



**Memorandum from the Office of the Inspector General**

October 12, 2023

Kevin L. Tarver

**REQUEST FOR MANAGEMENT DECISION – EVALUATION 2023-17430 –  
ORGANIZATIONAL EFFECTIVENESS – TECHNOLOGY PORTFOLIO MANAGEMENT**

Attached is the subject final report for your review and management decision. You are responsible for determining the necessary actions to take in response to our findings. Please advise us of your management decision within 60 days from the date of this report. In accordance with the Inspector General Act of 1978, as amended, the Office of the Inspector General is required to report to Congress semiannually regarding evaluations that remain unresolved after 6 months from the date of report issuance.

If you have any questions or wish to discuss our findings, please contact Amy R. Rush, Evaluations Manager, at (865) 633-7361 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.

David P. Wheeler  
Assistant Inspector General  
(Audits and Evaluations)

ARR:FAJ

Attachment

cc (Attachment):

TVA Board of Directors

Megan Andersen

Brett A. Atkins

Brandy A. Barbee

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OIG File No. 2023-17430



Office of the Inspector General

# *Evaluation Report*

To the Director,  
Technology Portfolio  
Management

# ORGANIZATIONAL EFFECTIVENESS – TECHNOLOGY PORTFOLIO MANAGEMENT

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Evaluation Team  
Amy R. Rush  
Jessica L. Monroe

Evaluation 2023-17430  
October 12, 2023

## **ABBREVIATIONS**

FY	Fiscal Year
PMO	Project Management Office
SPP	Standard Programs and Processes
T&I	Technology and Innovation
TPfM	Technology Portfolio Management
TVA	Tennessee Valley Authority
VM&O	Vendor Management and Origination
WMO	Work Management Office

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- A. TVA VALUES AND LEADERSHIP COMPETENCIES
- B. MEMORANDUM DATED SEPTEMBER 29, 2023, FROM TAMMY WILSON TO DAVID P. WHEELER



# Evaluation 2023-17430 – Organizational Effectiveness – Technology Portfolio Management

## EXECUTIVE SUMMARY

### Why the OIG Did This Evaluation

Organizational effectiveness, as defined in this evaluation, is the ability of an organization to achieve its mission and goals. Due to the importance of alignment between strategy, team engagement, and operational performance, the Office of the Inspector General is conducting organizational effectiveness evaluations of business units across the Tennessee Valley Authority (TVA). This evaluation focuses on Technology Portfolio Management (TPfM), a business unit within the Chief Financial and Strategy Officer's Technology and Innovation (T&I) organization.

T&I's mission is to deliver secure, reliable, compliant, and innovative technology solutions to improve the safety and productivity of the workforce and enhance the performance of TVA assets. In support of that mission, the TPfM organization is responsible for leading technology investments, executing T&I and enterprise projects, driving optimization through the prioritization of technology investments for TVA, and managing partnerships with vendors to maximize the value for TVA. These responsibilities include defining and driving the strategic information technology project portfolio alignment, managing the strategy around that portfolio, and assuring that T&I projects are delivered on time, on budget, and with expected functionality. In addition, TPfM establishes and maintains relationships with vendors providing products and services to the T&I organization and reviews vendor performance. The objective of this evaluation was to identify factors that could impact TPfM's organizational effectiveness.

### What the OIG Found

Interviews with TPfM personnel revealed positive interactions within TPfM. However, we identified issues that included engagement risk in one group that affected morale. We also identified opportunities to improve (1) performance of the T&I mission pertaining to role clarity and execution and (2) communication and collaboration with business partners.



# Evaluation 2023-17430 – Organizational Effectiveness – Technology Portfolio Management

## EXECUTIVE SUMMARY

### What the OIG Recommends

We recommend the Director, TPfM, address (1) engagement risk in one group, (2) concerns pertaining to role clarity and execution, and (3) business partners' collaboration and communication needs.

### TVA Management's Comments

TVA management agreed with our recommendations. See Appendix B for management's complete response.

## **BACKGROUND**

Organizational effectiveness, as defined in this evaluation, is the ability of an organization to achieve its mission and goals. Due to the importance of alignment between strategy, team engagement, and operational performance, the Office of the Inspector General is conducting organizational effectiveness evaluations of business units across the Tennessee Valley Authority (TVA). This evaluation focuses on Technology Portfolio Management (TPfM), a business unit within the Chief Financial and Strategy Officer's Technology and Innovation (T&I) organization.

T&I's mission is to deliver secure, reliable, compliant, and innovative technology solutions to improve the safety and productivity of the workforce and enhance the performance of TVA assets. In support of that mission, the TPfM organization is responsible for leading technology investments, executing T&I and enterprise projects, driving optimization through the prioritization of technology investments for TVA, and managing partnerships with vendors to maximize the value for TVA. These responsibilities include defining and driving the strategic information technology project portfolio alignment, managing the strategy around that portfolio, and assuring that T&I projects are delivered on time, on budget, and with expected functionality. In addition, TPfM establishes and maintains relationships with vendors providing products and services to the T&I organization and reviews vendor performance. TPfM's responsibilities are carried out by four groups: Portfolio Optimization, Project Management Office (PMO), Vendor Management and Origination (VM&O), and Work Management Office (WMO).

- Portfolio Optimization provides governance and oversight within T&I for budgeting, the business financial plan, and project functions, including scheduling, cost control, and metrics reporting. Other responsibilities include serving as a liaison between T&I and business partners to align the project portfolio, providing oversight of the project approval process, and ensuring alignment with TVA's project management standards. This includes reviewing project plans and submittals for quality and accuracy and facilitating Project Approval Board<sup>1</sup> meetings with T&I senior leadership.
- PMO governs execution of T&I projects, including management of scope, schedule, risk, and cost in alignment with industry best practices, lessons learned, standards, and documented practices. This includes being responsible for active project budgets, which totaled \$94.9 million as of April 2023. Additional responsibilities of the PMO include planning and implementing T&I projects and programs, developing and maintaining enterprise-wide standards for T&I project management, and providing oversight to ensure project issues are recognized early and corrective actions are implemented so that projects are delivered with expected functionality.

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<sup>1</sup> The Project Approval Board is a group of individuals who, among other things, provides oversight for projects and programs and serves as the control point for project approval.

- VM&O is responsible for engaging technology providers to fulfill TVA business needs and for governing the T&I strategic portfolio of partners, including vendor relationships and performance management, strategic negotiations, and renewals related to T&I licenses and subscriptions. Other responsibilities include ensuring technology origination uses industry best practice to negotiate commercial information technology transactions. Specialists within the group are expected to execute programmatic strategies and initiatives, ensuring an accurate account of all technology lifecycle costs.
- WMO provides governance and oversight and has some execution and support responsibilities related to demand, capacity, resource management, agile project management<sup>2</sup> practices, and work execution. WMO personnel oversee technology product delivery initiatives, systems, solutions, projects, programs, and vendors to assure that deliverables are managed, initiated, and completed on schedule and within budget. Responsibilities also include growing the agile project management methodology and serving as a key resource for T&I in the agile framework.

In fiscal year (FY) 2022, the T&I organization selected a group of individuals to temporarily serve as the T&I Workforce Development group.<sup>3</sup> These individuals were tasked with (1) building the T&I intern program as a talent source to close long-term skills gaps, (2) building training and knowledge pathways for technology of today and tomorrow, and (3) establishing efficient and effective onboarding processes. In response, the team utilized the intern program to add skilled T&I labor and provided T&I employee orientation for new employees. The team also began developing T&I training programs for career progression and building a communication strategy to increase awareness for T&I workforce development initiatives.

Other FY 2022 changes occurring within TPfM included (1) the restructuring of the T&I PMO to add specific TPfM teams to better support cybersecurity and business planning efforts and (2) a partnership between WMO and Portfolio Optimization to align the business planning and investment request approval processes with T&I's operating model. These changes were to provide a heightened level of focus on data quality to enable data-driven decision making in order to set the foundation for nearly \$100 million in T&I annual project spend. In addition, a TPfM director was selected to lead the organization.

TPfM's FY 2023 planned initiatives included (1) strengthening organizational education and financial literacy to enable appropriate budget management; (2) collaborating with partners to define an integrated execution process for projects, programs, and agile teams as appropriate; and (3) developing and socializing programmatic vendor management, origination, and procurement

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<sup>2</sup> Agile project management is a method of project management that is characterized by the division of tasks into short increments of work, which are frequently assessed, allowing adaptation to the project plan.

<sup>3</sup> The T&I Workforce Development group, primarily housed within TPfM, was to be disbanded 1 year earlier than planned because of the progress made in relation to workforce development. Some members were slated to join other groups within T&I, including TPfM, in the fourth quarter of FY 2023.



strategies. Other FY 2023 initiatives were related to identifying efficiency opportunities with TVA's Supply Chain organization and introducing agile adoption and integrated organization planning into T&I. Metrics tracked by TPfM included project health scores,<sup>4</sup> vendor performance, monthly forecast accuracy, and project readiness score composite.<sup>5</sup> All metrics with the exception of the project readiness score composite were better than the FY-to-date target, as of March 2023.

As of April 10, 2023, TPfM consisted of 90 employees, including interns (14). The structure of the organization included 13 employees in Portfolio Optimization, 26 employees in the PMO, 20 employees in VM&O, 21 employees in Work Management, 8 employees on the Workforce Development team, a senior program manager, and a director. TPfM staffing also included 64 contractors.

## **OBJECTIVE, SCOPE, AND METHODOLOGY**

The objective of this evaluation was to identify factors that could impact TPfM's organizational effectiveness. We assessed operations as of March 31, 2023, and culture at the time of our initial interviews and fieldwork, which occurred April 18, 2023–June 27, 2023. To complete the evaluation, we:

- Reviewed TVA's Financial Services' and T&I's business plans for FYs 2023–2027 and TVA's FY 2023 Enterprise Risk information pertaining to T&I to gain an understanding of initiatives, metrics, and/or risks within TPfM.
- Reviewed TVA values and competencies (see Appendix A) for an understanding of cultural factors deemed important to TVA.
- Reviewed job descriptions for TPfM personnel and applicable TVA Standard Programs and Processes (SPP) related to TPfM job responsibilities.
- Conducted individual interviews with 87 individuals,<sup>6</sup> including management, employees, and a non-statistical sample of 14 contractors.
- Surveyed and/or interviewed a non-statistical sample of 80 business partners and asked them to rate TPfM in three different areas using a scale from 1–5.
- Examined documentation provided by TPfM personnel and business partners supporting TPfM initiatives, financials, and job responsibilities.

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<sup>4</sup> Project health scores are calculated as the weighted average of cost and schedule performance measures for projects in the implementation stage as compared against the project implementation baseline.

<sup>5</sup> The project readiness score composite is a monthly weighted average readiness score for all projects in the T&I portfolio. Readiness score measures the number of hours without a specific resource and the number of hours where resources were over-allocated against the total number of hours on the project.

<sup>6</sup> Three individuals did not respond to our request for an interview. In addition, we excluded interns from the interview process.

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

## **FINDINGS**

Interviews with TPfM personnel revealed positive interactions within TPfM. However, we identified issues that included engagement risk in one group that affected morale. We also identified opportunities to improve (1) performance of the T&I mission pertaining to role clarity and execution and (2) collaboration and communication with business partners.

### **POSITIVE INTERACTIONS WITHIN TPfM**

We interviewed 87 TPfM individuals during the course of our evaluation, and nearly all were positive about interactions with others in their group and trusted their coworkers to perform their jobs well. Furthermore, 64 of those interviewed (74 percent) indicated that interactions with other groups within TPfM were positive. Sixty-nine of eighty-seven individuals (79 percent) responded positively when asked about relationships or interactions, communication, accountability, and comfort reporting issues/concerns or differing opinions with one or more levels of management. When asked about what was working well in the organization, individuals primarily commented on engagement-related characteristics. Examples given included teamwork or team attributes, such as supporting one another and that leadership was positive. Other examples of what was working well included communication, collaboration, and the culture or work environment within TPfM.

### **ENGAGEMENT RISK IN ONE GROUP**

Concerns about a manager in one group, which could affect achievement of job responsibilities, were expressed by approximately 41 percent of those interviewed in one group. Examples of concerns related to the perception of discrimination against certain protected classes of individuals and fear of retaliation. Additionally, 33 percent of individuals interviewed in this group indicated issues with morale with almost one-half indicating that morale issues stem from the manager for the reasons previously stated. We discussed specifics of these concerns with applicable TVA management.

### **OPPORTUNITIES TO IMPROVE PERFORMANCE OF THE MISSION**

As previously stated, T&I's mission is to deliver secure, reliable, compliant, and innovative technology solutions to improve the safety and productivity of the workforce and enhance the performance of TVA assets. This makes interactions between T&I and business partners a key aspect of achieving the mission. Approximately 36 percent of TPfM personnel in one group, and 28 percent in another group, expressed concerns about business partners. In addition, while

business partners rated TPfM above average when asked about products and services, approximately 74 percent of business partners (59) expressed concerns about TPfM or indicated opportunities for improvement. TPfM and business partner concerns centered on role clarity and execution, while business partners also expressed concerns with TPfM collaboration and communication.

### **Role Clarity and Execution**

The PMO organization is primarily comprised of project managers whose role, according to TVA-SPP-34.000, *Project Management*, is to be responsible for the overall planning, direction, management, coordination, implementation, execution, control, and completion of the project. Approximately 41 percent of business partners (27 of 66) providing feedback on PMO commented on role clarity and/or execution concerns in relation to PMO. Business partners provided examples where they perceived that PMO personnel need (1) to be more actively involved, or take more of a leadership role within the project; (2) to think more tactically; or (3) guidance in relation to their roles.

One specific example discussed by several business partners involved a project where business partners perceived that an individual other than the project manager and joint project team<sup>7</sup> made a decision they believed to be the responsibility of the project manager. Other examples provided by business partners included confusion between the roles of project manager and system integrator,<sup>8</sup> and the involvement of multiple project managers on a specific project, which created confusion as to who was the project lead. Concerns related to execution of projects included the belief that projects affecting business units are canceled, or scope is reduced, if TPfM runs out of time or money or that projects are not executed timely.

Approximately 26 percent of business partners providing feedback on VM&O (10 of 38) expressed similar concerns related to the roles of VM&O and TVA's Supply Chain. Examples of business partner concerns included that Supply Chain and VM&O roles sometimes overlap and can create timeliness or execution issues and that Supply Chain personnel are not included in meetings that business partners think they should be involved in. In addition, one specific example provided by business partners involved a project where it was perceived that VM&O was circumventing Supply Chain processes.

These concerns could be the result of overlap between responsibilities. As previously stated, VM&O responsibilities include negotiation of transactions related to information technology and management of vendor relationships. However, TVA-SPP-04.000, *Management of the TVA Supply Chain Process*,

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<sup>7</sup> TVA-SPP-34.000, *Project Management*, defines the joint project team as team members that support the project manager by providing scope, cost, schedule, risk, and other information throughout the project. Key joint project team members include the engineering manager or technical lead, environmental project lead, information technology enterprise architect, implementation or construction manager, and project control specialist or project analyst.

<sup>8</sup> A system integrator can use their expertise to assist with defining project requirements, evaluating the effectiveness of other technology solutions, and provide recommendations for project implementation approach.

states that the Supply Chain Vice President is responsible for Supply Chain process ownership and oversight of all TVA supply chain efforts. Additionally, TVA-SPP-04.002, *Procurement of Products and Services*, states that Supply Chain personnel are responsible for developing sourcing strategies in conjunction with TVA business units, developing clear and complete contract language, and managing all commercial aspects of contracts, which could include negotiation of transactions.

Similarly, individuals within TPfM indicated having role clarity concerns that sometimes affected alignment with their business partners. Examples of concerns related to the perception that business partners do not follow or circumvent established roles related to TPfM responsibilities, such as project management, and that changes within organizations made it difficult for them to determine who to contact in certain instances. In addition, some TPfM personnel indicated challenges within their own organization pertaining to role clarity. Examples included the belief that TPfM has not socialized changes well, TPfM roles and responsibilities have not been defined or followed within certain projects, and potential overlap of responsibilities with other organizations exists. Clarifying roles and addressing execution concerns can assist with better management of the \$94.9 million project budget, for which TPfM is responsible.

### **Collaboration and Communication Needs**

Because of the responsibility of TPfM in leading technology investments, executing T&I and enterprise projects, driving optimization through the prioritization of technology investments for TVA, and managing partnerships with vendors, it is important to collaborate and communicate with business partners who are affected by those responsibilities. Thirty-five percent of business partners (28 of 80) indicated the need for improved collaboration and understanding of business partner needs by TPfM, which in some instances could affect alignment necessary for successful project execution. Concerns included the perception that TPfM personnel may not (1) obtain input from the business partner when making decisions that concern them, (2) consider the needs of the business partner in relation to project prioritization, or (3) understand how turnover of personnel and other TPfM decisions may affect the business partner. Business partners also provided examples related to a lack of understanding of business processes and business and/or financial acumen by TPfM project personnel.

While business partners rated TPfM above average on quality of feedback and communication received, approximately 38 percent of business partners (30 of 80) also expressed the need for more communication from TPfM personnel, including the perception that gaps existed in project communication plans, or the need for consistent communication from TPfM personnel. Concerns were also expressed in relation to timeliness and clarity of messaging.

## **CONCLUSION**

Because TPfM responsibilities include T&I portfolio alignment, project budget management, and management of T&I and enterprise projects, it is imperative that TPfM have engaged personnel who collaborate and partner with others for successful execution of the T&I mission. Interviews primarily indicated the engagement of TPfM personnel and reflected the positive work environment within TPfM; however, engagement risk in one group impacted morale and could affect the achievement of job responsibilities within that group.

TPfM has acknowledged opportunities for improving the organization with its FY 2023 initiatives, as previously noted, which included (1) organizational and financial literacy, (2) collaboration with business partners, and (3) the identification of efficiency opportunities with TVA's Supply Chain organization, among other things. Additionally, concerns expressed by TPfM personnel and business partners indicated opportunities for improving TPfM role clarity and execution and in addressing the collaboration and communication needs of business partners. By addressing these opportunities, TPfM can position itself to better execute T&I's mission.

## **RECOMMENDATIONS**

We recommend the Director, TPfM address:

1. Engagement risk in one group.
2. TPfM personnel and business partner concerns pertaining to role clarity and execution and business partners' collaboration and communication needs.

**TVA Management's Comments** – TVA management agreed with the recommendations. See Appendix B for management's complete response.

<b>TVA Values</b>	
Safety	We are uncompromising in our commitment to the safety and well-being of our teammates and the communities we serve.
Integrity	We are honest and straightforward, always doing the right thing with integrity.
Inclusion	We treat everyone with dignity and respect – emphasizing inclusion by welcoming each person’s individuality so we can reach our full potential.
Service	We are proud to serve in the communities in which we live, work, and play.

### **TVA Leadership Competencies**

- Accountability and Driving for Results
- Continuous Improvement
- Leveraging Diversity
- Adaptability
- Effective Communication
- Leadership Courage
- Vision, Innovation, and Strategic Execution
- Business Acumen
- Building Organizational Talent
- Inspiring Trust and Engagement


September 29, 2023

David P. Wheeler

RESPONSE TO REQUEST FOR COMMENTS – AUDIT  
2023-17430 - Organizational Effectiveness - Technology Portfolio Management

Our response to your request for comments regarding the subject draft report is attached. Please let us know if your staff has any concerns with TVA's comments.

We would like to thank Lisa Hammer, Amy Rush, and Jessica Monroe for their professionalism and cooperation in conducting this audit. If you have any questions, please contact Brett Atkins.



Tammy Willson/Kevin Tarver (delegate)  
Chief Information Officer and Director  
Technology and Innovation

ASB:BAA  
cc (Attachment): Response to Request

John M. Thomas III  
Kenneth C. Carnes  
David B. Fountain  
Andrea Brackett  
Kevin Tarver  
Kacy Lemm

Todd McCarter  
Gregory Jackson  
Dustin Pate  
Brett Atkins  
Josh Thomas  
OIG File No. 2023-17430

**Audit 2023-17430**  
**Organizational Effectiveness - Technology Portfolio Management**  
**Response to Request for Comments**

**ATTACHMENT A**  
Page 1 of 1

<b>Recommendation</b>		<b>Comments</b>
1	We recommend the Director, TPFM address: Engagement risk in one group.	Management agrees.
2	TPfM personnel and business partner concerns pertaining to role clarity and execution and business partners' collaboration and communication needs.	Management agrees.