

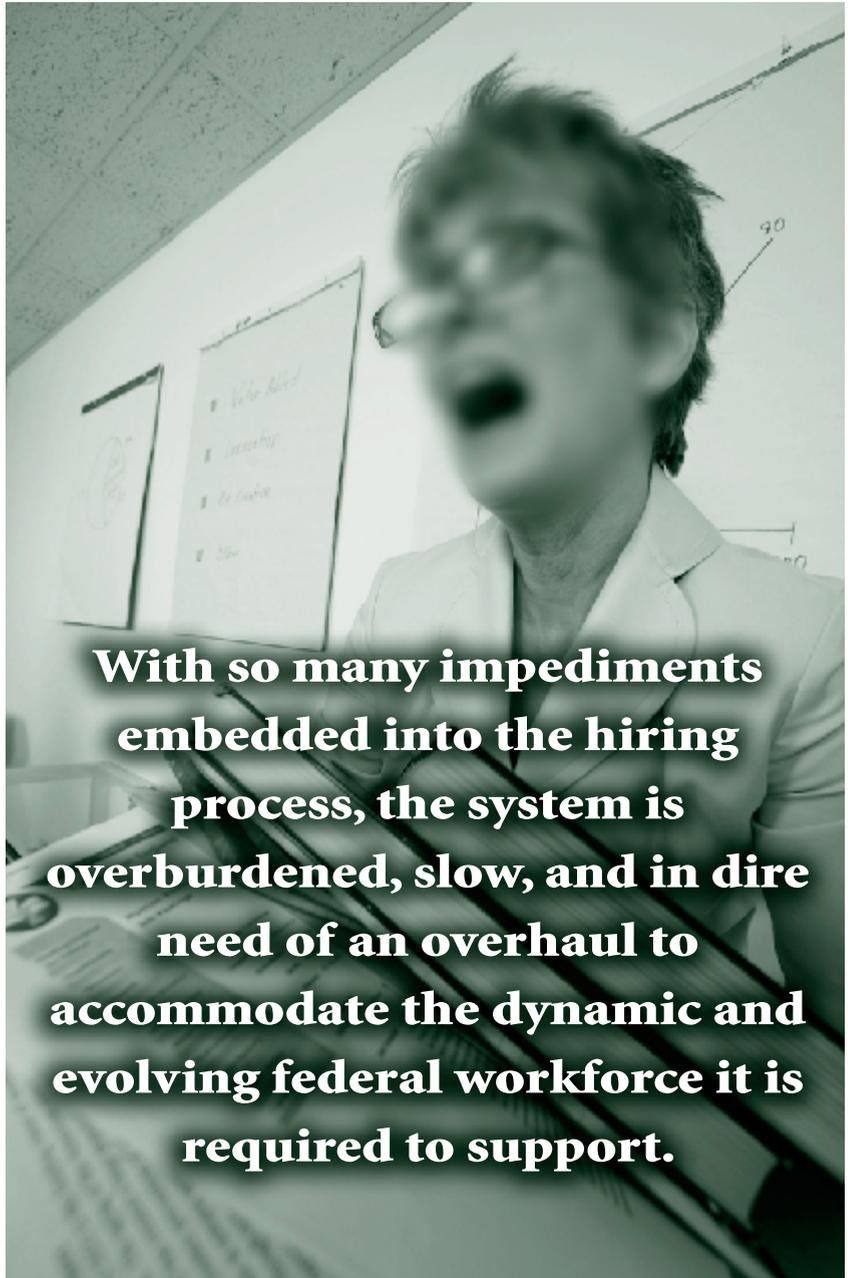
Developing a Capable, Agile Civilian Workforce

Human Capital Strategic Planning and Management in Action

Marcia E. Richard

For more than a decade, the federal government has been downsizing; since 1993, it has reduced its workforce by more than 324,000 full-time employees, with the greatest number of reductions taken within the Department of Defense. Around the year 2000, many people began to realize that much of the downsizing had been done without sufficient planning. The negative impact of that poor planning is now permeating—some would say at a rapid rate—the entire federal government. As pointed out in the President's Management Agenda and other documentation, such as Government Accountability Office Report 01-263-2000, most reductions were accomplished through hiring freezes and across-the-board cuts, rather than strategic reductions in targeted career fields. Also, with so many impediments embedded into the hiring process, the system is overburdened, slow, and in dire need of an overhaul to accommodate the dynamic and evolving federal workforce it is required to support.

Today, in almost any forum one attends where government-wide and/or agency-specific issues are being addressed, human capital strategic management is one of the primary agenda items under discussion and debate. The good news is that many people throughout the federal government, some in very senior positions, are seriously analyzing the issue, developing strategic plans, and—most important—providing guidance for implementing those plans in an attempt to manage the challenges. They also plan to take



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full advantage of the opportunity to reshape the federal workforce in a manner that will more appropriately support current and future missions of federal departments and agencies government-wide.

As I enter my 25th year of federal service, all within DoD, I am intrigued by the concept of strategically preparing for the future federal workforce. In an attempt to better understand what is being done in this arena and to find out where I fit and how I can contribute, I decided to speak with several senior leaders who are mindfully and energetically working the issue. This article shares my findings.

Facing a Potential Crisis

Patricia Bradshaw is the deputy under secretary of defense for civilian personnel policy in the office of Dr. David Chu, the under secretary of defense for personnel and readiness (USD(P&R)) and the chief human capital officer for DoD. In addition to providing corporate leadership in civilian human resources, Bradshaw also provides management, implementation oversight, and senior coordination of the civilian Human Capital Strategic Plan (HCSP).

During my interview with Bradshaw, she explained that although there is still much work to be done, significant progress has been made on the HCSP within DoD, specifically to align the HCSP with DoD strategic priorities. Bradshaw also explained that multiple initiatives are currently in place to attract new talent, retrain current employees for new and/or different work assignments, and implement programs to train and develop future leaders. When I asked if we have an aging workforce crisis, Bradshaw said, “A potential crisis exists, but only if we don’t take proper and immediate action to manage identified high-risk areas.” She said although still a major challenge, two things that will significantly assist in successfully implementing the HCSP are development of more effective and efficient ways to execute the up-front hiring process; and implementation of management tools such as the National Security Personnel System (NSPS), which allows managers more flexibility in selecting, training, and appropriately compensating employees.

A Challenge and an Opportunity

Gail McGinn, deputy under secretary of defense for plans, told me that the DoD HCSP is both a management challenge and an opportunity to properly reshape the workforce. One challenge, McGinn said, is the difficulty of getting all the parties to agree on the appropriate direction to take on any given issue because there are so many stakeholders with various perspectives. Another challenge is to have policies gain support to make legislative changes that will allow greater flexibility in the use of human capital. An example is to allow an acquisition professional to receive training in a foreign language—something, McGinn explained, that could be extremely valuable in today’s global environment, not only to the individual but to the

accomplishment of the mission for the DoD. One of McGinn’s many responsibilities is to develop and track metrics to ensure that required progress is being made, as well as to alert the leadership if there is insufficient progress in any particular area.

Four Areas of Focus

The last person with whom I spoke within the Office of the USD(P&R) was **Dr. Carl Dahlman**, a highly qualified expert brought into the Department from industry specifically to study, analyze, and provide guidance on DoD HCSP implementation. Dahlman thinks that there should be a top-down/bottom-up approach with focus on four specific areas that need to be addressed:

- **Inventory Management**—examining the current workforce to determine the right mix of talent for each functional area; continuous sorting of the workforce to keep up with and manage the changing environment
- **Leadership Selection and Development**—selecting and grooming individuals for leadership positions
- **Training Plans**—systematically laying out individuals’ training requirements
- **Organizational Structure**—determining who manages which people.

Dahlman explained that senior leadership provides the direction, which flows down; however, he emphasized the necessity of closing the loop, which requires individuals from the functional areas and human resources to provide feedback to top leadership on the status of tools they may require to follow instructions.

Making Progress

I decided to go outside the Department of Defense to learn about the human capital strategic management challenges and initiatives in another department. I selected the Department of Homeland Security (DHS). **Marta Brito Perez** is the chief human capital officer. Formerly associate director, human capital leadership and merit system accountability, Office of Personnel Management, Perez is known for being the architect of the Human Capital Assessment and Accountability Framework (HCAAF), a comprehensive collection of strategies, tools, and methods to assist agencies as they develop and implement human capital strategic planning throughout their organizations.

Currently, DHS has approximately 180,000 full-time and part-time employees and 20,000 temporary employees, including the Military (Coast Guard). Perez explained that the HCSP is aligned with the DHS mission, and each agency subsequently includes specific objectives that address its individual and/or unique needs. She said that the degree of effort required to develop and implement HCSP depends a lot on the age and maturity of the agency within DHS, with more mature agencies being more advanced in the process. She stressed the importance of

identifying career patterns, a methodology of determining the most effective way to manage the career path of an employee or group of employees based on their career status.

In February 2001, the Government Accountability Office added human capital management to the government-wide “high-risk list” of federal activities. I asked Perez whether she thinks the descriptor is still valid. She believes that it is; however, she also thinks that we are not yet in a crisis state and will not arrive at one as long as we take the necessary actions required to correct existing and identify future problems pertaining to the condition of the workforce. “HCSP is a leadership initiative, not a human resources initiative; it is HR’s responsibility to assist with developing policy and guidance,” she said. In her opinion, HR has various parts and components, and the combined outcome—the “yield”—is human capital. Perez ended our conversation by stating that even though there are still many challenges ahead, she is very optimistic and excited about the progress being made.

Challenge of Inadequate Data

The number one strategic goal of Under Secretary of Defense for Acquisition, Technology and Logistics Ken Krieg is “a high performing, agile, and ethical workforce.” In an effort to implement this goal, he created the position of director of human capital initiatives (HCI), and **Frank J. Anderson**, president of the Defense Acquisition University, is now dual-hatted as the director of HCI for AT&L.

Anderson defines the objective of human capital strategic planning as senior leadership taking deliberate action to ensure the right people with the right skills are in the right place at the right time to support our national security mission. He believes that HCSP is not something we have done well in the past, and he is working very closely with Bradshaw, as she evolves the DoD strategy, on how to best shape the DoD future civilian workforce. “Led by Ken Krieg, the military services and component acquisition executives are meeting quarterly to thoughtfully address the challenges and identify opportunities to right-shape the future workforce,” Anderson explained. He agrees with the senior leaders I previously interviewed and feels we are not currently in a state of crisis; however, there is a “looming crisis,” and we must continue to address and concurrently accelerate deployment of our HC initiatives.

Anderson says this is a very exciting time. He feels he is getting great top cover from Krieg. “People would be surprised at how much time Krieg is personally investing in working our people strategy,” he told me. He added that Paul Denett, administrator, Office of Federal Procurement Policy, has made HCSP a top priority for all federal agencies.



With already-strained DoD dollars, senior leadership will be forced to make extremely hard choices when determining how much funding they are able to allocate for the development of the current and future workforce.

When I inquired about one of his biggest impediments to implementing the HCSP, Anderson cited the accuracy of the data. He explained that while the data are accurate enough to analyze and build a basic framework, there is, nonetheless, a deficiency that must be addressed. One of the ongoing AT&L initiatives (called “Data Green”) is focused on cleaning up the workforce data.

Anderson is a strong proponent of teaming and information sharing; he indicated that all lessons learned are being passed on to the civilian sector through the Federal Acquisition Institute. He thinks that NSPS is an excellent management tool. “It allows managers more flexibility and discretion in employee work assignments and proper compensation aligned with employee contribution,” he said. “But most important, it is a critical tool for compensation flexibility in recruiting new talent.” Anderson concluded by pointing out that we are not where we want to be or where we need to be, but we have come a very long way in a short period of time, and we are continuing to pick up speed.

Funding Constraints

Determining where and how to obtain funds to revise or create new programs is always a major challenge. In DoD,

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