

The Brookings Institution and Center for Strategic and International Studies Vying for Talent Podcast

"How the Defense Department is pursuing a culture of innovation" July 21, 2022

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Episode Summary:

How does human capital impact America's national security? In the latest episode of "Vying for Talent," U.S. Deputy Secretary of Defense Kathleen Hicks discusses the Defense Department's efforts to resolve workforce challenges, strengthen diversity, and create a culture of innovation. In discussion with co-hosts Ryan Hass and Jude Blanchette, Dr. Hicks emphasizes that talent is "the core" of national defense.

BLANCHETTE: In the wake of Russia's invasion of Ukraine and amidst a long term and multi-domain competition with China, the United States military is facing one of the most complex and fast moving threat environments in its history. To address these challenges, the Department of Defense has invested in a wide range of new capabilities, weapons systems and force posture adjustments. But how is the department thinking about the issue of human capital? And what are the key skills gaps that the U.S. military will need to address as it confronts what our guest today calls a generational challenge in the rise of China? Hi. My name is Jude Blanchette, and I'm from the Center for Strategic and International Studies.

HASS: And I'm Ryan Haas from the Brookings Institution. And we are the co-host of Vying for Talent, a podcast exploring the role of human talent in the unfolding competition between the United States and China. Our guest today is Dr. Kathleen Hicks. Dr. Hicks is the deputy secretary of Defense, as well as one of America's foremost national security scholars. Dr. Hicks illustrious career stretches from academia to policymaking. And now, as the number two official at the Pentagon, she has a sprawling set of responsibilities overseeing America's national security enterprise.

BLANCHETTE: In our conversation today, Dr. Hicks highlights the critical importance of a robust STEM talent pipeline and the centrality of a spirit of innovation and risk taking in boosting America's national resilience. And with that, let's get to the conversation.

So, Deputy Secretary Hicks, you've had a celebrated career as a civil servant, national security scholar, policy adviser, and now as the highest ranking woman in DOD history. What first set you on the path to a career in national security? And what inspired you? What are some of the key experiences and events that led you to pursue this path?

HICKS: Well, Jude, first of all, I'm not dead yet. So early, I hope in my life to build the bio. But I think I'd point back to coming out of grad school and looking for a way to do public service and had the opportunity to receive the Presidential Management Internship, which now is called the Presidential Management Fellows Program. And that's an opportunity to work in the federal government. And then you match to an agency or department.

And so this was back in the early nineties. So, we had a physical booklet of job opportunities we were given. And the DOD page, the OSD, Office of the Secretary of Defense page, read like a dream job. It just read like a dream job. It pointed to their interns doing really interesting work in national security, and obviously tells you the story goes back a little further that I could even be interested in things like looks at the modernization of military programs. And it just looked great.

And so I applied for that job and I got that job and I started in the Pentagon at the age of 23, and I just was so fortunate to do lots of different kinds of jobs over the course of my career, really kind of rounded out a lot of different aspects of national security.

I will say I come from a military family. That seems self-evident now as a key indicator. Interestingly, it didn't occur to me at the time, probably because one doesn't think they're following in their family's footsteps typically. So, I also have had the experience of growing up on military bases, understanding public service and public sacrifice and in particular the role of the military. So, those are the pieces that have set me on the path, and I couldn't be happier with my career choices.

HASS: Dr. Hicks, as deputy secretary of defense, you have responsibility for a lot of issues from force posture to weapons procurement and so many other issues. How do you think about talent as fitting within that profile of national security?

HICKS: Talent is the core. Talent is vital. When we came into the administration here in early 2021. One of the first things that the secretary of defense did was put out a message to the force. And in that message to the force he put out three priorities: defend the nation, take care of our people, and teamwork. And take care of our people is right at the core of everything we do. And it's not just for the sake of fulfilling the social compact we have to our service members and their families, although it is certainly that. But it is also because in taking care of our people, we are recruiting and retaining the best and the brightest that we need here in the United States, and we can't succeed without them.

One of the next things we did was look around and say, Well, what are the senior approaches or forums in which we can look at people issues? And the answer is there were none. And because both the secretary and I have been here in many incarnations before, we knew that in point of fact, there never had been one in our history, in our recollection. So, we established the Deputy's Workforce Council and that DWC is something that I run routinely. Usually every other week we have a meeting that is hosted by me with the vice chairman of the Joint Chiefs of Staff and the senior leadership of the department. And we talk about people issues. And we don't just talk about them, we are systematically advancing key people issues so that we can realize that taking care of our people approach.

Let me last say, related to that, we really codified in the National Defense Strategy for 2022 this approach in what we call "Enduring Advantage." That's one of our three key approaches for how we execute our defense strategy, and people are at the heart of that.

BLANCHETTE: So, the United States right now is facing a number of current emerging and future risks to U.S. national security. I wondered if you're thinking about both the risks that we're having to confront now and then looking over the horizon, what are some of the key skills or talent gaps that you see from your perch here at DOD?

HICKS: We have an incredibly talented workforce today, a civilian military contract support ecosystem that we rely on. But there's no doubt that as we look into the future, we know there are emergent needs, needs we see today and ones we can see over the horizon. STEM talent is one of those areas. And then I would go a little beyond STEM itself into a broader sense of what I call the innovation workforce. So, data, data analytics, obviously those in compute, those who are helping us think through everything from advanced military applications, some more traditional engineering, certainly in STEM, but beyond that.

And so, in recognition of that challenge, I asked for this Defense Business Board study to help us think about talent more generally. I'll come back to that later. But as it relates to STEM talent, there's plenty of evidence on the books, plenty of studies already well documenting the challenge we face as a nation on STEM and then DOD, we our workforce is a reflection of the American workforce. So, we have the same challenges, it's just that our needs are quite specific in the defense sector.

So, I recently put out an innovation workforce "tiger team" tasking memo, and that tiger team, which we're pulling together now, really has two big areas to look at. One is addressing the department's hiring timelines. Congress actually has been quite generous to the

department over the years with regard to hiring authorities that are direct hiring authorities, essentially, that help us cut those timelines. We need to better utilize those. And if we think we still need help from Congress, we need to be very specific to identify where we need that help.

And then second, once we have the talent, really making sure we know how to identify it, track it, promote it as an innovation workforce. People are attracted to DOD because we have really interesting problems. And if you're familiar with the STEM community or if you're a member of the STEM community, you know that's what an engineer wants more than anything is a really interesting problem to work on. If we do it right, we can attract and retain and keep interested that kind of a workforce. But it's going to take a lot of effort on our part and that's where the focus has really been, is that innovation workforce.

HASS: You mentioned the Defense Business Board a moment ago. I was wondering if we could go back to that for a second, because the report that you commissioned came to a fairly stark conclusion that civilian development is not seen as a priority in DOD culture. So, why did you commission the report and how has it impacted the department's thinking about these issues?

HICKS: I completely agree with the recommendations of the Defense Business Board. I look to them to provide an independent report that assess the current state of our civilian talent management and provide insights and recommendations on where improvements could be made. And as I said, I completely agree with the recommendations they put forward. And back to as I said before, I think that was something that really stood out to the secretary and I early on, is we pay a lot of attention in our rhetoric to people. But when you look at how we spend our time as senior leaders and what senior leaders we select and what communities they come from, how they were advanced, it's really more on the hardware side or people leadership but not the talent development enterprise.

So, it's going to take a lot of effort, I think, to kind of come back and build out all the capabilities we need. And I think what the DDB—Defense Business Board—did so well is provide an outside perspective on that. So, the Defense Business Board is, for those who wouldn't be familiar with it, is outside commission that, as you pointed out, that I provide them with some direction in terms of areas to study. They are comprised of folks who are from the private sector. Some have DOD background or experience—maybe they've worked in DOD before, maybe they're retired military—but at least half of that board has had no DOD experience. So, they're genuinely coming with an outside perspective, and some are the foremost talent experts that we have in the nation.

So, their recommendations were that we need to transform the civilian culture in DOD to prioritize talent management. And I want to emphasize that we scoped them around our civilian talent. There are some things that can be applicable also to the military, but it is a unique challenge, the civilian talent management side.

Another of their recommendations was to prioritize and elevate talent management inside the organization, and the third was to modernize our workforce planning and data. And I think that's a really ambitious, yet feasible and appropriate agenda for us to go after. I'll use the example of our recent hire of our chief digital and artificial intelligence officer, our CDAO, now Craig Martell, who we brought over from Lyft. We can really attract top tier talent if we spend the time and effort to do it. We have the hiring authorities that allow us to do it. We

can make a compelling case for those maybe who want to serve in the defense sector or more broadly in the public sector. And it doesn't have to be a lifetime career. They can come for a few years and do great work. I want to make sure we can leverage public-private partnerships to do that. I want to make sure that we can bring in people who were like me—maybe that you do want to make a career in and out of government and you want to come in at the early stages of your career and stay. We want to make that an attractive option as well. And so, working alongside the Office of Personnel Management and again working closely with Congress, we're trying to execute now on those Defense Business Board recommendations.

BLANCHETTE: Can I just ask you to build up that a little bit and thinking about both the private sector and the U.S. government, when you talk to them individually, speak about how there are STEM shortages and they're really both are scratching to be able to find talent to bring into their organizations. You just referenced an example of bringing someone over from Lyft. Do you feel at the department like you were in competition with the private sector for this scarce pipeline of talent? And if so, how do you manage some of these challenges in terms of scarce resources of STEM talent? Or is that a misreading of how the department thinks about attracting talent?

HICKS: Yeah. I think there's no doubt, of course, that when there's a shortage of talent, there's only so many folks to go around, you have to think at some level about making sure you're competitive of course—your pay, your benefits. Now, in a post-COVID world, increasingly, of course, the ability to have flexibility, remote work, things like that, all of that are things we're pursuing, we think make us an attractive workplace.

But I do think competition is a little bit of the wrong frame for defense, and here's why. Because for the United States to be successful, our comparative advantage to, for example, vice the PRC or vice Russia, really is the breadth of what we bring as a society. It's about being able to tap into that private sector, the research sector, university sector. All of that is really vital. So, I want the best talent we can get in DOD. But I also want the strongest incentive structure and innovation base out across the broader U.S. economy. Even what we call the defense industrial base, that's about roughly 600,000 companies. And that doesn't even capture the breadth of what we in DOD actually pull on. We pull on really well beyond even that 600,000. But that just gives you a sense of scale.

So, I want to make sure we get the best talent here, civilian and military. I want to make sure we can lean on the strongest talent base in the United States. And then, of course, working alongside allies and partners abroad. That's how we get the best innovation here, I think, for what we need to do in defense.

But as I said, just coming all the way back, we do have to provide a competitive package for our civilians and our military. And that's back to that Defense Business Board study. There are ways, they're hard they require a culture change here, but we're starting down that path anyway. And I think the need could not be more acute in terms of how in a bipartisan way, there's a strong consensus around the need to get the United States in a competitive stance. So, we're going to lean into that.

HASS: Dr. Hicks, I think your point about societal vitality is absolutely critical, and I wanted to see if you could help us understand from where you sit, how do you see the relationship right now between academia, the government ,and the private sector? And how is that working?

HICKS: I think it's going quite well. And in the year plus that I've been here, I've been, for example, up to Boston with a focus on the biotech community, out to Austin, Texas, to look at the variety of defense related business and research community engagement there. And then Silicon Valley and Los Angeles—emphasis on space. So, kind of touched on some of those key areas, capability areas, or mission spaces that intersect the research community, the Defense Department itself, its labs and the commercial sector.

And there's an incredible amount of patriotism, a keen interest, again, in the interesting problems that we're trying to work through, a desire to work with us, and a common recognition of the barriers for us doing it well.

And we now have on board here at DOD several of our most important Senate-confirmed officials in this space. We have our undersecretary for personnel and readiness. We have our undersecretary for research and engineering. We have our undersecretary for acquisition and sustainment now, all on board and onboarded in that order. And that is starting to get us into a position, I think, where we can really try to move the agenda to lower those barriers, to make it less painful for us to work with. One of the things, you know, I always try to emphasize when I meet with these communities is we know we are hard to work with. I don't want us to be defensive about that. I want to just say thank you to those in all of those communities who take the time and effort to work with us despite that and then help us overcome those barriers. Recognize them and overcome them.

BLANCHETTE: I want to ask you about diversity within this talent pool and workforce that DOD is trying to cultivate. What are some of the approaches and challenges that the department is confronting on this? And I think as an add on thinking about what are some of the barriers for women who are looking to pursue careers in national security?

HICKS: So, I mentioned before, I think, one of the U.S. comparative advantages here in our workforce is just that we're innovative, we're building on a broader culture, and I think a culture of diversity, equity, and inclusion is a key piece of that advantage. We can't succeed in an area as constrained, for example, as STEM talent if we're looking at a subset even then of the potential STEM talent that's out there. So, we want to look at the broadest away, the broadest swath of American talent, and we have so much talent in this country.

So, I think we lean first into the fact that if we take a broad look at our population and we look at our immigration policies from that national security perspective, we then think through how to access the most STEM talent that we can. And that, of course, includes the more than 50% of the population that is female. So, we have to make sure we are the kind of workplace in DOD that folks want to come to; they don't have, nor do they perceive there to be barriers to their advance if they can bring the skills, we want to reward those skills.

So, we do a lot of outreach and work. I did an event, for instance, with the Women's College Coalition a few months back on STEM talent. We have a lot of existing relationships with HBCU and other minority-serving institutions to make this case. We've done some really good outreach with existing organizations and associations of scientists and engineers, for instance, who service women and minorities. So, those same basic themes, how do we recruit the talent that we need in these spaces, and then how do we retain them both the quick hiring time, but then rewarding them and advancing them.

And I do think representation matters. I'll just end there and say, Secretary Austin and I, our experiences are different from each other in terms of coming from, in his case, being an African American man to the top of the Defense Department, and in my case being a woman advancing through national security. I think our personal stories matter. But more importantly, as we come to this with an understanding of the work required to make sure we can access the talent that our competitors do not have, they don't have what we can bring in the United States. And if we cut off our nose to spite our face by not paying attention to what DEIA can do for us, I think we do that to our disservice and to the advantage of the PRC.

BLANCHETTE: Yeah, hear, hear!

HASS: You mentioned our competitors. I'd like to turn to one specifically: China. You have described previously China as a generational challenge. So, what can the United States or the department specifically be doing now to better position ourselves to compete with China over the next 10 to 15 years?

HICKS: Yeah, that's a big that's a big question that you put there, Ryan. In summary, I think here's what I would say. I think the people, things that we've talked about today, are critical. Our culture matters a lot, and that needs to be a culture of innovation and of risk taking. The United States is the original risk taking innovator, and we've gotten away from that and others learned from that example. Certainly the PLA learned from that example. And we see that they are not as fearful of failure as we appear to be, and we are seeing the effects of that. I think we need to get back to who we are as a people. It's inherent certainly in our commercial sector. You see it every day. People open small businesses every day in the United States and they're willing to take a risk. We need to think about bringing that culture back in and we're working closely with Congress. I think that is resonating more and more. They understand the need to allow greater risk in some of our testing, for example.

I think partnerships, as we've already talked about, is another key piece, making sure we can access all that we need across the U.S. and then allied and partner innovation spaces. And obviously, more broadly at a strategic level, our alliance network is, along with that innovation base, is the biggest strategic asymmetry that we bring. And I think we're showing right now what the potential for that kind of asymmetry is with regard to how the U.S. has galvanized international focus around Ukraine, well beyond Europe, I'll add.

And then I think the last piece, which takes a lot of my time as well, is making sure we have the right concepts operationally and we can translate those into the capabilities that we are going to build out for the U.S. military and that we can cross what is often called the "valley of death." That means not only can we understand what capabilities we need, but working in partnership with the private sector, we can actually scale up those capabilities and deliver them into the force. That's the kind of force design that we need to stay ahead of pacing challengers like the PRC.

BLANCHETTE: Final question, Dr. Hicks. We've just been talking about some of the elements of resiliency and strength that the United States has from our system. One of the things we also confront, though, is a somewhat short-termist political calendar driven by just the democratic institutions. But you've just spoken eloquently about this generational challenge. So, how do we square the circle of a democratic system where we have regular turnover, but the need to build consensus on some of these policies and approaches that need to endure over longer time horizons?

HICKS: Yeah. I think having a common appreciation of the challenge that we face is the core. And we have seen since around 2015, 2016, a gelling of a consensus from Democrats and Republicans around the PRC as the pacing challenge. We can see very clearly not only their growth in terms of economic suasion and military capability, which is marked and potentially unprecedented in how quickly they have moved. But then we also see some actions that are concerning. And so what that has done is provide a basis for conversation about how to meet that challenge.

Certainly our experience in the past has been that from administration to administration, the how you meet the challenge might vary Republican to Democrat or across different even of the same party administrations. But if you can start from that common appreciation of the challenge, you can create a lot of continuity and forward direction and momentum.

So, part of my job is to make sure that no matter who were to follow me into the position that I'm in, no matter who is to come into a senior leadership position in the Department of Defense, the things that we are pursuing with regard to this generational challenge of the PRC are so sensible and right minded that you would be foolish not to do them.

And let me use an example building on my predecessor and his predecessors, which is on data. Back in the late Obama administration, it was actually our current undersecretary for comptroller, Mike McCord, first reached out to build some contract support for data management, really around the issue of financial auditing in the Department of Defense. Still a high priority for us. Come back all these years later and across the Obama and Trump administrations and now into our administration, we have seen the advance of that data initiative set, building individual after individual to the point where I think we have, with the CDAO now in place, a real opportunity to leverage data in a way that is central to achieving joint all-domain command and control, which we all say we want to do. Well, you can't just snap your fingers and have something like JADC2 to appear overnight. It has to build on effort that's been enduring.

And those are the kinds of changes, those efforts that are just sensible and smart that we want to make sure we continue to build. I think the opportunity is there and that is despite the fact that, you are correct, this is a very political town and we're working hard to drive some common approaches on national security in the midst of it.

BLANCHETTE: Deputy Secretary Hicks, thank you for your time today. Thank you for your insights and thank you for all the work you're doing on behalf of U.S. national security here at the department.

HICKS: Great. Thanks for hosting.

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HASS: Jude. I thought that was a great discussion with Deputy Secretary Hicks. I had a hard time not leaving the discussion without a sense of the Department of Defense and particularly Dr. Hicks really understands the role of human talent for America's national defense.

BLANCHETTE: There's something else that stuck out to me, Ryan, is the Defense Business Board report that Dr. Hicks had commissioned and something we've talked about on other

podcasts is ways in which the United States openness and even its ability to recognize its flaws is actually an asymmetric advantage that we have because that gives us a path forward to addressing these. And I think it was notable that the Defense Business Board both put out this quite critical assessment, as you referenced, one of the quotes or the top line summaries in the discussion with Dr. Hicks. But then this report is put out there in public. And as we discussed earlier, I can't imagine a world in which the People's Liberation Army commissions a report by external experts that really slams elements of how the department is thinking about talent and then puts that out to the public.

HASS: Yeah, it really is striking that the United States thinks of openness and transparency as an asset. And I think it's something that forces us to constantly identify our weaknesses, our vulnerabilities, and work to do better. Another element of the conversation that struck me was Dr. Hicks' emphasis on the need to restore a culture of risk taking and tolerance for failure. It's an interesting observation. You know, when you've been number one at the top of the hill for so long, sometimes failure becomes more significant and you do more to guard against it. And that's something that I think the department has identified and that Dr. Hicks is trying to push back against.

BLANCHETTE: Yeah, and related to that she had made a comment on when asked about is the Department of Defense in competition with the private sector for talent, she had said in a narrow sense, yes, but I was actually more struck by her point on, in a broader sense no, they're not in competition because, as she said, the breadth of innovation capabilities here in the United States, external to the department, feeds into the department's own capabilities on the upstream in the downstream.

And that connects with a conversation we had in a recent public event where I took away from it that if we narrowly try to plan innovation with very, very discrete, targeted metrics, what we're going to miss is, frankly, a lot of the time we want to have a foundation of talent innovation that produces the technology we haven't even thought of yet. And you won't know where that's going to come. And that to me is another asymmetric advantage we have where we will have an Elon Musk and whereas I suspect in China that will become increasingly difficult.

HASS: Yeah, it was striking to hear Dr. Hicks talk about the fact that the Department of Defense Workforce is really a reflection of America's workforce and societal vitality is critical to America's national security. I think that it's essential as a point, and I'm glad that our leaders are taking that on board. I also found it important that Dr. Hicks was willing to entertain the importance of having an enduring approach that doesn't oscillate between administrations and partisan divides. And I think that she made some good points about how we could maintain that endurance of approach that transcends administrations.

BLANCHETTE: Yeah, the idea that a common appreciation, as she called it, one where there's an accurate, realistic recognition of the challenge such that when a new administration comes in or her predecessor, the assessment that that person will bring to this is not wildly different from what the person leaving the office. And so as we think about conceptualizing where China clashes with our interests, China's capabilities, its limitations, this is why it's so critical to have an objective, accurate understanding, because if our assessments of China's capabilities swing like a pendulum, policy approaches are going to be downstream from that.

HASS: Thank you for joining us for today's podcast. To learn more about the podcast, visit Brookings dot edu slash Vying for Talent. We look forward to being back with you again in about a month.

BLANCHETTE: I'm Jude Blanchette at the Center for Strategic and International Studies.

HASS: And I'm Ryan Hass at the Brookings Institution. Vying for Talent is a co-production of the Brookings Institution and the Center for Strategic and International Studies. And it's brought to you by the Brookings Podcast Network. Learn more at Brookings dot edu slash Podcasts and follow us on Twitter at Policy Podcasts. Send feedback to Podcasts at Brookings dot edu.

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