Achieving Data-Driven Performance Management in Federal Agencies
Employee engagement is critical for building and retaining a productive, high-performing federal workforce – a factor that’s increasingly imperative to an agency’s success in meeting its mission. But with shrinking budgets and outdated technologies, how can government attain this important goal?

One place to start: replacing outdated pen-and-paper processes with modern, agile technology that can automate workflow and capture and analyze data.

In particular, a data-driven performance management solution can foster engagement by helping agencies align employee objectives with the mission of the agency, measure performance and identify strengths and opportunities. This is the cornerstone for productivity and talent retention.

A modern performance management solution moves beyond online forms hosted on legacy systems. Employees can see the value of their work, making them more engaged in their jobs, enthusiastic about their duties and committed to the agency mission. On top of this, agencies can make better use of valuable human resources and plan orderly transitions as older workers retire and are replaced with younger employees.

Implementing a full performance management solution all at once, however, would be challenging. But it’s not necessary; agencies can take the process one step at a time, beginning with simple steps that can generate quick results. This lets agencies assess impact, identify best practices and reduce the risk of disruptions before rolling out an agencywide solution.

To discuss the value of performance management technology, tailored for the federal environment, and best practices for implementing the solution no matter an agency’s status, GovLoop and Acendre, a leader in performance management, partnered to create this industry perspective.
The Federal Workforce Today

From hiring freezes and budget cuts to an aging workforce and employee engagement, the federal government faces numerous challenges when it comes to hiring, training and retaining top talent. In terms of engagement, federal supervisors are expected to assess their employees’ performance, and the Office of Personnel Management (OPM) has produced a handbook to provide guidance. Unfortunately, the handbook charts a manual process. There is no automated workflow or data capture and analysis to provide visibility. Assessments are subjective and periodic rather than objective, repeatable and continuous, and do not contribute to employee satisfaction or productivity.

“The fundamental problem is engagement,” said Mike Giuffrida, CEO of Acendre, a company that provides a fully integrated federalized talent management system. A lack of employee engagement makes it more difficult to recruit and retain the young, skilled professionals needed to accomplish government’s 21st century missions.

ENGAGEMENT

The lack of engagement is reflected in the OPM’s annual Federal Employee Viewpoint Survey, which measures the level of engagement among government employees. The 2016 survey of more than 400,000 employees across 80 agencies found a 65 percent level of engagement overall, a level that has held flat since 2012. This indicates a lack of engagement among 35 percent of employees. It is noteworthy that the response rate for last year’s survey — 45.8 percent — was the lowest since 2011.

The federal work environment is large and diverse, with agencies ranging in size from fewer than 100 employees to more than 75,000, and it faces a variety of challenges as an employer. But the lack of engagement among employees is an underlying problem across government. Bureaucratic procedures and a lack of clear goals make it difficult for dedicated workers to see clearly how their efforts contribute to their agency’s success. Outdated management processes make it difficult to identify the most productive workers and to spot talents who could be better used.

THE AGING WORKFORCE

The 2016 Federal Employee Viewpoint Survey also highlights another challenge: an aging workforce. The largest group of participants in the survey (46 percent) was the baby boomer generation, born from 1946 through 1964. Generation X, born from 1965 through 1980, accounted for 41 percent and millennials born since 1981 made up only 12 percent.

The boomers began reaching retirement age in 2012, and although many have remained on the job, their exit from the workplace is inevitable. “It’s a huge population in the federal workforce,” Giuffrida said. “When the tide starts to turn, it will be felt seriously.”

But the federal government has not competed well with the private sector for millennials who are needed to fill agency ranks to perform 21st century jobs. “The private sector is more flexible and provides the technology and processes to attract younger workers,” Giuffrida said. This looming generational shift puts a premium on government’s ability to efficiently recruit, manage performance and match talents with needs.
The Case for Performance Management

Effective performance management is more than an annual performance review filled out with paper and pen. An effective performance management solution automates processes, acquires data and makes it available for analysis to identify and align capabilities with needs. It is the foundation for efficiency and the retention of critical talent.

AVOID THE ZERO-SUM GAME

Without the ability to identify critical employee skills, both employees and agencies lose. Agencies cannot take full advantage of the skills already in the workforce, and it becomes more difficult to achieve missions and deliver services. Employees work hard but do not know if they are effective and do not see their contribution to organizational goals.

This can make the best, most productive employees “flight risks,” likely to leave government for the private sector. It also makes recruitment of talented workers more difficult. Without a large, qualified talent pool, agencies find themselves “poaching” skilled workers from other agencies or offices. This creates a zero-sum game in which one agency’s win is another’s loss and governmentwide efficiency suffers.

THE CHALLENGE & SOLUTION

Performance management is not a new idea in the federal government, but there is a growing recognition of its importance. What has been missing is technology that can automate government processes and provide the data to drive effective performance management. This technology has been available to the private sector for years, but government has continued to rely on manual processes only partially supported by legacy information systems that have outlived their usefulness.

That is no longer the case. With performance management technology that is tailored to meet government needs and is flexible enough to adapt to individual requirements, agencies can move to real data-driven performance management to increase productivity and improve employee recruitment and retention.
“Replacing pen-and-paper processes is a journey, not a quick change,” Giuffrida said. Trying to implement a large program all at once can be a high-risk undertaking, prone to cost overruns. The key is implementing the solution in small steps. Giuffrida recommended the following key steps for incrementally bringing data-driven performance management to the federal government.

**1. Align Goals**
Human resource professionals must work with senior management to communicate a clear mission statement supporting performance management from recruitment through retirement. This alignment helps employees appreciate how their duties and accomplishments contribute to the mission and allows managers to establish and realize critical goals.

**2. Make Change Inclusive**
Human resource teams should cultivate a listening culture in which employees know that their concerns and ideas about the ongoing transition are being heard. This fosters employee engagement, empowering and motivating workers who can make critical contributions to the transition process.

**3. Automate Manual Tasks for Immediate Results**
There will be long-term benefits of a transition to performance management, but short-term wins along the way can provide immediate returns and generate rank-and-file support for the process. Automating manual processes and/or moving them to the cloud can improve performance and cut costs in the short run.

**4. Develop a Workforce of Leaders**
Professional development with training to help employees acquire leadership skills improves employee engagement and creates a pool of leaders for the agency. This can improve recruitment, retention and succession planning.

**5. Drive a Modern, Agile Technology Transformation**
Investing in modern, highly configurable technology suited to the processes of individual agencies improves efficiency and reduces the expense of supporting outdated information systems. Modern systems will eliminate cumbersome manual processes for recruiting, onboarding and training while improving cybersecurity.

**6. Use the Power of Analytics**
Analytics tools can provide an immediate return on your investment. Studies have shown that agencies using analytics are twice as likely to improve recruitment efforts and 2.5 times more likely to place the right people in the right jobs. They’re also twice as likely to improve their leadership pipelines.
A Federal Performance Management Solution

By now we know the value of a modern performance management tool to ensure agencies can measure engagement and retain top talent. One such solution, Acendre Performance, can help agencies securely measure performance so they can identify the best talent, which helps pave the way for future achievements throughout the agency.

The Acendre Performance cloud-based solution has been designed to meet federal government security and compliance needs, and is flexible enough to adapt to the specific hiring and employment policies of each office, agency and department, whether it employs 100 workers or 75,000. It can be implemented in stages to reduce costs and mitigate the risk of failure.

Most importantly, Acendre Performance’s interface is easy to use for HR professionals so they, along with executives, managers and employees, can access real-time performance data on any device.
Conclusion

As government grows more complex, budgets become tighter and the competition for skilled workers intensifies, federal HR professionals will face new challenges as well as opportunities to play a more important role in their agencies’ missions. Modern, data-driven performance management will be an increasingly important tool in meeting challenges. By leveraging an agile solution that can be implemented in stages, HR professionals can enable agency success.

ABOUT ACENDRE

Acendre is a worldwide leader in secure cloud-based talent management software. The company’s solutions elevate workforce performance by addressing the unique needs of federal agencies, which require a high level of configurability to manage complex workflows and interoperability challenges. With offices in three continents, the company’s solutions are deployed in over 200 organizations around the globe, including almost 100 federal agencies, helping these organizations recruit, engage, retain and develop their employees to improve workforce performance. A recipient of numerous awards and with almost 400,000 users, Acendre processes over two million resumes a year and over two million transactions every week.

For more information visit acendre.com.

ABOUT GOVLOOP

GovLoop’s mission is to “connect government to improve government.” We aim to inspire public-sector professionals by serving as the knowledge network for government. GovLoop connects more than 250,000 members, fostering cross-government collaboration, solving common problems and advancing government careers. GovLoop is headquartered in Washington, D.C., with a team of dedicated professionals who share a commitment to connect and improve government.

For more information about this report, please reach out to info@govloop.com.