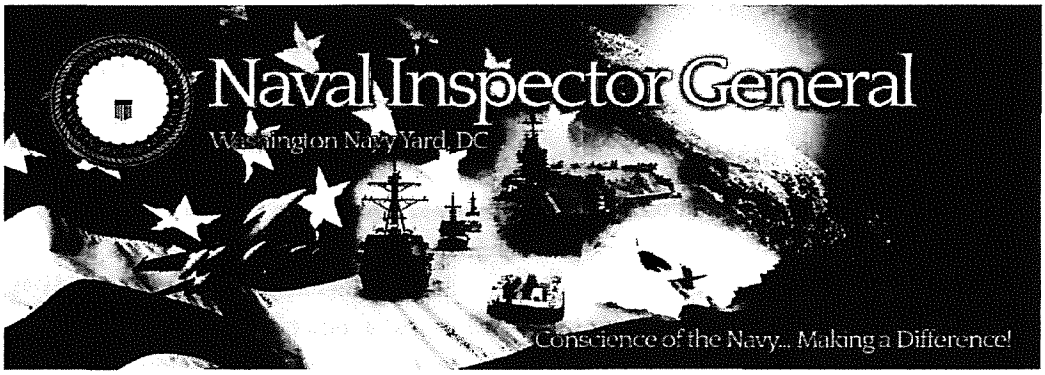
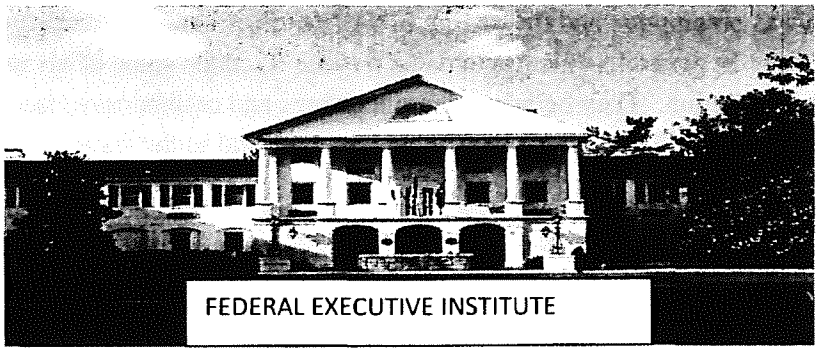


FEI REPORT - NAVINSGEN INTERVIEWS

On March 4, 5 and 6, 2014, three U.S. Office of Personnel Management (OPM) Human Capital Consultants (referred to as OPM Team) conducted 17 structured one-on-one interviews with Navy Office of the Inspector General (NAVINSGEN) employees. In addition, the OPM Team conducted group interviews with the Inspector General, and Deputy IG, Lastly, the OPM Team conducted three focus groups with non-supervisory personnel. Known as a Discovery Process, this interview process follows the respondents' thinking to highlight their underlying concerns. All the interviews were conducted at the Washington D.C. Navy Shipyard, with the exception of three interviews which were conducted telephonically. The consultants assured the participants that all information disclosed during the interviews and focus groups would be confidential and not attributable to a particular individual. The data collected was then aggregated and individually and collectively analyzed by the OPM Team. The results of the interviews and focus groups, as well recommendations for corrective action, are presented in this report for the consideration of NAVINSGEN's leadership.



EXECUTIVE SUMMARY

The current IG, assumed command on September 5, 2013. Most of people interviewed held positive overall perceptions of the IG while acknowledging he faces numerous obstacles in improving the Command's performance and culture. Participants also believe the IG is "swimming against a current" of history and, in some cases, a lack of civilian support. The previous IG was said to be hands-off IG; focused on creating and developing external partnerships while leaving many of the day-to-day operations to the Deputy IG. As such, both the Deputy IG and several Division Directors may still be coming to terms with the contrast of leadership styles and the perceived redistribution of responsibilities and authority. For example, whereas the previous IG rarely, if ever, questioned the respective Deputy Directors' processes, the current IG did so within weeks of assuming command. The IG's questioning is perceived as positive by those who believe he is taking an active look into organizational processes. However, other Deputy Directors felt it was dismissive of their expertise and experience. Therefore they felt insulted and even threatened.

Many of those interviewed also perceive the IG made a few key miscalculations and mistakes shortly after coming on board. Two examples stand out. First, some participants communicated that the IG formed his personal opinion of the organization and its operations too quickly, especially without first consulting with a wider pool of senior-level NAVINSGEN employees. His decision to characterize the Command as "dysfunctional" during an all-hands meeting perpetuated this perception and was deemed as hurtful to others. To some, particularly highly experienced civilians, his words and actions spoke volumes about his lack of full trust and confidence in his subordinates. They felt he "burnt a bridge;" damaging the development of positive and productive profession relationships. Second, some believe the IG could have handled the government furlough more sensitively. Whereas the IG stuck to policy, others believe his decision was preemptive and dismissive of the planning that had already gone into preparing for this event. In general, some participants feel the IG made some of his most important decisions in isolation. They believe a more inclusive and collaborative leadership style would have benefited the IG and NAVINSGEN at the time and in the future.

These examples have already created obstacles for the IG, especially with some of the civilians. Some participants believe there now are individuals whose strategy is to "dig in" to "wait out" the IG. If this is the case, the IG will need to reach out and reengage certain employees in order to gain their support and involvement improving the organization.

These examples have already begun to create obstacles for the IG , especially with some of the civilians. Some participants believe there are already individuals that have dug in to "wait out" the IG . If this is true, then the NAVINSGEN will likely see only minimal improvement and the continuation of the issues. If this is the case the NAVINSGEN will need to reach out and reengage everyone as the organization will need the support and involvement of everyone for a successful improvement initiative.

CLIMATE SYNOPSIS

The findings listed below confirm many of the findings from the last several years of NAVINSGEN Equal Opportunity Climate Surveys. However, the level of emotional intensity regarding these issues is considered to be moderate to high which makes resolution more difficult. The level of consistency and pervasiveness of the issues is also high which makes resolution more difficult. The level of severity is rated as moderate to high. Moderate because it only affects the work periodically, but high because in other areas it affects performance on a more consistent basis.

The opinions and beliefs of many of the respondents were considered to be strong and deeply engrained. This is especially true for some of the more tenured civilian staff. This is undoubtedly due to years of having similar issues reinforce their opinions and beliefs. As such, changing or developing new perceptions through new experiences will be more difficult and take more time.

Typically small organizations (i.e., 200 or less employees) can make substantial organizational improvements in 12 months. That is because it easier to communicate given the smaller number employees. Additionally, behavioral changes at the leadership level can more quickly be observed throughout the entire organization. But, given the depth and intensity of the internal issues within NAVINSGEN, it would be more realistic to anticipate 18 months before the IG will see real and lasting change to occur providing all the same staff remain. If however some of the current employees transfer, retire or change positions within the organization, substantial changes can be accomplished sooner.

Building on these initial findings, the OPM Team employed individual interviews, focus group discussions and personal observation to explore the root causes of these issues. Throughout the assessment, the OPM Team strove to separate the outward manifestation (behavior) or proximate (precipitating) cause of a particular issue from its ultimate (distal) cause. The intent was to enable the Command to more effectively identify the most critical issues and develop successful and sustainable solutions accordingly. For example, low trust in the organization is one of the most frequently cited and unfavorable issues the Command is confronting. But, while low trust has exacerbated many of the Command's issues, it is not the ultimate cause, but rather a consequence, of deeper issues. Many members of the Command perceive a lack of leadership cohesion (primarily at the executive and Division Director levels), resulting in a divide (i.e.,

cliques) in NAVINSGEN that drive the lower levels of trust, organizational commitment and job satisfaction. Many issues evoked strong emotional responses and highly opinionated judgmental responses. This indicates that resolution will need to take place on many levels, the stated problem or symptom, the root cause, and the emotional response or presentation of the problem. Strong emotions bring a level of intensity to the table that often will need to be addressed first before more rational thinking can be engaged.

The OPM Team remained watchful for discriminatory practices (race, religion, ethnicity, gender, sexual orientation, disability or age bias) that might violate U.S. or Navy Equal Opportunity policies. No flagrant acts of discrimination were noted, however several members of the command perceive such biases exist. Many employees have segregated themselves into sub-groups within the organization. These sub-groups include a variety of factors including male - female, majority - minority, military - civilian, N code - function. Many of those interviewed freely self-identified themselves as members of one or several of these sub-groups. Subgrouping compounds many of the issues discussed below, helps to create silos and the appearance of an "in and out" group and to a non-collaborative working atmosphere. There is no sense or belief of "one team, one NAVINSGEN." There is little commonality throughout the NAVINSGEN office. All high performing organizations have internal atmosphere and dynamics that are collaborative, positive, supportive and have the employees discretionary effort. The NAVINSGEN atmosphere can be competitive, hostile, toxic, protective, individualistic and at times may only receive the obligatory efforts of employees.

Overall the OPM Team's findings bode well for developing and implementing sustainable solutions to the negative issues identified below in the foreseeable future. First, the OPM Team uncovered that most member of the Command felt a strong commitment to the organization's mission. While their knowledge and appreciation of the Command and Naval Service varied widely, they expressed pride in the service they perform. Second, most members felt the Command was achieving its mission, albeit in a sub-optimal manner. Third, several members noted that many of the negative issues predated both the current Inspector General and the Deputy Director. Fourth, many members noted that, while initially disruptive, many of the recent Command initiatives were moving the organization in a more positive and productive direction. Numerous members complained about the way in which decisions were made and new efforts were implemented, but lauded the process improvements that resulted. Fifth, most but not all members at all levels in the Command (from Executive to entry-level) expressed their belief that the negative issues could be corrected, and expressed their willingness to support appropriate corrective measures. Nonetheless, several members stated that if conditions within the Command or their Division did not improve they would seek employment elsewhere. Alternatively, others are waiting on career changes within the Command to mitigate the issues or, at a minimum, realign the competing sub-groups.

Synopsized below are the most critical issues currently confronting the Command and impeding optimal-level performance. While dissenting opinions were recorded on both sides of each issue, these finding represent the majority opinion of those interviewed. The critical issues undermining leadership cohesion and thus trust, organizational commitment and job satisfaction include:

- **Decision-Making Procedures.** Members expressed concerns that the organization is employing an autocratic-style of decision-making for many issues. They believe decisions are made without seeking input from subordinate stakeholders. They perceive such directive decision-making as dismissive of their expertise and experience, and believe it impedes the timely, efficient, and effective implementation of the decisions. The Command's decision regarding how to manage the Government closure in October 2013 is the most frequently cited example to support this perception. There appears to be no clear leadership philosophy or style and leadership is personality dependent and in some cases labeled as toxic or debilitating

- **Professional Protocols.** Members expressed concerns with the unprofessional conduct of other members of the Command. Such inappropriate conduct included public shouting matches, open usage of impolite language, and the direction of disrespectful remarks and dismissive mannerisms toward both the senior members of the Command and others. Members also cited the lack of professional courtesy in E-mail message traffic as a trigger for tension and distrust.

- **Organizational Policies and Operating Procedures.** Members observed that due to the lack of clearly defined organizational policies, clear roles and responsibilities, and operational procedures, many Command activities are performed based on the personalities of those involved. As a result, members perceive that rules are applied inequitably and resources are allocated inconsistently, resulting in confusion, frustration, tension and internal competition. Members noted that such ambiguity has not only hampered organizational efficiency and initiatives to improve procedures, but also reinforced existing perceptions of favoritism. When roles and responsibilities are not clearly defined, some task go left undone while others are competed over.

- **Cross-Organizational Collaboration.** While members expressed their desire to work collegially with their colleagues in other Divisions, many believe that

blurred lines of responsibly, restricted communication between Divisions, and lack of collaborative opportunities prevent them from doing so. Several members also cited open animosity between Division Directors and low trust across the organization as barriers to inter-organizational understanding and cooperation.

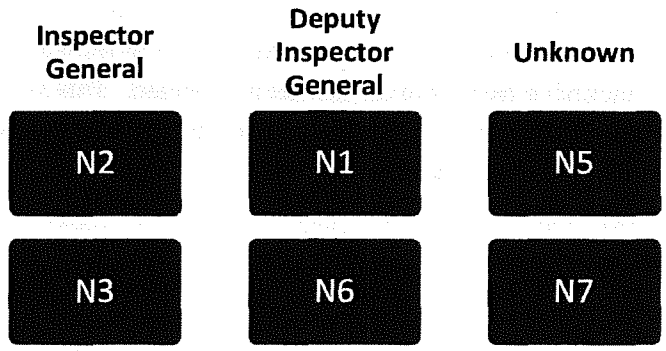
- **Employee Inclusion.** Members expressed concerns with favoritism and the fractionalization of the Command into various sub-groups[1]. Such divisions include male, female, majority, minority, military, civilian, and by division and function. Members readily acknowledged the division of the Command into primarily two camps and the need to align with one or the other to safeguard their careers and obtain access to information, resources and leadership support. Several cited concerns with voicing dissenting opinions due to the fear of professional reprisal. Several members expressed distrust with the Command's formal conflict resolution system, believing it would not properly represent their interests or protect them from reprisals. Consequently, these members do not use the system and instead find unofficial means to elevate their concerns to higher level leaders.

Deputy Directors

Perceptions of the Division Directors are wide-ranging, with some feeling there are Division Directors that are unprofessional and create organizational barriers for completing work while others were said to be productive, and trustworthy. One clear theme was that most all of the Deputy Directors were involved in subgroups (i.e., cliques). There is a perception of two strong, opposing cliques, one supporting the IG and one supporting the Deputy. The understanding of which camp the Division Directors resided in was surprisingly consistent across all of members. This leads the OPM Team to believe that these perceptions are highly observable and cascade down within NAVINSGEN.

An illustration of this divide is presented below. The visualization is presented to paint a picture of the perceived divide these cliques have created in the Command. Cliques also extended to the Legal staff and other front office personnel. But those are not presented here as to focus on the DDs.

[1] Dansereau, Graen, and Haga (1975). *Leader-Member Exchange Theory.* LMX theory addresses the development of two dyads: 1) In-Groups and 2) Out-Groups.



The impact of these cliques is observable and impactful at all levels of NAVINSGEN. Specifically, cliques were said to create favoritism which leads to personal selection (instead of assignment) of easier investigations, a lack of productivity due to individuals engaging in lengthy personal conversations, and the informal establishment of authority that falls outside the defined roles of individuals. The divide also trickles down organizationally in the shape of unprofessional work behavior, including DDs yelling at and belittling each other and their own direct reports. The OPM team was consistently told that the (b)(6) (b)(7) was "at war" with the (b) and (b) We were also informed the (b)(6) (b)(7) and (b) while friends, publicly spar on a regular basis.

Finally, our understanding is that the (b)(6) (b)(7) , director , has, requested a one-year detail assignment. In an effort to improve the short-term dynamics of the DDs, and for strong signal to the rest of the command, approving this request may be a win-win for all concerned.

SYMBOL OF CHANGE

A symbol of change may provide a needed spark for, and show sincerity regarding, organizational improvement. While the OPM Team has no firm recommendations, there were many suggestions from NAVINSGEN employees. They include:

- Making staffing changes;
- Creating teleworking opportunities;
- Establishing internal improvement teams;
- Unifying senior leadership;
- Having Division Directors attend leadership training;
- Executive mentoring sessions.

Almost any significant announcement will be seen as a positive symbol of change for the Command. An announcement would be most impactful if it came from a unified IG and Deputy IG and included sound, inclusive reasoning for the decision made. This symbol would be seen in a positive light and offer a small amount of hope that the organization is taking the process of making organizational improvements seriously.

HEALING

The OPM team was in agreement that if several major issues are resolved the organization would begin to heal itself rather quickly. By far the biggest and most difficult change initiative that is required is the broken interpersonal relationships. In some cases they are more than broken; they are toxic and in a few cases vindictive. These broken interpersonal relations contribute to the acrimonious culture, turnover, complaints, and negative attitudes. As an indication of the severity, several of the respondents mention that the interpersonal relationships are so broken that they thought they were beyond repair. Several respondents' believed that the current situation is not fixable if all the current staff remain. They may be right and the OPM team itself was uncertain.

While the OPM team felt that improvement was definitely needed and possible, the level of improvement will depend on the resolution and forgiveness for past indiscretions, attitude change and the willingness to mend relationships . This will depend on how much effort everyone is willing to commit to this improvement initiative. It will depend on how motivated staff is to look at their own behavior and make changes, and on how important the mission of the IG is to them. Surface harmony, which would be a substantial improvement, may be all that the NAVINSGEN can reach with the current staff. It is interesting to note that while everyone complained about others, few were aware and sensitive to their contribution to the problem. Most individuals saw the problem as out there and that thought process itself is part of the problem.

The seriously damaged relationships were in 3 areas: the (b)(6) ; between (b)(6) and many of the other codes; and between various DD's. While there may be other relationships with equal strain, the OPM team did not see any evidence of strongly damaged relationships at the lower levels. However this should be taken with some caution since only a few individuals were interviewed at this level.

If and when conflicts are resolved, past issues forgiven and the relationships begin to improve the NAVINSGEN can anticipate that the trust levels will go up, the culture will become less toxic, there will be less complaints and turnover, and greater productivity.

Division Directors relationships tend to be conflicted overall, but within the cliques are generally cooperative and pleasant. The leadership style of some of the Deputy Directors tends

to be harsh, occasionally resulting in yelling and swearing. These individuals tend to be avoided. For example, some people might need a(b)(6) and will ask what (b)(6) are In the house today and if it is certain (b)(6), then they merely wait until other (b)(6) are available. This adversely affects the productivity of the IG. The OPM Team believes that the toxic leadership that is exhibited by some individuals is destructive and must be stopped quickly if the organization is serious about improvement. Their style denigrates the individuals, directly contradicts the Navy values of Honor, Courage and Commitment, and adds to the low trust and toxic culture. No good will comes from this style of leadership.

There exist a fear of retaliation which is harmful to all relationships and especially harmful to the building of trust and openness. This fear has caused people to take the civilian side, believing that when the current IG leaves there will be repercussions from the civilian leadership which would be remaining.

The OPM team believes that the current situation is unacceptable to most staff and will get worse if something is not done to turn the situation around. Since organizations do not change themselves, it is the work of senior leadership to improve the organization, its procedures and climate. All senior leaders from DD on up are responsible for improving the organization and should be involved in any improvement efforts.

RECOMMENDATIONS AND OPTIONS

Short Term (six months)

- The OPM team recommends either additional interviews with the DD's to gain a deeper understanding of their concerns and to build trust , and/or the observing of several meetings to see first hand the interaction between the DD's and then feedback time with appropriate members.
- A 360 individual assessment with individual focused and short term (3 months) coaching. The goal would be to change behaviors and improve relationships. This option might be extended to the senior leadership as well.
- Leadership training An Extended Leadership Development Program (ELDP) is recommended for all of the DDs. This program is a year long program with on site class time every other month and intercession work throughout the year. The curriculum would be tailored to the IG needs and would be mutually decided upon. Examples of past curriculums delivered to other agencies is in Attachment A.

- Conflict resolution among the DD themselves which can be done one on one and in workshops. While the training might be a model of conflict resolution, the application would focus on resolving issues with internal relationships.
- Identification of roles and responsibilities for each DD.
- Development and recommendation to command a values statement for the NAVINSGEN. This values statement (or code of conduct) would focus on how the NAVINSGEN employees will treat each other while they are work. This would be an excellent project for an internal team.
- Implement improvement teams. Build an internal infrastructure that will support the improvement initiatives and the overall vision of where the NAVINSGEN is heading
- Stop destructive practices such as nasty e mails or yelling and swearing

Long term

- Continue to build and improve relationship across the command (mutual training events, social events, conflict resolution sessions when intense, one on one conversations, coaching sessions, etc.)
- Hold people accountable for both their results and their behaviors
- Break down the clicks by being inclusive and assigning mutual work
- Resolve the military/civilian discord and work collaboratively
- Stop any perception of favoritism
- Consider moving everyone in one location
- Realignment or reorganization of senior positions