



Taking Performance to a New High

OPM Federal Workforce Conference

Susan Grant

September 10, 2004

Your Financial Partner @ Work

- *Who:* DFAS as a Business
- *What:* The Performance Puzzle
- *How:* Metrics and More Metrics
- *Why:* Results as Outcomes

Scope of DFAS Business

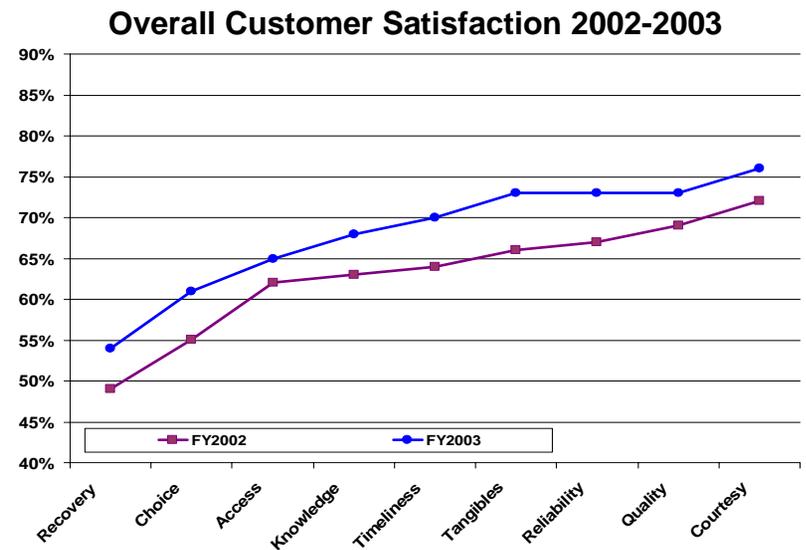
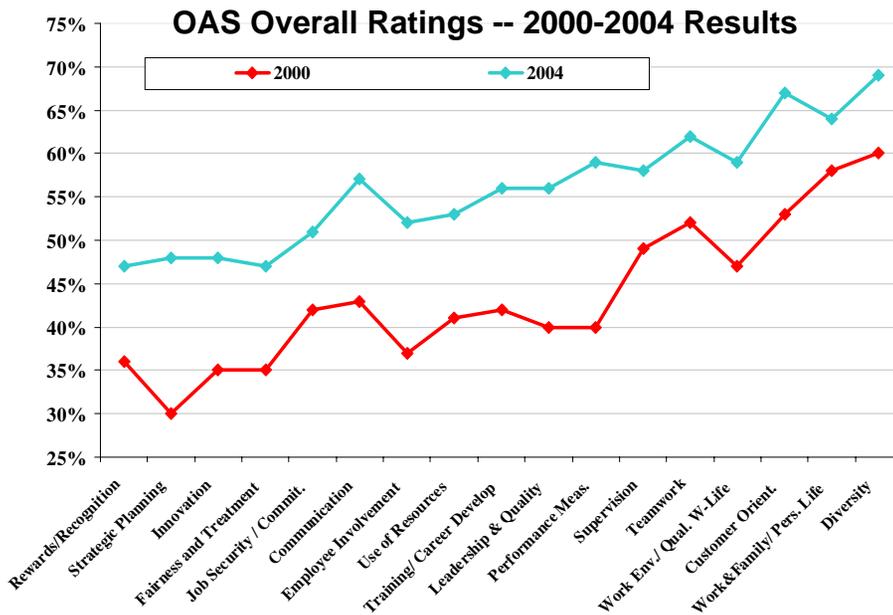
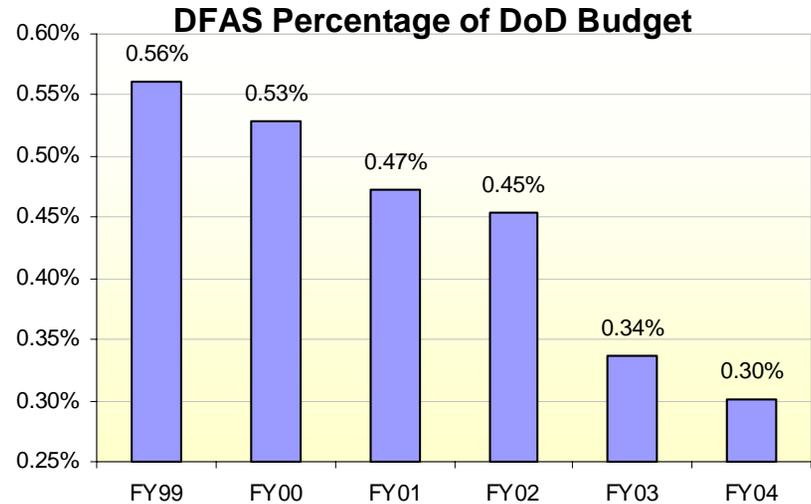
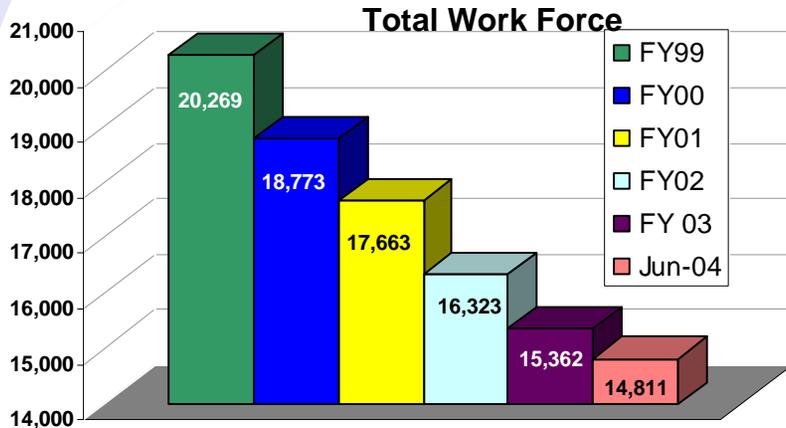
- **Mission:** Provide responsive, professional finance and accounting services for the people who defend America

- **Personnel:** 15,056

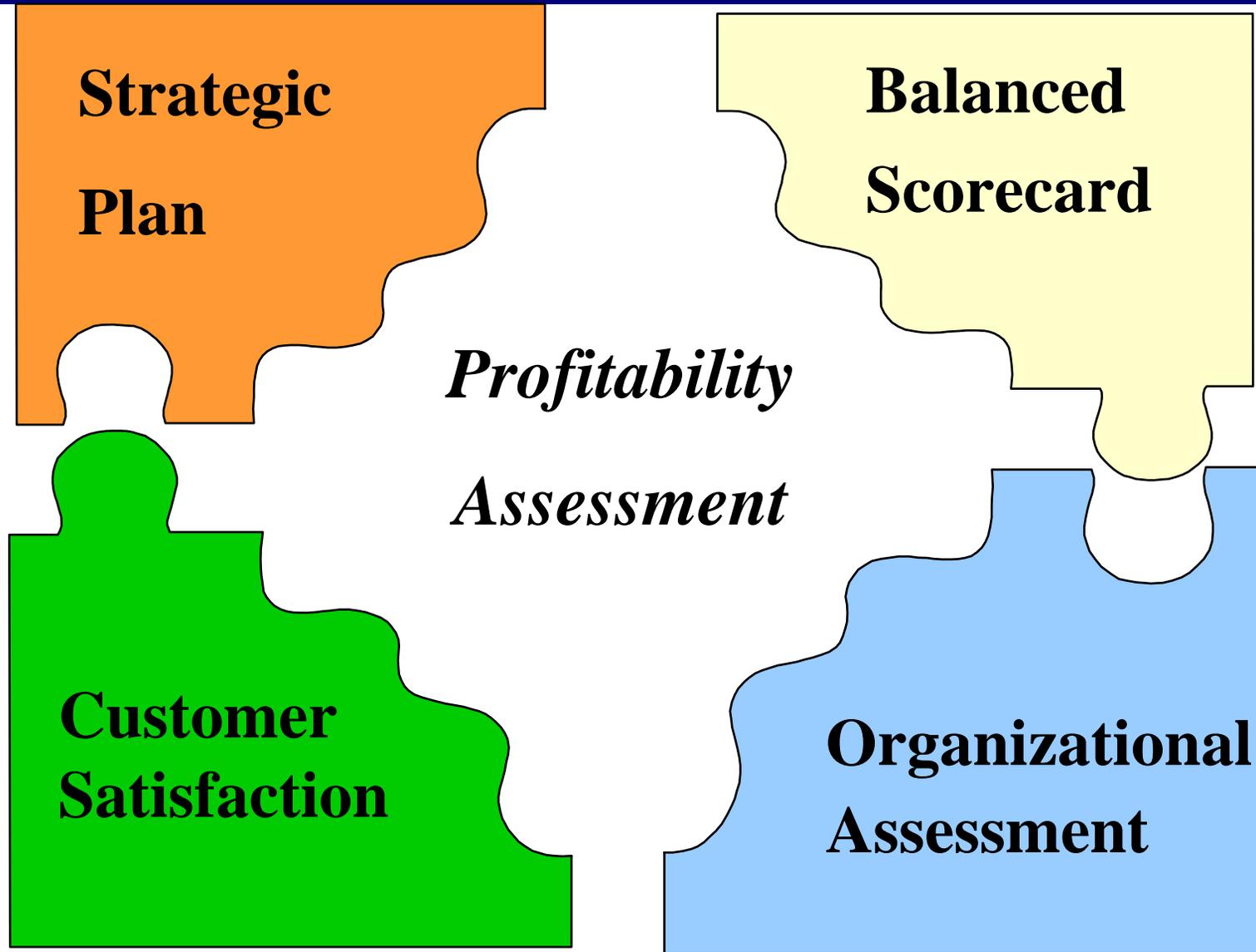
- **Resources:**

	<u>FY04 Authority</u>	<u>FY03 Actual</u>
● DWCF Cost		
● Financial Operations	\$1,656M	\$1,645M
● Information Services	\$169M	\$196M
● DWCF Revenue		
● Financial Operations	\$1,728M	\$1,455M
● Information Services	\$165M	\$209M
● General Funds (O&M)	\$ 4.9M	\$14.9M

DFAS Today



The Performance Puzzle



Strategic Plan

- **Links Vision to Mission to achieve Best Value**
- **Focuses on customer needs and wants**
- **Outlines strategic direction to the workforce**
- **Developing Operations Plan that identifies initiatives in achieving Strategic Targets**

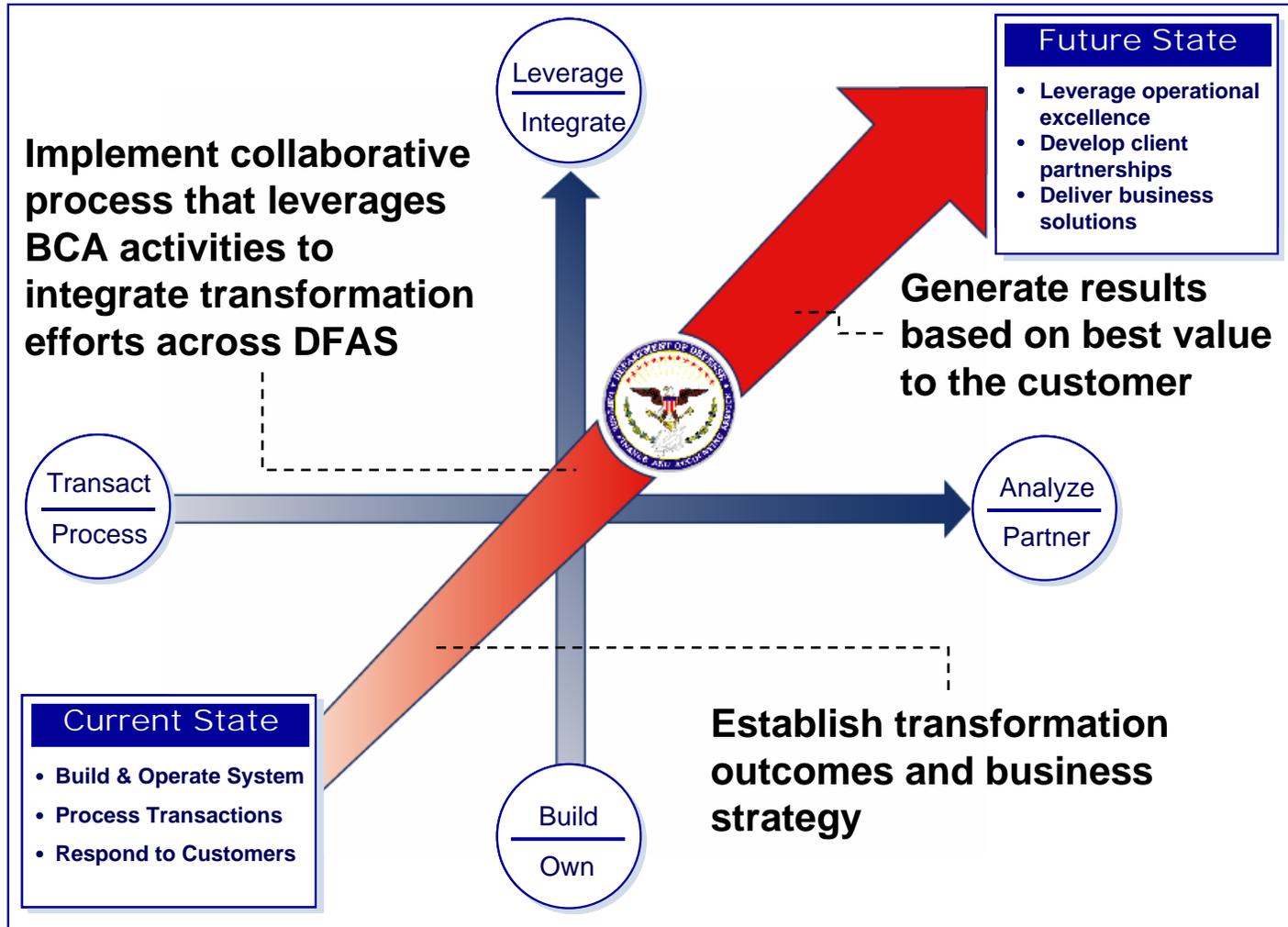


Strategic Plan - 5 Targets

- **Deliver auditable financial statements by FY 2007**
- **Implement eCommerce for all Commercial Pay by FY 2005**
- **Pay service members what they are entitled to on the scheduled pay date**
- **Develop a corporate capability to deliver unique business intelligence by FY2005**
- **Retain, recruit and train a DFAS workforce capable of implementing the Strategic Plan**

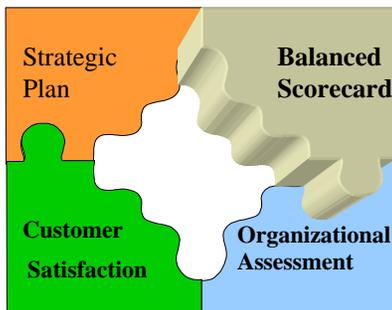


DFAS Strategic Transformation



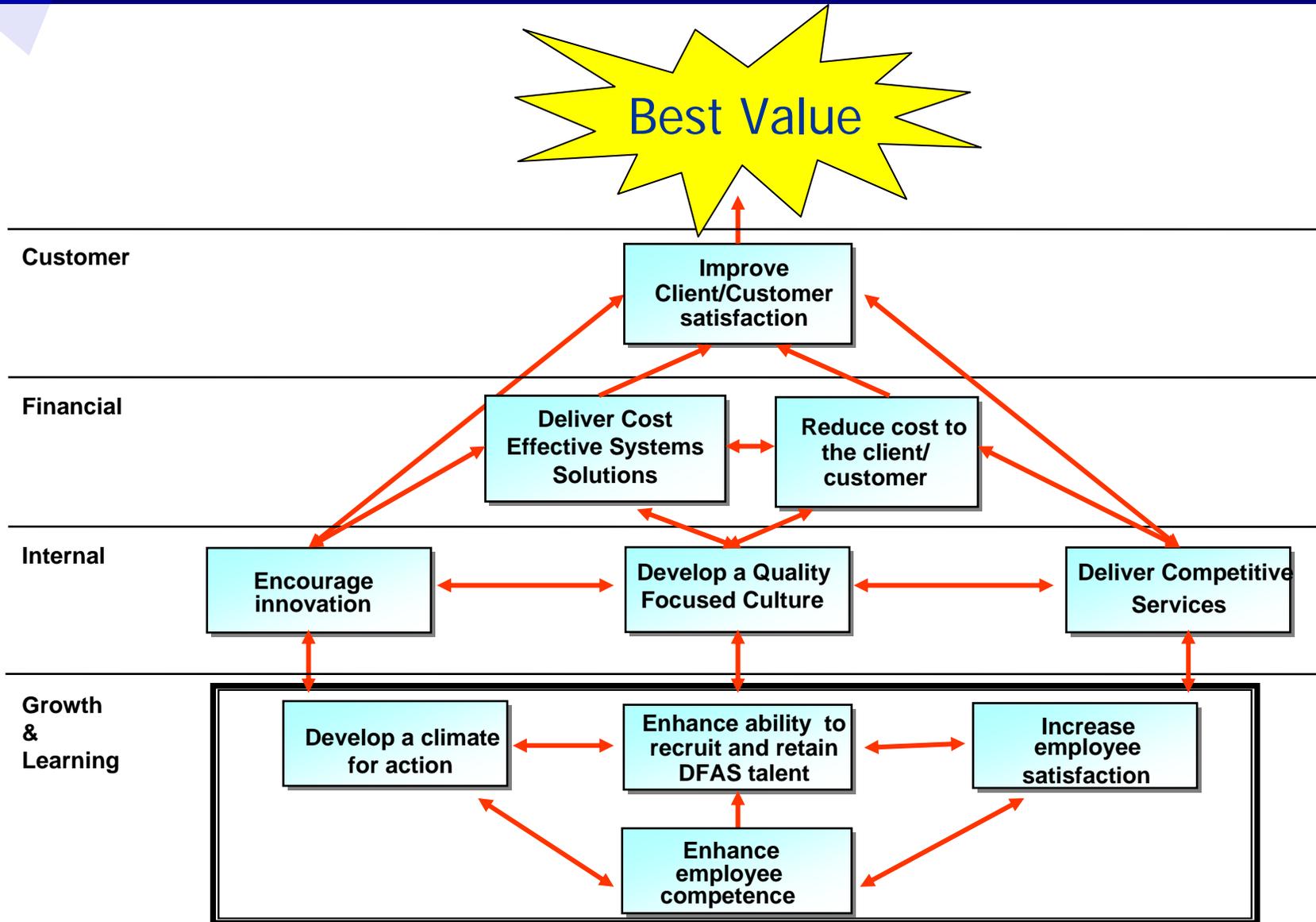
Balanced Scorecard

- **Makes Strategy Everyone's Job**
- **Makes Strategy a Continual Process**
- **Aligns Organization to Strategy**
- **Translates Strategy to Operational Terms**



The Balanced Scorecard tracks progress in achieving Strategic Goals

BSC Objectives Support Vision of Best Value

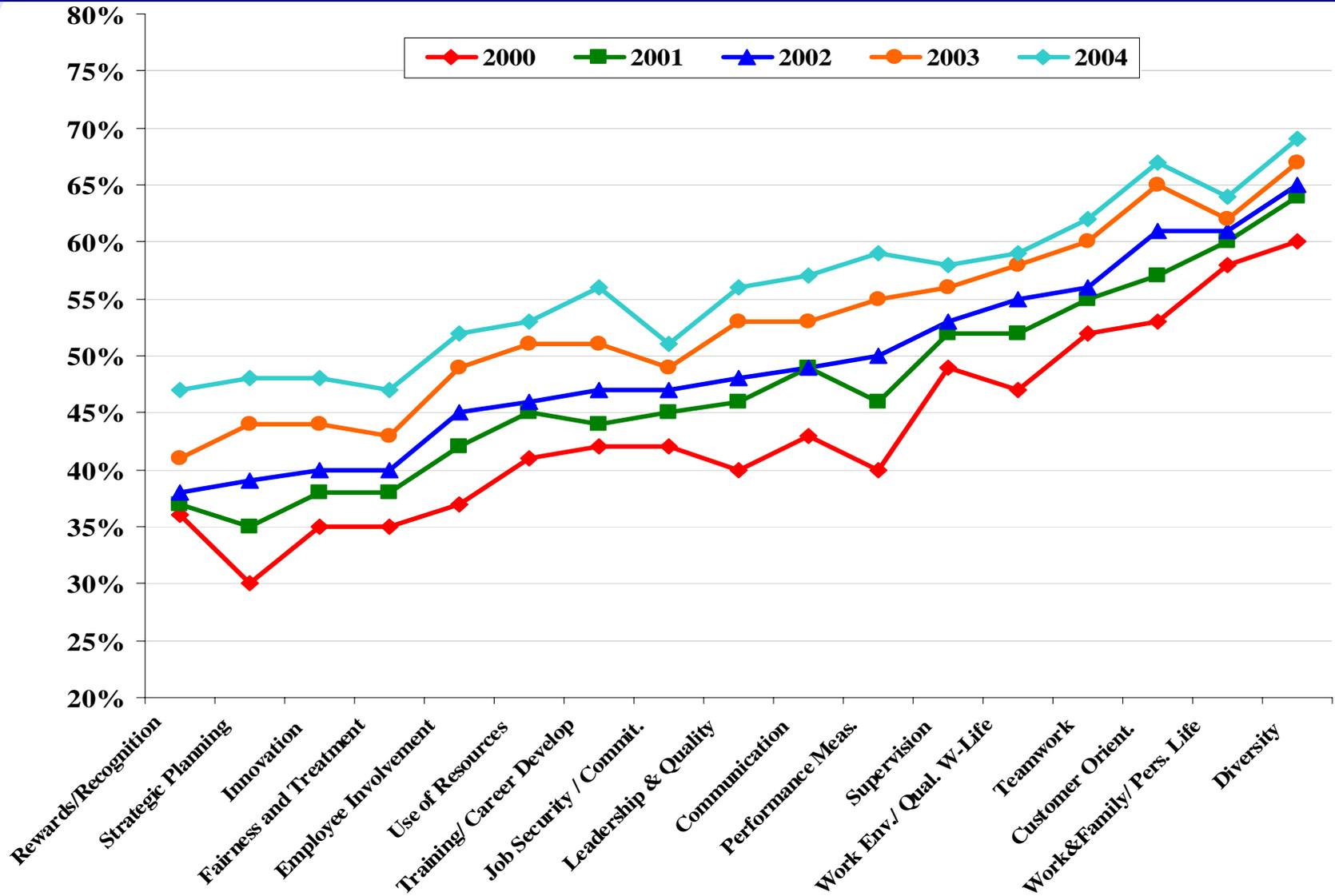


Organizational Assessment



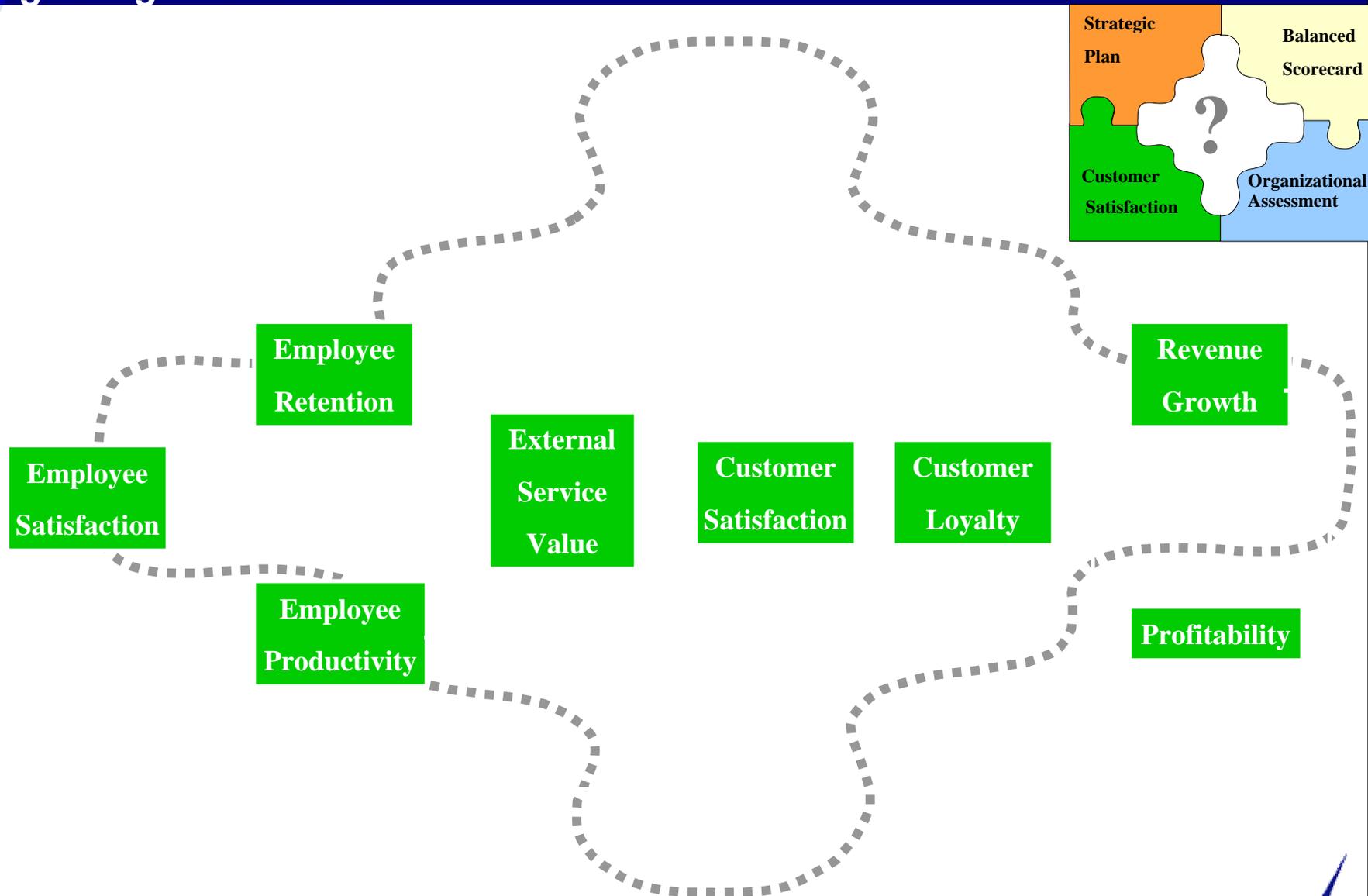
- **OAS is administered by OPM**
- **DFAS employees were surveyed in February of 2000, 2001, 2002, 2003 & 2004**
- **Overall, DFAS favorability ratings have continued to show steady improvement across the board for each survey**
- **Each Business Line has implemented focus groups and developed action plans**

DFAS 2000-2004 OAS Favorability Ratings



Employee/Customer Profitability Assessment

Moving to High Performance



Customer Satisfaction

Customer Surveys

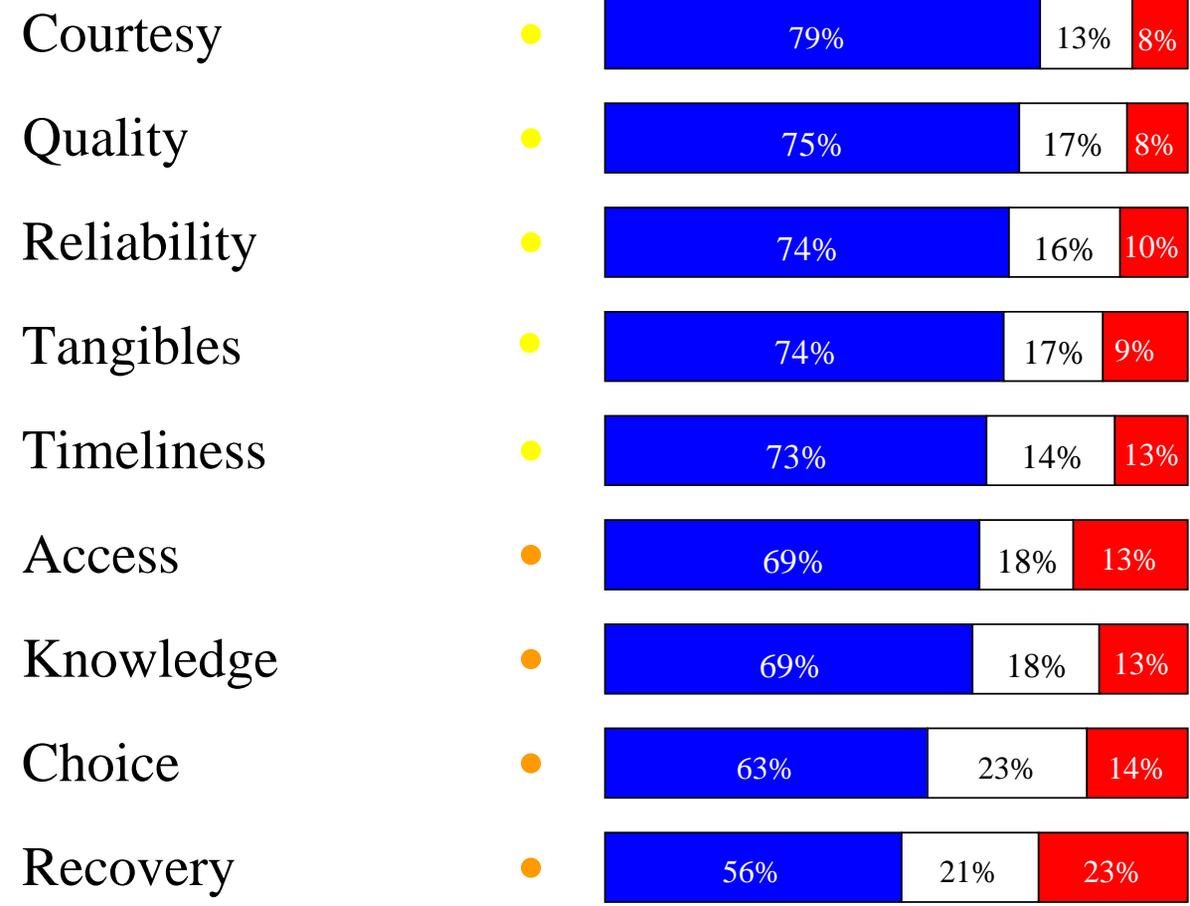
- **Defense Agency Biennial Review**
 - **Organizational Customers**
- **Surveys for all DFAS Business and Product Lines**
- **Interactive Customer Evaluation (ICE) feedback**
- **Between Surveys:**
 - **Meet with customers to identify areas of improvement**
 - **Develop action plans**
 - **Implement corrective actions**
 - **Re-survey**



Customer Satisfaction Survey Results 2003

Product Lines Surveyed

- Accounting
- Civilian Pay
- Retiree Pay
- Annuitant Pay
- Travel Pay
- Contract Pay
- Vendor Pay

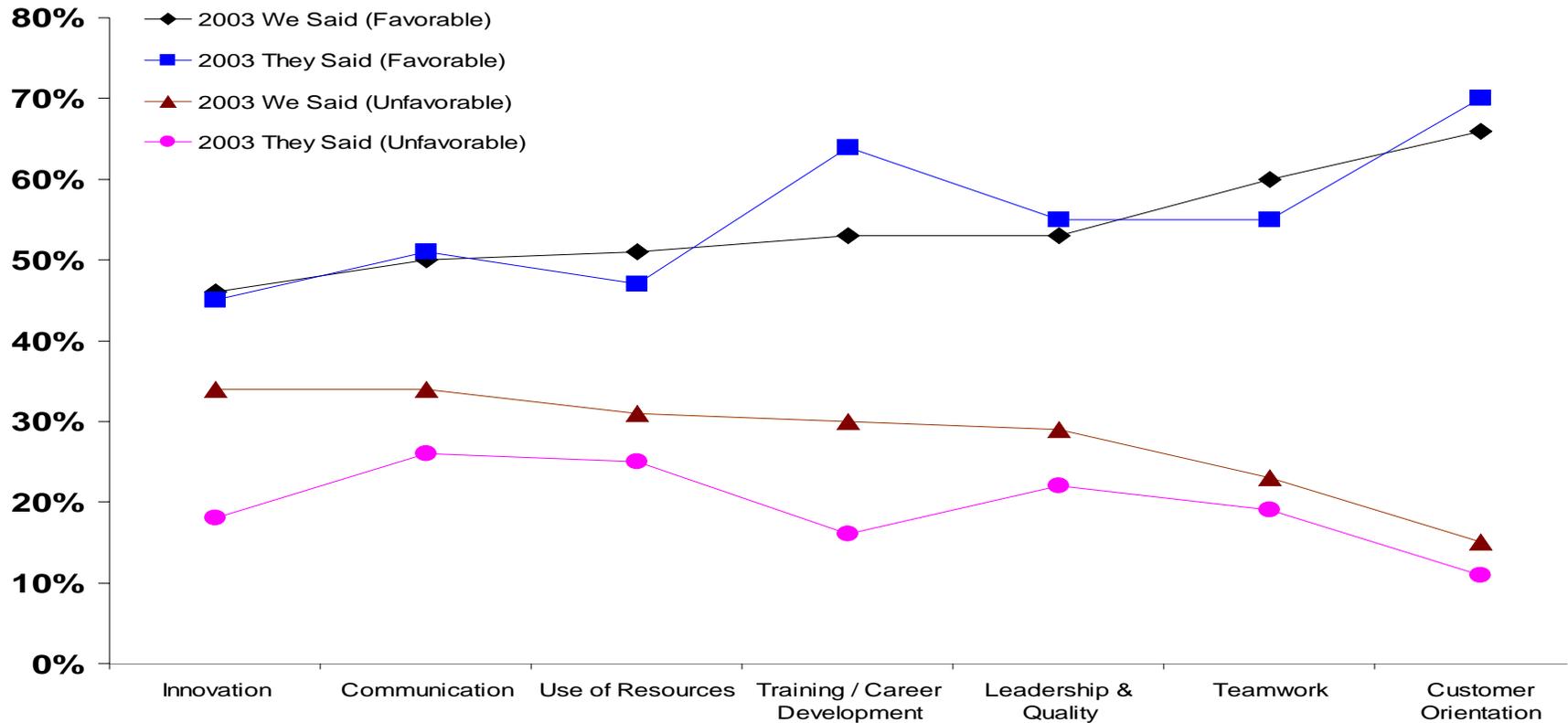


■ Favorable
 Neutral
 ■ Unfavorable



Linking FY2003 OAS Dimensions to FY2003 Customer Survey

Correlation of OAS to Customer Satisfaction (Example: Corporate Resources)



Customer-Focused, Strategy-Based, Metrics-Driven=High Performance

Summary



Employee Satisfaction



Key Performance Metrics



Customer Surveys



Profitability



Maximizing the Linkage



Using Surveys as a Strategic Tool



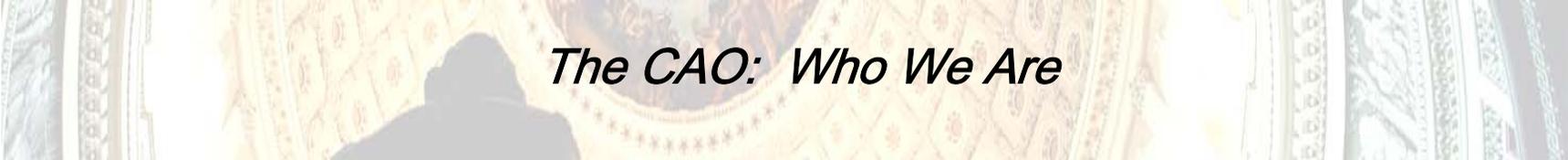
Office of the Chief Administrative Officer
For the U.S. House of Representatives

September 2004



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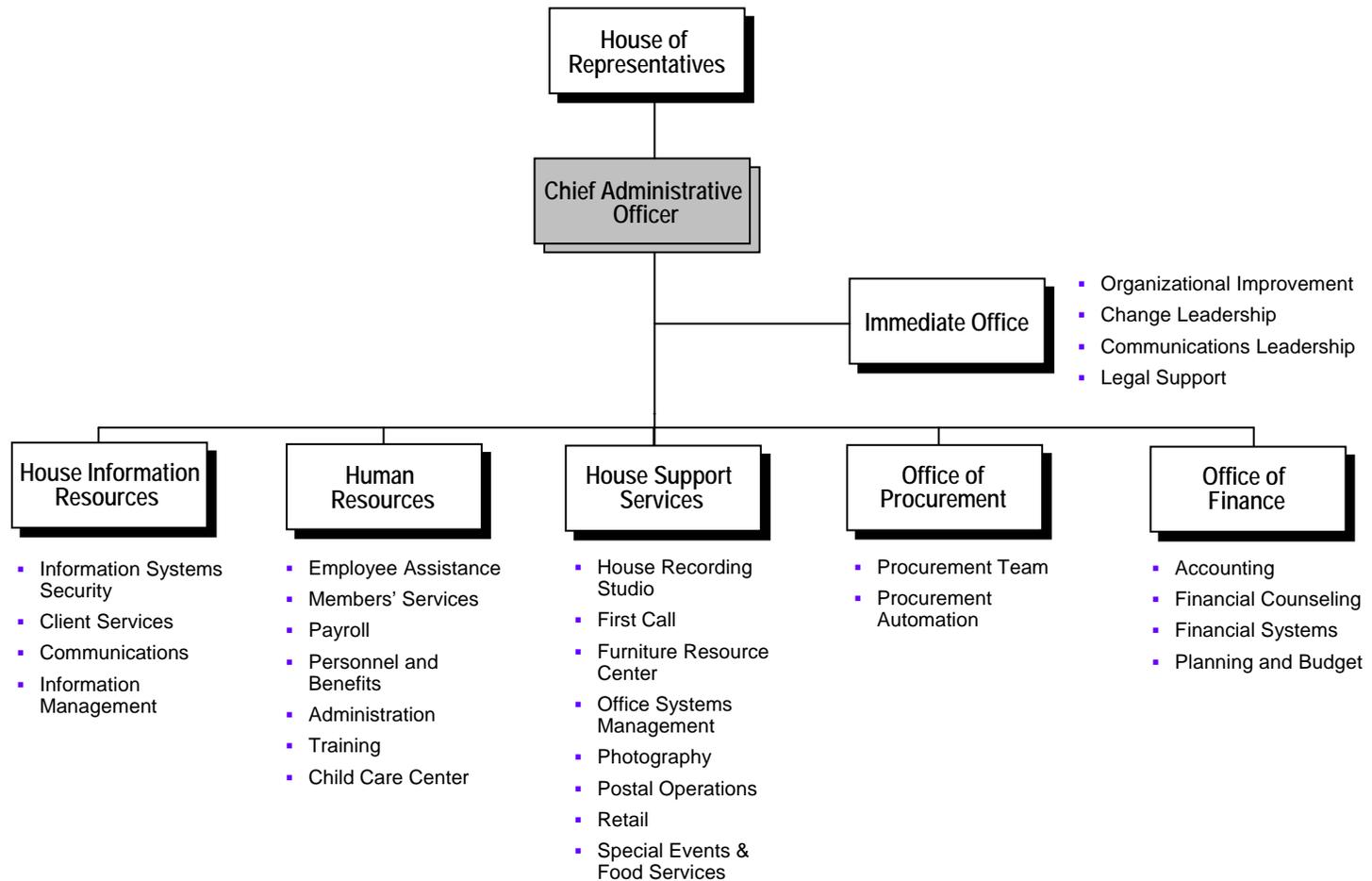
The CAO: Who We Are



The CAO - Overview

The Office of the Chief Administrative Officer (CAO), established in 1996, is the premier services provider for the U.S. House of Representatives. With almost 700 employees, the CAO provides financial, human resources, information technology, and other support services to the Members, their Staff, and Committees of the House of Representatives, approximately 10,000 customers.

The CAO Organization Chart





The CAO Mission and Vision

The CAO Mission:

“Provide excellent and efficient administrative, technical, and support services to the U.S. House of Representatives.”

The CAO Vision:

“To be the premier organization that represents and serves the House of Representatives with pride, energy, and creativity.”



The CAO Strategic Planning Process



The CAO Strategic Planning Process – How it used to be...

- **A time consuming process:** *Met once every week for 4 to 8 hours to discuss CAO Strategic Plan*
- **No final strategic plan:** *Without a tangible strategic planning document communicated throughout the organization, employees were not aware of the CAO's mission, vision, or strategic direction*
- **No clear connection between CAO strategy and day-to-day activities:** *It was unclear as to how to relate the planning at the strategic level to day-to-day activities at the operational level*
- **Measures not linked to goals and outcomes:** *While measures were developed for each of the goals, they were not outcome oriented and did not provide a balanced perspective of performance*



The Improved CAO Strategic Planning Process

As the initial step of the process, the Senior Leadership Team (SLT) gathered and analyzed information from multiple sources:

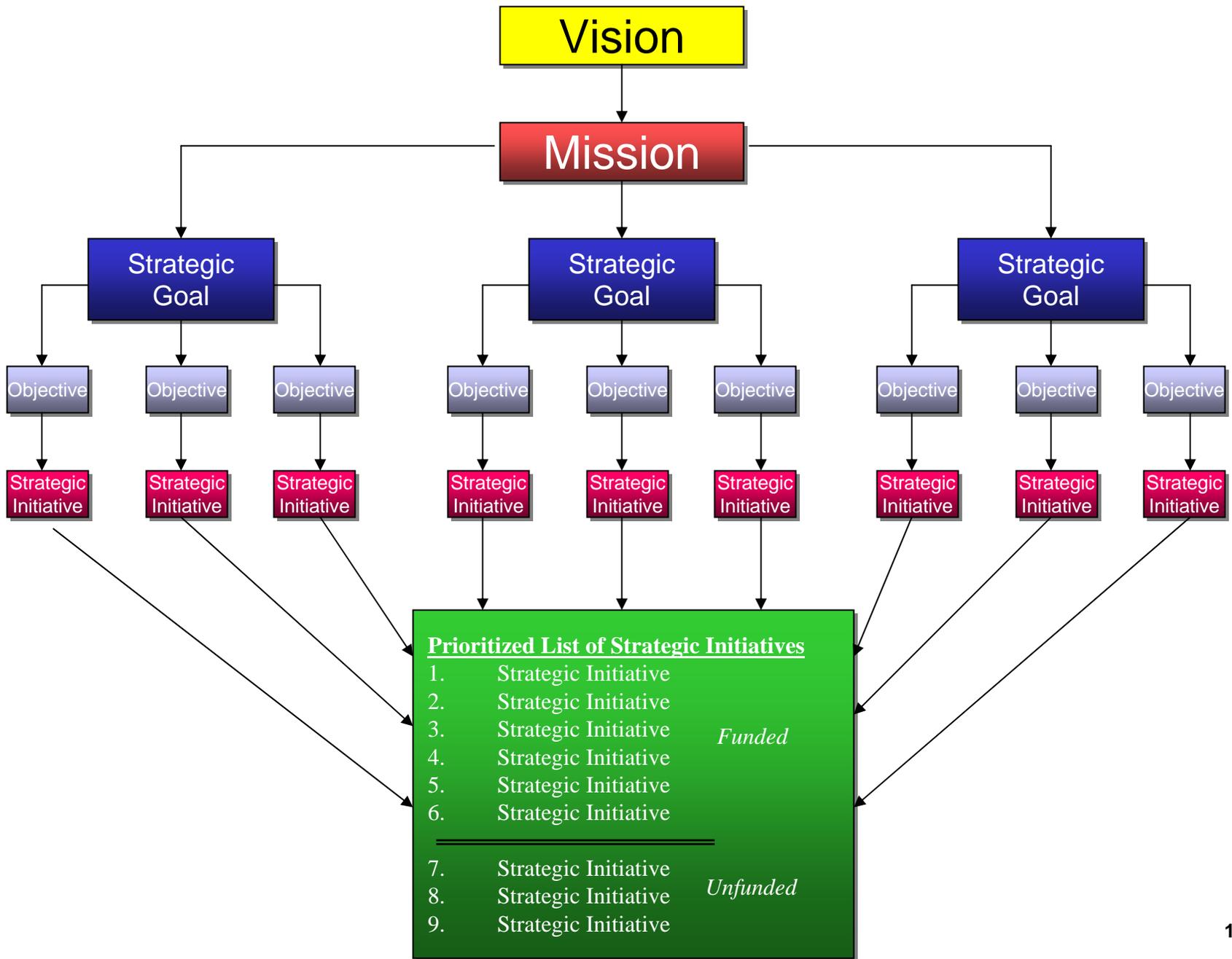
- **Surveys**
 - ✓ Staff surveys/Focus Groups
 - ✓ Customer survey
 - ✓ Emergency survey
- **Business Process Improvement (BPI) Activities**
 - ✓ Created a BPI Team comprised of representatives from each business unit.
 - ✓ Identified areas for improvement in processes across all CAO business units
- **Ongoing Improvement and Feedback Analysis, including other Employee/Stakeholder ideas**
 - ✓ Continually incorporated ideas and suggestions from employees and stakeholders



The Improved CAO Strategic Planning Process

The Balanced Scorecard concept and framework provided a foundation for the Strategic Planning Process:

- **Revised CAO goals based on the Balanced Scorecard and tailored to the needs of the CAO:**
 - ✓ Customer
 - ✓ Employee
 - ✓ Internal Business Process
 - ✓ Financial
 - ✓ Emergency Preparedness





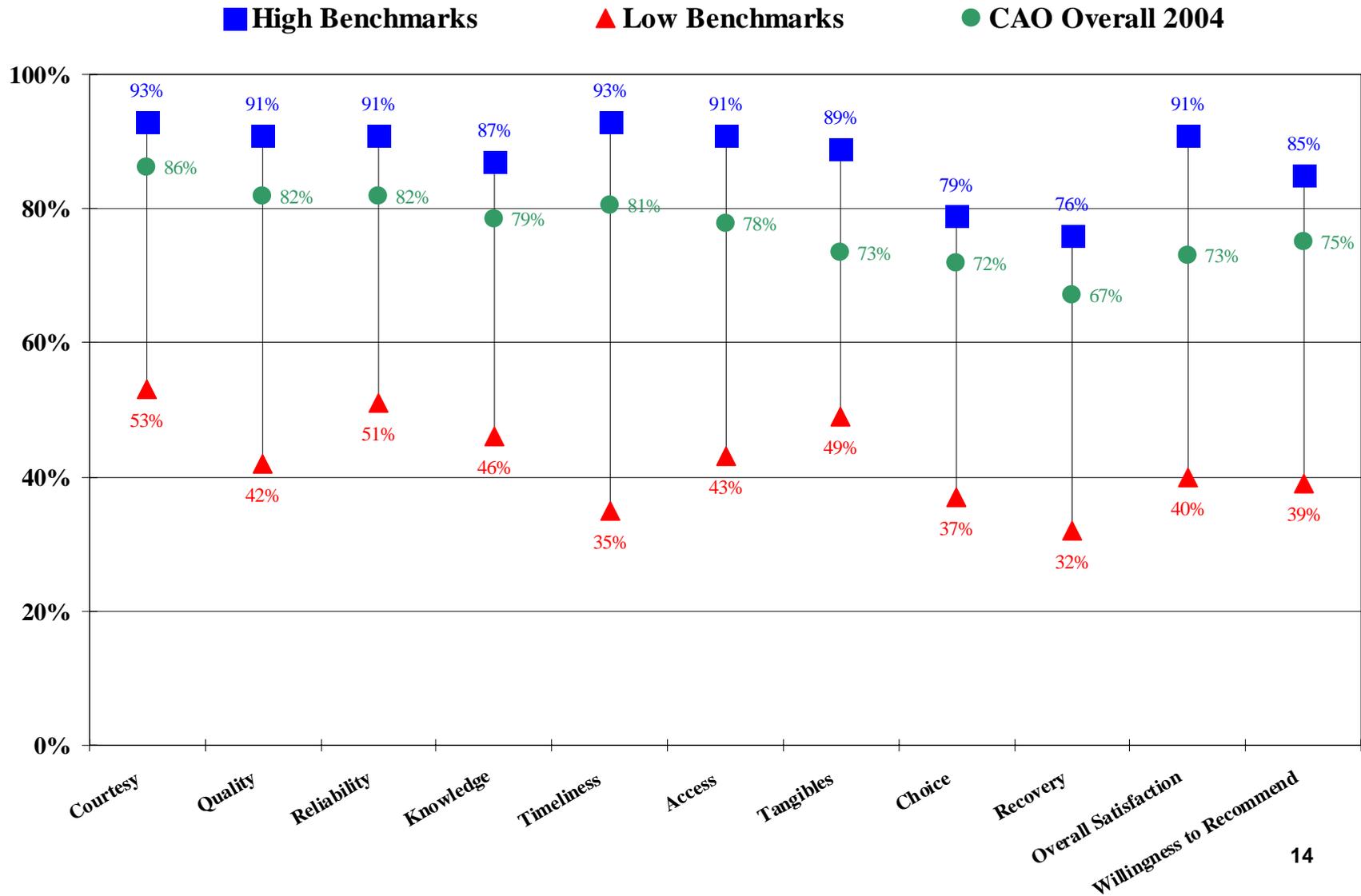
Surveys



Utilizing Survey Results

- ***Annual OAS and Customer survey results used to drive development of:***
 - ✓ **Annual Strategic Plan Update/CAO Strategic Initiatives**
 - ✓ **Business Unit action plans**
- ***Use standardized and repeatable survey tool to compare:***
 - ✓ **CAO trends over time (Previous years' survey results)**
 - ✓ **Results of other entities (Performance America)**
 - ✓ **To target and stretch goals in individual and business unit performance goals.**
- ***OPM assistance with data analysis, focus groups and business unit actions planning activities.***

Benchmarks

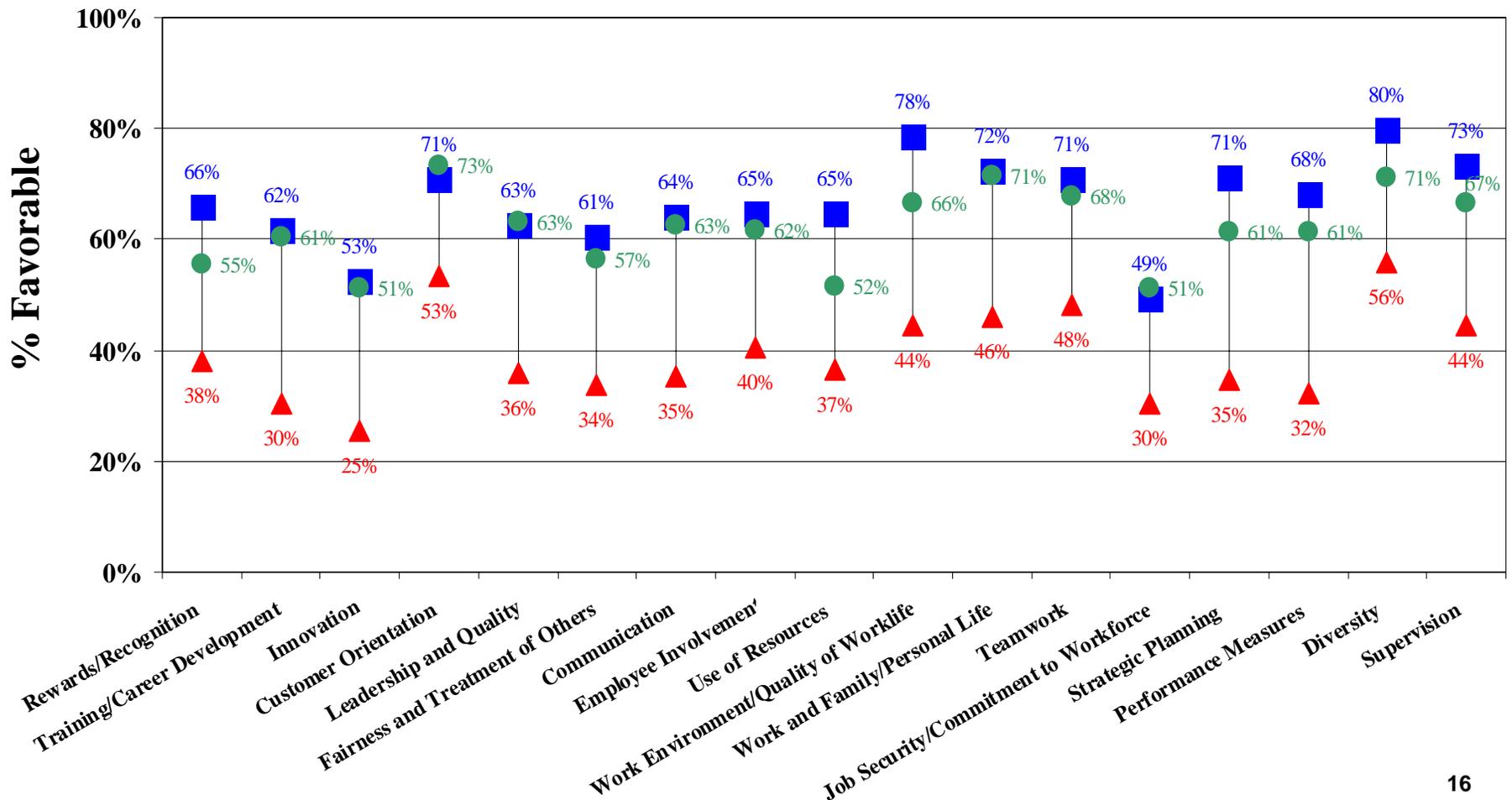


Average Percent Satisfaction with Business Units

Business Unit	2002	2003	2004
HR	74	84	81
HIR	65	78	79
HSS	69	85	83
Finance		89	86
Procurement		58	59
Average	69	79	78

Performance America Benchmarks

■ High benchmark ▲ Low benchmark ● CAO (2004)





Dimension Results: 2004 Performance America Benchmarks

- 3 PA benchmark highs:
 - Customer Orientation (in CAO top 5)
 - Leadership and Quality
 - Job Security/Commitment to Workforce (in CAO bottom 5)
- Overall, the majority of the dimension scores are right at or just below PA benchmark highs
- Performance Measures and Strategic Planning continue to improve
- Areas for Improvement:
 - Rewards/Recognition (declined since 2002)
 - Team Work (declined since 2002)
 - Fairness and Treatment of Others (concerns about work distribution)



Next Steps

- ***Developed and implementing Point of Service (POS) surveys to measure customer satisfaction across 41 CAO services.***
 - ***Adds more definition to larger survey results and identifies specific areas for improvement.***
- ***Tracking quarterly progress against business unit survey action plans.***



Questions??



Contact Information

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Surveys + Action Planning = Change

Working for America

UNITED STATES OFFICE OF PERSONNEL MANAGEMENT



Message from the President

"Government likes to begin things - to declare grand new programs and causes. But good beginnings are not the measure of success. What matters in the end is completion. Performance. Results. Not just making promises, but making good on promises."

- George W. Bush



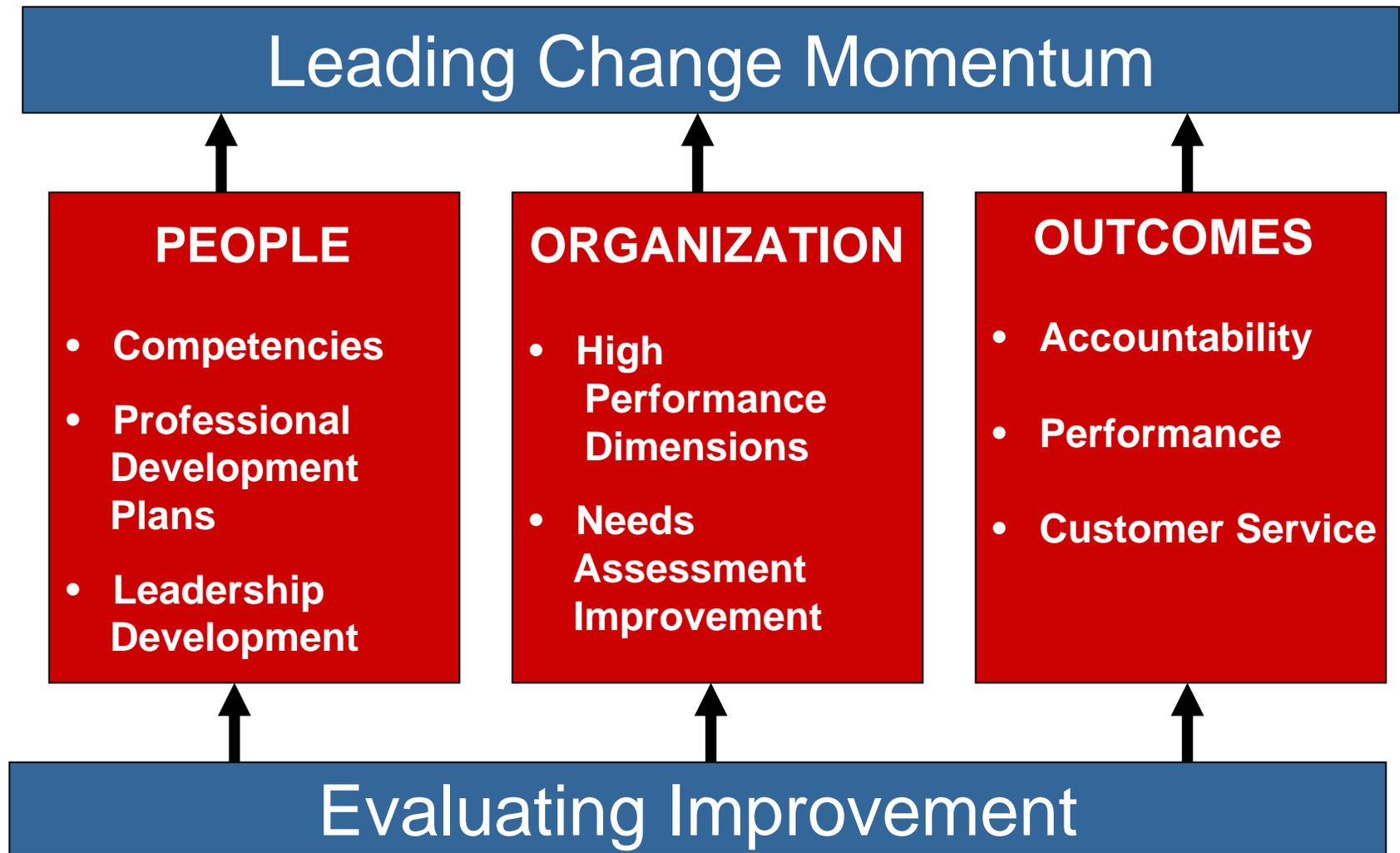
Message from the Director



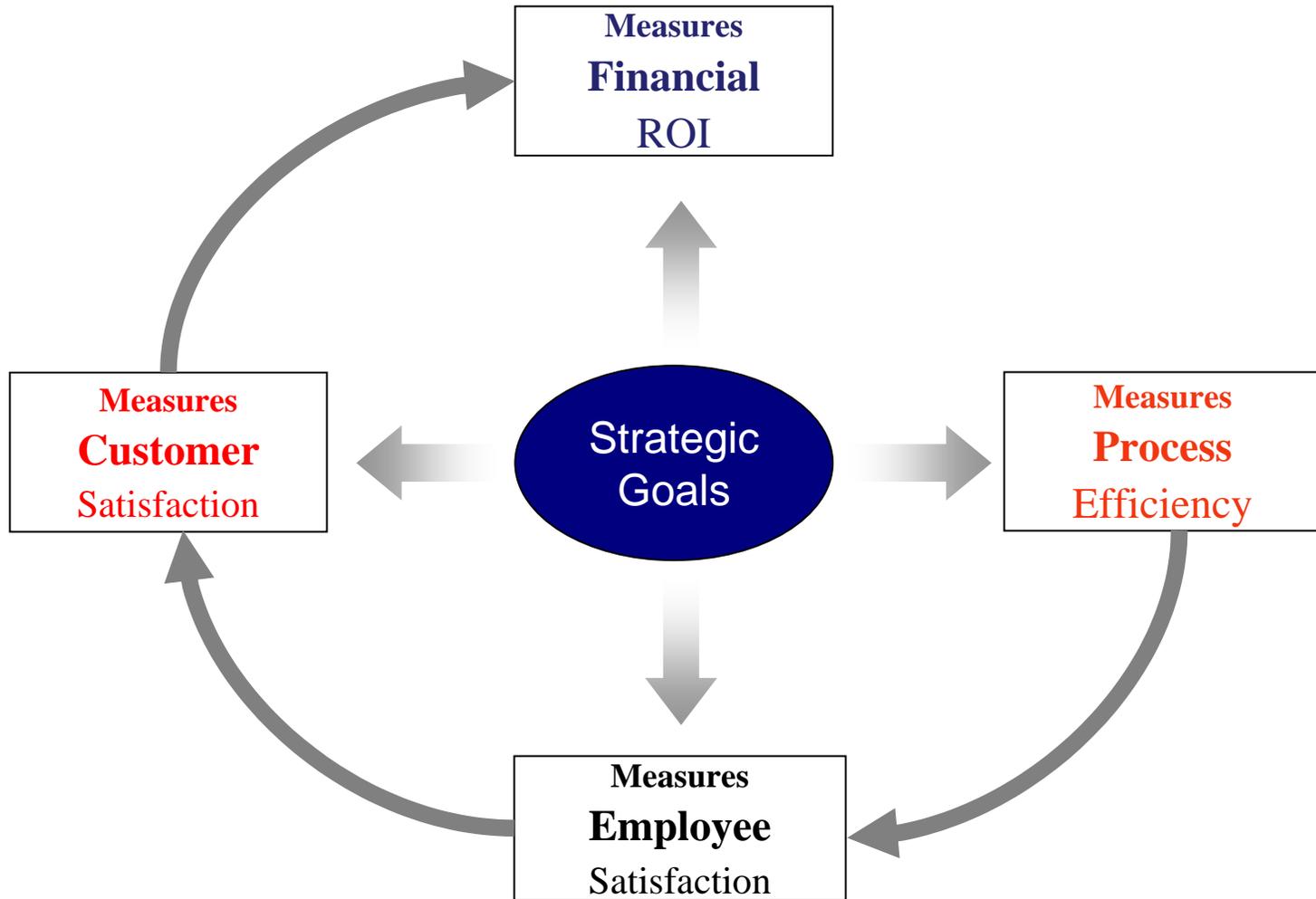
“I am pleased to introduce the latest generation of assessment tools to help agencies in their strategic management of human capital. These tools can provide critical information from your employees and customers that can be used to move your organization forward.”

- Kay Coles James

Building High Performance Organizations



Balanced Measures to Assess Organizational Effectiveness



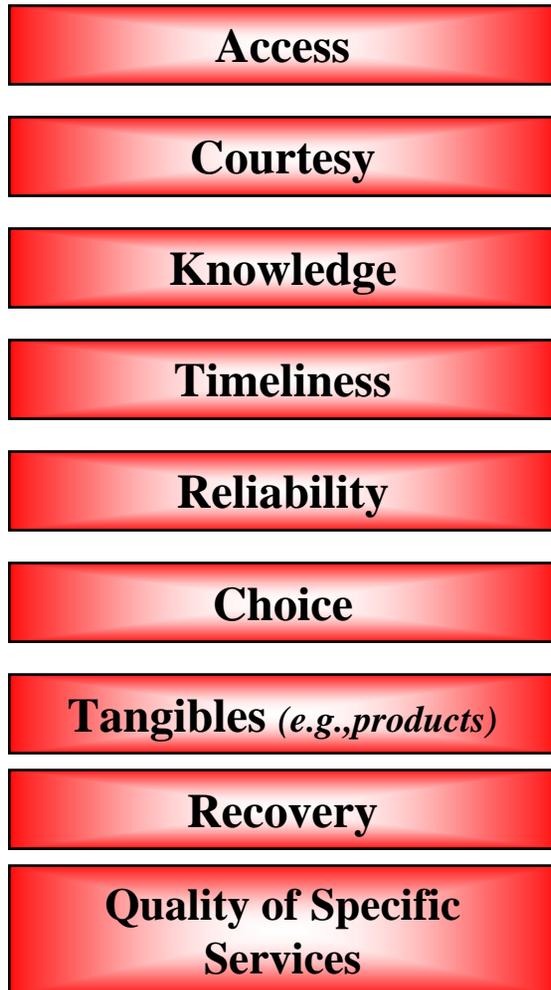
The 17 Organizational Assessment Survey (OAS) Dimensions

- Rewards/Recognition
- Training/Career Development
- Innovation
- Customer Orientation
- Leadership and Quality
- Communication
- Employee Involvement
- Use of Resources
- Fairness and Treatment of Others
- Work Environment/Quality of Worklife
- Work and Family/Personal Life
- Teamwork
- Job Security/Commitment to Workforce
- Strategic Planning
- Performance Measures
- Diversity
- Supervision

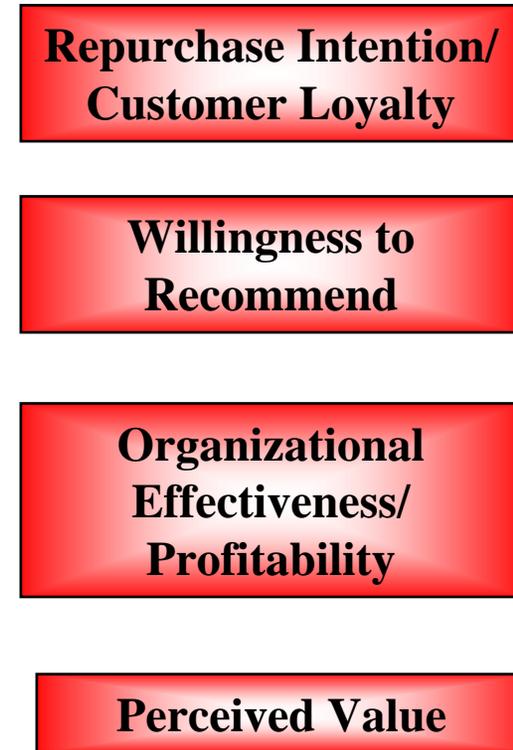


Service Dimensions used to Evaluate Customer Satisfaction & Organizational Outcomes of Customer Satisfaction

Service Dimensions



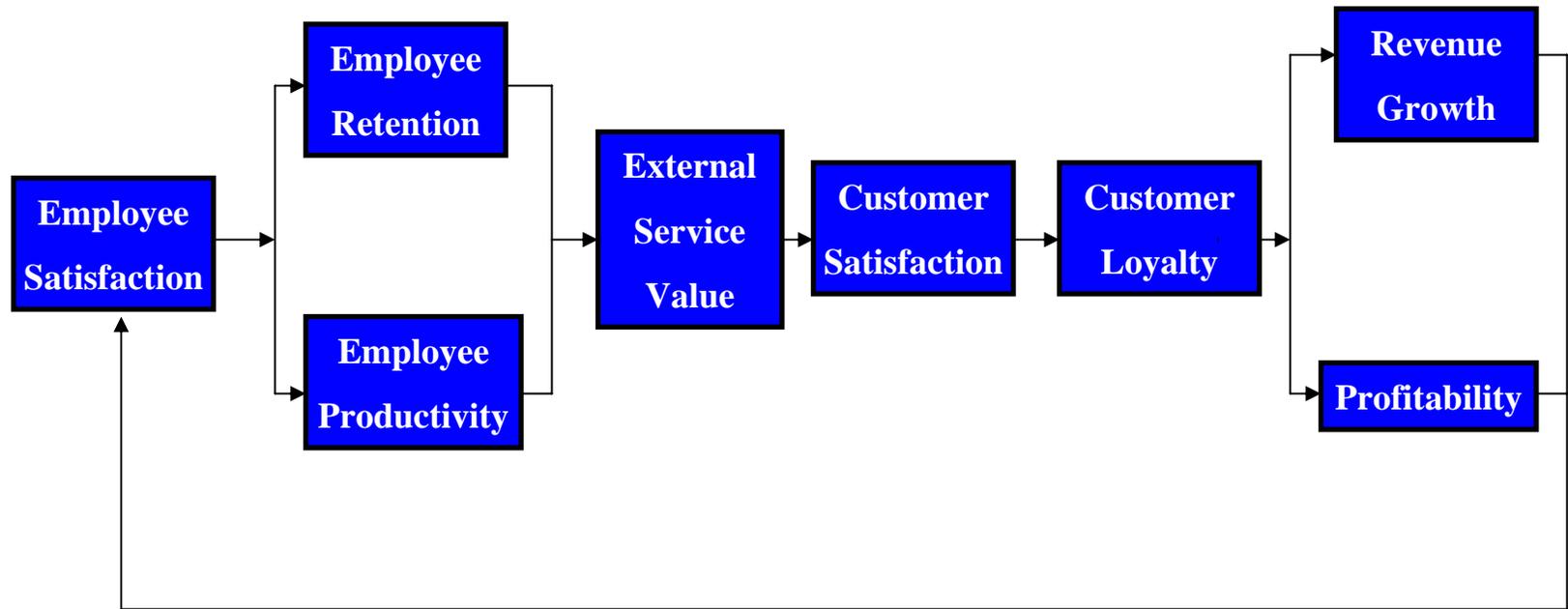
Organizational Outcomes



Source: OPM/PRDC



Employee/Customer/Profit Link



From "Putting the Service-Profit Chain to Work," by J.L. Heskett, T.O. Jones, G.W. Loveman, W.E. Sasser, and L.A. Schlesinger, 1994, March/April, *Harvard Business Review*.



Building High Performance Organizations

- Use core items to benchmark performance
 - against other organizations
 - against own performance over time
 - for action planning and improvement
- Link core/customized items to strategic goals
 - to diagnose specific areas of strength/areas for improvement
 - to plan and implement improvement using action planning



Our Definition of Action Planning

It is a process where people meet to address specific shortcomings and develop strategic plans for improving the quality of the workplace.



Action Planning Process

- Review Results
 - Survey results and transcriptions of comments
 - Focus group reports and customer recommendations
- Assemble action-planning teams
- Develop action plans
- Implement action plans
- Monitor and communicate progress
- Evaluate (future surveys)



What Are Action Planning Teams?

Action teams are groups of individuals who:

- learn about, envision and create plans of action consistent with their organization's strategic plan
- listen to diverse points of view and work toward consensus
- set aside special interests and work toward the common good
- are empowered to make decisions for the benefit of the organization



Why Is It Important to Have Action Planning Teams?

- Action planning teams create a forum to discuss specific issues and create solutions
- Action planning teams create buy-in and support for organizational change
- Employees are the best source for solving problems
- Employees want to give and receive feedback about the workplace environment
- The involvement of staff across all levels of an organization helps to improve communication



Preconditions to Action Planning Success:

- Enduring Sponsorship
- Commitment from Key Stakeholders
- Clear Objectives and Goals
- Realistic Expectations
- Knowledge of the Project Boundaries

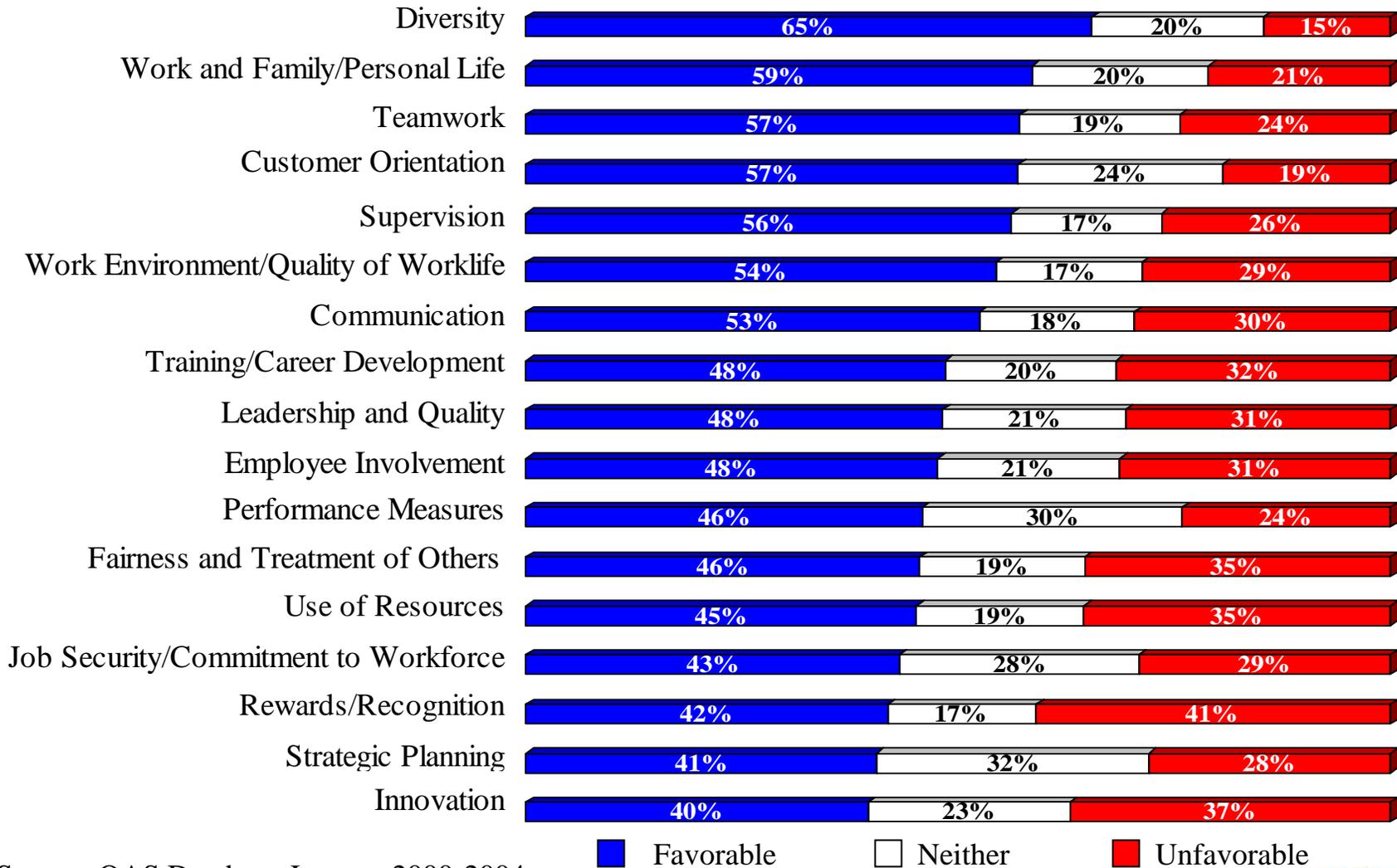


S.M.A.R.T. Action Plans

- *S*pecific
- *M*easurable
- *A*ligned with organization's strategy
- *R*eachable
- *T*ime-bound



Governmentwide Benchmarks for the Organizational Assessment Survey (OAS)



Source: OAS Database January 2000-2004



Example of S.M.A.R.T. Action Plan

Top-Down/Bottom-Up Communication

Current State of Affairs

- Currently:
 - Employees fear retribution if they approach management directly about problems
 - Employee comments are censored throughout management chain
 - Decisions affecting the entire organization are not communicated in a timely manner
 - Uniformity in disseminating information to employees is lacking
- Impact:
 - Mistrust
 - Low employee morale
 - Lower quality work products



Example of S.M.A.R.T. Action Plan

Top-Down/Bottom-Up Communication

Desired State of Affairs

- Open communication about organizational decisions
- Management is receptive to employee concerns
- No censorship
- Uniform information dissemination
- Timely information exchange



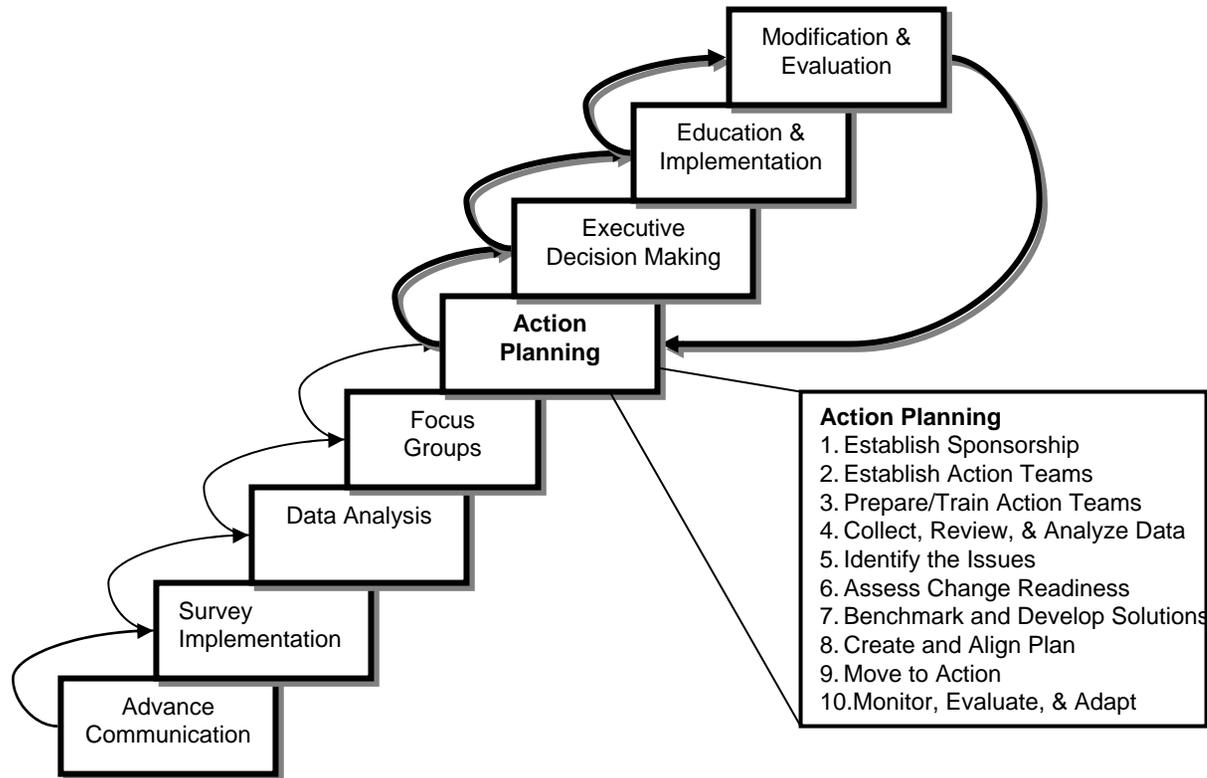
Example of S.M.A.R.T. Action Plan

Recommendations

- Develop and introduce an agency-wide system to convey information to employees by convening a team of subject matter experts who will develop a draft of the form and content within 3 months.
- Have department heads conduct quarterly all-hands videoconferences by region, and managers conduct at least bi-weekly staff meetings.
- Conduct a 360 degree leadership assessment within 3 months and provide management development in key competencies, including communication and conflict resolution
- Conduct a follow up survey within 12 to 24 months to assess change



Successful Implementation



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