Dear Colleagues,

It is with immense pleasure that I share with you the significant achievement made by our friends at the National Aeronautics and Space Administration (NASA). Thanks to the leadership of Administrator Sean O'Keefe, NASA has worked diligently as a team and has taken a momentous step forward and become the first agency to achieve a Green status in the Human Capital initiative.

I know the first thing each of you will want to know is "so how did they do it?" You will remember one year ago, I highlighted that the overall requirement to ensure strategic management of human capital to drive Federal Government transformation is hard work predicated on three common themes:

- **Leadership:** Commitment from the top is key to mobilizing the effort needed to implement the PMA. The department or agency head must demonstrate a constancy of purpose in support of implementation and designate an executive team responsible for implementing the five interdependent President's Management Agenda (PMA) initiatives. It is also critical that a single executive live and breathe the PMA so that they can address implementation concerns in a thorough manner at all executive and management staff meetings.
- **Coordination:** Agencies should schedule regular meetings of the coordinating executive and the five executive owners to ensure consistency and keep everyone updated. Executives should be held accountable for keeping progress on track and have the authority to deploy resources in support of implementation. The focus of a PMA team should be to maintain momentum, and organize plans and actions for implementation.
- **Communication:** Full implementation of the PMA requires an organization-wide effort. Departments and agencies have the responsibility to publicly display progress, which sends the message that the agenda is important and is being measured on a regular basis. What gets measured gets done.

Beyond these elements, NASA has also recognized that success is contingent upon embracing tough problems and immediately moving to rectify them as a team once they have been identified.

NASA has made it clear that all levels of its agency share the responsibility and accountability for effectively managing its human capital resources. Collectively, as a team, they have learned how to continuously promote the activities that elevated their ability to attract, retain and develop a high performing NASA workforce. To see just what NASA has accomplished with its human capital, click here www.opm.gov/HumanCapital/stories/.

In closing let me say how very proud I am of the accomplishments each of you has made in your strategic human capital management efforts.   I know NASA will not be our only "green" agency for long. Together we *will* make an impact on the way the Federal Government attracts, retains and develops its workforce. But, it is up to each of us, as leaders of our agencies, to assume that responsibility and champion, direct and ensure that change.

Sincerely,

Kay Coles James
Director
U.S. Office of Personnel Management

NASA's Human Capital Accomplishments

- Strategic Alignment
- Workforce Planning and Deployment
- Leadership and Knowledge Management
- Performance Culture
- Talent
- Accountability

Implemented a comprehensive Human Capital Plan, analyzed the results, and integrated them into decision making processes to drive continuous improvement	**Strategic Alignment** NASA issued its Strategic Human Capital Plan (SHCP) in September 2002 and stuck to an aggressive implementation schedule throughout FY 2003, completing its identified milestones in September 2003. In November 2003, the same senior management team that developed the first plan, analyzed the findings and results of its implemented roadmap and then updated the initial Strategic Human Capital Plan. The revised Strategic Human Capital Plan continues to ensure effective management and improvement of their human capital programs in support of the agency's vision, mission and goals. NASA's strategic plan, SHCP, Strategic Human Capital Implementation Plan (SHCIP), and Human Capital Management Accomplishment Report are accessible on their "NASAPeople" website at: http://nasapeople.nasa.gov/hcm/.
Analyzed and optimized existing organizational structures from service and cost perspectives, using redeployment and delayering as necessary and integrating competitive sourcing and E-Gov solutions; and has a process in place to address future changes in business needs.	**Workforce Planning and Deployment** NASA analyzed and optimized existing organizational structures from service and cost perspectives, utilizing several strategies – redeployment and delayering, competitive sourcing, E-Gov solutions, and a process of One-NASA to address future changes in the corporate vision, mission, and business needs. The agency abolished some deputy positions by delegating program and enterprise authorities to its Centers. A One-NASA corporate goal assists in the transformation of the agency workforce by establishing agency-wide leadership in such areas as national recruitment for core critical competencies and in assuring that Center employees broaden their understanding of the agency's vision and mission by providing learning experiences in other agency Centers. Full cost budgeting ties all costs, including civil service personnel costs, directly to the programs and managers are accountable for total program costs and program results. NASA's competency management system (CMS) – an important element of the Agency's enhanced workforce planning and analysis capability – identifies, manages, and reports the competency strengths and needs. NASA Centers use CMS to identify a common set of definitions that feed an agency-wide competency dictionary and an inventory of current workforce competencies. The system enables planners to compare competency demands with the current knowledge base, assess competency strengths and weaknesses, and identify "at risk" competencies on an agency basis. The CMS drives recruitment, training, leadership, and succession planning. For example, competency assessments, along with other workforce planning data, helped the Agency set priorities and target occupational areas for its corporate recruitment strategy.

Succession strategies, including structured executive development programs, result in a leadership talent pool available and continuously updated to achieve results.	**Leadership and Knowledge Management** NASA's leadership training and development programs are comprehensive, providing succession planning tools to prepare the workforce for future leadership opportunities and requirements. A Leadership Model program emphasizes leadership assessment and development and aligns with the agency's strategic plan and the President's Management Agenda. The agency's Senior Executive Service Candidate Development Program (SESCDP) offers individuals a structured, competitive preparation curriculum for future Senior Executive Service opportunities. Seventy-three percent of the SESCDP graduates are now in SES positions. Other leadership development programs are the NASA Fellowship Program and a Leadership Development Program for employees in senior journey level (GS-13 and GS-14) positions.
Has performance appraisal plans for SES and managers, and more than 60% of the workforce, that: link to agency mission, goals and outcomes; hold employees accountable for results appropriately to their level of responsibility; effectively differentiate between various levels of performance; and provide consequences based on performance. The agency is also working to include all agency employees under such systems.	**Performance Culture** Performance appraisal plans for SES and managers link to agency mission, goals and outcomes, effectively differentiate between various levels of performance, provide consequences based on performance, and cascade appropriately throughout more than 60% of the agency. An extensive review of the NASA performance management program shows a well designed focus emphasizing elements such as alignment with agency goals, results-oriented, employee involvement, and required program evaluation. These programs require that: - At least one critical element in employee performance plans match directly to an organizational and/or mission related goal; and - Award and recognition recommendations and decisions tie up with an actual organizational goal and/or mission, identifying the level of contribution toward the related results or outcomes as a means for determining any monetary benefit. While General Schedule employees are covered by a pass/fail system, NASA makes meaningful performance distinctions through its awards program, which uses a rigorous awards criteria matrix that links to a critical performance element. Using awards data for the past seven years, NASA demonstrated that the top performers were the employees who got the top awards. Their effective stringent awards process experience should easily transit to a pay-for-performance system (such as the human capital performance fund). The NASA employees' responses to the 2002 Federal Human Capital Survey (FHCS) demonstrate their buy-in to the effectiveness of the awards program. NASA ranked first and significantly higher than the rest of the Government on the survey items "awards in my work unit depend on how well employees perform their jobs" and "employees are rewarded for providing high quality products and services to customers."

Reduced under-representation, particularly in mission critical occupations and leadership ranks; established processes to sustain diversity. Significantly reduced skill gaps in mission critical occupations and competencies, integrated competitive sourcing and E-Gov solutions into gap reduction strategy.	**Talent** The agency reduced under representation, particularly in mission-critical occupations and leadership ranks, and established processes to sustain and improve workforce diversity. In the supervisory ranks, since the start of FY 2000, the proportion of minorities and women increased from 32 to 35 percent and, among senior executives, from 28 to 32 percent. NASA's permanent workforce demographics as of May 2003 reflect similar increases in the representation of minority employees and women, as follows: - In positions at the gs-14 level or above; - Within the mission critical science and engineering segment of the workforce; and - Within NASA leadership and training programs. NASA uses a corporate recruitment strategy and other agency initiatives programs (e.g., NASA University Research Centers, the Undergraduate and Graduate Student Researchers Programs, and the Harriett G. Jenkins Pre-doctoral Fellowship Program) to expand the number of students seeking degrees in science, technology, engineering, and mathematics disciplines. These, along with NASA's equal opportunity programs, support the development of a diverse pool of individuals that possess the competencies NASA needs. A newly devised automated hiring system – NASA STARS –enhances NASA's ability to compete with private industry for top talent at college recruiting events. NASA STARS enjoys a 98 percent satisfaction rate among applicants, based on a satisfaction survey; notifies candidates of receipt of application within minutes; and has improved the time to fill vacancies by over 35 percent.
Outcome measures are used to make Human Capital decisions, demonstrate results, make key program and budget decisions, and drive continuous improvement in the agency.	**Accountability** NASA uses its outcome measures to make human capital decisions based on demonstrated results, determine key program and budget decisions, and drive continuous improvement in the agency's high performance workforce. The agency's human capital accountability process links directly with its human capital planning cycle. This close linkage ensures that accountability measurement activities inform, and are informed by, the agency's strategic human capital plan. This integration includes the four steps of strategic human capital planning which emphasizes "measure" and "respond" as two key functions. In FY 2003 NASA tracked its Strategic Human Capital Plan milestones, provided reports to managers on human capital measures, reviewed human capital assessments, and weighed the findings and results in order to determine the consequential course of action. In November 2003, NASA assessed the results of its improvement initiatives contained in its Strategic Human Capital Plan and formulated a new set of improvement initiatives and associated activities to ensure continuous improvement of their Human Capital programs.