

DEFENSE BUSINESS BOARD



# Strengthening Defense Department Civilian Talent Management

May 12, 2022



# Task

- November 12, 2021 - Deputy Secretary of Defense (DepSecDef) directed the Talent Management, Culture, & Diversity Advisory Subcommittee to examine from a private industry perspective the methodologies and approaches used to identify talent and match it to jobs, as well as reskilling/upskilling its civilian workforce.
- This report shall include:
  - How private industry **projects** the number and types of skills they will need in the **future**;
  - The Department's current civilian workforce **planning methods**;
  - The Department's existing approaches to **identifying** and **categorizing** worker skill sets and **tracking** them over time, and identifying the laws, policies, or practices that inhibit implementation within the Department;
  - The Department's approach to **matching** worker skill sets to the needs of particular jobs or career fields and identify practices that impede effective matching of employee skills to jobs;
  - Changes to **statutory requirements** that inhibit the Department's ability to reskill its civilian workforce;
  - **Case studies** of large companies that structured successful reskilling/upskilling programs either enterprise-wide or within a major sector.
  - Any **other related matters** the DBB determines are relevant to this task.



# Subcommittee

## **DBB Members**

Gen Larry Spencer (Ret) (Study Chair)

Gen Johnnie Wilson (Ret)

Cheryl Eliano

Dr. Christopher Gopal

Jennifer McClure

## **DBB Staff**

Jennifer Hill, Executive Director

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# Process and Methodology

- 24 weeks of study and analysis:
  - **Interviews:** Conducted interviews with 59 individuals:
    - DoD federal employees
    - Office of Personnel & Management (OPM)
    - Private industry human resource leaders
    - Academic experts
  - **Questionnaires:** Prepared and analyzed responses to questionnaires from 12 Defense Agencies and Field Activities (DAFAs) and all 3 Military Departments
  - **Prior Studies:** Reviewed 40+ publications, policies, plans, prior studies, and other literary items on talent management



# Strategic Imperative

- Successful adoption of **emerging technologies** is **key** to maintaining military advantage—they will transform the future of war and work
- While **pace** of technological development is **advancing**, the **domestic supply** of STEM workers has **not kept up**
- Department leaders must **ensure** the DoD has a workforce with the **skills** to harness and drive that technological change—Civil Servants are a critical piece
  - Can **no longer** rely on **outsourced** talent, must **upskill**
  - Upskill will fail without **effective talent management**
- In terms of Talent Management, DoD is standing on a “capability burning platform”

“Building enduring advantages for the future Joint Force involves undertaking reforms to accelerate force development, getting the technology we need more quickly, and making investments in the extraordinary people of the Department, who remain our most valuable resource.”

*FACT SHEET: 2022 NATIONAL DEFENSE STRATEGY*

**Talent management (definition):** The anticipation of required human capital for an organization and the planning to meet those needs. Talent management activities include workforce planning, talent acquisition, talent development, performance management, succession planning, and retention.



# Summary

- Talent Management is a complex endeavor for workforce of 800K
  - Study focused on planning & upskilling; reskill is rare in DoD
    - Planning includes identification, tracking, managing, and matching workforce skills
  - Research indicates three major focus areas for improvement
    1. Cultural barriers
    2. Organization
    3. Workforce data
- Despite challenges, we found “*pockets of excellence*”
  - Space Force - digital fluency models, adaptability traits for the future workforce
  - AF Materiel Command - manager mobility programs, cross-component hiring
  - Army Career Management Activity - shift towards competencies
- Private industry lessons have DoD applicability as well

**Good news on the Department’s talent management challenges: Much of the answer lies within**



# Observations

# Observation #1

## Civilian development is not seen as a priority in DoD culture.

### DoD Current View

- Hired for 1 job, not deliberately trained
- Development programs are limited & incentives fail to move the needle
- Large delta in civilian vs. military training \$

- Civilians are service assets, not DoD assets
- “Its a Title 5 problem, not a DoD problem”

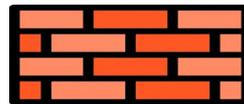
- Managers haven’t been the best advocates of upskilling or development

- Civilians aren’t seen as mobile

Development



Parochialism



Managers



Relocation

### Private Sector Best Practice

- Hired for learning/agility
- All employees encouraged to develop & allowed to try other projects
- Incentives are accessible and standardized

- Put a premium on skill growth, even if employee lost by current team. Favor internal to external attrition.

- Arm managers with automated tools to discern full spectrum of opportunities for mentees

- Provide career progression paths to help employees understand how relocation could factor into developing skills/achieving goals

# Observation #2

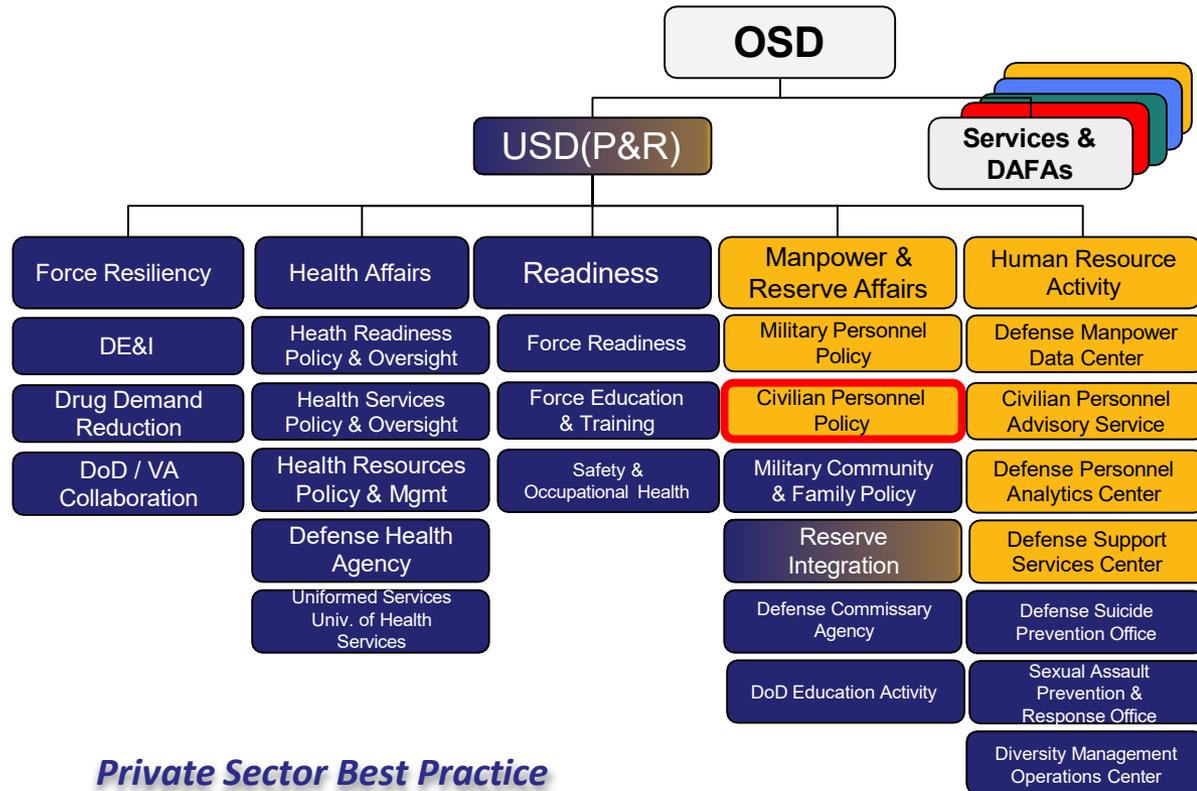
The organizational structure is not postured to effectively manage talent.

•“Who’s in charge of talent management in the DoD?”

- P&R scope spans multiple high-priority efforts
- DASD(CPP) has become the *de facto* Chief Human Capital Officer (CHCO)
- Structured to be decentralized (requires strong leadership)

P&R Competing Priorities

Healthcare  
 Military Readiness  
 Extremism  
 DE&I  
 Global Pandemic  
 Talent Management  
 Suicide Prevention  
 Sexual Assault Prevention  
 Innovation Workforce



**Private Sector Best Practice**

**CHCO reports to the CEO**

- de facto CHCO
- HR / Talent Management focused
- Readiness, Resiliency, or Health focused

**Span of control, delegation, and prioritization issues have left talent management at a disadvantage**

# Observation #3

Talent data is a strategic asset. The way it's collected and used to plan is flawed.

## DoD Current View

•Methods to predict future workforce needs are not standardized

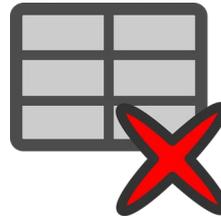
•Occupational series codes to describe positions & people not effective

•Talent data is not integrated or accessible across the Department

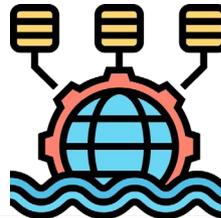
Predicting Future Skills



Data Elements



Data Accessibility



## Private Sector Best Practice

•Ensure predictions are based on competencies & tied clearly to strategy  
•Develop agility & adaptability skills for flexibility

• Track positions by the work function  
• Track employees by skills and competencies

• Single data lake with people & position data  
• AI tools to assist with decision analysis

# Key Recommendations for Improvement

Talent management in DoD, specifically the ability to identify, plan, track, match, and upskill the Civilian workforce has been hampered by the observations summarized below. Recommendations to address such challenges are explained in greater detail in subsequent charts.

<i>Focus Area</i>	<i>Observation</i>	<i>Recommendation</i>
<b>Culture</b>	<b><i>1. Civilian development is not seen as a priority in DoD culture.</i></b>	<b><i>1. Transform civilian culture to prioritize talent management.</i></b>
<b>Organization</b>	<b><i>2. The organizational structure is not postured to effectively manage talent.</i></b>	<b><i>2. Prioritize and elevate Talent Management within the organization.</i></b>
<b>Data</b>	<b><i>3. Talent data is a strategic asset. The way the Department collects it and uses it to plan is flawed.</i></b>	<b><i>3. Modernize the Department's workforce planning and data.</i></b>



# Recommendation #1

## *Transform civilian culture to prioritize talent management.*

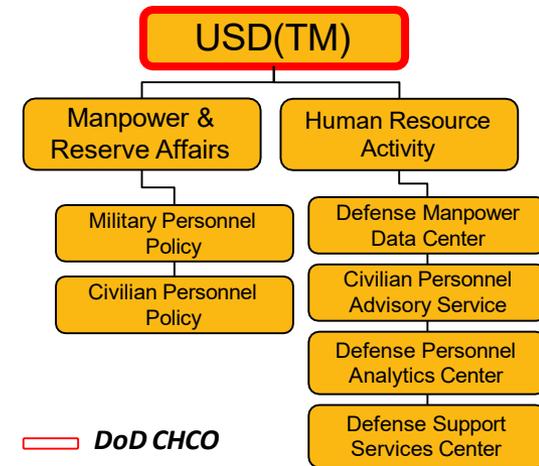
- **DepSecDef should issue a memo announcing the following:**
  1. Increased training opportunities (both technical & professional development), with incentives available to all.
  2. Civilian training funding must be executed annually for civilian training.
  3. Expansion of talent exchanges within DoD, industry, and academia.
  4. Intent to adopt new ways to validate competencies (non-traditional credentials).
  5. Modern tools and guidance for supervisors and employees to assist in development & retention.
  6. New performance evaluation criteria for managers tied to employee development metrics.
  7. Greater collaboration between military and civilian talent management leaders to share best practices and reduce disparities.
  8. New messaging and marketing highlighting the DoD civilian—a valued, critical, essential part of the mission and Total Force.



# Recommendation #2

## *Prioritize and elevate Talent Management within the organization.*

- **Separate the talent management components of the Total Force from USD(P&R), currently the named CHCO, by breaking out civilian personnel and military personnel from readiness, resiliency, and health.**
  - The resultant office would be led by a new Under Secretary of Defense for Talent Management (USD(TM)) who:
    - Is required by law to be experienced in talent management
    - Leads a focused organization, unencumbered by non-talent management issues
  - Among other duties, the new CHCO will:
    - Drive standardization and execution through the Human Capital Operating Plan (HCOP)
    - Monitor progress and share best practices as chair of the DoD Civilian Personnel Policy Council
  - In the interim period while awaiting new Title 10 authorities, hire a senior external HR expert with extensive private sector experience on a fixed term to assist with the standup of the new organization and inject new ideas.



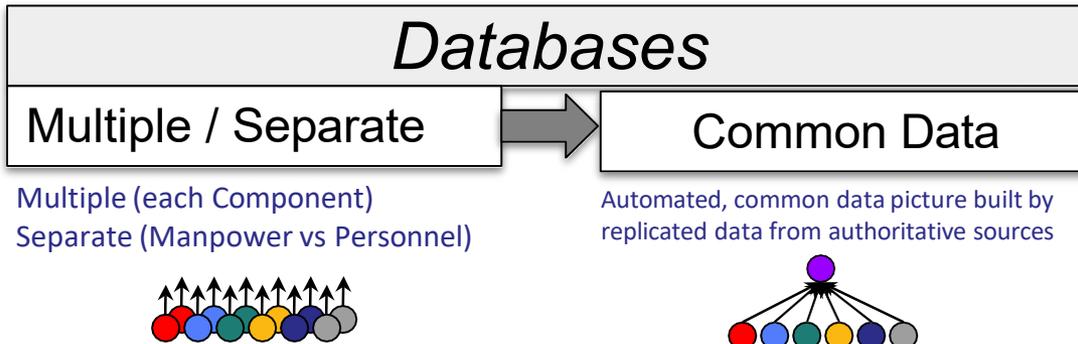
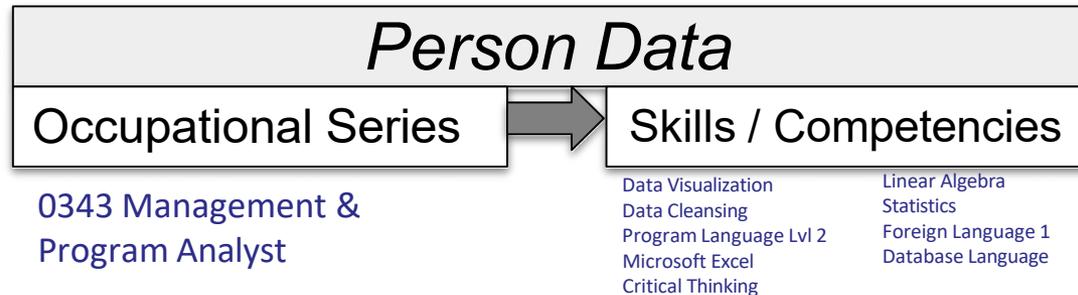
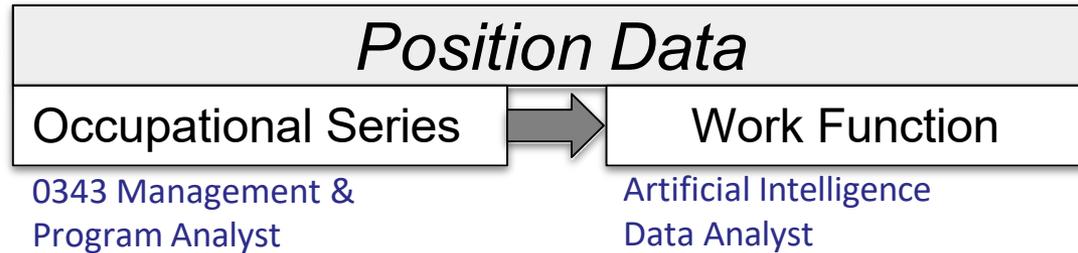
**The Civilian workforce deserves a CHCO with the authority and focus to affect change**



# Recommendation #3

## Modernize the Department's workforce planning and data.

- The CHCO should direct all human resources elements in the Department to code their workforces by function
- The CHCO should direct all human resource elements to transition to tracking talent based on their available skills
- The CHCO should make the Department's HR personnel and manpower data accessible to the enterprise...on an automated and recurring basis beyond the summary level to leverage insights.



Track jobs by function, people by skills, and sync up “faces and spaces” data in a common data lake

# Conclusion

- **Strategic Imperative:** DoD Talent Management needs to correct course to keep pace in the 4th Industrial Revolution.
- **Bright spots exist:** Despite challenges, there are pockets of excellence within the DoD—great people leaning forward on new ideas. Private industry practices are applicable too.
- **Recommendations:** By improving its culture, organizational construct, and workforce planning data, DoD talent can thrive.

*Act now on Talent Management! Yesterday's workforce can't compete in tomorrow's war*



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## Backup

# Findings from Private Sector Case Studies

Finding Area	DoD Pitfalls	Private Sector Best Practice
<b>Method of workforce tracking</b>	<ul style="list-style-type: none"> <li>Workforce planning by occupational series codes</li> </ul>	<ul style="list-style-type: none"> <li>Workforce planning by skills and competencies</li> </ul>
<b>Data staging and tools</b>	<ul style="list-style-type: none"> <li>No robust database for talent management that allows leaders to identify and track workforce skills or develop talent for upskilled roles</li> </ul>	<ul style="list-style-type: none"> <li>HR data for entire organization accessible in one authoritative database</li> <li>Use of AI tools to identify adjacent skills and to target existing employees with comparable competencies for upskilling</li> </ul>
<b>Organization &amp; Leadership</b>	<ul style="list-style-type: none"> <li>CHCO responsibilities delegated within the organization</li> </ul>	<ul style="list-style-type: none"> <li>CHCO reports directly to CEO and always has a seat at the table</li> </ul>
<b>Career Planning &amp; Development</b>	<ul style="list-style-type: none"> <li>Lack of mobility for civilian hires</li> <li>Competency maps and career progression plans not universal</li> </ul>	<ul style="list-style-type: none"> <li>Create employee career pathways by forming talent pipelines of roles with similar work functions or skill sets</li> </ul>
<b>Approach to upskilling</b>	<ul style="list-style-type: none"> <li>Upskilling done on an as-needed basis, driven by outside technology needs</li> </ul>	<ul style="list-style-type: none"> <li>Upskilling needs and training plans based on the future skill requirements determined by business unit learning councils that have executive leadership involvement</li> </ul>
<b>Employee/Supervisor Relationship</b>	<ul style="list-style-type: none"> <li>Supervisors authorize training</li> <li>No enterprise-wide system to help employees and supervisors in the career development discussion</li> </ul>	<ul style="list-style-type: none"> <li>Democratize learning opportunities through an automated HR tool that identifies available course offerings or job openings and makes suggestions</li> </ul>
<b>Approach to filling talent gaps</b>	<ul style="list-style-type: none"> <li>Looking external: Responding to talent needs by buying talent</li> </ul>	<ul style="list-style-type: none"> <li>Looking within: developing internal talent by investing in a variety of formal upskilling and training programs</li> </ul>