



Strategic Human Capital Plan

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A Message from the Secretary

In 1829, Henry Clay, a great American statesman, said that "Government is a trust and the officers of government are trustees. And both the trust and the trustees are created for the benefit of the people." I would suggest that these words still ring true today. Government is indeed a trust, and we have a responsibility to the American people to administer their government in an efficient, effective, and a very responsible manner.

That's why the President's Management Agenda, or PMA, is so important. This comprehensive strategy serves as a toolbox for us. It provided the tools we need to improve the performance of the citizens' government. If we embrace it, the strategy will help us to do more than just reform business practices. It enables us to rethink or be reminded of the purpose of government. President Bush is exactly right when he says that government should be "citizen-centered, results-oriented, and market-based."

Sometimes it may seem as though the ships we are steering within the federal government are just too massive, too complicated, to set a new course. Again I submit to you that the President has given us not only the toolbox, but he's given us five key tools in the form of initiatives that help us to become real difference-makers.

They are: strategic management of human capital; competitive sourcing; improving financial management, budget and performance integration; and expanding electronic government. These initiatives have helped us to make a real and very tangible difference at the USDA.

At USDA human capital is truly our most important resource. We have 110,000 employees in every county in the United States and in 75 foreign countries. Without the dedicated employees working for USDA -- and I might add they are very dedicated -- we would not be able to provide the support necessary to help America's farmers and ranchers continue to produce the high quality food we've come to expect in our country.

We've had success in aligning our human capital policies with the PMA. For instance, our hiring timelines for members of the Senior Executive Service have decreased from 69 days to 39 days. And the hiring timeline for general schedule employees has dropped from 37 days to 24 days. The Office of Personnel Management's standard for general schedule employees is 45 days, so we're very proud that we've beaten the standard.

As baby boomers reach retirement, we're going to be faced with replacing an entire generation worth of jobs. Workplace planning is crucial to this transition. In January, USDA developed a new succession plan that we hope will ease this changeover.

Training the leaders of tomorrow is one way that we're preparing for the transition. And training is also a key way in which we're increasing the effectiveness of what we do. Recently, we implemented a new Senior Executive Service candidate development program to prepare our leaders for the future.

It's important to think of performance management as an ongoing effort. It's not something you do and then you're done. Our goal is to constantly improve the way we do business so that we can consistently deliver better services to our stakeholders. Reaching green is not our objective. Our objective is maintaining green.

As President Bush said, some of us will serve in government for a season. Others will spend an entire career here. But all of us should dedicate ourselves to great goals. We are not here to mark time, but to make progress, to achieve results, and to leave a record of excellence. Let that be our legacy - to leave a record of excellence. Our strategic human capital plan is a framework for excellence.

Mike Johanns
Secretary of Agriculture

The U. S. Department of Agriculture – An Overview

USDA's Mission Statement

We provide leadership on food, agriculture, natural resources, rural development, and related issues based upon sound public policy, the best available science, and efficient management.

USDA's Vision Statement

To be a dynamic organization that is able to enhance agricultural trade, improve farm economies and quality of life in rural America, protect the Nation's food supply, improve the Nation's nutrition, and protect and enhance the Nation's natural resource base and environment.

USDA's Core Values

In carrying out USDA's strategic goals and strategic human capital goals, USDA employees will be guided by the following principles as they address challenges in food, agriculture, resources, and related issues:

- Strong ethics;
- Service;
- Teamwork;
- Inclusive decision-making; and
- Fiscal responsibility.

To achieve USDA's strategic goals and implement its management initiatives, USDA emphasizes results based upon teamwork across and among agencies.

USDA's Strategic Goals

USDA is a diverse and complex organization with programs that touch the lives of all Americans every day through USDA's more than 300 programs worldwide, leveraging an extensive network of Federal, State, and local cooperators. In June 2006, USDA published its Strategic Plan for 2005-2010 to identify key policy and management objectives that will be integrated with budget priorities and provide leadership accountability. The goals set forth in USDA's Strategic Plan are to:

- Enhance international competitiveness of American agriculture;
- Enhance the competitiveness and sustainability of rural farm economies;
- Support increased economic opportunities and improved quality of life in rural America;
- Enhance protection and safety of the Nation's agriculture and food supply;
- Improve the Nation's nutrition and health; and
- Protect and enhance the Nation's natural resource base and environment.

USDA's Management Initiatives

Through vigorous execution of the President's Management Agenda, USDA is working to improve and strengthen its leadership capabilities thereby resulting in more efficient program delivery, improved customer service, and more effective stewardship of taxpayer funds.

Specifically, USDA is striving to:

- **Improve human capital management** by ensuring an efficient, high-performing, diverse workforce, aligned with mission priorities and working cooperatively with partners and the private sector;

- **Improve financial management** by enhancing internal controls, data integrity, and financial management information and sustain unqualified audit opinions;
- **Expand electronic government** by implementing business processes and information technology that simplifies access to the Department's programs and thereby reduces the cost and burden of such programs to our citizens, partners, and employees;
- **Establish budget and performance integration** by linking budget decisions and program priorities more closely with program performance and the full cost of those programs;
- **Implement competitive sourcing** by establishing reasonable and rational processes to achieve significant cost savings, improve performance, and better align the agency's workforce to its mission;
- **Eliminate improper payments** by establishing targets and corrective action plans;
- **Improve real property management** by establishing an asset management planning process for USDA agencies, maintaining a comprehensive inventory and profile of the Department's real property, and establishing asset management performance measures;
- **Enhance research and development criteria** by coordinating among the various research agencies to ensure that common, objective criteria and performance measures are used; and
- **Support faith-based and community initiatives** by enhancing outreach efforts, reducing barriers, and encouraging participation through improved coordination with State and local organizations.

USDA's Organizational Structure

USDA's mission and strategic goals are accomplished with guidance from the Secretary, senior policy officials, and staff offices through seven program mission areas led by Under and Assistant Secretaries. The mission areas are comprised of 17 agencies and together manage an annual program level budget of approximately \$110 billion.

If you were to compare USDA to the Fortune 500 companies; in 2003, USDA's workforce would have ranked 32nd in size. USDA's permanent, Federal workforce is comprised of approximately 90,000 employees. Another 22,000 temporary Federal employees play a critical role in mission and program delivery. USDA's temporary workforce fluctuates in number significantly during the year when, for example, additional firefighters are employed during the fire season. Another 9,400 non-Federal employees located in county offices assist in carrying out the Department's mission by servicing local agricultural producers. USDA employees serve in a vast range of occupations, represented by approximately 340 job series, with employees serving in all counties and states in the United States and in over 50 foreign countries.

The Assistant Secretary for Administration (ASA) serves as the Department's Chief Human Capital Officer. As such, the ASA oversees, directs, and executes all authorities related to human resources. The Office of Human Capital Management (OHCM), which resides organizationally under the ASA, provides overall human capital policy direction for the Department. Due to USDA's decentralized program delivery structure, human resources operations are consolidated at the mission area level with one exception. The Natural Resources and Environment mission area, which encompasses approximately half of the USDA workforce and includes two agencies - the Forest Service and the Natural Resources Conservation Service –

retained human resources organizations for both agencies. OHCM works collaboratively with the mission area human resources offices to ensure that human capital initiatives are implemented effectively USDA-wide.

Human Capital Strategic Planning – An Overview

USDA's first Human Capital Plan, published in December 2002, provided a strategic roadmap for ensuring that the USDA workforce was fully capable of achieving the Department's critical and diverse missions. Since that time, USDA has transformed its Strategic Human Capital Plan from a planning document to a business process plan with the dynamic feedback loops necessary to ensure flexibility in meeting changing workforce demands.

The Department's Strategic Human Capital Plan establishes the goals that drive USDA's human capital initiatives and provides the framework for the USDA Human Capital Accountability System. In developing this Plan, USDA analyzed its accomplishments and lessons learned to provide a clear foundation for organizational success. All mission areas and agencies are required to develop individual Human Capital Plans consistent with the Department's Plan that include specific actions and milestones tailored specifically to address their stated program objectives. Progress will be monitored through USDA's Human Capital Accountability System. The USDA Human Capital Accountability System provides a systematic approach to overseeing the operations of human resources management programs Department-wide and assessing accountability results and program compliance with law and regulations. It is established through two documents – the Human Capital Accountability System Departmental Regulation, DR 4020-250-1, and the Human Capital Accountability System Implementation Plan.

USDA's five strategic human capital goals are:

- Strategic Goal 1:** The Department's human capital management strategies are aligned with the Department's mission, goals, and organizational objectives and integrated into strategic plans, performance plans, and budgets.
- Strategic Goal 2:** The Department's leaders and managers effectively manage people, ensure continuity of leadership, and sustain a learning environment that drives continuous improvements.
- Strategic Goal 3:** The Department has closed skills, knowledge, and competency gaps/deficiencies in mission-critical occupations and has made meaningful progress toward closing skills, knowledge, and competency gaps/deficiencies in all agency occupations.
- Strategic Goal 4:** The Department has a diverse, results-oriented, high-performing workforce and a performance management system that differentiates between high and low levels of performance and links individual/team/unit performance to organizational goals and desired results effectively.
- Strategic Goal 5:** The Department's human capital management decisions are guided by a data-driven, results-oriented planning and accountability system.

The adoption of a goal focusing solely on accountability demonstrates USDA's commitment to excellence. Although this Plan has five distinct goals, the initiatives and activities associated with each are interdependent. For example, the determination of workforce requirements under

Strategic Goal 1 forms the basis for recruitment and retention initiatives under Strategic Goal 3, as well as the development of robust and mission-aligned performance programs called for under Strategic Goal 4. The strategic initiatives described in this Plan are presented from a Department-wide perspective, but will be supplemented by each mission area's delineations of the challenges and activities specific to each agency. The successful implementation of this Plan depends upon the ability of the mission areas and agencies to maintain the 21st century workforces necessary to effectively deliver the Department's programs.

This Plan commits USDA to:

- Engage in a continuous process of analyzing workforce needs to ensure that USDA's human capital possesses the critical skills necessary to meet its business needs;
- Expand the use of information technology for greater efficiency and better customer service for recruitment; hiring; employee development; performance management; and civil rights, employee, and labor relations case management;
- Refine organizational performance measures to track results and refocus initiatives;
- Support a workplace that values diversity and promotes increased diversity through targeted outreach and hiring programs;
- Support employee and leadership development to increase retention rates and morale, address changing skill requirements, develop leaders, and minimize knowledge loss caused by retirements;
- Implement performance management systems that clarify expectations, are aligned with mission, and support recognition of accomplishments;
- Optimize the use of redeployment, restructuring, competitive sourcing, E-Gov solutions, and delayering options, and implement processes to address future changes in business requirements;
- Use workplace and pay flexibilities to attract and retain a highly skilled workforce;
- Establish and maintain an accountability system for the implementation of strategic human capital initiatives including establishment of a comprehensive compliance audit program; and
- Develop options for human capital reform to ensure that USDA remains competitive in the ever changing employment marketplace.

USDA's Human Capital Challenges

When President Abraham Lincoln established USDA in 1862 when more than half of the Nation's population lived and worked on farms, he named it "the People's Department," as its programs touched the lives of every citizen every day. Today, America's food and fiber producers operate in a global, technologically-advanced, rapidly-diversifying, highly-competitive business environment driven by sophisticated consumers. Yet, USDA remains the "People's Department", committed to its strategic goals and achievement of its mission. In carrying out its mission and achieving its goals, USDA's human capital – its employees – is its greatest asset. Human capital concerns, therefore, present USDA with some of its greatest challenges. Specifically, USDA is facing:

- A more highly technical environment, both internally and externally, that requires a highly skilled workforce in information technology, public health, veterinary medicine, resource conservation, business development, and scientific and economic research;

- The continuing threat to our Nation’s security that requires USDA to employ individuals skilled in new ways to protect the safety of the food supply and prepare for and respond to both animal-based and human-based pandemics;
- A rapidly growing retirement eligible workforce. Over 40 percent of USDA’s permanent employees are eligible to retire each year for the next five years and for USDA’s leadership, the percentage is even higher; and
- The need for a more performance-based, highly accountable, diverse workforce.

This Plan establishes USDA’s strategies for meeting these challenges.

USDA's Human Capital Demographics

USDA Federal Workforce Demographic Highlights End of Fiscal Year 2006

Status			
Number of occupational series	340		
Number of employees	106,005		
% Permanent full-time	81%		
% Permanent part-time, other	2%		
% Temporary full-time	11%		
% Temporary part-time, other	7%		
% Located in D.C. area	12%		
% Supervisors ^a	11%		
	All	Non-SES Supervisors	SES
	% Permanent Employees		
Diversity^b			
Women	43	27	26
Black	11	7	9
Hispanic	6	6	3
Asian/Pacific Islander	3	3	4
Am Indian/Alaska Native	2	3	1
Total, Minority	22	19	17
Disabled	6	5	3
Education			
Bachelor's or higher	51	69	92
Master's or higher	14	17	54
Length of Service			
20 years or less	65	48	36
21-30 years	26	37	34
31 or more years	9	15	30
Retirement Eligibility^c			
FY 2009	48	56	71
Age Categories			
40 years or less	29	18	5
41-49 years	33	29	13
50-59	32	45	55
60 and above	6	8	27

- 82% of all employees are permanent.
- While USDA has not reached the level of diversity in all categories that mirror the U.S. population statistics, no ground was lost and improvements in recruitment and retention strategies continue to be made.
- USDA's workforce is aging. In fiscal year (FY) 1994, 27% of its workforce was over 50 years of age. At the end of FY 2006, 38% was 50 years of age or older. Fewer younger employees make up the workforce. In FY 1994, 40% of the workforce was less than 40 years of age; in FY 2006, 29% fall into that category.
- Retirements are expected to increase. By the end of FY 2009, 48% of current employees, 56% of non-SES supervisors/managers, and 71% of SES employees will be eligible to retire.
- The separation rate for FY 2004-2006 averaged a little over 7%. The number of losses exceeded the hires for that period.

^a Includes SES, supervisors, and managers.

^b Diversity statistics can be compared to the following respective Civilian Labor Force and Relevant Civilian Labor Force rates: Women - 45.6% and 59.9, Blacks - 10.1% and 9.5%, Hispanics - 12.6% and 9.8%, Asian/Pacific Islanders - 4.1% and 4.5%, and American Indians/Alaska Natives - 0.8% and 1.1 %.

^c Eligibility for voluntary retirement, cumulative FY 2007-2009.

USDA's Strategic Human Capital Goals – A Detailed Analysis

Strategic Goal 1: The Department's human capital management strategies are aligned with the Department's mission, goals, and organizational objectives and integrated into strategic plans, performance plans, and budgets.

Objective 1.1: To update the Strategic Human Capital Plan and accompanying workforce and succession plans to support USDA's business goals.

Key Outcomes:

- Mission areas/agencies have a Strategic Human Capital Plan that guides workforce planning; identifies mission critical occupations, competencies, competency gaps, and strategies to close the gaps; supports this Plan; and aligns with the USDA Strategic Plan;
- Mission area/agency human capital plans have been reviewed; and
- Senior Executives' performance ratings address accountability for successful implementation of human capital strategies.

Objective 1.2: To expand the availability and use of workforce data as a basis for developing human capital strategies and monitoring implementation of those strategies.

Objective 1.3: To develop and implement a department-wide human resources information system to help effectively manage human capital.

Key Outcomes:

- Mission areas/agencies have identified competency gaps and are closing gaps in mission critical occupations, information technology, and human resources. Workforce trends are analyzed and provide baseline data to develop recruitment, development, and retention strategies;
- Information systems provide needed human capital data to managers and human resources staff to guide decisions; and
- Competency gaps for management and leadership positions are closed using a variety of recruitment, retention, and development strategies.

Strategic Goal 2: The Department's leaders and managers effectively manage people, ensure continuity of leadership, and sustain a learning environment that drives continuous improvements.

Objective 2.1: To identify and implement leadership development programs to support accomplishment of USDA's mission.

Key Outcomes:

- Employees hold their leaders in high regard both overall and on specific facets of leadership;
- Internal organizational capacity exists to mitigate leadership attrition and maintain progress toward mission attainment; and
- Decisions, policies, processes, and practices executed under the Leadership and Knowledge Management System comply with merit systems principles and related laws, rules, and regulations governing leadership succession management.

Objective 2.2: To develop and implement professional development programs to support employee development across USDA.

Key Outcomes:

- Employees hold their leaders in high regard overall and on integrity and honesty;
- Employees believe prohibited personnel practices are not tolerated and that disclosures of suspected violations of law or regulation can be reported without fear of reprisal;
- Decisions, policies, processes, and practices executed under the Leadership and Knowledge Management System comply with merit system principles and related laws, rules, and regulations governing continuous learning;
- Employees believe their leaders have developed a culture that values personal growth and they have opportunities to develop skills through training and experience; and
- Employee competency-based career development plans reflect USDA and agency mission specific needs for mission critical occupations, information technology, and human resources.

Objective 2.3: To support expanded use of technology to enhance employee professional development.

Key Outcomes:

- Information technology tools are available and effectively facilitate continuous learning.

Strategic Goal 3: The Department has closed skills, knowledge, and competency gaps/deficiencies in mission-critical occupations and has made meaningful progress toward closing skills, knowledge, and competency gaps/deficiencies in all agency occupations.

Objective 3.1: To market USDA as an “employer of choice” through use of effective recruiting strategies and efficient hiring processes to limit gaps in mission-critical occupations and reach diverse candidates.

Key Outcomes:

- Decisions, policies, processes, and practices executed under the Talent Management System comply with merit system principles and related laws, rules, and regulations;
- The average time from the date a vacancy closes to the date of offer is within the required parameters;
- Recruitment efforts are designed to bring workforce competencies into alignment with USDA’s needs;
- A delegated examining unit (DEU) accountability system is established;
- Demonstration project examining authority in Agriculture Research Service and Forest Service is in compliance with Office of Personnel Management (OPM) requirements and governing statutes;
- Employees believe their organizational culture promotes improvement in processes, products, services, and organizational outcomes;
- Workforce trends are tracked and recruitment strategies are devised to improve diversity statistics; and

- The number of EEO complaints is reduced.

Objective 3.2: To expand the use of existing work/life and other human resource flexibilities.

Key Outcomes:

- Employees are satisfied with family friendly flexibilities;
- Hiring flexibilities are used;
- Reduced employee turn-over in mission critical occupations, information technology, human resources, and leadership;
- Employees believe USDA has the talent necessary to achieve organizational goals; and
- Employees are satisfied with their jobs.

Strategic Goal 4: The Department has a diverse, results-oriented, high-performing workforce and a performance management system that differentiates between high and low levels of performance and links individual/team/unit performance to organizational goals and desired results effectively.

Objective 4.1: To communicate and tie individual performance to organizational goals and desired results.

Key Outcomes:

- Employees are knowledgeable of the USDA mission, vision, goals, and objectives and their role in supporting the mission; and
- Employees are involved in the decision-making process and empowered to share ideas.

Objective 4.2: To tie individual performance plans to organizational goals and desired results and refine the USDA performance appraisal program to distinguish between levels of performance.

Key Outcomes:

- USDA's performance management system makes meaningful distinctions among employee performance;
- Performance plans effectively link to mission, goals, and outcomes;
- Employees believe steps are taken to deal with poor performers who cannot or will not improve;
- Decisions, policies, processes, and practices executed under the results-oriented Performance Culture System comply with merit system principles and related laws, rules, and regulations;
- Awards programs recognize top performers appropriately;
- Senior Executives' appraisals and awards are appropriately based upon accomplishment of agencies strategic goals;
- Awards reflect meaningful distinctions based upon relative contribution to mission performance; and
- Employees understand the relationship between their performance and salary adjustments and awards.

Objective 4.3: To determine the factors that lead to disputes, implement solutions, and increase the speed and effectiveness with which workplace disputes are resolved.

Key Outcomes:

- Grievances and unfair labor practices are resolved at lowest practical level; and
- Usage of Alternative Dispute Resolution Program.

Strategic Goal 5: The Department's human capital management decisions are guided by a data-driven, results-oriented planning and accountability system.

Objective 5.1: To establish a formal, documented accountability system that meets OPM requirements.

Objective 5.2: To measure and assess all human capital management systems for mission alignment, effectiveness, and efficiency and for compliance with merit system principles and civil service laws, rules, and regulations.

Key Outcomes:

- Employees perceive the agency as a high-performing workplace where their skills and abilities are used well and they are trained fairly and equitably; and
- USDA's Accountability Implementation System Plan is efficient, effective, and compliant and supports the Department's mission as reflected in this Plan.

USDA Mission Areas, Agencies, and Staff Offices

USDA Mission Areas and Agencies

Farm and Foreign Agricultural Services

- Farm Service Agency
- Foreign Agricultural Service
- Risk Management Agency

Food, Nutrition and Consumer Services

- Food and Nutrition Service
- Center for Nutrition Policy and Promotion

Food Safety

- Food Safety and Inspection Service

Natural Resources and Environment

- Forest Service
- Natural Resources Conservation Service

Rural Development

Research, Education and Economics

- Agricultural Research Service
- Cooperative State Research, Education and Extension Service
- Economic Research Service
- National Agricultural Statistics Services

Marketing and Regulatory Programs

- Agricultural Marketing Service
- Animal and Plant Health Inspection Service
- Grain Inspection, Packers and Stockyards Administration

USDA Staff Offices

Civil Rights

Departmental Administration

Office of Budget and Program Analysis

Office of the Chief Economist

Office of the Chief Financial Officer

Office of the Chief Information Officer

Office of Communications

Office of Congressional Relations

Office of the General Counsel

Office of the Inspector General