

## DIVERSITY NEWS

January 2007

**Thomas:** In order to become an “Employer of Choice,” the Department of Veterans Affairs is entering a new era in the strategic management of its employees.

**Yvonne:** At the September 2006 human resources (or HR) conference, the Honorable R. Allen Pittman, Assistant Secretary for Human Resources and Administration, introduced to VA’s professional HR community the transformation of HR from transactional work to consulting services that add value to the business of serving veterans.

To accomplish this task, VA must transform its HR system to incorporate flexibility, speed, and automation.

**Thomas:** The HR transformation aligns with VA’s strategic plan and the HR line of business.

The HR line of business, an e-government component of the President’s Management Agenda, is a Federal-wide initiative and represents a major change to the way the Federal government manages HR.

The goal of this initiative is to develop a government-wide, cost-effective, standardized, and integrated system of automated products.

**Yvonne:** And the first step in the HR transformation is to provide automated products that offload much of the transactional work currently required of HR professionals.

With less transactional work, HR professionals will increase their HR capacity by providing consulting services that add value to the business of serving veterans.

**Thomas:** For this special edition of Diversity News, Yvonne had the opportunity to sit down and talk with Willie Hensley, the Deputy Assistant Secretary for Human Resources Management, about the HR line of business and VA’s HR transformation.

**Yvonne:** So, what is the HR transformation, and why is it important?

**Mr. Hensley:** Well, Yvonne, first let me say that the HR transformation process is one that we’re very excited about in HR. We’re excited, and the field is excited. And, I want to say that managers are excited about it as well, because they’re helping us determine what HR needs to look like.

But the HR transformation process is not just about developing efficiencies in the organization, putting in place systems and processes that help us better serve our customers; it's about changing our entire business line. It's about changing the organizational culture. It involves making sure that we sustain our "green" status, for example.

We're currently "green" in the management of human capital (under the President's Management Agenda). We are changing the way we work with managers. We feel that we are strategic partners now, at the table for decision making. And that's very important to our managers.

They have said to us, "This is what we want HR to look like." And what we're trying to do is transform the organization to provide the services that managers say they need; and in doing that, we have to become strategic partners.

We have to help managers identify options for helping them to achieve their strategic goals and objectives. We have to be able to help managers define problems and come up with solutions and alternatives that will better serve their customers and their clients, as well.

And we're taking a look at how to leverage and integrate automation in the process. How to use the HR line of business process, e-government initiatives, in an effort to, again, help us redefine our organizational structure and deliver better services, more efficiencies to our customers.

**Yvonne:** You talked about the HR line of business. What is that?

**Mr. Hensley:** Well, the HR line of business is an Office of Personnel Management initiative. It's a government-wide initiative. And, again, it allows us to leverage automation. It's comprised of several systems. It includes an electronic official personnel file. It includes an automated learning management system that allows us to track the management, the training process for our employees. We're able to see how employees are being developed—not just in the central office, but VA-wide. And that's very important when we start talking about succession planning, career pathing, how we develop our employees throughout the organization.

It also includes an automated classification management system that will help us classify positions a lot faster. And I'm sure this is something that managers and supervisors are going to be excited about, because it will help them .to better manage their force, determine what skills they need. And we can do that a lot faster through an automated position management system, a classification system.

It also includes systems that will allow us to convert our PAID system as well. This is an initiative that is being headed by the Office of Management, and it

involves collaboration and partnership with the Defense Finance and Accounting System, where we will abandon the legacy PAID system that we currently use and move to an automated system managed by the Defense Department.

**Yvonne:** Is there more to the HR transformation than just the automated products?

**Mr. Hensley:** Sure, there's a bigger picture, and I think that's the part of the picture that has our HR professionals excited. We asked HR professionals (some 15 hundred around the country), "What are your skills? What skill gaps exist? What do we need to do to help you become more competent in your job?"

And naturally, if we're going to look at how to develop that force, we have to take a look at how we train them. And if we want them now to be consultants at the table with managers, we can no longer have them focused on transactional work.

So, what we're trying to do, and the whole HR transformation process is centered around moving from transactional type work, transforming the organization by leveraging automation and using the automation to not get rid of employees, but rather to build capacity. Building capacity that will allow us to be consultants.

So, it's about more than the automation piece; because in order to sustain and generate the kind of responses that managers want—that strategic partner, that consultant—we need to rebuild our HR profession. And we have identified some 21 core competencies that HR professionals need to exist in order to be a valued member, not only in the HR community but along the business lines of the organization, so that when they come to the table with managers, as strategic partners, they can help managers define their organization, help managers come up with solutions that will allow them to achieve their strategic goals and objectives. And in doing those things, we're able to generate an environment where managers can achieve their mission, support our stakeholders and our customers.

**Yvonne:** Can you tell me more about the initiatives in the HR transformation?

**Mr. Hensley:** In moving away from the PAID system to a DFAS system, we're going to have to develop a whole new automated system that will allow us to track data on our employees. And so, under that umbrella, we'll have an HR information system that will replace PAID and that will complement our DFAS initiative as well.

This will be something that is beneficial not only to our HR professionals, but also to our customers. For example, the electronic OPF (official personnel file). Right now, we have a personnel, a paper file on some 230 thousand employees. When you look at that, that generates some concern for me, as an HR professional, because I can't attract people to HR if they have to work with paper, where other

agencies are working with automation. So, it allows me to recruit, retain, and bring on the best and the brightest to serve our customers as well.

But the bigger picture, the electronic OPF allows the customer (our employees) to see their records, to see it at desktop applications, to view it, to print; it also allows the manager to print and access information in the records—on a “need to know” basis. And so, this is a capability that we’re expanding in the organization, and we’re pushing that service out to where the employees can benefit from it, and where our customers—the managers and supervisors as well—can benefit from it. And they’re all very excited about that.

**Yvonne:** What are some of the other initiatives involved in the HR transformation?

**Mr. Hensley:** There are several other initiatives that we’re working on in HR. Again, these are initiatives that have our customers excited. And they’re the kind of things that are being developed in response to what our customers say they would like to see.

One involves a shared service center concept. And this is very supportive of the HR line of business initiative. It supports a government-wide initiative to move transactional work from our HR professionals to a centralized service center type concept.

VA is exploring, at the present time, an agreement with some of the shared service center providers. For example, Health and Human Services would be a service center. And that service center would perform transactional work.

And when I say “transactional work,” I’m talking about such things as benefits services. They would handle our 52’s, these recruitment actions, the requests to classify positions. A lot of the transactional kind of work that our employees are wrapped around day in and day out will now transfer to a shared service center. And that shared service center will be responsible for performing that work for us.

As a result of that, again, you heard me talk about building capacity in the HR community. By moving away from the transactional work, we allow our HR professionals to do more consulting, to actually sit with managers at the table, be a part of their business meetings. Again, helping them determine the strategic direction of the organization, what kinds of human resources issues need to be addressed in building the organization and, again, how to solve some of the problems, perhaps, that managers may be experiencing. And in order to do that, we have to move to a shared service center type concept.

Another initiative we’re looking at is “pay for performance.” Which, we have changed our entire performance culture in the organization. Where we’re actually linking pay to performance. We’re developing performance plans. We have

moved to the 5-tier performance system. And that is something that is very unique in this organization, where you have 230 thousand employees, and we have now migrated to a single performance management system, a 5-tier system. And that was one of the major components in moving to “green” under the President’s Management Agenda.

But along with that, we have developed a “pay for performance” demonstration project, where we’re looking at pay banding, for example; where we’re looking at other ways of paying employees based on their performance, and keeping VA as competitive as possible with not only the private sector but other government agencies. So that we can recruit the best, we can retain the brightest, and we can create the kind of efficiencies in the organization that will better serve the veterans who’ve served this great nation.

The bottom line is that we are, in moving to automation, a lot of employees are concerned about losing their jobs. What will be the impact if automation comes on board? And what we are looking at doing is moving away from the transactional and leveraging our existing resources from a consultative standpoint.

We do not have enough HR professionals to do the volume and the amount of work we need. And that is why we have to move to automation. And we need to respond to managers’ concerns, that they want us at the table as a strategic partner. And we need to build our workforce, rebuild our workforce in order to support that.

And that gives you sort of an overview of what the whole HR transformation process involves: leveraging existing resources, moving from transactional work to consultative work, leveraging automation in an effort to create not only just efficiencies but to make us a better, more attractive organization when we talk about recruiting HR professionals, and then responding to what managers say they will need in order for HR to be a valued member at the table. What are those core competencies in how we train to make sure that we have developed our workforce to where they can better serve our organization.

**Thomas:** It sounds like the HR transformation will certainly help to positively impact the Department’s continuing efforts to deliver world-class service to our Nation’s veterans.

**Yvonne:** Absolutely! You can find more information on the HR transformation on the HR transformation Web site at the address at the bottom of the screen.

**Thomas:** That’s all we have time for in this edition of Diversity News. We appreciate your watching, and we hope you’ll tune in again next month. Until then, for more frequent updates of diversity news, sign up for our free weekly e-

mail news service: NewsLink. Just send an e-mail message to [dmeeo@va.gov](mailto:dmeeo@va.gov), with the words "subscribe news" in the subject line.

**Yvonne:** And check out our bimonthly newsletter, Diversity@Work, available as a download on our Web site or by e-mail from our office.

Also, we want to hear from you! If you'd like to share your story ideas, comments, or suggestions, please e-mail us at [dmeeo@va.gov](mailto:dmeeo@va.gov) with the words "Diversity News" in the subject line.

Until next time...

**Both:** Have a great month!