtual technologies
- **Experiential programs** that utilize concepts of hands-on labs, shadowing, coaching and mentoring to deliver not only knowledge but positively reinforced work experiences
- **Complete curriculum “academies”** whereby individuals progress through several stages of learning to understand and master complex skills and competencies
- **Performance support solutions** that provide employees with real time access to a range of information and guidance resources designed to reinforce best practices and enable high performance on the job
- **Centers of Excellence** and Cohort programs designed to encourage collaboration and shared learning opportunities for groups of individuals that have common roles and interests
- **Certification and career pathing programs** that help individuals better understand the range of knowledge and skills needed to progress in their roles and encourage them to sustain ongoing learning and development

## Action Examples

From our interviews, we found that focus on training and developed had lagged in recent years due to the impact of budget constraints and funding uncertainties. However, there are many examples of successful initiatives being undertaken and officials are generally optimistic about the possibility that significant enhancements in these areas will help them address the talent challenges they face. Examples include:

- GAO is acting to build and maintain strong candidate pipelines by partnering with key universities.
- Several organizations (for example agencies within DHS) have begun collaborating to jointly recruit and hire talent from important but little-tapped talent pools.
- USAID developed and has deployed a comprehensive blended learning program to transform performance of its worldwide acquisition workforce.
- VA redesigned and rolled out a new version of their Program Management Accountability System and guidelines to over 2000 people to enhance Program Management skills and methods and reinforce their on-going initiative to transform their Office of Information Technology.
- NIST’s Leadership Curriculum programs were specifically targeted for aspiring leaders, new leaders and project managers.
- USDA’s IT Fellows program for high potentials from each agency is modelled after the PPS Excellence in Government program and reinforced by on-going Cohort groups to facilitate ongoing learning and collaboration.
- ITA’s development of its “Talent & Reserve Force” is to utilize experienced field resources in providing leadership insights, training and coaching to developing managers.
- Centers of Excellence, being deployed by several organizations (such as GSA, IRS, NASA and USDA) to reinforce knowledge management and sharing best practices across their organizations.

## Success Story

The State of Tennessee's IT Organization is in the midst of a major workforce transformation program. Though focused on a large IT organization, it provides a model for other large organizations with complex operations. The example shows the multiple facets of a fully developed program to address historical problems and position the organization to better meet future needs.

There were several forces driving the need for this program. Several unacceptable IT project outcomes had occurred over the prior decade. Evolving IT skill requirements and methods were becoming more of a challenge to meet. Contention and lack of consistent goals and criteria made the typical procurement process a growing challenge. Inconsistent approaches to IT classifications, organization structures and processes made systems development more difficult. And lack of a well-established project management discipline and experience base negatively impacted many projects.

Key Solution Elements for the workforce transformation program included:

- A high level workgroup of agency commissioners and IT leaders to define needs and oversee development of solutions
- A comprehensive initial assessment of future requirements, inventory Human Capital capabilities, and evaluate organizational processes
- A redesigned and explicit Business Solutions Delivery Process
  - » centralized resources for initiating and managing large, complex solutions delivery
  - » strengthened business process analysis and requirement definition skills
  - » deeply skilled and experienced resource pool to help develop and deliver them
  - » focus on consistent, proven methodologies to ensure plan performance and high quality
- Development and implementation of a "Next Gen" IT initiative
  - » 50 new IT job classifications vetted by cross-agency SMEs
  - » Independent assessment of 24 IT organizations to evaluate workload, skills, and organization structures
  - » Definition and development of a world class IT training program
  - » Launch of an "Enterprise IT Transformation" initiative to establish support teams for 17 agencies across 4 business domains
- Launch of the IT Academy program
  - » Defined curriculums tailored to address Next Gen IT needs
  - » Goal = well-rounded IT professionals with appropriate blend of technical and success skills
  - » A blended learning training approach based on adult learning best practices and utilizing classroom, on-line and self-study techniques
  - » Specific pre- and post- course measurement methods
  - » Post-course coaching and reinforcement
- Roadmap for ongoing enhancement of key Workforce Development programs
  - » Talent management program
  - » Employee Engagement training
  - » Succession planning
  - » Recruiting strategies
  - » Alternative workplace solutions

## Key Conclusions for Workforce Development

- » Focusing on needed results is the best and most efficient way to determine **real requirements**
- » Gaining a clear and detailed understanding of **needed roles** is key to diagnosing needed **skills and competencies**
- » Ensuring a workforce that is **motivated and engaged** is key to achieving performance potential
- » Dedication to **rapid learning and continuous improvement** is needed to constantly refresh capabilities
- » SES and Management personnel should have more training in continuous improvement techniques and in developing better **skills in linking strategies with workforce performance**
- » Increasing **workforce mobility** will significantly help solve mismatches between capabilities and requirements

## Section 9 – Performance Management

To achieve the improvements intended by recent directives and legislation, departments and agencies will rely heavily on their already established performance management frameworks and plans. GPRA and the GPRA Modernization Act did a good job of laying out the requirements for government organizations to establish and report progress on periodically defined strategies and annual performance improvement plans. Specific requirements were set for establishing responsibilities, developing plans, and reviewing and reporting on results. The overall intentions of these requirements was, and continues to be, to cause those organizations to be more focused on performance, and to cause future decisions to be more heavily based on results.

The vast majority of government departments and agencies follow these guidelines, albeit some better than others. But there are several areas where these activities must be strengthened in order to achieve the original intent and to be effective means by which to execute the mandated Agency Reform Plans, Workforce Reduction Plans and Performance Maximization Plans. Those areas requiring strengthening include:

- Better use of **fact-based situation assessments** and analysis to determine priorities for performance improvement
- Better **alignment** of performance improvement plans with overall strategies and high priority desired outcomes
- Better alignment of overall performance improvement strategies and goals with **detailed actions and measures** to guide achievement of those strategies
- Better **integration** of performance-driven improvement programs with other operational priorities, measures and management approaches
- Greater focus on **managing successful implementation** of planned actions
- More effective use of **performance management** to guide, develop and reward the actions of individual groups and individual employees
- Faster and more **effective adjustment** of those plans and actions to respond to changing circumstances and actual results

Three specific comments we heard in our interviews frame the overall opportunity and challenge related to Performance Management:

- *“The biggest single impact on overall performance is a culture of transparency, open communications and collaboration... which is all driven by leadership.”*
- *“The biggest barrier to overall performance improvement is lack of integration from strategic planning down to individual performance.”*
- *“The most frustrating aspect of government has to do with Human Resource Management practices and constraints.”*

Consensus from our interviews was that no effective, comprehensive framework exists for integrating strategic plans, program plans and overall performance goals with operational plans and front line performance management activities. Four major themes that sum up that perspective:

GPRA-style Strategic Performance Management is not addressing all needs:

- *It is generally done but with significantly varying degrees of implementation.*
- *Resource constraints are generally not addressed by those plans.*
- *Strategic Performance Plans are usually not well connected to human capital plans or operational requirements.*

Operational plans are generally less well addressed and a significant barrier to achieving overall goals:

- *Strategic goals are often too broad to be easily translated into operational needs and realities.*
- *There are too many priorities and too many metrics.*
- *At the front line there is very limited focus on improvement opportunities or goals.*

Performance management systems and methods are often outdated and inadequate:

- *There is inconsistent and incomplete data on activities and results, and limited ability to analyze them.*
- *Often the wrong measures are being used which drive the wrong behaviors.*
- *Those capabilities do not address the significant under-utilized resources that exist.*

Lack of effective performance management at the individual level is commonly acknowledged to be a major problem:

- *Poor performers are generally tolerated and worked around because of the effort required to address those issues.*
- *Poor performers ultimately impact and drag down the performance of many higher achieving personnel.*
- *Tools and methods exist to address those issues but are often not used.*
- *Risk aversion on the part of both managers and the HR organization reinforces these problems.*

## Strategic Versus Operational Performance Management

Strategic Performance Management is generally well defined, at least in the planning and reporting areas. However Operational Performance Management is usually less well-structured and mostly focused on compliance with various human resource management policies. The needs and characteristics of the two are quite different. Failing to connect them usually produces conflicting interests and success barriers.

Characteristics	Strategic Performance Management	Operational Performance Management
Focus	Critical few priorities Targeting outcomes and results	Many practical requirements often conflicting or competing
Goals	Maximize desired outcomes	Meet standards and expectations
Need	Define required objectives	Refine processes and capabilities
Success driver	Successful project execution	People performance
Key constraint	Implementation resources	Management effectiveness

Our interviews focused on what senior officials see as the key success factors in successful planning and implementation of performance improvement strategies and programs. Common comments included:

- Driven by mission and clear and focused leadership priorities
- Guided by a fact-based situation assessment
- Interactive participation to leverage the knowledge of the organization
- Effectively cascaded into actionable details
- Operational inconsistencies resolved
- Effectively addresses critical resource requirements and constraints
  - » Tied to an explicitly defined implementation management process that specifies reporting, analysis and decision-making practices and responsibilities
  - » Relentlessly communicated to generate extensive organizational understanding and commitment
  - » On-going visible participation in reviewing results and acting on findings by senior leadership
  - » Sustained communications to facilitate learning from and reacting to results
  - » Backed by leadership commitment and action to recognize and reward success

## Operational Performance Management

The general consensus from our interviews is that much performance improvement potential also exists in strengthening operational performance management methods. In general many say that in spite of considerable available management development programs, busy managers generally fail to take much advantage of them. And where performance problems exist, many managers find it too time consuming and risky to address them.

Several examples show improved focus on management fundamentals can often pay big dividends. Key success factors which need to be stressed in mandatory management training and reinforced by management performance reviews include:

- Employees fully understand performance expectations and their relevance to mission success
- Managers ensure employees are sufficiently skilled and able to meet performance standards
- Effective support tools are provided to help employees achieve performance expectations
- Employees are given straightforward feedback about their performance
- Employees have access to needed development and growth opportunities
- Employees are advanced based on skills, experience and performance, not on tenure
- Poor performers are consistently put on effective performance plans
- Employees unable to meet expectations are moved to more appropriate assignments or successfully addressed with other solutions

While recognizing and rewarding outstanding performance is fairly commonly practiced, many believe that more can and should be done to support managers in dealing effectively with poor performers. In a few cases, a strong message from very senior leadership that poor performance will not be tolerated has had a significant impact on management behavior. In other cases, focus on changing HR mindsets has made a significant difference. For a Performance Culture to be created, balanced emphasis must be given both to encouraging and fostering high performance and to identifying and correcting poor performance.

## Action Examples

Several specific examples from agencies experiencing positive trends in the impact of their planning and performance management activities help to further elaborate on effective tactics:

- Commitment to establish and maintain a capable, independent Performance Improvement Officer in a growing number of agencies
- Extensive engagement with outside industry to help identify new inputs on performance improvement opportunities at FDA
- Regular Stat reviews focused on organizational Health Reports, analysis and learning that result in decisions and action at both DHS and SSA
- Effective recognition and reward programs that fit the organization's specific situation at both NIST and PTO
- Senior-level commitment and process for actively addressing performance problems and backing that up in two key government departments

## Success Story

Strategic Performance Management planning and implementation needs to include addressing both high level priorities and operational level details, and customized to the unique needs of the specific organization. Plans are most effective if they focus on and address specific targeted outcomes.

A museum within the Smithsonian Institution undertook a strategic performance planning process driven by three major goals. One of those goals was to focus on improving visitors' experiences to result in greater public interest in innovation and exploration. The process to develop a specific, actionable and measurable plan included several important steps:

- a detailed situation assessment including a series of visitor focus groups to identify needs, expectations, attitudes and behaviors
- a Logic Model cascade of targeted outcomes to key strategies and measures to needed activities and outputs
- identification of specific program changes to respond to those plans
- development of an improved visitor satisfaction tracking capability, including data definitions, sources, collection methods, evaluation reports and analysis practices
- redesign of exhibits and staffing approaches to deliver targeted enhancements
- a communications plan to improve staff awareness of the goals and the implications for their own actions and behaviors
- definition of specific management practices to track progress, resolve problems and identify opportunities for continuous innovation and adjustment

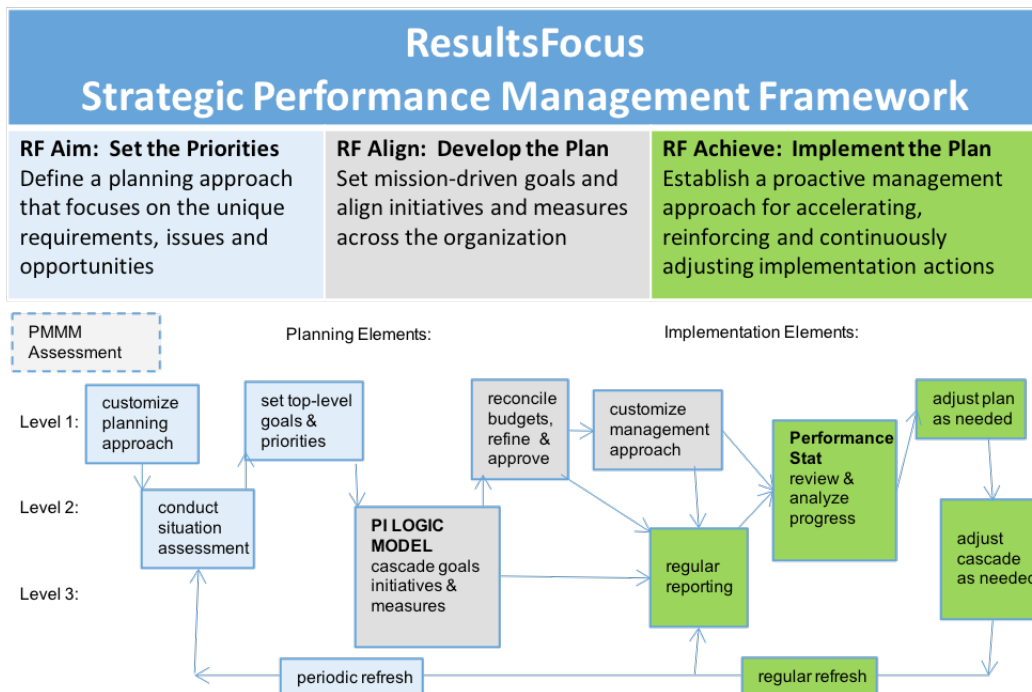


What is needed to effectively drive significant performance improvement is a performance management approach that effectively addresses three critical elements:

- a well-targeted Strategic Performance Management plan focused on mission, needed outcomes, and integrated initiatives required to achieve them
- a practical Operational Performance Management plan and related programs that deliver needed capabilities and actions to meet operational requirements and achieve the overall mission goals
- a well-understood Management Process that integrates the two plans and ensures effective follow-through

## Rigorous Strategic Performance Management

Though the majority of agencies develop reasonably sound high level performance management strategies, most are less impactful than they should be because of deficiencies on the front and back ends of their planning and management processes. Performance Institute’s recently updated and released “ResultsFocus” Strategic Performance Management Framework gives organizations guidance regarding critical activities to incorporate into their planning and management approaches.



## Key Conclusions for Performance Management

- » **Everything starts with leadership** focus on, and clear communications regarding, a few key overall priorities and outcomes needed to dramatically impact overall performance.
- » Fact-based situation assessments help avoid “boiling the ocean” and serve to enlighten and strengthen focus on **specific needs and opportunities**.
- » An **interactive approach** which blends top-down direction with bottoms-up insights is by far the most effective way to focus on practical solutions and generate organizational commitment to implementation.
- » **Reconciling conflicting priorities** for attention and resources between strategic performance improvement programs and the relentless demands of operational requirements is the single most important aspect of performance management.
- » Improved focus on **proactive implementation management**, with visible leadership participation and effective on-going communications, is key to realizing results from planning efforts.
- » Operational performance management needs to be more **tightly integrated** with strategic performance management.
- » Improved **management of poor performance** is key to generating an energized performance-focused culture.
- » Strong senior **leadership direction and support** plus changes in policies, roles and practices are needed to overcome organization reluctance to address poor performance problems.
- » Agencies need to **train their managers** and provide them the tools and resources to effectively address poor performers.

## About the Research Team

**The Performance Institute** is a nonpartisan, private think tank offering research, conferences, training and consulting services that seek to improve public and private sector performance through the principles of transparency, accountability, performance and engagement. [performanceinstitute.org](http://performanceinstitute.org)



**Suntiva** is a business transformation and technology company committed to Enabling Smart Government™ with Digital, Workforce and Business Process Transformation services designed to improve performance through people, process and technology. [suntiva.com](http://suntiva.com)



**Grant Thornton** is one of the world's leading organizations of independent audit, tax and advisory firms. Its Public Sector group helps executives at all levels of government maximize their performance and efficiency in the face of ever tighter budgets and greater demands for services. [grantthornton.com](http://grantthornton.com)



**Learning Tree International** offers Workforce Optimization Solutions that improve the adoption of skills and accelerate the implementation of technical projects and improved business processes required to achieve needed performance and results. [learningtree.com](http://learningtree.com)



**Qlik** delivers intuitive platform solutions for self-service data visualization, guided analytics applications, embedded analytics and reporting to companies of all sizes, industries and geographies, to help them visualize and explore information, generate insight and make better decisions. [qlik.com](http://qlik.com)



**Georgetown University's Institute for Transformational Leadership** develops and sustains worldwide communities of leaders and coaches dedicated to awakening, engaging, and supporting the leadership required in today's world to create a more sustainable and compassionate future. <https://scs.georgetown.edu/departments/37/institute-for-transformational-leadership/>



## Appendix – A Framework for Performance Optimization

### Integrated Performance Optimization Assessment Templates

The following pages outline an approach for assessing significant performance optimization opportunities and evaluating progress made relative to major performance improvement plans. They summarize a range of best practices that can serve as a checklist, starting with an overall summary scorecard, and then drilling down to more detailed assessment status for each Performance Improvement Imperative.

These templates use a three level taxonomy enabling a simple summary of progress in each area. They provide a generic version of the top two levels, though these may be customized to address organization-specific situations and requirements. The third level would be created to reflect a specific performance optimization plan, and would be expected to evolve over time as actions are completed, removed and added. An example of the intended taxonomy is:

2. Performance Improvement Imperative (e.g. Workforce Analytics)
  - 2.1. Success Requirements (e.g. Consistent Usable Data Sources)
    - 2.1.1. Actions Taken/Underway/Planned (e.g. Define “Crosswalk Tables” facilitating cross-organizational aggregation of data)

To utilize the progress reporting capability of these assessment templates, some form of “Percent Completion” algorithm (such as the following example) is needed:

- Each “Success Requirement” can be rated red, yellow or green based on:
  - » Red = less than 25% of Needed Actions are rated green or yellow
  - » Yellow = at least 10% of Needed Actions are rated green and another 15%+ are rated yellow
  - » Green = at least 50% of all identified Needed Actions are rated green and more than 25% of remaining Needed Actions are rated yellow
- Each “Action” can be rated red, yellow or green based on:
  - » Red = not done or only started without being near completion
  - » Yellow = in-progress with completion likely in near future, or completed but with limited implementation/results to date
  - » Green = fully completed and showing expected progress
- Each “Action” may also require a “Status Comment” regarding results achieved and/or implementation status as appropriate to back up the given rating.

PERFORMANCE OPTIMIZATION ASSESSMENT SUMMARY

OPTIMIZATION IMPERATIVES	SUCCESS REQUIREMENTS SUMMARY	CURRENT STATUS
1. RESTRUCTURING & RESOURCE RE-ALLOCATION	1.1. Align results-focused funding with current priorities	Yellow
	1.2. Reduce redundancies & overlaps	Yellow
	1.3. Shift resources from low to higher value activities	Red
	1.4. Improve administrative efficiency & effectiveness	Green
2. WORKFORCE ANALYTICS	2.1. Deploy enhanced analytical tools	Green
	2.2. Reconcile & align consistent, useable data sources	Yellow
	2.3. Develop & reinforce improved analytical skills	Green
	2.4. Ensure effective application & decision follow-through	Yellow
3. PROCESS INNOVATION & IMPROVEMENT	3.1. Establish process ownership & improvement goals	Green
	3.2. Re-engineer core processes	Red
	3.3. Exploit opportunities for automation & digital services	Yellow
	3.4. Implement effective performance support & continuous improvement	Red
4. TECHNOLOGY MODERNIZATION	4.1. Exploit cloud-based and outsourced services opportunity	Yellow
	4.2. Limit spending on legacy systems operations and enhancements	Red
	4.3. Invest in new capabilities with modular, incremental approach	Yellow
	4.4. Ensure effective use of agile development	Green
5. TRANSFORMATIONAL LEADERSHIP	4.5. Strengthen IT governance, budgeting & acquisition practices per ITMMM	Yellow
	4.6. Strengthen program management & implementation management practices	Yellow
	5.1. Clearly define vision & transformation potential	Yellow
	5.2. Develop transformational leadership skills	Red
6. HUMAN CAPITAL PLANNING	5.3. Mobilize & engage employees	Green
	5.4. Reinforce the on-going change process	Yellow
	6.1. Incorporate an explicit Human Capital Strategy within strategic planning activities	Green
	6.2. Ensure effective workforce planning within & across agencies & programs	Yellow
7. WORKFORCE DEVELOPMENT	6.3. Define an explicit Human Capital Operating Plan & implementation management approach	Yellow
	7.1. Identify & quantify needed future skills & capabilities	Yellow
	7.2. Define & implement programs to fill technical & operational skill gaps	Yellow
	7.3. Strengthen focus on needed leadership & management skills	Red
8. PERFORMANCE MANAGEMENT	7.4. Develop and implement a robust Talent Management Program	Yellow
	8.1. Clarify top priorities & results-driven strategies	Green
	8.2. Cascade strategies into specific actions & measures, integrated with operational requirements	Yellow
	8.3. Strengthen implementation management & continuous adaptation practices	Red
	8.4. Implement improved methods for managing operational and individual performance	Red

## Performance Optimization Status Assessment

Performance Optimization Status Assessment				
Optimization Imperative:	1. Restructuring & Resource Reallocation			
Success Requirements:	Key Elements:	Actions Taken/Underway/Planned	Current Status	Status Comments
1.1. Align results-focused funding with current priorities	a. analyze planned funding versus strategic priorities to correct gaps and imbalances			
	b. eliminate non-core activities			
	c. annually evaluate programs to identify results and outcomes success			
	d. identify shifts to fund success and reduce or eliminate lack of success			
	e. redefine funding policies to use incremental decisions tied to results			
1.2. Reduce redundancies & overlaps	a. evaluate organizational structure to eliminate mission overlap			
	b. evaluate opportunities to combine support functions across organizations			
	c. evaluate opportunities to utilize external shared services			
1.3. Shift resources from low value to higher value activities	a. complete cost analysis of all deliverables and activities required			
	b. reduce or eliminate low value deliverables			
	c. eliminate unnecessary reporting & administrative procedures			
1.4. Improve administrative efficiency & effectiveness	a. de-layer management			
	b. outsource activities better done by others			
	c. leverage existing procurement solutions for improved pricing and terms			
	d. streamline processes for improved productivity			
	e. establish performance metrics, goals & responsibilities for internal processes			

## Performance Optimization Status Assessment

Optimization Imperative:	2. Workforce Analytics			
Success Requirements:	Key Elements:	Actions Taken/Underway/Planned	Current Status	Status Comments
2.1. Deploy enhanced analytical tools	a. develop and implement needed dashboard & portal platforms			
	b. identify, acquire & support appropriate BI/analysis tools			
	c. communicate standards and capabilities to users & support groups			
	d. facilitate development of priority reporting application modules			
2.2. Reconcile & align consistent, useable data sources	a. complete detailed workforce baseline by skill, level, geography, etc.			
	b. identify needed key performance indicators and related data needs			
	c. identify, evaluate and address data sources and inconsistencies			
	d. develop “crosswalks” to facilitate cross-organizational data integration			
	e. identify & implement requirements for high impact demand models			
2.3. Develop & reinforce improved analytical skills	a. create small “analytics support team” as catalysts & trainers			
	b. roll out management training program re capabilities and uses			
	c. regularly communicate successes and innovations			
2.4. Ensure effective application & follow-through	a. require and reinforce expectations for routine reporting and analyses			
	b. incorporate into strategic and HR Stat Reviews			
	c. track decisions and action item status			



## Performance Optimization Status Assessment

Optimization Imperative:		3. Process Innovation & Improvement			
Success Requirements:	Key Elements:	Actions Taken/Underway/Planned		Current Status	Status Comments
3.1. Establish process ownership and improvement goals	a. Identify all core processes and designate process owners & roles				
	b. map current state of processes and identify current performance levels				
	c. develop needed process documentation and performance support tools				
	c. seek internal and external inputs on performance benchmarks and improvement opportunities				
3.2. Re-engineer core processes	d. define and implement key performance measures and customer satisfaction tracking				
	a. evaluate and select specific process(es) with high improvement needs and potential				
	b. assign multi-functional team(s) to evaluate improvement concepts				
	c. engage employees in refining solutions and implementation plans				
3.3. Exploit opportunities for automation and digital services	d. develop and implement change management program(s)				
	a. evaluate and develop paperless process opportunities				
	b. evaluate and develop opportunities to deliver self-serve services				
	c. implement improvements in automated “help” capabilities for customers and employees				
3.4. Implement effective performance support and continuous improvement	a. implement best practices based front line workflow support portals				
	b. implement Centers of Excellence for key disciplines and processes				
	d. develop and roll out effective continuous improvement programs				

## Performance Optimization Status Assessment

Optimization Imperative:	4. Technology Modernization			
Success Requirements:	Key Elements:	Actions Taken/Underway/Planned	Current Status	Status Comments
4.1. Exploit cloud-based and outsourced services opportunities	a. prioritized list and strategy for evaluating alternatives			
	b. effective selection and contracting processes			
	c. service level agreements with adequate flexibility			
	d. effective relationship management			
4.2. Limit spending on legacy systems operations and enhancements	a. rigorous prioritization and management decision-making process			
	b. realistic IT strategy to guide priorities			
	c. explicit to-be systems architecture			
	d. prudent modest enhancements with clear and justified requirements			
4.3. Invest in new capabilities with modular, incremental approach	a. identify & prioritize new functionality requirements			
	b. define and implement effective data architecture guidelines			
	c. develop front-end portals to enable modular back-end enhancements			
	d. routine use of rapid prototypes			
4.4. Ensure effective use of agile development	a. extensive training in and reinforcement of agile development key success factors			
	b. strong communications practices to coordinate issues across agile projects			
	c. effective agile-specific program management requirements and skills			
	d. ensure rigorous testing practices			

4. Technology Modernization (continued)				
Optimization Imperative:	Key Elements:	Actions Taken/Underway/Planned	Current Status	Status Comments
Success Requirements: 4.5. Strengthen IT governance, budgeting & acquisition practices per ITMMM	a. ensure stakeholder involvement			
	b. evidence-based timely decisions			
	c. leadership stability with needed experience and skills			
	d. Planning processes that address needed competencies and skills			
	e. CIOs with right organizational placement			
4.6. Strengthen program management & implementation management practices	a. establish PM Center of Excellence			
	b. roll-out needed/revised PM training programs reflecting latest PMIA requirements			
	c. conduct routine independent PM audits			
	d. ensure effective implementation plans with end user training and support included in every development program			

## Performance Optimization Status Assessment

5. Transformational Leadership				
Optimization Imperative:	Key Elements:	Actions Taken/Underway/Planned	Current Status	Status Comments
Success Requirements: 5.1. Clearly define vision and transformation potential	a. clear articulation of how you see the future state			
	b. develop well-supported, mission-driven case for change and benefit			
	c. involve stakeholders and key operational staff in refining concepts			
	d. identify and mitigate sources of risk			
	e. develop and implement strong on-going communications program			
5.2. Develop transformational leadership skills	a. train leaders and managers in transformational leadership concepts			
	b. conduct multiple working group sessions on critical linkages and dependencies			
	c. clearly articulate and reinforce expected behaviors			
	d. develop effective change management program			
5.3. Mobilize and engage employees	a. involve organizational opinion leaders in planning processes			
	b. clarify and communicate important changes in roles and procedures			
	c. ensure frequent open communications exchanges			
	d. ensure employee questions and concerns are promptly addressed			
5.4. Reinforce the on-going change process	a. find and celebrate examples of employee understanding, commitment and success			
	b. monitor progress and adjust course where desired results aren't occurring			

## Performance Optimization Status Assessment

Optimization Imperative:	6. Human Capital Planning			
Success Requirements:	Key Elements:	Actions Taken/Underway/Planned	Current Status	Status Comments
6.1. Incorporate an explicit Human Capital strategies within strategic planning activities	a. ensure effective participation of HC officers in strategic planning process			
	b. define critical HC requirements of key strategic priorities			
	c. incorporate results-driven HC goals and strategies into strategic plans			
	d. ensure strategic action plans and measures address HC needs			
6.2. Ensure effective workforce planning within and across agencies and programs	a. enhance capabilities to utilize dynamic demand modeling			
	b. maintain a detailed and accurate human capital inventory			
	c. analyze and address underutilized resources			
	d. address effects of demographic, geographic and other key trends and developments			
	e. implement effective succession planning			
6.3. Define an explicit Human Capital Operating Plan and implementation management approach	a. conduct rigorous strength & weakness assessment			
	b. evaluate and improve key HC operational processes			
	c. Strengthen utilization of HR Stat reporting and reviews			
	d. strengthen measurement and evaluation of employee performance and satisfaction			
	e. implement strategy to create/reinforce a performance culture			

## Performance Optimization Status Assessment

7. Workforce Development				
Optimization Imperative:	Key Elements:	Actions Taken/Underway/Planned	Current Status	Status Comments
Success Requirements: 7.1. Identify & quantify needed future skills and capabilities	a. generate a detailed understanding of future business requirements and workforce implications			
	b. modernize explicit role descriptions and real performance requirements			
	b. understand impact of likely retirement and retention trends			
	c. define specific projected skill gaps that need addressing			
7.2. Define & implement programs to fill technical and operational gaps	d. evaluate infrastructure implications that match projected population			
	a. develop blended learning strategies to efficiently address specific needs			
	b. refine specialized career paths and continuous learning programs			
	c. implement effective knowledge management programs to capture, expand and retain critical knowledge bases			
7.3. Strengthen focus on needed leadership & management skills	d. implement strategies to increase business acumen			
	a. expand offerings on leadership skills and competencies			
	b. increase focus on managerial performance support (coaching, cohorts)			
	c. refine performance management policies & provided specific guidelines & training			
	d. improve use of external sourcing for critical senior leadership positions			

7. Workforce Development (continued)				
Optimization Imperative:				
Success Requirements:	Key Elements:	Actions Taken/Underway/Planned	Current Status	Status Comments
7.4. Develop and effectively implement a robust Talent Management Program	a. strengthen recruiting and hiring processes			
	b. develop strategies to better tap critical talent pools			
	c. increase utilization of special hiring authorities to better attract critical talent			
	d. implement strategies to significantly improve retention			
	c. develop strategies to improve staff mobility & flexibility			
	d. ensure rewards & recognition practices address critical objectives and needs			



## Performance Optimization Status Assessment

Optimization Imperative:	8. Performance Management			
Success Requirements:	Key Elements:	Actions Taken/Underway/Planned	Current Status	Status Comments
8.1. Clarify top priorities and results-driven strategies	a. detailed situation analysis to identify needs & opportunities			
	b. leadership articulation of vision, values and major priorities			
	c. top level Logic Model to define outcomes, strategies & measures			
	d. on-board and train operational planning participants			
8.2. Cascade strategies into specific actions & measures, integrated with operational requirements	a. cascade logic model into specific action and expected outputs			
	b. reconcile measures with operational expectations			
	c. identify resource requirements and reconcile with budget			
	d. develop and execute effective communication plan			
8.3. Strengthen implementation management & continuous adaptation practices	a. clearly define reporting expectations and responsibilities			
	b. clearly define Stat Review expectations and schedule			
	c. develop and implement action tracking system for plans and Stat Review decisions			
	d. implement status communication strategy including success recognition			
8.4. Implement improved methods for managing operational and individual performance	a. refine policies and practices as needed			
	b. strong senior leadership communication re expectations			
	c. implement needed training & reinforcement program for managers			
	d. improve recognition programs for high achievers			
	e. focus HR specialists on facilitating poor performer actions			