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May 10, 2022

Department of Defense
OFFICE OF PREPUBLICATION AND SECURITY REVIEW

DEFENSE BUSINESS BOARD



Defense Business Board Meeting

May 11 – 12, 2022

Meeting Agenda

WEDNESDAY, MAY 11 2022, Pentagon Room 3E869

CLOSED SESSION

- 6:00 – 6:05 PM Open Closed Session – Ms. Jennifer Hill, Executive Director and Designated Federal Officer (DFO)
- 6:05 – 6:10 PM DBB's 20th Anniversary – HON Deborah James
- 6:10 – 7:30 PM Meeting with Dinner / Classified Discussion on Rapid Access and Adoption of Commercial Technologies for the DoD that Strengthen the National Security Innovation Base - Mr. Mike Brown, Director, Defense Innovation Unit
- 7:30 PM Adjourn Closed Session – Ms. Jennifer Hill, DFO

THURSDAY, MAY 12 2022, Pentagon Room 1E840

ADMINISTRATIVE WORK

- 9:00 – 9:05 AM Opening Remarks – Ms. Jennifer Hill, Designated Federal Officer (DFO)
- 9:05 – 9:10 AM Chair's Welcome, Board / Staff Hail and Farewells - HON Deborah James

CLOSED SESSION

- 9:10 – 9:15 AM Open Closed Session – Ms. Jennifer Hill, DFO
- 9:15 – 10:15 AM Deputy Secretary of Defense Classified Discussion on DoD Budget with Respect to The National Defense Strategy - HON Kathleen Hicks
- 10:15 – 10:30 AM Break
- 10:30 – 11:30 AM Classified Overview of the State of DoD IT - HON John Sherman, DoD Chief Information Officer

Agenda continued on next slide

Meeting Agenda

Continued...

THURSDAY, MAY 12 2022, Pentagon Room 1E840

11:30 AM – 12:45 PM Working Lunch / ONA's Current Classified Assessment of Global Competition And Strategic Challenges for DoD – Mr. James Baker, Director, Office of Net Assessment

12:45 PM Adjourn Closed Session – Ms. Jennifer Hill, DFO

12:45 – 1:00 PM Break

OPEN SESSION

1:00 – 1:05 PM Admit Public Attendees / Opening Remarks – Ms. Jennifer Hill, DFO

1:05 – 1:10 PM Chair's Remarks – HON Deborah James

1:10 – 2:30 PM Presentation, Deliberation and Vote on “Executive Analytics for Defense Business Operations” Study – Ms. Linnie Haynesworth, Chair, Business Transformation Advisory Subcommittee

2:30 – 2:45 PM Break

2:45 – 4:15 PM Presentation, Deliberation and Vote on “Reskilling/Upskilling Career DoD Civilians in New and Emerging Technologies” Study – General Larry Spencer, USAF (Ret), Chair, Talent Management, Culture, & Diversity Advisory Subcommittee

4:15 – 4:20 PM Adjourn Open Session – Ms. Jennifer Hill, DFO

ADMINISTRATIVE WORK

4:20 – 4:25 PM Chair's Time – The Business of the DBB - HON Deborah James

4:25 – 4:30 PM Closing Remarks / Adjourn Meeting – Ms. Jennifer Hill, DFO

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Open Closed Session

Ms. Jennifer Hill

Designated Federal Officer

May 11th 2022

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DBB's 20th Anniversary

HON Deborah James

May 11th 2022

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Classified Discussion on Adoption process of Commercial Technologies for the DoD

Mr. Mike Brown

Director, Defense Innovation Unit

May 11th 2022

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Adjourn Closed Session

Ms. Jennifer Hill
Designated Federal Officer

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Opening Remarks

Ms. Jennifer Hill

Designated Federal Officer

May 12th 2022

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Chair's Welcome Board/Staff Hails and Farewells

Honorable Deborah James

Chairman Defense Business Board

May 12th 2022

DEFENSE BUSINESS BOARD



Open Closed Session

Ms. Jennifer Hill
Designated Federal Officer

May 12th 2022

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**Classified Discussion -
DoD Budget with Respect to
The National Defense Strategy**

HON Kathleen Hicks
Deputy Secretary of Defense

DEFENSE BUSINESS BOARD



Break

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Classified Overview of the State of DoD IT

Honorable John Sherman
DoD Chief Information Officer

DEFENSE BUSINESS BOARD



**Working Lunch - ONA's Current
Classified Assessment of
Global Competition and
Strategic Challenges for DoD**

Mr. James Baker

Director, Office of Net Assessment

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Adjourn Closed Session

Ms. Jennifer Hill

Designated Federal Officer

DEFENSE BUSINESS BOARD



Break

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Admit Public Attendees Opening Remarks

Ms. Jennifer Hill
Designated Federal Officer

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Chair's Remarks

Honorable Deborah James

Chairman Defense Business Board

May 12th 2022

DEFENSE BUSINESS BOARD



Assessment of Executive Analytics in Department of Defense and a Review of Private Sector Best Practices

12 MAY 2022



Executive Summary

Private sector firms live or die with their ability to harness and leverage their data to gain a competitive edge in the marketplace.

DoD is large and complex, but it's situation is very similar to many of the large, complicated private sector firms we interviewed prior to their own digital transformations.

The effort to source data, on-board new tools, transform culture and upskill employees is challenging, and many private sector firms referred to the implementation of enterprise-wide executive analytics as a long but rewarding journey.

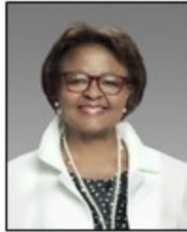
DoD's recent policy changes involving data strategy, digital modernization, AI/ML, and the CDAO reporting structure all demonstrate strong alignment with the private sector key findings in the study.

While DoD has made real progress in setting up the organization with the tools, policies, and structure to build an executive analytics capability, compared to the private sector, DoD has a long way to go on two fronts: data culture transformation and timely sourcing of enterprise-wide data.

Subcommittee



David Beitel
Chief Technology Officer
Zillow Group



Linnie Haynesworth
Former VP Northrop
Grumman &
Independent Board
Director



Oscar Munoz
Retired Chairman,
President & CEO
United Airlines



David Van Slyke, PhD
Dean, The Maxwell School of
Citizenship & Public Affairs
Syracuse University



**GEN Joseph Votel
USA (Ret)**
President & CEO
Business Executives
for National Security



Hon. David Walker
Former U.S. Comptroller
General



**Saf Yeboah-
Amankwah**
Chief Strategy Officer
Intel Corporation

Listed alphabetically

The subcommittee members have an ideal blend of skillsets and experiences to engage with private sector leaders and create recommendations that translate into DoD application. This expertise includes the areas of:

- Management consulting
- Cultural transformation
- Organizational design
- Information Technology
- Federal Government
- Department of Defense

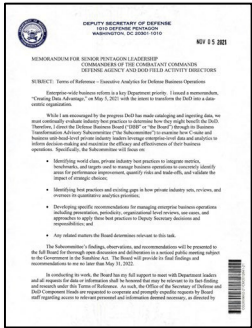
DBB Staff

Col Chuck W Brewer USMC
CAPT Daryl M Wilson USN
COL Rich Sudder, USA
Ms Leah Glaccum
Ms Cheyenne Rodriguez



Task & Observations

Study Objective: Examine C-Suite Use of Enterprise Analytics for Decision Making



Terms of Reference
5 Nov 2021

Specifically:

- *Identify world class, private industry best practices to integrate metrics and benchmarks used to manage business operations*
- *Identify best practices in how private industry sets, reviews, and oversees its quantitative analytics priorities;*
- *Develop specific recommendations for managing enterprise business operations*

Goal: Develop recommendations to manage enterprise business operations and risks

Organizations don't implement enterprise-wide executive analytics overnight.

- Phased approach - crawl-walk-run to increase data maturity where analytics have maximum impact for senior leaders.
- Requires considerable thought, planning, and effort to source and integrate the organization's data.
- ***This process was a journey for each of the companies we interviewed***

Interview process

34 C-Suite leaders from Fortune 500 firms, 14 senior (former & current) DoD leaders.

Selection Criteria:

- Reputation for using enterprise level analytics
- Range of firms by industry, scale, age, resources
- Required a cultural shift to successfully implement

Executives shared their best practices in using executive analytics and described the long and difficult journey their company went through to build their analytics capability.

Interview questions were derived from TOR mapping with the following themes:

- Development, design and implementation and review of integrated metrics and KPIs
- Use of internal and external metrics to drive decision making and benchmarking
- How metrics are used to predict or identify risk
- Overall prioritization of analytics (including funding)
- Strategic goals and incentives/performance measurement linkages for employees
- Format for presenting/communicating metrics to senior leaders (dashboard, real time data)
- Lessons learned and celebrated use cases from transitioning to an integrated metrics environment



Results

The steps in this common journey have been captured and presented at a high-level to demonstrate how DoD compares in this journey.

Private sector best practices in implementing executive analytics involved two phases: (1) **assessment/planning**; and (2) **implementation**.

The Assessment/Planning phase:

- Strategy
- Capabilities, Resources & Culture
- Organizational Structure

The Implementation phase:

- Cultural change
- Data Management
- Metrics design
- Leveling up



Key Findings

*Recurring themes emerged from these two phases that we believe are significant for DoD. We have identified these as **key findings**.*

The **Assessment/ Planning** phase

- Strategy
- Capabilities, Resources & Culture
- Organizational Structure

The **Implementation** phase

- Cultural change
- Data Management
- Metrics design
- Leveling up

Key Findings

1. Strategic goals drive the selection of enterprise-wide objectives and C-suite metrics.
2. Current capabilities, resources, and culture determine the best path forward for a enterprise-wide implementation.
3. Federated organizational models offer the authority to enforce data governance & analytics standards across the enterprise.
4. Cultural changes required to link key metrics to incentive systems and prepare teams for new tools, capabilities, and skill demands.
5. Data sourcing & data management fuels the analytics engine.
6. The strategic plan drives C-Suite metrics design and incorporates a top-down and bottom-up approach.
7. Capability improvements, particularly using artificial intelligence, occur rapidly for organizations once they complete data sourcing



Key Finding 1

Strategic goals drive the selection of enterprise-wide objectives and C-suite metrics.

Best Practices

C-suite **reviews** its **metrics** for relevance against corporate strategy, market conditions, opportunities and potential disruptors and adjusts executive level metrics as appropriate.

C-suite metrics are **reasonable in number** (typically 8-12) and considered by leaders at all levels as their 'north stars.' These metrics clearly map to the organization's strategic goals.

An organization's **business goals** and the levers that influence their movement **dictate the metrics** viewed by the C-suite

Individual business unit leaders ensure that their key metrics tie in and contribute to the organization's top business goals.

DoD comparison

DoD publishes its National Defense Strategy and more specifically, its organizational goals (approximately) every four (4) years, which is comparable to the long term (3-5 yr) strategy of the private sector.

DoD's executive view in ADVANA includes six (6) metrics.

These six metrics all tie into NDS goals and priorities.

Component leaders are aware of NDS goals and priorities. Some components push relevant metrics up to ADVANA although some metrics do not yet include goals.



Key Finding 2

Current capabilities, resources, and culture determine the best path forward for a enterprise-wide implementation.

Best Practices

Organizations use **data maturity models** to assess the (current) capabilities across the enterprise.

Organization **assess** the **resources** required to ensure a successful implementation of analytics. This includes:

- Money
- Tools
- Talent

Organizations **assess** their **data culture** to understand how significant the shift will be to change employee behavior to include data driven decision making.

DoD comparison

Senior leaders in the CDO Office are familiar with data maturity models and DoD can compare to a good mid-level position on the data analytics maturity model. DoD CDAO must receive periodic updates on the data maturity levels for each component. There are pockets of (data) excellence inside DoD where advanced analytics can and are being utilized.

DoD has built an effective and capable advanced analytics platform (ADVANA) and designated it as the single, trusted source.

DoD leaders recognize the need to not only attract and recruit data literate talent, but must also recognize the opportunity to reskill / upskill existing DoD employees to meet the growing need.

DoD leaders responsible for the digital transformation of DoD would benefit from an opportunity to baseline existing data culture in different components.



Key Finding 3

Federated organizational models offer the authority to enforce data governance & analytics standards across the enterprise.

Best Practices

The majority of C-Suite executives interviewed stated that they redesigned their data organization with a **federated model**.*

Organizations implemented an **analytics center of excellence (CoE)** that establishes governance and provided analytics support to business unit leaders using embedded analytics SMEs tasked with (a) empowering decision-making with analytics; (b) training business unit staff to use analytics; (c) following governance models; (d) ensure that business unit analytics map to enterprise goals.

Organizations leverage the CoE's embedded analytics experts to help business units **prioritize** their **analytical needs**.

DoD comparison

DoD's organizational structure uses a decentralized data governance model for execution. As it's CoE matures, DoD can adopt a federated model.

DoD does have a nascent analytics center of excellence and trains its users on the ADVANA platform. The ADVANA CoE has 20 SMEs that are embedded with COCOM leaders with the primary mission to empower decision making with analytics.

With only 20 embedded SMEs inside DoD (currently limited to COCOMs); all other components self-manage their analytics priorities.

* A **federated** structure organizes data analytics for the enterprise with a central hub responsible for governance functions and still allows business units to tailor analytics to their specific needs. In a **centralized** structure, responsibility for execution of analytics & governance authority are concentrated in a HQ unit. Analytics requests are received and prioritized based on importance. A **decentralized** structure distributes data analytics authorities & responsibilities to business units. This provides them with autonomy and no expectation for coordination.

Key Finding 4

Cultural changes are required to link key metrics to incentive systems and prepare teams for new tools, capabilities, and skill demands.

Best Practices

A data driven cultural change **starts at the very top** of an organization.

Leaders adopt, propagate and encourage new mindsets such as **'Embrace the Red'** in pursuit of stretch goals and learning.

Organizations create a clear **linkage between C-suite metrics and employee performance measurement & reward systems**. This cascades down through the organization.

Change management principles in use in each Reporting Business Unit.

DoD comparison

Senior DoD leaders have begun to establish directives & behavioral norms that require the use of a trusted single source of data. DoD component leaders must all recognize and lead their own data cultural transformation. DoD leaders can do more to improve their embrace and tolerance of red metrics, provided decision making is data-driven.

Personnel supervisors inside DoD do have authorities to manage poor performers but there is some indication that these authorities may not be used enough. DoD Managers should be encouraged to use existing authorities more and request additional authorities as necessary.

DoD has several internally designed performance evaluation & management systems. There is some capability to link NDS goals to individual performance evaluations, but these systems & their capabilities requires further study. DoD would benefit from a private sector best practice of implementing a catalog that tracks employee skills & certifications.



Key Finding 5

Data sourcing & data management fuels the analytics engine

Best Practices

Organizations focus resources on **sourcing data** from disparate systems into enterprise repository. Aside from cultural transformation, this is main effort.

Organizations dedicate resources to establish data sharing agreements and sit with system SMEs to understand the data architecture to ensure proper **data mapping**.

All successful implementations include strong **data governance** and **policy** models. Large & complex organizations establish governance standards and rely on a decentralized adoption and implementation. Oversight and enforcement is centrally monitored.

Organizations either build internally or buy their **analytics platforms** based on business needs. Customization is always required. Cloud-based platforms are preferred, but some use a hybrid approach.

DoD comparison

DoD's ADVANA team is 11.5% complete in its on-boarding of 2500 data systems. At the current on-boarding rate, this process will take 7.9 years.

DoD's ADVANA team spends considerable time with system owners to familiarize, translate and on-board. ADVANA has data sharing agreements that require occasional clarification and enforcement.

DoD has published the appropriate data policies and utilizes a decentralized data governance execution model (with centralized oversight). DoD's Data Strategy requires components to develop and execute their own Data Strategy implementation plans. This is a critical step that requires progress reporting and CDAO visibility.



Key Finding 6

The strategic plan drives C-Suite metrics design and incorporates a top-down and bottom-up approach.

Best Practices

Requirements for new metrics can originate from the C-suite (top down) or business unit level (bottom up). Organic analytics teams led by embedded SMEs **design the new metrics** at the business unit level. These metrics are designed in coordination with the enterprise data governance standards.

C-suite teams use **composite metrics** to integrate & simplify the executive analytics dashboard view. Governance standards ensure that data can be rolled up into composites. **OKR's** are used by leading companies to link important goals to individual or team performance.

Organizations ensure executive analytics can be viewed on every digital **presentation** medium (laptop/ tablet/ smartphone, etc) to ensure widest adoption & usage.

Private sector best practices suggest that an organization should **periodically review** its metrics at each leadership level for (a) strategic relevance and (b) business insights.

DoD comparison

DoD components self-manage their respective systems & design new metrics as needed. DoD's ADVANA team is beginning to source component system transactional data into the enterprise repository.

The DSD's executive dashboard view uses composite metrics with drill down capability.

Tablets (with ADVANA) are currently used in senior DoD leadership meetings; Expanding use to all components is vital.

DoD reviews business/operational performance regularly, but may benefit from the typical private sector cadence.



Key Finding 7

Capability improvements, particularly using artificial intelligence, occur rapidly for organizations once they complete data sourcing

Best Practices

Organizations found that a whole new set of capabilities opened for them once they had sourced, cleaned, and organized their data into a single trusted source.

The most commonly discussed new capability was the use of Artificial Intelligence (AI) and more specifically, Machine Learning (ML) in their analytics.

Organizations that were able to source enterprise data from disparate systems and shift into a data driven culture identified the following capability improvements:

- Empowered users who can self-serve their analytics needs
- Trade-offs & Decision analytics
- Risk Analytics
- Predictive & Prescriptive analytics
- Application of AI/ML tools to drive business performance

DoD comparison

DoD's effort to source data from the 2,500 data systems across the enterprise into a single source is in process. As a result, DoD has some work to do before these increased capabilities can be leveraged across the enterprise.

Because DoD components are self-sufficient in system acquisition & management, there are pockets of analytical excellence where some of these advanced capabilities do exist. The biggest impact & leverage for senior DoD leaders will occur when ADVANA's data sourcing is completed across the enterprise. Focus & resource allocation here is important.

DoD would benefit from a study of the private sector use of AI/ML tools to transform large, complex organizations.



Recommendations 1-3

The subcommittee would offer 10 recommendations to DoD as a result of this study. These recommendations can be categorized in six groups: Assessment, Compliance, Org Structure, Culture/Skills Dev't/Performance Mgmt., Review, AI/ML implementation

Assessment

The CDAO and CDO council must direct components to perform an assessment of the maturity of the data analytics strategic alignment, capabilities, resources, culture, and the organizational structure utilizing standard maturity models. Assessments enable the creation of a time and resourced-phased plan informed by the integrated results. Robust cultural change management is a critical-to-success element of the plan.

Compliance

The CDAO through the Data Council must ensure measurable component/agency progress of DoD's Data Strategy Implementation Plans is collected and reported up to the DSD level for review each month.

DoD must review existing ADVANA data sharing policies to consider revising data sharing requirements from the Services, COCOMs, DAFAs and Agencies to include: (a) clarifying requirements for transactional data access; (b) establishing compliance dates; and (c) reporting compliance up to the CDAO and DSD level.

Recommendations 4-5

Organizational Structure

DoD must increase the speed of its progress with onboarding authoritative data systems (ADS) into the enterprise analytics tool (i.e., ADVANA). The CDAO or CIO must allocate appropriate resources to the ADVANA team to increase their current onboarding of the remaining ADS (i.e., 2,200) within the next 2-3 years. In addition, ADVANA must prioritize ADS onboarding and focus on the most critical systems and metrics relative to measuring NDS goals and priorities.

DoD must disseminate analytics SMEs into its components/agencies faster. The CDAO's analytics Center of Excellence (CoE) has 20 SMEs. However, given the size and scope of DoD, it should have 100 to handle all of DoD's 33 components. An increase must occur within the next 12-24 months to populate the critically important (embedded) analytics SMEs needed in each of the components. This will improve DoD's progress towards data strategy and analytics implementation to remain competitive with peer competitors.



Recommendations 6-8

Culture / Skills Development / Performance Management

DoD must create internally funded certification programs and CoE apprenticeships to upskill and reskill DoD civilian employees to improve data literacy and create an organic source of certified data scientists and analysts. Existing employee talent must be harnessed to make progress in DoD's digital transformation.

DoD should direct the DBB to perform a supplemental study of how DCHRMS and other DoD performance management systems can be used or modified to adopt private sector best practices into its performance management systems.

Senior DoD leaders and their organizations must be measured on their use of existing authorities and administrative processes to manage poor performing employees. Existing authorities serve to correct and foster improved employee performance. Cultural transformation require the ability to shape behavior and off-board employees unwilling to help in the transformation. In cases where existing authorities are insufficient to process poor performers, seek additional authorities.



Recommendations 9-10

Periodicity/Review

The DSD should direct the Defense Business Council* (DBC), to include an external perspective on emerging competitive, economic and logistical trends in its quarterly assessments to the Deputy Management Action Group (DMAG). The external perspective will augment the input from DoD components on the changing defense environment versus the metrics used to measure progress on NDS goals and priorities. The purpose of this assessment is to make recommendations on how ADVANA's current Executive Analytics display should adapt to changing conditions and inform DoD senior leaders more acutely on emerging issues. These recommendations should be presented as part of the DBC's quarterly update to the DMAG.

AI/ML Implementation

As the Data Strategy Implementation Plan is matured, the department would benefit from an investigation on how the private sector is implementing AI/ML to transform business operations, and leveraging best practices in governance.

DMAG is Defense Management Advisory Group. The DMAG the department's principal governance body for management actions affecting the defense enterprise, including resource management, planning, programming, budgeting, and execution.

AI/ML is Artificial Intelligence / Machine Learning



Summary

Advance the DoD Data Analytics Journey

- The private sector struggles with the process of implementing enterprise-wide analytics specifically because a number of required capabilities must be established first. This doesn't happen overnight.
- The benefits for organizations that create an enterprise-wide analytics capability are significant and can be the catalyst to propel them into market dominance and keep them there. The cost reduction opportunities are significant for large organizations and often free up needed capital to reinvest in new areas.
- DoD has clearly made a commitment to treat its enterprise data as an asset and use it to develop competitive advantages. It has made progress in areas such as tool development, policy and governance, but still has considerable work to do on the critical areas such as data sourcing and data culture transformation.
- Focus additional time and resources on these two key areas and implement the recommendations as appropriate and DoD will recognize similar benefits to the private sector.
- Further investigate
 - Prioritized and phased approach to optimize benefits and value of DoD data using AI/ML to benefit enterprise business operations and risks
 - Private sector best practices for the removal of barriers to leverage existing HR systems and to realize opportunities to address DoD employee skills identification, performance management and use of analytics across the function.



DEFENSE BUSINESS BOARD



**Full Board Discussion,
Deliberation, and
Vote on Executive Analytics Study**

DEFENSE BUSINESS BOARD



Break

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

Lt Col Kyle Harrington, USAF

Judson Crane, DIB Augment

Emma Vitale, DIB Augment



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”

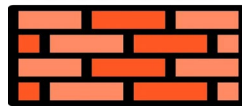
- Managers haven’t been the best advocates of upskilling or development

- 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

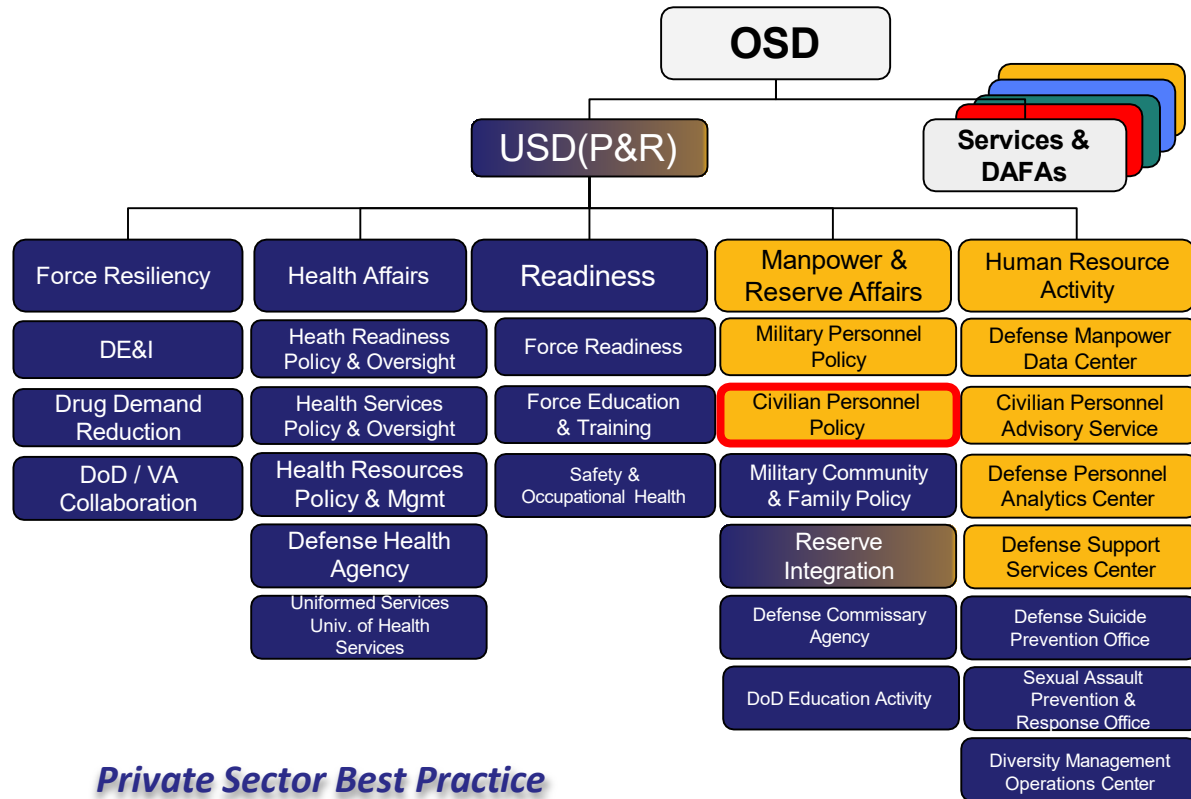
The organizational structure is not postured to effectively manage talent.

•“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

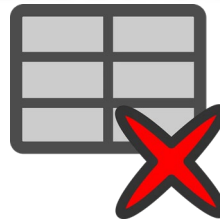
•Occupational series codes to describe positions & people not effective

•Talent data is not integrated or accessible across the Department

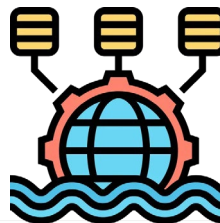
Predicting Future Skills



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



Recommendation #1

Transform civilian culture to prioritize talent management.

- **DepSecDef should issue a memo announcing the following:**

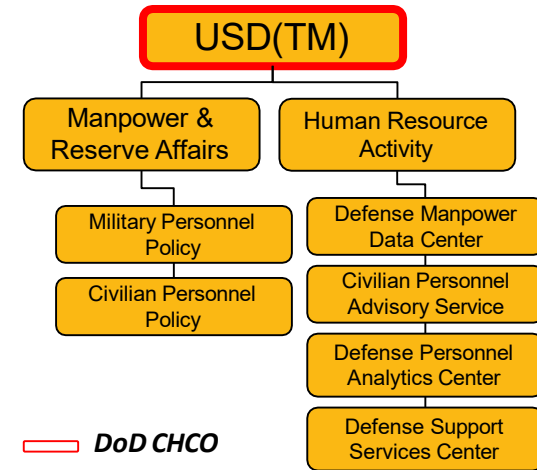
1. Increased training opportunities (both technical & professional development), with incentives available to all.
2. Civilian training funding must be executed annually for civilian training.
3. Expansion of talent exchanges within DoD, industry, and academia.
4. Intent to adopt new ways to validate 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.



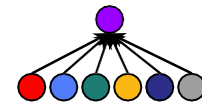
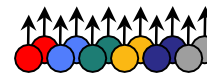
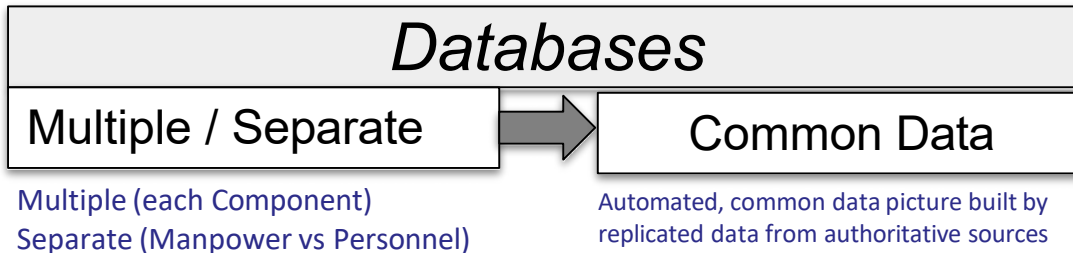
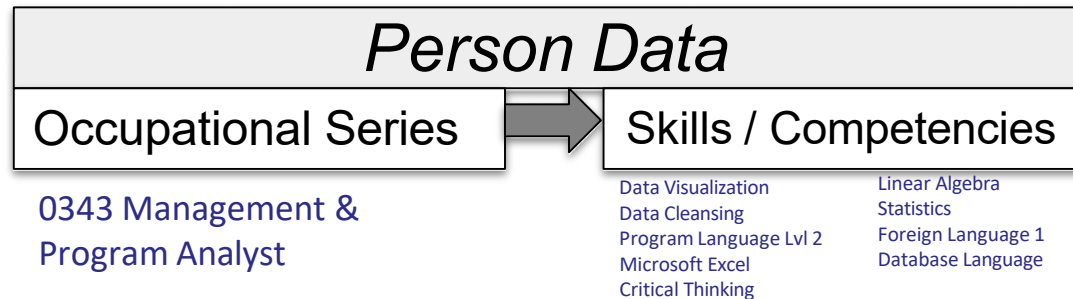
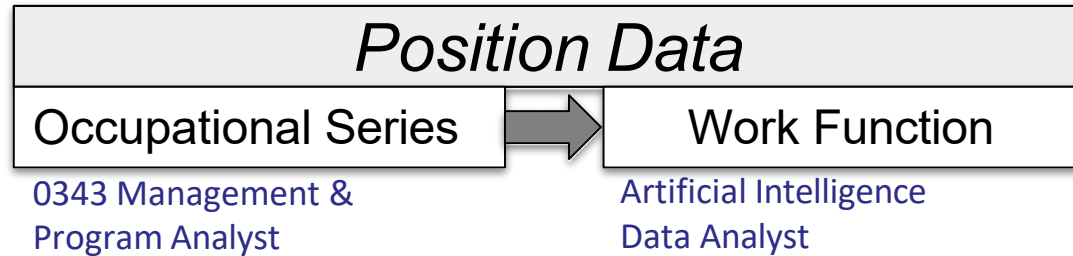
The Civilian workforce deserves a CHCO with the authority and focus to affect change



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

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**Full Board Discussion,
Deliberation, and
Vote on Reskilling/Upskilling
Study**

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Adjourn Open Public Session

Ms. Jennifer Hill
Designated Federal Officer

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Chair's Time

Honorable Deborah James

Chair, Defense Business Board

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Closing Remarks

Ms. Jennifer Hill

Designated Federal Officer

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Public Comments (if time permits)