



Memorandum from the Office of the Inspector General

September 28, 2018

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**FINAL REPORT – EVALUATION 2018-15583 – ORGANIZATIONAL EFFECTIVENESS
FOLLOW-UP – HUMAN RESOURCES' EMPLOYEE HEALTH**

The Office of the Inspector General (OIG) previously conducted an evaluation of Human Resources¹ (HR) to identify strengths and risks that could impact HR's organizational effectiveness. Our report identified several strengths and risks along with recommendations for addressing those risks. In response to a draft of that report, Tennessee Valley Authority (TVA) HR management provided their management decision. The objective of this follow-up evaluation was to assess management's actions to address risks included in our initial organizational effectiveness evaluation for one of the organizations three departments—Employee Health (EH).

In summary, we determined EH has taken actions to address some of the risks outlined in our initial organizational effectiveness evaluation. However, two of the five recommendations we made remain unresolved, including (1) the medical case management process and (2) inclusion concerns.

BACKGROUND

HR is a business unit under TVA's Chief Human Resources Office. As of September 23, 2016, the date we initiated our original review, HR was comprised of Human Resource Business Partnerships, Labor Relations, and EH.² EH is responsible for assessing the health status of each employee to determine their suitability to work safely and meet regulatory standards as a condition of TVA employment. This is accomplished by determining an employee's fitness for duty based on their health capacity as compared to their respective job functions. The department consists of medical professionals, including a senior physician, nursing staff, and medical technicians, tasked with providing medical consultation, conducting medical case management activities, and maintaining medical information. The department also consists of persons responsible for non-nuclear fitness for duty and workers' compensation. Oversight responsibilities of personnel within the department include serving as program administrator of medical case management, overseeing medical restrictions and leave trends, and conducting audits on EH programs to ensure compliance and consistency.

¹ Evaluation 2016-15445-05, *Human Resources' Organizational Effectiveness*, September 26, 2017.

² According to organizational data dated August 10, 2018, EH was located under Compensation and Benefits, which is another organization reporting to the Chief Human Resources Office. Therefore, we assessed management actions specific to Human Resource Business Partnerships and Labor Relations in a separate evaluation (Evaluation 2018-15582, *Organizational Effectiveness Follow-Up – Human Resources*, September 27, 2018).

In our previous organizational effectiveness evaluation of HR, we identified strengths and risks related to EH and provided recommendations to address those risks. Specifically, we recommended³ the Vice President, HR:

1. Address the performance management risks identified in the report to ensure all employees are given an opportunity to have participative and reasonable performance goals.
2. Address the concerns regarding training and resources to ensure employees have the necessary tools required to perform their responsibilities.
3. Identify ways to improve applicable managers' leadership skills and ensure each manager is demonstrating TVA's values and competencies.
4. Address execution risks by refining the medical case management process in order to reduce the amount of time spent on administrative tasks and clarifying the role EH plays in leave abuse.
5. Address the concerns pertaining to inclusion by continuing dialogue with employees to gather differing opinions and encourage employees to voice their differing opinions without fear and promote inclusive behaviors regardless of location, position, or personal style.

This report covers our review of EH's actions taken to address the risks from our initial organizational effectiveness evaluation. Please see the Observations section for a discussion of the risks previously identified and management's actions.

OBJECTIVE, SCOPE, AND METHODOLOGY

Our objective was to assess management's actions to address risks included in our initial organizational effectiveness evaluation. To achieve our objective, we:

- Reviewed Evaluation 2016-15445-05 to determine the risks previously identified.
- Reviewed management decision dated December 4, 2017, to identify planned and completed actions.
- Developed questions for management and employees designed to obtain information and perspectives on EH's actions.
- Selected a nonstatistical sample⁴ of 15 individuals from a population of 28 who were interviewed as part of the initial evaluation. We selected individuals from both Medical Services and EH Programs and interviewed them to obtain perspectives on EH management's actions.
- Reviewed data and documentation associated with EH management's actions.

³ We excluded recommendations specific to Human Resource Business Partnerships and Labor Relations as these were tested in Evaluation 2018-15582, *Organizational Effectiveness Follow-Up - Human Resources*, September 27, 2018.

⁴ We judgmentally selected individuals for interviews.

This evaluation was performed in accordance with the Council of the Inspectors General on Integrity and Efficiency's *Quality Standards for Inspection and Evaluation*.

OBSERVATIONS

In summary, we determined EH has taken actions to address some of the risks outlined in our initial organizational effectiveness evaluation. However, two of the five recommendations we made remain unresolved, including (1) the medical case management process and (2) inclusion concerns. See Figure 1 for our observations regarding management's actions.

FIGURE 1: MANAGEMENT'S ACTIONS AND OUR OBSERVATIONS

Risk	Management's Actions	OIG's Observations
Performance Management	Management stated they ensured consistent expectations for goal setting were communicated across the HR organization in fiscal year (FY) 2018.	<p>We reviewed documentation provided by EH management showing that communication of expectations for goal setting, including providing goals that aligned with upper management, was provided to responsible managers. We also obtained FY2018 performance management documentation for 27⁵ individuals in EH and tested the goals for alignment with job descriptions and management goals. We determined goals aligned without exception.</p> <p>We obtained feedback related to goal input and goal achievability to ascertain reasonableness of goals from a sample of 15 EH personnel and found the majority of personnel we interviewed agreed they had goal input and goals were achievable.</p>
Training and Resources	Management stated they have addressed training with concerned individuals and will continue to appropriately allocate resources through the annual business planning cycle.	We reviewed documentation provided by EH management showing that employees had been approved for required as well as nonrequired training classes. We also obtained feedback from our sample of EH personnel and determined the majority of individuals provided positive comments related to training. In addition, a few individuals provided positive comments related to resources outside of staffing.
Management Leadership Skills, Values, and Competencies	Management stated that performance management and development steps were in place for identified leaders. ⁶	Since our prior evaluation, management took actions to address the identified behaviors. Because EH had reorganized since our prior evaluation, we obtained feedback from employees related to whether EH leadership was exhibiting values and competencies to determine whether issues still existed within EH. The majority of persons interviewed felt that management exhibited values and competencies; however, a few individuals indicated there is room for improvement in certain areas.

⁵ The EH population was 28 individuals; however, 1 individual was new to EH and did not have a performance review document for FY2018.

⁶ Identified leaders refers to "applicable managers" identified in the prior evaluation and addressed in Recommendation No. 3.

Risk	Management's Actions	OIG's Observations
Execution Risks	Management stated that initial refinement of the medical case management process (e.g., development and implementation of centralized scheduling) has been completed, and they will continue to evaluate and improve the process as needed.	<p>In the original report, employees expressed concerns with various aspects of the medical case management process, including (1) addressing sick leave abuse, (2) increased workload requirements, and (3) administration of the disability accommodation review process. Management indicated the actions taken to address these concerns include (1) revising TVA-SPP-11.520, <i>Health and Occupational Wellness</i> (formerly <i>Medical Case Management</i>), to clarify roles and responsibilities; (2) removing administrative tasks from the case managers, which allows them to focus on providing medical treatments; (3) requiring line management to perform follow-up requests for sick leave documentation; and (4) developing a user guide for the accommodation review process (which is currently under review by TVA's Office of the General Counsel and Equal Opportunity Compliance department and has not been implemented).</p> <p>We obtained feedback from our sample of EH personnel and determined about 45 percent⁷ of the respondents still had concerns. Specifically, some individuals still had negative views of the case management process, including the perception that changes have resulted in increased workload.</p>
Inclusion Concerns	Management stated they are continuing to promote an inclusive environment and address concerns relative to promotions and assignments through increased leadership visibility and connections with the workforce.	We obtained feedback from our sample of EH personnel and determined 50 percent ⁸ of the respondents still had concerns. Some specific examples cited included (1) instances of favoritism on special project assignments, (2) staffing cuts and workload decisions being made without discussing it with the individuals who are affected, or (3) more of a focus being placed on HR than EH.

We determined EH has taken actions to address some of the risks outlined in our initial organizational effectiveness evaluation. However, two of the five recommendations we made remain unresolved, including (1) the medical case management process and (2) inclusion concerns. As a result of some concerns being unresolved, the OIG will conduct an additional review within FY2019.

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⁷ Four individuals did not respond because they had little or no involvement in the medical case management process.

⁸ One individual had no opinion.

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This report is for your review and information. No response to this report is necessary. If you have any questions or need additional information, please contact Andi R. McCarter, Senior Auditor, at (423) 785-4831 or Lisa H. Hammer, Director, Evaluations – Organizational Effectiveness, at (865) 633-7342. We appreciate the courtesy and cooperation received from your staff during the evaluation.



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