

Key Components of a Strategic Human Capital Plan

INTRODUCTION

A central pillar in the strategic management of human capital is the alignment of human capital strategies with agency mission, goals, and objectives through analysis, planning, investment, and management of human capital programs. Human capital planning is the method by which an agency designs a coherent framework of human capital policies, programs, and practices to achieve a shared vision integrated with the agency's strategic plan. Implementation of the strategic human capital plan is a key step in an agency's progress to build a highly effective, performance-based organization by recruiting, acquiring, motivating, and rewarding a high-performing, top quality workforce. The plan becomes the roadmap for continuous improvement and the framework for transforming the culture and operations of the agency.

Although the structure, content, and format of strategic human capital plans will vary by agency, there are certain common elements that should be included in a strategic human capital plan. The plan should contain:

- A clearly understood strategic direction
- Customer and stakeholder human capital management outcomes/goals
- Strategies/objectives for accomplishing the goals
- An implementation plan
- A communication/change management plan, if needed
- An accountability system.

The following pages present a graphic representation of the key components of a strategic human capital plan and a brief description of each.

Key Components of a Strategic Human Capital Plan (continued)



A CLEARLY UNDERSTOOD STRATEGIC DIRECTION

This element requires a comprehensive understanding of the organization's strategic and performance plans, budgetary constraints, internal and external drivers impacting human capital needs, makeup of the current workforce, and customer and stakeholder perceptions and needs related to human capital. This step begins with the collection and review of strategic documents and workforce information (e.g., workforce demographics, workforce analysis). Data are also collected from customers, stakeholders, and key senior leaders about their requirements and challenges.

During this process, it is important to develop a vision of the kind of future workforce needed. This will help frame the desired state of human capital for the organization to achieve its strategic imperatives.

Key Components of a Strategic Human Capital Plan (continued)

A CLEARLY UNDERSTOOD STRATEGIC DIRECTION (CONTINUED)

Data collection focuses on identifying key themes associated with the gap between the current and desired states as it relates to the workforce vision and core human capital functions. This information will be summarized in the introduction to the plan with data summaries appearing in the appendices or companion documents if needed.

HUMAN CAPITAL GOALS

The strategic direction helps identify the themes or broad human capital goals. These themes can represent the cornerstones around which to develop the plan. These goals will tend to be categorized around major human capital systems, for example:

- Talent
- Performance management
- Leadership.

Examples of goals may be to:

- Attract and retain a high-performing workforce with the technical and professional skills needed
- Continuously develop workforce skills in line with agency requirements
- Allocate human resources across organizational components to efficiently respond to changing workload requirements.

Key Components of a Strategic Human Capital Plan (continued)

STRATEGIES/ OBJECTIVES

The strategies/objectives describe more specifically how the goals will be accomplished. During strategy development, it is important to consider the full range of human resource actions and flexibilities available.

For example:

Goal 1: Attract and retain a high-performing workforce with the technical and professional skills needed.

Objectives:

- 1.1 Develop long-term plans for the number and type of employees needed.
- 1.2 Implement a flexible staffing process that delegates to managers the authority to make staffing decisions consistent with long-term plans.
- 1.3 Implement processes to quickly reassign or rotate employees to functional areas with high workload.

IMPLEMENTATION PLAN

The implementation plan describes the actions required for implementing the strategies or achieving the objectives. Implementation plans describe:

- The tasks or activities that will happen
- Who is responsible
- The resources required (e.g., human, financial)
- The timeframes.

Implementation plans can be developed at different levels of detail.

Key Components of a Strategic Human Capital Plan (continued)

ACCOUNTABILITY SYSTEM

The accountability system identifies how success in implementing the strategy or objective will be measured and tracked. Also, specific targets can be identified by describing the level of performance or rate of improvement needed. Measures help drive desired behavior and provide direction to others on what they need to accomplish. Measures also enable the organization to test its progress in achieving goals.



Shown below are Web sites of sample strategic human capital plans. Please note that OPM does not endorse any particular plan format. The information on these Web sites is provided here for illustrative purposes only.

U.S. Government Accountability Office (FY 2004-06):

<http://www.gao.gov/new.items/d041063sp.pdf>

Department of Justice, (September 2002):

<http://www.usdoj.gov/jmd/ps/hcplan.pdf>

Department of Agriculture (FY 2003-07):

<http://www.usda.gov/da/employ/Human%20Capital%20Plan%20%2012-311.pdf>

Department of Defense (FY 2003):

http://www.defenselink.mil/prhome/docs/Annex_B.pdf

Department of Transportation (September 2002):

http://dothr.ost.dot.gov/About_Us/Human_Capital_Plan/human_capital_plan.html

Department of the Interior (FY 2003-07):

http://www.doi.gov/pfm/human_cap_plan/