

Senate Armed Services Committee
Subcommittee on Readiness and Management Support
Best Practices at Public and Private Shipyards
Testimony of Paul O'Connor

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Chair Ayotte and Ranking Member Kaine, as well as other distinguished members of the subcommittee, thank you for the opportunity to testify on shipyard best practices.

I admire this subcommittee's goals of identifying public and private shipyard best practices, assessing the impact of those practices on performance, and encouraging their dissemination across the Department of Defense.

I believe Portsmouth Naval Shipyard has pioneered several best practices that have improved performance there and can do the same elsewhere.

In 2010, in order to improve performance at Portsmouth Naval Shipyard, a joint Labor/Management (L/M) team initiated the Renewal of Shipyard Values and Pride (RSVP) program. Up until that point, our shipyard business model focused primarily on schedule and process. Our collective goal was to reinvigorate our workforce by focusing on values. Of course, we did not ignore schedule and process. We simply believed aligning values creates the greatest opportunity for success.

Through a series of RSVP sessions, our L/M team introduced most of our workforce to our value-based construct with the understanding that our values form our beliefs which drive our attitudes, behaviors, and actions. We believe if we get the values "right," we will ultimately improve performance.

In these RSVP sessions we offered one basic premise: Today is the perfect shipyard day and you are the perfect shipyard employee.what does that look like to you? We logged every comment, every idea, and every frustration. The message from our workforce was loud and clear. Their driving concerns were value-based not schedule/process-based. They wanted their voices heard. They also wanted a greater understanding of how their individual pieces fit into the greater shipyard picture. It was not enough to know, myopically, what their specific job was for the day. They wanted to know how that job fit into the general overhaul and how the overhaul fit into the shipyard's larger maintenance program. The more we understand of the 'big picture,' the more likely we are to catch inconsistencies at the jobsite and within our purview. Our workforce wanted more ownership in the shipyard. Up until now, we had made them responsible and accountable without ownership (responsibility and accountability with no buy-in). Our workforce wanted a greater sense of trust, respect, dignity, and integrity.

With all this information, the volumes of comments and ideas expressed by our workforce through RSVP, our L/M team began drafting the document, a collective shipyard vision which became known as our Declaration of Excellence (DoE). The DoE was truly inspired, drafted, and, ultimately, validated by our shipyard workforce. Our DoE focuses on values, beliefs, attitudes, and behaviors. It speaks of teaching and learning. I can learn as much from a new employee as that employee can learn from me. Our DoE speaks of respect, trust, integrity, and dignity, both personally and as teams. Our DoE empowers our workforce to stand-up and speak-up while focusing on professionalism and civility. Our DoE is our shipyard vision, as well as the foundation of a collaborative, value-based business model.

As a result of our shipyard's RSVP sessions, our L/M team developed two primary tenets to guide our way forward:

1. Men and women at the jobsite have the best ideas on creating efficiency at the jobsite.

Although everyone nods in agreement, historically, throughout industry, only a handful of senior managers are considered the 'idea folks.' If you want to engage a workforce quickly and effectively, listen to their ideas, act on them, and provide quality feedback. Our shipyard employs approximately 6,000 men and women. Imagine 6,000 men and women coming to work every day knowing their voices will be heard and what that means for each of them and our shipyard from the moment they get up in the morning,

to when they go to bed at night. Now, embed that philosophy throughout DoD. Imagine 800,000 men and women coming to work knowing their voices will be heard.

2. ***Maximum performance requires maximum workforce engagement.*** For each employee not engaged, for each employee we leave behind, we limit our performance potential. When we engage a workforce, we engage their hearts, as well as their minds.

During the RSVP sessions, our workforce came up with some amazing ideas. Here are two examples:

1. ***Learning Centers-*** Our workforce has developed elaborate Learning Centers (mock-ups) which allow new employees the opportunity to learn their trade and experienced employees the opportunity to ‘brush-up’ on a job in a safe environment. These Learning Centers are actual submarine components removed from de-commissioned submarines and assembled in our trade’s shops. These Learning Centers allow trades and assist-trades to work together in coordination, preparing for specific jobs on our submarines. These Learning Centers are helping create a synergy between trades and support codes (i.e. engineers, sailors, inspectors, etc.). Our structural shop has built a Learning Center, which is a full scale replica of a section of a lower-level 688 Class submarine machinery space. Our Painter/Blasters have put together a Learning Center consisting of a series of enclosed tanks cut from decommissioned submarines. Learning Centers are popping-up all around our shipyard helping to create camaraderie, as well as efficiency. Prior to the concept of Learning Centers, our new employees’ first experience on actual submarine components and/or submarine compartments was on the submarine. When a new employee makes a mistake in a Learning Center, it is a learning moment. When a new employee makes that same learning mistake on a submarine, it is re-work, resulting in delays and cost growth. Up until the wide-spread inception of our Learning Centers, we could train employees only when jobs were scheduled on submarines and only on those submarines needing that specific work. Our Learning Centers have reduced training time, in some cases, from years down to weeks. The Learning Centers have created an engaged, collaborative, skilled, and productive workforce, while reducing training time and re-work.

2. ***Material Control Mechanics-*** A Material Control Mechanic (MCM) will locate, procure, and pre-stage tooling and material for numerous jobs within the trades. As a trades mechanic, once I brief my job with my supervisor, I walk 50 feet to my shop's MCM staging area, locate the bin associated with my job, take the tooling and material, and proceed to my jobsite. Prior to the inception of the MCM, each trades mechanic was responsible for finding their own tooling and material throughout the shipyard before heading to the jobsite—this was time-consuming and frustrating.

These two ideas—Learning Centers and MCM's—are estimated at saving our shipyard \$5 million annually. That is the value of an engaged workforce. These ideas only exist because we listened to our workforce. This point cannot be overstated and must not be undervalued. The most important aspect of all our workforce engagement initiatives is this: We listen to our workforce.

Our L/M team has developed a robust, employee-focused Ideas Program. This Ideas Program is a joint L/M initiative with labor and management co-leads in all trades shops. We have Idea Boards throughout the shipyard. If you have an idea, you put it on the board. As the idea originator, you are kept actively engaged with the idea throughout the process. This program is proving to be quite successful. Our L/M team sees the actual ideas as a secondary benefit. The primary benefit is this: once an employee engages in ideas, he or she will most likely be engaged in all aspects of our shipyard organization.

Prior to the inception of our shipyard's RSVP Program, our performance was flat with many projects, our submarine overhauls over budget or behind schedule. Since 2012, and since our RSVP initiatives have gained traction, all our projects have been 'In-The-Green', which means on budget and on schedule. In that timeframe, most of our projects have been under budget, ahead of schedule, or both. The only significant change in that timeframe has been our workforce engagement initiatives. Coupling the Learning Centers and the MCM program with a newly designed Ideas Program has helped to re-invigorate our shipyard workforce. Our focus on collaboration and inclusion is helping to break down barriers which have existed for decades, barriers built by perpetuating archaic stereotypes and barriers built into our work processes and practices.

We are not talking about a few process changes. We are talking about a significant cultural shift, a shift which fosters creativity and collaboration where we are all empowered to stand-up and speak-up, to think out-of-the-box, to teach-and-learn with intent, to be reliable, respectful, civil, and professional.

What's Next?

Our current initiative, Portsmouth Pride, Respect, and Ownership (PRO), is designed to further engage our workforce by connecting-the-dots since our initial rollout of RSVP. It also introduces our newest employees to our collaborative process, our focus on trust, respect, integrity, and dignity at the jobsite, and our expectation of teaching and learning with intent. This initiative will be ongoing, continually striving to reach the ideals and vision of our DoE.

We are currently working with the Naval Sea Systems Command (NAVSEA) Labor/Management Partnership Forum to promote our DoE philosophies throughout the NAVSEA maintenance community. As co-chairs of this partnership forum, Admiral Hilarides (Commander of NAVSEA) and Ron Ault (Metal Trades Dept, AFL-CIO) continue to work with our shipyard, introducing and fostering our vision enterprise-wide.

A parallel initiative (New Beginnings) exists within DoD, an unprecedented collaboration of Labor and Management. In 2011, thirty federal sector labor leaders joined thirty federal sector managers to create, develop, and recommend improvements within three arenas of DoD's federal personnel system: Performance Management, Hiring Flexibilities, and Awards. These sixty men and women represented a cultural and professional cross-section of DoD's organizational structure. Our desire and intent to collaborate drove a value-based focus within the three arenas. As a member of this initiative, I could not help but realize the obvious; our value-based focus was in concert with our Portsmouth Naval Shipyard workforce engagement initiatives. Both initiatives require, promote, and embed philosophical elements to achieve the necessary cultural shift in order to maximize their greatest potential.

At this point, we are less than one year away from our initial roll-out of DoD's adopted changes recommended by our New Beginnings joint L/M teams. Our guiding body, the DoD Roundtable (the highest level L/M partnership forum in DoD), has been involved from the start and has matured into a highly functional, highly collaborative, working forum.

I see this initiative as a means of advancing an overdue and much-needed cultural shift in DoD.

Conclusion

While we have made tremendous progress at Portsmouth Naval Shipyard and our performance has been strong, our work continues. Cultural change does not occur overnight. Yet, what began as a vision for a handful of shipyard leaders (both Labor and Management) back in 2010 has grown in five years to grasp the hearts and minds of our workforce and has turned the heads of America's leaders of industry, both Labor and Management in both the public and private sectors. The success of our workforce engagement initiatives can be measured by our performance. We are shifting from a fear-based business model to a value-based business model and that transition is making all the difference. Working collaboratively compels individuals to develop relationships breaking down those self-created, self-imposed barriers. The Portsmouth Naval Shipyard is the U.S. Naval Maintenance Enterprise Performance Standard-Bearer. Imagine where our shipyard will lead our Navy when all 6,000 of us at the Portsmouth Naval Shipyard understand, exemplify, and promote the values of our DoE. Further, I envision our DoE philosophies spread across all of DoD and throughout the entire Federal Sector. Through collaboration, with vision, our initiatives will transform the way our government does business.

It will take a lot of hard work but let me be very clear. Our shipyard is a federal, nuclear, military facility. It is difficult to find a more rigid, hierarchal-managerial construct than that. If we can do it, everyone can do it. We can accomplish so much more when we all work together. The Portsmouth Naval Shipyard will lead our Nation as we lead our Navy towards a more successful future.

Thank you again for the opportunity to testify before this subcommittee.