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THE DOL MANAGEMENT REVIEW BOARD (MRB) COORDINATES ACTION ON THE PRESIDENT'S MANAGEMENT AGENDA AND OTHER DEPARTMENT WIDE ISSUES. THE MRB IS CHAIRED BY THE ASSISTANT SECRETARY FOR ADMINISTRATION AND MANAGEMENT AND INCLUDES THE HEADS OF THE DEPARTMENT'S PROGRAM AGENCIES AND DIRECTORS OF KEY STAFF ORGANIZATIONS.

Departmental Management Goals

DOL is committed to improving mission performance through better utilization of information technology, effective stewardship of DOL resources, and maintaining an environment in which employees are encouraged to develop their individual skills and pursue career goals. To achieve these objectives, the Department has increased the electronic distribution of training and other human resources information, continued upgrades to the payroll systems, expanded continuous learning and career management programs, and increased participation in "employee-friendly" programs.

This section highlights progress toward achieving the Department's internal management goals in the program support areas of human resources, finance, and information technology.

Maintain the Integrity and Stewardship of the Department's Financial Resources

All DOL financial systems meet the standards set forth in the Federal Financial Management Improvement Act (FFMIA) and the Government Management Reform Act (GMRA).

Results: The goal was substantially achieved. The Department has determined that all 17 financial management systems substantially comply with the FFMIA standards. However, in their report on compliance with FFMIA, the Office of Inspector General concluded that DOL substantially complied with the requirements of the Act except for compliance with the Managerial Cost Accounting Standard. In accordance with GMRA, the audited Consolidated Financial Statement was delivered as per the form and content specified by the Office of Management and Budget.

Program Description: OCFO provides comprehensive direction to all DOL agencies on financial policy arising from financial, legislative, and regulatory mandates. FFMIA requires agencies to implement and maintain financial management systems that substantially comply with Federal financial management systems requirements, applicable Federal accounting standards, and the United States Government Standard General Ledger at the transaction level. GMRA requires each agency to prepare and submit audited financial statements. The financial statements must comply with the Office of Management and Budget's Bulletin No. 01-09, Form and Content of Agency Financial Statements (and amendments).

Analysis of Results: For the sixth consecutive year, DOL received an unqualified ("clean") audit opinion which states that the financial statements are presented fairly in all material respects in accordance with accounting principles generally accepted in the U.S. Also, no material weaknesses were identified in the Report on Internal Controls.

The Secretary has certified that during FY 2002, all 17 eligible DOL systems substantially complied with the requirements of FFMIA for the second consecutive year. However, in their report on compliance with FFMIA, the Office of Inspector General concluded that DOL substantially complied with the requirements of the Act except for compliance with the Managerial Cost Accounting Standard.

Strategies: During FY 2003, the Department will accelerate its efforts to ensure that cost accounting data is available for all major programs and that managers use this information to improve efficiency. DOL will concentrate on coordinating the performance reporting systems and the financial management systems to provide an integrated view of performance and cost data. To support this initiative, the OCFO is in the process of forming a division within its Office of Financial Integrity whose responsibility is to work in conjunction with the Office of the Assistant Secretary for Administration and Management, to implement the integration of performance, budget, and financial information at the operational level.

Goal Assessment and Future Plans: DOL has consolidated its two goals targeting compliance with financial laws and standards, and added new performance measures for FY 2003 that address the financial management challenges posed by the President's Management Agenda. ■

(Goal FM1 — FY 2002 Annual Performance Plan)

Maintain the Integrity and Stewardship of the Department's Financial Resources

DOL meets all new accounting standards issued by the Federal Accounting Standards Advisory Board (FASAB) including the Managerial Cost Accounting Standard.

Results: The Department substantially achieved the goal. The Department has determined that all new FASAB standards have been met. However, in their report on compliance with FFMA, the Office of Inspector General concluded that DOL substantially complied with the requirements of the Act except for compliance with the Managerial Cost Accounting Standard.

Program Description: OCFO provides guidance, assistance, and oversight in implementing cost accounting applications at summary levels in each agency to measure costs in achieving organizational goals.

Analysis of Results: The Secretary has certified that during FY 2002, all 17 eligible DOL systems substantially complied with the requirements of FFMA, including meeting all new accounting standards issued by FASAB. However, in their report on compliance with FFMA, the Office of Inspector General concluded that DOL substantially complied with the requirements of the Act except for compliance with the Managerial Cost Accounting Standard.

Strategies: In FY 2002, the Department continued its strategy of using a top-down, management-driven approach in implementing managerial cost accounting. For FY 2003, DOL will concentrate on coordinating the performance reporting systems and the financial management systems to provide an integrated view of performance and cost data. To support this initiative, the OCFO is in the process of forming a division within its Office of Financial Integrity whose responsibility is to work in conjunction with the Office of the Assistant Secretary for Administration and Management, to implement the integration of performance, budget, and financial information at the operational level.

Goal Assessment and Future Plans: DOL has consolidated its two goals targeting compliance with financial laws and standards, and added new performance measures for FY 2003 that address the financial management challenges posed by the President's Management Agenda. ■

(Goal FM2 — FY 2002 Annual Performance Plan)

Improve Organizational Performance and Communication through Effective Deployment of IT Resources

Improve automated access to administrative and program systems, services and information.

Results: This goal was substantially achieved, with five of six indicators met.

Program Description: The Department's Office of the Assistant Secretary for Administration and Management provides leadership, policy guidance, and assistance to DOL agencies to promote the efficient and effective use of information technology (IT). The Office of Public Affairs, the Office of the Assistant Secretary for Policy, and the Office of the Assistant Secretary for Administration and Management coordinate to manage the Department's public and internal web sites to ensure the information and services are cohesive, accessible, timely, accurate, and authoritative.

Analysis of Results: This goal had two distinct information technology objectives: 1) improving DOL's internal automated communication capabilities and 2) improving public access and content of DOL web page services. The first objective was fully achieved as DOL implemented a department wide computer network and installed common office automation software – improving workplace productivity by simplifying information data exchange capabilities. For the second objective, the Department redesigned and enhanced its public Web page by incorporating additional informational topics and interfaces and improving user satisfaction, which in turn attracted additional users. DOL did not achieve the targeted reduction of Web page "hits" necessary to reach the information of interest to the site's users. However, this was due in part to users remaining on the redesigned and improved Web page longer and viewing more pages as both the quantity and quality of information increased.

Goals Assessments and Future Plans: DOL has significantly revised this goal for FY 2003 to focus on improving organizational performance and communication through effective information management and deployment of IT resources. The FY 2003 indicators will measure the Department's progress in the areas of improving security over automated systems, managing IT initiatives to ensure the delivery of expected benefits on time and within budget, and facilitating our customers' communications with the Department. ■

(Goal IT1 — FY 2002 Annual Performance Plan)

Establish DOL as a Model Workplace

The right people are in the right place at the right time to carry out the mission of the Department.

Results: This goal was not met. Performance met or exceeded targeted levels for four of six performance indicators. One indicator was substantially achieved. One indicator was not met.

Program Description: To accomplish its mission more effectively, DOL strives to attract highly competent and diverse job applicants. Selecting officials are given the opportunity to assess the effectiveness of recruitment efforts by providing feedback about the quality of applicants. Targeted recruitment efforts have also been developed to increase the diversity of the Department's workforce, and to address under-representation in professional occupations. The Department has continued to develop competency models for its mission critical occupations. These competency models will allow us to assess the skills of our workforce, identify skill gaps, and develop training programs to eliminate those gaps, as well as focus recruitment efforts towards attracting applicants with the right competencies. To promote a citizen-centered and results oriented government, the Department has been improving its strategic management of human capital, as measured by the Human Capital Scorecard for the President's Management Agenda. This effort included developing a scorecard for each major program agency in the Department.

Analysis of Results: Three sub-objectives add definition and focus for this goal, and each sub-objective is supported by one or more performance indicators and measures. The FY 2002 results by sub-objective and indicator follow.

The DOL workforce is a prepared and competent workforce.

- **90 percent of managers will indicate satisfaction with the quality of applicants referred for their vacancies.**
This indicator was met. Ninety-four percent of selecting officials indicated satisfaction with the quality of job applicants. This was down slightly from the 97 percent satisfaction rate reported for the last half of FY 2001, but still substantially above the goal of a 90 percent satisfaction rate. The overall response rate improved in FY 2002 to 55.8 percent, up from 47.9 percent in FY 2001.
- **Baselines for key professional occupations identified by restructuring plans prepared by agencies with retention problems will be established.**
This indicator was met. Baseline turnover rates were established for mission critical professional occupations with more than 75 employees, based on average turnover rates for the three years from FY 1998 through FY 2000. Five occupations were identified as having high turnover rates: economists, mathematical statisticians, auditors in the Pension Welfare Benefits Administration, pension law specialists, and manpower development specialists. All but auditors showed significant declines in FY 2001 from the baselines. The turnover rate for mathematical statisticians dropped from 8.5 percent to 5.9 percent; economists from 8.4 percent to 7.5 percent; manpower development specialists from 9.6 percent to 5.7 percent; and pension law specialists from 10.9 percent to 8.3 percent. This decrease is attributable in part to the slower economy combined with an increased interest in public service that has made government jobs more desirable. In addition, our targeted recruitment efforts

The Asian Pacific American Career Advancement Summit—held May 1, 2002—to kick off Asian Pacific Heritage Month—included a day-long workshop designed to bring together government workers of Asian-Pacific heritage who want to advance within the Federal workforce. Participants, shown here, were provided with management insights, new skills, and mentoring opportunities that will help advance their government careers.



PHOTO: DOL/ILAB

and college visits have improved the recruitment of candidates. In view of the FY 2001 baseline study findings, the Department does not plan to set performance measures for increasing retention rates for any occupations at this time. We will continue to monitor retention rates, and some initiatives, such as succession planning and retention bonuses, will continue on a targeted basis.

■ **Core competencies for mission critical occupations are established.**

This indicator was not met. The President's Management Agenda calls for the elimination of workforce skill gaps in mission critical occupations — those major occupations essential to the accomplishment of the Department's mission. Competencies measure the knowledge, skills, abilities, behaviors, and other characteristics needed to perform work roles or occupational functions successfully. Identifying these core competencies serves as the first step to assessing and eliminating skill gaps in the workforce.

The Department identified 27 mission critical occupations as part of its overall workforce planning analysis, and established the core competencies for 10 occupations. In addition, a draft competency model for an eleventh occupation was prepared, and 7 more are currently being developed with completion expected in December 2002. The Department plans to continue this work in the next fiscal year.

The DOL workforce is a diverse workforce.

■ **Improvement will be realized in 30 percent of diversity indicators for professional occupations exhibiting under-representation in FY 2001.**

This indicator was substantially met. Under-representation of ethnic groups and women exists in many of the Department's professional occupations. The Department's Affirmative Employment Plans have regularly included strategies to improve representation in these occupations. At the end of FY 2001, it was determined that pockets of under-representation still existed in 34 ethnic-occupational groupings (such as Hispanic engineers, or Asian/Pacific Islander attorneys). In the 34 professional occupation-ethnic group categories, representation improved in 29.4 percent, substantially meeting the goal. In addition, 3 occupations increased to meet their representation in the civilian labor force: female accountants, Asian/Pacific Islander attorneys, and Asian/Pacific Islander administrative law judges.

■ **Continued improvement is realized in the extent to which diversity in the DOL workforce reflects the civilian labor force.**

This indicator was met. The following chart provides diversity data on the Department of Labor for the last four years. In general, diversity improved among Asian/Pacific Islanders and women in FY 2002, while most other categories remained unchanged. The percentage of black employees was down slightly, but was still substantially above the percentage in the overall Civilian Labor Force.

	TOTAL	WOMEN	WHITE	BLACK	HISPANIC	ASIAN/ P.I.	NATIVE AM. / ALASKAN NATIVE	PERSONS WITH DISABILITIES	PERSONS WITH TARGETED DISABILITIES
CLF*	100%	46.3%	—	11.3%	11.9%	3.9%	0.7%		
FY 1999	15,723	7,802	10,269	3,782	1,057	505	110		
	100%	49.6%	65.3%	24.1%	6.7%	3.2%	0.7%		
FY 2000	16,053	7,971	10,367	3,887	1,102	532	115		
	100%	49.7%	64.6%	24.2%	6.9%	3.3%	0.7%		
FY 2001	16,193	8,119	10,490	3,899	1,115	575	113	1,076	196
	100%	49.9%	64.8%	24.1%	6.9%	3.6%	0.7%	6.6%	1.2%
FY 2002	16,135	8,135	10,448	3,849	1,113	616	109	1,072	189
	100%	50.4%	64.8%	23.9%	6.9%	3.8%	0.7%	6.6%	1.2%

* CIVILIAN LABOR FORCE, BASED ON 1990 CENSUS DATA

Human capital policies and plans promote a citizen-centered and results oriented government consistent with the President's Management Agenda.

■ **Improve Human Capital Standards scores for at least 20 percent of DOL agencies, above baseline established in FY 2001.**

This indicator was met. In FY 2001, OMB rated the Department overall and 10 of its agencies using the scorecard developed to measure performance on the items in the President's Management Agenda, including human capital strategies, citizen-centered organizational structures, workforce performance, and workforce competencies. OMB used a rating scale of Green (meets the requirements), Yellow (meets some but not all), and Red (fails to meet all). With minor modifications, the Department conducted its own evaluation of the 10 agencies in FY 2002. Sixty percent of the ten programs rated in FY 2001 showed improvement for FY 2002. Two agencies received Green ratings, while the remaining eight all received Yellow ratings.

Data sources varied for the performance indicators. Survey results came from a survey distributed with certificates of applicants for positions. Diversity data is from the Department's PeoplePower database. Information on the OMB scorecard for the Department of Labor's agencies was supplied by the agencies with some additional information taken from the PeoplePower database. This information was reviewed and evaluated by Office of Workforce Planning and Diversity in OASAM. The OIG conducts annual audits of the validity of the data.

Goal Assessment and Future Plans: The performance indicator for measuring the quality of the workforce will be changed for FY 2003. Since more than 90 percent of managers responding to the survey expressed satisfaction with the overall quality of applicants referred to them, the Department plans to pursue more specific measures of workforce quality and preparedness. The survey will be eliminated. Work will continue on the development of competencies in mission critical occupations, and tools will be selected to conduct the assessment of workforce skills against those competencies – the next step in the process of aligning workforce skills with the Department's missions. ■

(Goal HR 1 — FY 2002 Annual Performance Plan)

Reduce the Rate of Lost Production Days

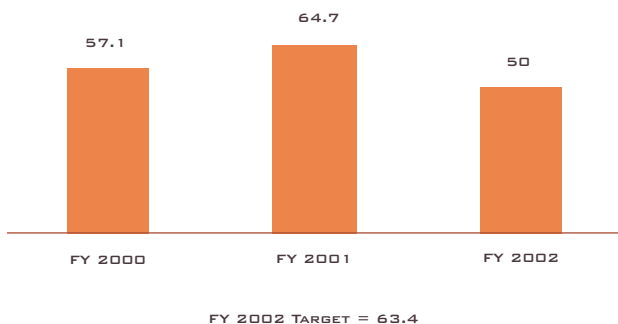
Reduce the rate of lost production days (i.e., number of days employees spend away from work due to work related accidents and injuries) by two percent.

Results: This goal was achieved. The rate of lost production days due to work related accidents and injuries decreased by 22.7 percent.

Program Description: This goal is one of the Department's two measures under the Government-wide Federal Employees Safety and Injury Initiative led by DOL's Office of Workers' Compensation Programs (OWCP) and Occupational Safety and Health Administration. Within DOL, the Office of the Assistant Secretary for Administration and Management (OASAM) assists DOL agencies to reduce work related injuries and illnesses, and return recovered employees to the workplace at the earliest appropriate time.

Analysis of Results: DOL achieved a lost production days rate of 50 days per 100 employees, as compared to a target level of 63.4 days for FY 2002. This is a dramatic turnaround after two years of increases in lost production days. The Department realized this result through a program of increased management attention and accountability and its Positive Case Management initiative to return workers to duty commensurate with their abilities by providing light duty and job modifications on a more extensive basis. OWCP provides the final data for this indicator, and explains in the narrative for Goal 2.2D how they verify the reliability of the data provided to all Federal agencies.

FEDERAL EMPLOYEE LOST PRODUCTION DAYS
(RATE PER 100 EMPLOYEES)



Strategies: The Department has worked closely with OWCP to identify injured employees who are the best candidates for return to productive employment. This effort, coupled with closer cooperation between the workers' compensation coordinators and front-line managers, permitted the Department to provide earlier accommodation to partially disabled workers. OASAM conducted a training conference for program managers in agencies with low performance against the Federal Employees Safety and Injury Initiative's goals, and developed a guide on strategies to return injured employees to work. OASAM monitored progress through monthly reports distributed to all DOL agencies. In addition, the Department engaged the services of nurses who specialize in occupational health and disability assessments to work with injured employees, in many instances before their claims had been reviewed by OWCP for potential services, thereby shortening the time required to begin the rehabilitation process. During FY 2003, DOL will continue to use the information available in its Safety and Health Management Information System as well as OWCP data to identify injured employees who are candidates for return to duty, either in their previous positions or through light duty or job modification. The Department's complementary efforts to reduce the rates of injuries and illnesses should also support a further reduction in the rate of lost production days. These efforts are described under the goal to reduce injury rates.

Goal Assessment and Future Plans: The Department will aggressively pursue continued reductions by establishing goals in keeping with the guidance provided by OWCP. ■

(Goal HR2 — FY 2002 Annual Performance Plan)

Reduce the Injury Rate and Improve the Timeliness of Filing Injury Claim Forms

Reduce the injury/illness rate for DOL employees by three percent and improve the timeliness of filing work related injury/illness claim forms by five percent.

Results: The Department has achieved this two part goal. The Department achieved an injury/illness rate of 2.98 as of the end of the fourth quarter FY 2002 against a target of 3.38 claims per 100 full-time employees. The timeliness of filing claim forms improved by 19.8 percentage points.

Program Description: This two-part goal is one of two measures under the Federal Employees Safety and Injury Initiative led by DOL's Office of Workers' Compensation Programs (OWCP) and Occupational Safety and Health Administration. To reduce injuries and illnesses among DOL employees, the Department's Office of the Assistant Secretary for Administration and Management (OASAM) monitors work related injuries and illnesses, and initiates appropriate interventions and corrective actions.

Analysis of Results: In FY 2002, DOL targeted reducing injuries and illnesses to 3.38 cases per 100 employees and filing 62.4 percent of claims with OWCP in a timely manner. The Department met the injury/illness target with a rate of 2.98 per 100 employees, and exceeded the timeliness target by 14.8 percentage points by filing 77.2 percent of claims on time. This performance represents a significant turn-around for the Department in providing a safer, healthier work environment for employees and securing medical and income replacement benefits in a timely manner.

Rates of injury and causes of injuries continue to fluctuate among the DOL agencies. This is attributable in large part to the varying missions and occupational demands of the Department's work force. OASAM continues to engage the various agencies in detailed and targeted analysis of their respective injury rates and types, and has identified repetitive stress injuries for special emphasis on a department wide basis.

OWCP provides the data for the timeliness of injury claims in its time-lag reports for Federal agencies. In addition, the OASAM Safety and Health Information Management System tracks the data throughout the year on a real-time basis. OSHA provides final injury/illness rates to federal agencies using OWCP workers' compensation claims data in conjunction with employment data from the Office of Personnel Management.

Strategies: During the past year, the Department implemented key reporting and information systems that promote faster filing of claims and greater accessibility to injury data. For example, expanding the Safety and Health Information System to provide the capability to file claims directly with OWCP significantly improved the timeliness of filing claim forms. In addition, this management information system provides a wealth of data that the DOL agencies now use to promptly analyze the nature and causes of injuries and illnesses. OASAM trained the safety and health officers and workers' compensation coordinators in making effective use of these tools.

In FY 2003, the Department will expand its use of the new data systems to provide more detailed analysis of the types of injuries by individual programs and offices. This effort will be coupled with a revitalized internal safety and health program that will include inspection of DOL offices. OASAM will also introduce a web-based self-assessment and education tool to provide an ergonomic awareness and worksite modification program. In addition, the Department plans to pilot OSHA's Voluntary Protection Program (VPP) in three DOL areas with high rates of injuries and illnesses. VPP has a proven track record of substantially reducing injuries and illnesses in private sector worksites.

Goal Assessment and Future Plans: The goals for FY 2003 will be a further three percent reduction in the injury/illness rate and a five percent increase in the timeliness of reporting workers' compensation cases to OWCP. ■

(Goal HR3 — FY 2002 Annual Performance Plan)

Enhance the Efficiency of DOL's Services

Complete public-private or direct conversion competitions on not less than the five percent of the FTE listed on DOL's 2000 FAIR Act (Federal Activities Inventory Reform Act) Inventory.

Results: DOL fully achieved its FY 2002 competitive sourcing goal. In FY 2002, DOL directly converted to private sector contractors the commercial work performed by 152 full time employees (FTE), more than the target of 140 FTE required to meet the five percent targeted reduction from DOL's 2000 FAIR Act Inventory.

Program Description: The President's Management Agenda includes competitive sourcing of services as one of five government-wide initiatives on the President's Management Agenda, to improve the efficiency of Federal programs by expanding competition between the public and private sector. The Office of Management and Budget established the FY 2002 competitive sourcing goal for DOL and other Federal executive agencies in March 2001. Because a standard practice for DOL is ongoing review of the effectiveness and efficiency of its programs, DOL agencies were already making extensive use of competitively sourced services to reduce program costs at the time of the establishment of the 2002 goal.

Analysis of Results: The Department has made significant progress in its competitive sourcing initiative. DOL directly converted to private sector contractors the commercial work performed by the equivalent of 152 of the 2800 full time employees performing commercial work as reported on the Department's 2000 FAIR Act Inventory. This exceeds DOL's FY 2002 goal by more than 10 FTE.

In addition, DOL overhauled its FAIR Act Inventory for 2002, increasing the number of FTE classified as commercial activity by approximately 80 percent, providing a more complete picture of the Department's activities that are commercial in nature.

Strategies: In FY 2002, DOL agencies made management decisions to contract out commercial work where it made the best business sense. This approach will carry forward in FY 2003, and DOL will work closely with consultants to identify functions for competition and direct conversion. Those identified functions that are not studied or directly converted in FY 2003 could be considered for study or conversion in FY 2004. DOL is also planning to identify candidates for full cost comparison under the guidance provided in the Office of Management and Budget's revised Circular A-76 in FY 2004.

Goals Assessment and Future Plans: DOL's competitive sourcing goal for FY 2003 is the competition or direct conversion to contract of at least ten percent of the commercial full time employees listed on DOL's 2000 FAIR Act Inventory, or 280 FTE. ■

(Goal PR1 — FY 2002 Annual Performance Plan)

Ensure Performance Results are Achieved Through Contracts

Award eligible service contracts over \$25,000 using Performance-Based Service Contracting (PBSC) techniques for not less than 20 percent of total eligible service contracting dollars.

Results: This goal was substantially achieved. DOL used performance-based service contracting techniques for 18 percent of total eligible service contracting dollars.

Program Description: In March 2001, the Office of Management and Budget established an FY 2002 performance-based service contracting goal for all Federal agencies, based on the goals established under the Government-Wide Acquisition Performance Measurement Program developed by the Procurement Executives Council. Performance-based service contracting methods result in procurement efficiencies by ensuring contractors are paid for the actual level of service that the government receives. Performance-based contracts describe requirements in terms of results rather than methods of performance of work.

Analysis of Results: DOL fell slightly short of the targeted performance level during the first year for this goal. Raising the awareness of managers across DOL about the benefits of performance-based service contracting, the methods for developing such contracts, and the established expectations during the second year of this initiative should improve future performance.

Strategies: To foster management support for the performance-based service contracting initiative, DOL has several efforts underway and is exploring additional strategies, such as including PBSC performance standards in annual performance agreements established for managers and technical personnel. This will encourage management involvement and emphasize the need to consider performance-based service contracting methods when contracting for all eligible services. DOL will offer additional training sessions to contracting and program managers. DOL's Annual Acquisition Plan will be amended to capture additional data to more effectively identify and forecast prospective PBSC awards to improve monitoring of the program. Finally, DOL will revise its acquisition policy to require higher-level review and approval of eligible service contracts during the acquisition planning stages, to ensure consideration of writing, soliciting, and awarding performance-based contracts.

Goals Assessment and Future Plans: The Department's goal for FY 2003 is to award eligible service contracts over \$25,000 using performance-based techniques for not less than a cumulative total of 30 percent of eligible service contracting dollars. ■

(Goal PR2 — FY 2002 Annual Performance Plan)