

8. People and Culture

First published as a blog post on February 22, 2017

CAP Goal Statement: *Innovate by unlocking the full potential of the workforce we have today and building the workforce we need for tomorrow.*

For at least three decades, politicians and the public have called for “civil service reform” without a strategic view of what that might look like. Some see it as increasing accountability, others see it as streamlining and empowering employees, while yet others see it as making it easier to fire poor performers.

But little seems to happen. There have been dozens of studies and reports over the past three decades. However, there has not been a major overhaul since 1978, and many piecemeal legislative efforts, such as performance pay and streamlining the classification system, have been derailed. So pragmatically, what can be done in the near-term, without a major legislative effort?

Background. The Obama Administration chose to not pursue large-scale civil service, legislative reforms. Instead, it focused on improving the workplace and the culture of the workforce. During the second term of the Obama Administration, the Office of Management and Budget (OMB), the Office of Personnel Management (OPM) and members of the President’s Management Council (PMC) honed in on several personnel-related issues that were widely seen as sticking points to improving the government’s workforce and culture:

- federal employees were expressing less positive views about their leaders, supervisors, work experience and other drivers of employee engagement;
- senior career executives were not being developed or held accountable to be successful in an increasingly complex work environment and
- managers and applicants continued to complain about a broken recruiting and hiring process that stymied them from getting the best talent.

There were other issues, but many of them required statutory changes that seemed unlikely in the current environment. The Administration decided to pursue executive actions that could lead to tangible results.

The Cross-Agency Goal. OPM and the Presidential Personnel Office, with the help of OMB and the PMC, jointly opted to pursue: “... a three-pronged approach to make sure the federal government successfully unlocks the talent of today’s federal workforce and builds the workforce needed for the future.” These three priorities—employee engagement, senior executive reforms and hiring reforms—comprise the “[People and Culture](#)” cross-agency goal. The three were determined to be the best targeted interventions to improve the performance and culture of federal agencies. Their selection was based on what had been identified as some of the key drivers in agencies well-regarded for their performance and culture, such as NASA.

Governance Structure. This particular cross-agency goal tended to largely function as three separate sets of priorities overseen by the acting heads of OPM and the Presidential Personnel Office. They met on a weekly basis with OMB and developed good working relationships. Each priority has a senior career executive designated as the point person in OPM and with assistance and guidance from OMB staff. There’s no team dedicated solely to the goal full-

time, per se, but there is a lot of top-level attention. There are communities of interest around each of the three elements, comprised of career agency staff.

The PMC and the Chief Human Capital Officers' Council are not directly involved (except the PMC's subcommittee on the SES priority) but serve as strategic partners, offering insights on areas needing further attention.

Progress to Date. The three sets of priorities seem to be on track with the goals originally set in 2014. They don't seem to have been diverted to new priorities by emerging events, like some of the other CAP goals, and are making steady progress:

Priority Area 1: Create a Culture of Excellence and Engagement to Enable Higher Performance. The 2014 CAP goal committed to using data-driven approaches to improve engagement. OPM created a website, UnlockTalent.gov, a data-driven dashboard that gives agencies and their managers access to this data for over 13,000 work-level units across the country (up from just a few hundred units in 2012). OPM notes: "This level of specificity in data will provide agency managers with actionable information to target areas where improvement is needed most and where there are management best practices that can provide a model for success."

OPM [developed a guide](#) for agency managers on how to interpret and use the data to make changes in the workplace that can improve employee engagement. In 2014, the White House, OMB and OPM [set expectations](#) for agency leaders to improve employee engagement, requiring them to designate a point person to lead their efforts. Subsequently, agency leaders committed to including engagement improvement as an element in rating the effectiveness of their managers, and regular progress reviews are embedded as a component of an agency's quarterly data-driven "HRStat" review, which [has been embedded](#) into how agencies strategically manage their workforce.

Has any of this effort made a difference? [According to](#) Beth Cobert, former acting director of OPM: "... Between 2014 and 2015, 57% of bureaus in the government increased their engagement scores; 21% of these bureaus increased 6% or more."

Priority Area 2: Build a World-Class Federal Management Team Starting with the Senior Executive Service (SES). An early initiative of the PMC was to broaden the experience and skill base among the 7,000-member career SES Corps. President Obama [addressed](#) a gathering of nearly half of the SES Corps in December 2014, offering several reform initiatives. This also included the [creation of a White House Advisory Group](#) launched in 2015, comprised of two dozen career SES executives. They identified "pain points" that could be addressed administratively in areas such as recruitment and hiring, development and accountability.

Based on the Advisory Group's findings, President Obama issued [an Executive Order](#) incorporating their recommendations in December 2015. These included:

- Formalizing succession planning in agencies.
- [Streamlining the hiring/promotion process](#) for the SES and developing a [formal executive onboarding program](#).
- Increasing [rotations of SES](#) between agencies as part of executive development.
- Raising the bonus opportunity cap on SES bonuses and setting in motion pay adjustments to fix salary imbalances where they exist between SES and subordinate GS-level managers.

Implementation of certain EO elements began in all agencies in 2016. Additionally, other longer-term initiatives are being spread over three years, with one-third of the major agencies undertaking work each year. The first phase in FY 2016 covered seven agencies. The second phase, in FY 2017, is underway and covers an additional seven. Phase 1 agencies are partnered to Phase 2 agencies to serve as “lessons-learned” partners.

To date, OPM has developed a baseline of metrics to measure progress on accountability, pay, awards and executive mobility. As a result, it can now track the progress agencies are making in each of these dimensions.

Good progress has been made in some agencies, particularly in improving their recruitment, hiring and promotion processes. For example, several have piloted “resume-only” applications. This method is more in line with private sector recruiting practices, thereby opening up the process to a wider pool of candidates. In a pilot at the General Services Administration this has resulted in a shorter time to hire, more applications from a more diverse pool of applicants and hiring managers who are more satisfied with the quality and variety of the pool than before.

Priority Area 3: Enable Agencies to Recruit and Hire the Best Talent from All Segments of Society. For frontline managers, one of the biggest complaints was their inability to hire the right talent, quickly. This was a perennial issue during the entire course of the Obama Administration that is still a challenge, though President Obama [launched an initiative](#) in 2010 to improve the process. In the short term, OPM identified existing authorities and flexibilities and set out to [map the processes](#) in major agencies to identify areas for improvement. It worked with both the PMC and the Chief Human Capital Officers Council to develop a hiring reform “one stop” [website](#) as well as a “myth buster” [guide](#) to both educate HR staff and agency managers about what is and is not possible.

In the longer term, OPM says it will “use demonstration projects and/or legislation and regulatory changes to ensure that our hiring processes attract and retain America’s talent. We will measure the success of this effort by assessing manager satisfaction with the quality of both applicants and their hires after six months on the job.”

Near the end of the Obama Administration, OMB and OPM [jointly launched](#) a “Hiring Excellence” campaign, which former Acting OPM Director Cobert described as: “a series of training sessions with Federal HR professionals and hiring managers designed to address common barriers that agencies face during the hiring process. [The campaign](#) was designed to spread best practices and help agencies use existing authorities to meet their needs.” Based on insights and lessons learned from the campaign, OPM and OMB also released a [joint memo](#), in November 2016 that required agencies to select proven practices out of a list of seven provided that they would commit to focus on throughout 2017. Proven practices included items such as “Supervisors/Hiring Managers are actively involved in every appropriate step of the hiring process” and “HR specialists have the expertise to meet the needs of their customers to consult and advise Supervisors/Hiring Managers through the process.”

Potential Next Steps. The status of these three sets of initiatives is unclear, in part because progress relied heavily on the engagement of top political leaders. However, the recent creation of OPM’s Strategic Initiatives Group is intended to serve as the focal point for these efforts and drive delivery of these and other large, cross-cutting personnel-related initiatives. This group taps into different parts of OPM for data and support, and it includes expertise such as IT and strategic communication, in order to be effective in a cross-functional environment.

As for the specific initiatives, the annual governmentwide [Federal Employee Viewpoint Survey](#) was conducted across the government on a rolling basis between April and June 2017, with summary results to be made available starting in September. In addition, the SES reforms are underway in the second tranche of agencies slated to begin implementing the use of rotations among executives, etc. Finally, improving the recruitment and hiring process remains a long-term challenge. A [September 2016 Government Accountability Office report](#), for example, cataloged 105 different hiring authorities created by Congress, the President or OPM. It found that agencies tend to use only 20, and these comprised 91 percent of their hires.