

Testimony by Kate McGovern to the Special Legislative Commission to Study and Provide Recommendations for Changes to the Merit System for Personnel Administration and Personnel Management in the Department of Human Services and the Department of Children, Youth and Families.

December 4, 2023

Madam Chair, Members of the Commission:

I am writing to provide input based on my experience as a former Director of the State of New Hampshire's Bureau of Education and Training and as a practitioner of Lean Process Improvement techniques¹, and the author of two books on the use of Lean in the public sector.²

Lean Process Improvement

The term "[lean](#)" was coined to describe how the Toyota Production System improved quality and reduced waste. These techniques have been applied to manufacturing, finance, health care and government. A robust lean program can improve services, boost employee morale, and free up previously underutilized capacity. Employees disheartened by doing things the "way it had always been done" work collaboratively to identify improvements.

Here's a summary of how it can work. Top leadership sets expectations – for example – to reduce the time between job vacancies and start dates. A manager sponsors a lean project, appointing a project team of the people who do the work throughout the process, across departmental silos if necessary. The team maps the workflow exactly as it is conducted, timing the intervals between handoffs, and evaluating the purpose and value of each step in the process. Then, they redesign the process omitting the non-value-added steps and present it to sponsor for approval. However, not all improvements are within their sponsor's scope of authority. Here's a cautionary tale about hiring at the Veterans Administration (VA).

- Prior to the pandemic, hiring and onboarding could take up to 90 days.
- In May of 2020, the VA streamlined the hiring process to meet the emergency staffing needs and was able to bring on 12,000 new staff in eight weeks. Fingerprinting and other vetting previously required upfront were allowed to occur within the first 120 days of employment. Jessica Bonjorni, VHA's chief officer for workforce management explained, "We were working on making incremental improvements to time-to-hire...But in truth, our private sector counterparts are able to onboard very quickly. This pushed us to get us to a very similar point to our private sector counterparts. It's going to change the way we hire forever."
- That was apparently not the case.
- In March of 2022, the VA sought Congressional authorization to make the changes permanent. However, the request was refused. There was bipartisan agreement that the changes posed too great a risk. Mark Takano (D-CA) noted that "It's not difficult to imagine the worst-case scenario..." Mike Bost (R-IL) also expressed concerns, "The worst thing that could happen is one of our veterans suffer in one way or another by somebody who is either incompetent or has a criminal background. That would be a danger," Bost said.
- In May of 2022, the average hiring period was 95 days. Bonjorni reported that the VA continued to face a workforce shortage and there were 31,000 candidates in its hiring pipeline.

¹ Disclosure note: In addition to my Lean experience at BET, I worked for the States of Vermont, Massachusetts, South Dakota, and Rhode Island, as a consultant with Daniel Penn Associates, LLC which is currently under consideration for a contract renewal here. My previous work here included facilitating Lean projects for the EOHHS/DHS and BHDDH. Also, as a NH state employee, I was active in SEIU Local 1984, and remain a member in retiree status.

² *A Public Sector Journey to Operational Excellence: Applying Lean Principles to Public Policy.* (2023) *A Public Sector Journey to Lean: Fighting Muda in Times of Muri.* (2019)

Lean management understands that the people closest to the work have the best vantage point. Management sets the goals and cross-functional teams design the workflow. And this isn't a matter of "set it and forget it." The overriding principle is one of continuous improvement. The technique of Toyota Kata is iterative. The ongoing collaboration of labor and management is nimble enough to correct for any unintended negative consequences and to innovate going forward. Fixes should not require an act of Congress.

Input on hiring and selection

The Bureau of Education and Training (BET) is part of the NH Division of Personnel (DOP). While my primary focus was in the Certified Public Manager Program and the Lean Belt programs, my colleagues at DOP had responsibilities relating to hiring and selection. Although the circumstances differ, I want to mention a couple of options for consideration.

Merit selection: Public service hiring must be based on qualifications, not connections. Yet, the use of exams has proved challenging for various reasons. When I started at BET in 2008, archaic tests remained in use. For example, one still used the phrase "broken home." I understand that RI had updated the merit exams, and here the issue is timing and process, rather than content. I mention the NH situation because the NH Director developed an option that might be applicable. She authorized the use of structured interviews, as oral exams. Interview panels scored each of the answers to a standard series of job-relevant questions, and tallied the score for each applicant. Since the written exams are now being offered here more frequently, this may not be the time to consider structured interviews. Perhaps it would be worth considering in the future, or perhaps using them for certain positions while keeping written tests in place for others.

Minimum qualifications: The Commission discussed the shared goals of providing access to public service career opportunities and recruiting qualified applicants. As noted, few new graduates in social work meet the required experience, even with an internship. If an agency has the capacity to train those who have a degree with internship experience, perhaps there could be a category of trainee for certain job classifications. The option for trainees to start at a lower pay step might be negotiated with labor partners. Also, various mixes of education and experience could be considered. More education could offset the length of experience required, and vice versa, and opening up the types of acceptable degrees could offer a path for career changes.

Summary and Recommendations

The following are my recommendations based on my Lean experience:

Recommendation: Minimize what goes into statute and rule. Use statutory authority to remove barriers, not to create any new ones. Encourage agencies to make continuous improvements and report progress.

Recommendation: Since Lean processes have minimal hand-offs and redundancy, the PAR process appears to be redundant. Absent a compelling reason to the contrary, the process would be improved by eliminating this step.

I appreciate the opportunity to provide input to the Commission and would be happy to answer any questions or provide more information.

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