Accenture Federal Services

Aligning Program Priorities
Scott Quehl: Good afternoon, I am Scott Quehl. Thank you for joining our panel. We are going to be focusing on the intersection of human resource management and how it can help drive mission delivery in a tough budget environment. We have heard words like boldness, CXO and innovation. How can that happen within the rules in this tough budget climate both in improving HR Operations itself and using HR as a lever more effectively? We have folks in our panel today who are offering complementary and distinct views of how to achieve this.

We have Assistant Secretary, Brodi Fortenot, the United States Department of Transportation. We have William Fleming, almost a 30-year veteran, now retired as a career executive working his way up from the field in HR operations to being a trusted advisor and operational leader for HR at the United States Department of Commerce. We have Max Stier, the CEO and the President of the Partnership for Public Service. Just a quick bit about each of them and you'll see how the different perspectives align. Assistant Secretary Fortenot is the Chief Human Capital Officer, presidentially-appointed Senate-confirmed Assistant Secretary, who also manages acquisitions, facilities. Before this, he was the Deputy Assistant Secretary for Budget and he served on the budget committee for United States Senate, so he brings a rich CXO perspective.

Bill served as presidential rank award-winning HR Director at the Department of Commerce. He has worked at several cabinet level agencies and is very operationally inclined. In addition to being how you take being a HR executive and translate that to being at the table as a trusted advisor to a cabinet level agency facing all the challenges that we have heard about this morning with respect to sequester, training, recruiting, motivation, diversity and the various challenges that we have seen. Max has worked in all three branches of government. He has served at the United States Department of Justice as Deputy General Counsel at HUD as a clerk for the United Supreme Court and the US Court of Appeals. And he served as a staff member for Congress, so again rich, diverse experience of connecting the dots because I think the themes that you will hear today are that, HR delivery is essential.

Our people are essential and yet how to reach beyond the four corners of human resource management to deliver the promise of our workforce in a budget constrained environment within the rules today. Assistant Secretary, why don’t we start with you?

Brodi Fortenot: Thanks and I appreciate it. I want to say a couple of things, one about introducing you to the Department of Transportation. It’s a great place to work, if you want to work there, number one I am always taking applications. Number one, but really number two, we are 55,000 people all throughout the country, all modes of transportation airways, sea and land. We are your air traffic controllers, we help build your roads, we help fund the Metro System. We also ensure the safety of all those modes of transportation as well. And so we have got a lot of diverse missions, that’s sort of what I’m saying, a lot of diverse human capital needs. At the Secretarial level, I work directly for the Secretary. And all the secretarial offices are really trying to implement the secretory vision.

But each one of our modes of transportation have their own Senate-confirmed leadership as well with our own independent budgets. And so we must work with them, collaborate with them to achieve their missions. The engineering focus in one of our organizations may be similar, but it might be directly the opposite of one of our operational modes, where you need operational employees as well. And so balancing those at a very high level I think is important. But number two is something that’s happening right now for us. We just introduced our major reauthorization bill last week, called the GROW AMERICA Act where the Secretary’s vision really is to grow our transportation pie.

We really do need to make investments in transportation throughout the country, a huge portion of that is focusing on rail and transit which are growing areas for our department. That’s going to require probably different staff, hopefully additional staff, but also a different mix of skills. Now making those investments again long term in those individuals is going to be important, but we need to make that consciously. And so I think having the HR leadership at the table as the programmatic decisions are being made and having that trade-off conversation if you are looking for this, you may need to look at this. I think it’s very important and those of you that are HR professionals, that’s a conversation I would say you need to have all the time, especially as you're looking at new and emerging programs in your organizations.

Secondly I also get a chance to manage a couple of other areas including procurement and facilities. In the procurement arena a big focus that we’ve had are driving efficiencies. Secretary has a huge emphasis on driving efficiencies, really getting the best outcome for the money we put forward. And so a couple things we are doing in the department are really investing heavily in strategic sourcing. That’s a term I am sure many of you have heard, but we are really trying to take it to a level, not only for commodities but hopefully things like human capital in the end, where we can and where it makes sense, so I think that’s sort
of another conversation we had. And also help run the facilities and a big effort we are having there is sort of in the efficiency space or using performance contracting.

I think some of you may know that term, but we have a mission to save energy, the President has asked us to do that. And we're trying everything we can to work for the private sector, to push innovation and make our organization as green as possible. But these performance contracting vehicles really allow us to push the most innovative solutions we can—again, putting green power may be on our sites throughout the country number one, but also do it really in a cost-effective way.

But how do we do all these kinds of very discrete things? We have to engage our employees. We really have to let them know that they are valued number one, which they are, as a federal employee.

We need to solicit ideas from them and then come back to them and tell them that we've implemented them or if we haven't, why. And so a lot of the things I just outlined, a lot of them actually came from our employees, which I think are great. And that's something we are going to continue to do at DOT.

Scott Quehl: Alright, thank you very much. Max?

Max Stier: Sure, it's a pleasure being here, you failed in one introduction and that was yourself. Scott, obviously you have been a fabulous leader inside the government. And you did an amazing job at the Department of Commerce and I just want to make sure that's recognized.

So just jumping off where Brodi left off again, it's about the people. In a knowledge-based organization, if you want to answer your question, which is how do you do better with less, ultimately. It's how do you actually engage your employees more, and I think there are some real challenges, when you look at the only data source that we have that is cross-organizational and government.

I wanted to just take a second thinking about that to read some of the numbers from the employee viewpoint survey, which I think are an indication of the trouble, but also the opportunity, which is really where you're driving towards on the question. So on leadership, 38.5 percent (this is a government-wide number) federal employees say they believe their leaders generate high levels of motivation and commitment, so that's only 38 percent, a very, very low number. But you look at the high and low in government, that number is 73.5 at the Surface Transportation Board. And I will say this is 8.6 at the Economic Development Administration and Commerce.

But the point here is that however one might complain about the overall resource base or the challenges that we face in terms of the dialog about federal employees, the truth is within that larger ecosystem, you see vast differences in organizations which tells me that great leadership can make a big difference. So moving on, on having the right talent again same number 38 percent say their work unit is able to recruit people with the right skills and that number is 78.7 percent at Stennis and 13.5 percent at the Office of Solid Waste and Emergency Response at EPA. So look at that differential, 13.5 versus 78.7. On performance management 29.4 percent government wide believe that promotions and their work unit are based on merit.

So that to me is one of the most damning numbers of the whole survey across government. And that number is 75 percent at PTO and 12 percent at the U.S. Army Central. So again massive differential there, and then the last one that I want to cite would be, will the results of this survey be used to improve the workplace? And to me this is probably the most important and the one that NASA focuses on the most. So not surprisingly, only one third of the federal employees across the board say yes, so only one out of three say that the results are going to be used to improve the workplace. That number is 72.5 percent at Stennis and 10.6 percent at the Office of the US Trade Representative. So again you look at the overall numbers, it tells a scary picture of what employees think of the engagement issue. But the variation tells us that great leadership can make a huge difference and it's not about money, it's really about leaders doing the right thing.

Scott Quehl: Very good. Bill, your confessions of a retired HR executive? If you were to identify one or two challenges, operationally within the rules, within the flexibilities given, what can be done in this tough budget climate to deliver HR more strategically and effectively?

William Fleming: Good afternoon, everybody. I see some familiar faces out there and it's good to be back, the federal community in particular, the HR community. And a little bit fuller disclosure at the time, the Department of Commerce that I served as the Deputy Chief Human Capital Officer and HR director, Scott Quehl was the Chief Human Capital Officer and also the CFO and the Assistant Secretary for Administration. For having begun in the 1980s as a clerk typist in the Department of Army Civilian Personnel Office, banging away on vacancy announcements and using white out when I made several mistakes; and stuffing envelopes at the end of the week to send out these vacancy announcements.

I had an opportunity to reflect when Scott invited me to this, to think about my 30 years in the federal HR business and very much back room in the 80s going into the 90s, a
lot of field experience for myself and mostly operational experience. As we turn the century, 2000-2001, we started talking a different language, we started using this acronym HCAF all the time and talent management and performance culture. And we changed the technology and the terminology a little bit and I can remember going out to the field when I was with agriculture to explain these terms to field managers so that when they were audited, they would say oh yeah, yeah I know all about that kind of thing.

So we put a lot of focus on human capital, which I think at the time was needed. At commerce, we worked really hard to get the green like most of you, and we’re very proud of that under a previous administration and continue that effort during the current administration. But I think what happened during that period of time from say 1983 when I walked in the door to almost present day is our operational offices kind of got neglected and our HR operations people were somewhat second citizens. But if any of you have ran an operations office or have been serviced by an operations office, which all the feds in this room probably have, you know how vitally important it is to have a highly functional, well-trained, highly motivated caring operational office.

And I think we need to get back to that, that section of the human resources office, all part of our human capital strategy of course before we can. So fast-forward 2010, it was I think around July of 2010 and Scott, the boss, he invites me to lunch at the Secretary’s dining room. So I figured I am either getting fired or promoted, I don’t know, either one. And we sit down, we are having a nice lunch and he says to me are you the guy that can get us through the next several storms. We talk weather all the time at commerce because of Noah to get us through the next couple of fiscal years as an HR advisor and maybe more importantly get a team together to actually implement HR strategies that we need to implement.

And nervously I said, yeah, it has been 25 years in training, I think I’m ready to go, let’s give it a shot. So through his leadership and the Deputy Secretary at the time, they set in FY 10 and 11, lots of strategies that I helped implement along with my team. But one of the things I noticed with my operations team, I was guilty as anybody else, they were not in shape. They were not ready to take on this task, they had been doing staffing and recruiting and of course the normal functions of labor and employee relations and pay management. But they really weren’t, most than being non-DOT weren’t prepared for the other side of the house, the restructuring and the furloughs and the potential reductions in force and things like that.

So we realized that we had enough time because of advanced planning to get the team in shape. And we worked really hard and trained and got ready for the eventual battle that I’m proud to say and I think Scott is too that there were no furloughs at the Department of Commerce. Even though there were tough budget decisions, we avoided that for our employees because our employees come first. And we are very proud of that, but a lot of strategies were put in place and I was fortunate enough to have a team that knew how to put those strategies in place. And so I’m here today to promote operations, it’s the offensive line of your team, not real sexy. They’re not in the newspaper all the time, it’s always the quarterback, but that’s the team that you got to pay some attention to. And provide resources to going forward because of the tough budget times we continue to face.

Scott Quehl: Well let’s build on that with what the Assistant Secretary Fortenot just mentioned, he’s in charge not only of human capital, but of acquisitions of facilities. And it is a department with strong component units and many of us work in those and he is on top. There were furloughs apparently last year, that year, a couple of year budget stability before we may be facing, if that’s a sequester again. What can we do with shared services, with acquisition savings, with facilities savings, so when that, if the bad time comes, you are prepared to absorb that blow and still be able to deliver the essential mission of DOT?

Brodi Fortenot: Yeah, I mean a couple of things there that are specific. We have a regular counsel, so I would say there is the formal, regular conversations that need to go on all the time, then there are sort of the initiatives, something that probably happens in your organizations as well, but at a very senior level. Here we have an actual counsel that meets regularly to talk about shared administrative functions, that we all perform. And there counsel is sort of the Board of Directors of Investments that we have and it is very active, to be frank, it was very active the last couple of years.

Where they are asking, I and the CIO could lead that group, and they constantly ask us: “What are we doing?” and “Why are we doing it?” and “Should we make alternative investments?” And that is, one very formal way that we do. And so frankly some businesses we have turned off, there are also some businesses that we are actually getting into, because it’s advantageous for them, for all of us to get into it together. You know one of the big things that we got into a little bit before my time, but sort of finished right as I got there and then moved it into our working capital fund is all of our HR services are together for the Department of Interiors, all the way. And to be frank, it was one of the best decisions that was made at DOT.
During the shutdown and furloughs, we have one phone number to call. And that was, if there are Department of Interior folks here, I told it to your management, I am telling this to you, you guys do great work and really working as a team. So that’s one very specific thing that we do, that is regularized. We review our investments every quarter through this team and so that is one avenue. But on the initiative front as well, you know this is where your most senior leadership I think matters. Are there areas that matter to you more than others, in the strategic sourcing arena we established strategic sourcing counsel that also means, that actually reviews opportunities for it as well.

But again our Secretary, Secretary Fox, has a strong interest in efficiencies in general. And so he really charged us at the beginning of his term to look across the entire enterprise, both in our programmatic areas, but also the administrative areas. And say what should we invested in, so now we are looking at a very detailed level across a wide variety of commodities. And again to me, this is, if you can do more, and again that’s my word, do more, why wouldn’t you do it? And use those other funds for other things that are important, so that’s some very specific things that we are doing at DOT.

Scott Quehl: Now the title of this session is connecting mission priorities budget and workforce, the Assistant Secretary just mentioned the fact that in large enterprises, some priorities are going to take precedence over others. In your experience was it a very cookie-cutter approach to achieving savings in workforce or how—was there a system to connect mission priority, the budget and workforce investment?

William Fleming: Yeah, absolutely the Departmental Management Counsel kind of led that charge, that’s the career civil servant undersecretary at each bureau. And it was important for them to pinpoint priorities, at the time we had lots of hiring going on at PTO and didn’t need as many people as we had in other areas of the department. So there was a concentrated effort to see where are we, where are the needs and where are the not-needs and one of the things we tried to do and this was on the HR office to come up with solutions, where we realized it’s very expensive to lose an employee. And we would rather reassign and retrain an employee in the Commerce Department, even though it’s a separate bureau, than to have a new employee come in that you know takes at least a year.

So we had units within the National Institute of Standards and Technology that through mandates in the budget were losing their positions, but these are invaluable people with huge scientific knowledge that perhaps PTO could use where it’s very difficult to find the engineering skills needed. So we set up a resume bank internally that we made sure that before any job was advertised, these resumes of potential people that might lose their job are sort out first, all within the regulations, guidelines. And we worked very closely with OPM to make sure there was fair and high merit, but it was an effort to coordinate what’s going on in the western side of the building with the eastern side of the building and vice versa.

Max Stier: Max, you convene leaders throughout the federal government, you have studied best practices throughout government and private sector period at the Partnership for Public Service, are there any messages and conclusions to take away before we go to questions?

Scott Quehl: Max, you convene leaders throughout the federal government, you have studied best practices throughout government and private sector period at the Partnership for Public Service, are there any messages and conclusions to take away before we go to questions?

Max Stier: Sure, just real quickly, I think you know the notion that Bill just put on the table was how do you treat government as an integrated enterprise. So everyone is not doing it on their own, and I think that’s a concept that applies in multitude of areas in fact the shared services you know is one example and the talent bank that you’re talking about is another. You can do it more informally, interiors exploring and putting together a talent bank not to move people, but to allow people to do projects for in other places in the department, and I think that’s very attractive. So that’s one of the areas that is of great value, just talking to each other.

I mean you are participating in this form here, you are hearing from us, but meet each other and talk to each other about the kinds of things that are going on in your various organizations will be important. And I would be remiss if I didn’t focus on one thing, since we are talking about talent, if there is one area that demonstrates one of the most significant challenges for the federal workforce that is that, we’re not a diverse generationally. So you look around this room, only 7 percent of the federal workforce is under the age of 30. That number is 23 percent in the general workforce, that’s a problem for today and for tomorrow, both. And one of the reasons why that happens is that we are not doing the most basic thing which is using student interns and again it sounds again very, very basic and it is.

We are not using them like we should, so a federal government converts about 6 percent of its student interns into full-time employees. That number is close to 50 percent again in the private sector in a well-run organization. The reason why is, you know the quality of the talent if you get to work with them for a little bit of time, no tasks, no interview, nothing else, no reference is going to be as good as having the opportunity to work with somebody. So again, what can you all do, look around you. Are you working with student interns, do you have an opportunity to engage them in a way that allows them a career path in, and that would make a very big difference?
Brodi Fortenot: The only thing I would say on that is making those strategic decisions as vacancies come up, about what the actual grade level should be. Again, this is getting a little bit in the weeds, but I think that’s a very important conversation that you need to have. And again those of you hiring authority, you are having your own organizations and also really to push your as well because level. Does everything that is a 14 or a 15 need to be a 14 or a 15 as it re-advertised? This is a conversation that needs to happen a lot more and we are having it, I think at DOT on sporadic occasions. And you do need to do it a little bit more, but again I think to get your point, that’s something very specific.

Scott Quehl: Positions, they both come open, business process reengineering, and this goes beyond the four corners of HR. But certainly the CXO approach toward workforce management, any questions? Sir?

Audience: I thought it was fascinating to hear Max describe that a couple of the lowest rated survey respondents EDA within commerce and special—US trade representatives within Commerce and a third PTO, which were—I am sorry related, a third PTO which used to be very low and which went very high, I’m curious whether or not Mr. Fleming you could say from your perspective where all commerce or perhaps you Mr. Quehl, what was the difference between those within one department, one agency of commerce that were so low, and those that were so high?

William Fleming: Scott, do you want to take a shot at that?

Scott Quehl: Well, just taking a quick one, the US trade representatives is not within Commerce. But the PTO had underwent tremendous change and transformation. But with a very transparent set of metrics they are trying to achieve, very active engagement between labor and management, thought through over years and years and with tremendous success in terms of having legislation basically embrace that change. EDA I think is moving in a very interesting direction, but it is at the starting point of that change.

And so the change is hard, we join federal service as executives point to your career, everybody is dedicated to the mission. If times require change, change is not going to be easy and I think it’s interesting to see different points of response in the change cycle, two different organizations within one department. I would also say this, the department overall went from a relatively kind of middle of the score 14 or 15 in terms of its employee viewpoint survey ranking number two, number two during this period. So was that due to the fact that maybe somehow, was there employee engagement, where there an active labor-management engagement, was there an ability to deliver lots of efficiencies that avoided the need for furlough, was it nothing to do with any of those factors, but there were others. The point is, is that there was great change, my understanding is that the Department of Transportation also went through a remarkable change, but well.

Brodi Fortenot: Yeah, I mean a couple of things. We were dead last and how you count it, when we started. And one of the big—the biggest things we did is we actually started talking to our employees to be frank, that’s one of the biggest things we did. And then when they told us what they wanted us to do, we did it, and then we told them we did it. And hopefully we continue to do that, I mean and again, there is a lot more to that, but that is about as sort of boiled down to it. But to be heard and to know that your management is actually going to do something about it, to us was I think the most important part of sort of our change at DOT.

Max Stier: It’s about leadership. I mean again, in both instances, it’s about leaders that cared, that engaged. The one thing that I think at DOT, the last that you did, an Idea Hub is a great example. But also you baked into your yes, your political and career leadership evaluation requirement that people actually pay attention. And again, I think that would be the strongest message, if you want to do something you put your time and energy and show it’s important to you. And that Dave Capos was a superb leader at Patent Trademark Office. And this comes back to your point the end outcome was not just more engage employees, there was a 20 percent drop in the backlog in the patent applications, well applications were going up 5 percent every year and the quality of the applications with you went up. I mean again and what he will say is I unlocked the potential of my employees. And that’s why come back here, it’s all about the employees and change is possible and we got a lot of change and it has to happen.

Scott Quehl: So any other questions?

Audience: First of all, you talked about that one of the things you did was that you talked to the employees and you listened to them and then you acted on, I guess some of their suggestions, and then told them what you did. What part of that was not going on at first, because I can’t imagine you not speaking to them previously, so what was missing in that particular method or process there previously?

Brodi Fortenot: Good question and for those of you who didn’t hear in detail, you saw what a little bit more I guess on my, just my starting speech on that. I think the part that was and I don’t know if the word is missing, it’s just a continuum and that it’s repeatable. So one thing, one investment we actually made is we created this online
collaboration tool called Idea Hub, where our employees could actually post ideas, that they are non-anonymous on anything, programmatic or administrative. And then other employees throughout the entire department could view those and comment on them.

And then once they reach a certain threshold, we as management actually had to act on them. And so that is one very particular, again very transparent and we have a team, we actually have a dedicated team of people whose job it is to review what's submitted there. But again, it's not just a suggestion box, it is, I mean people have some fundamental changes they want to be made. And we made changes related to those, we implemented I think well over a 100 ideas from the Idea Hub. And I mean and I think that is, again that's one venue we had, but the secretary himself, both Secretary Hood and Secretary Fox actually have town hall meetings where they solicit ideas.

We have—we even ask supplementary questions related to the employee, the employee complete viewpoint survey that are specific to us and that follow up. So, but we can't just do the thing, we actually have to tell people what we have actually done. And I think that's sort of that last piece, by actually telling them what we've done, we spent a lot of time doing that. And we will continue to do that, I think that—it's very important because to be frank, if you keep throwing ideas over the transom and you get nothing back, are you going to continue to do it. And I think that's a very important part.

Scott Quehl: Alright, I think that about wraps up our time, and I would like to thank all of you.