

# A Message from the Director

## Strategic Management of Human Capital First Quarter FY 2006 Update

### **Advancing the Strategic Management of Human Capital:**

This was a very productive quarter for the Government's human capital program, culminating in President George W. Bush's selection of three agencies to receive the prestigious 2005 President's Quality Award. The Department of State and Social Security Administration were specifically honored for their human capital efforts.

The Department of Treasury achieved "Green" status on the human capital scorecard, bringing the total number of agencies this quarter to 13. Agencies also intensified their efforts to close competency gaps in key occupations and improve their hiring processes and their performance appraisal systems.

### ***President's Quality Award Winners Strategic Management of Human Capital***

The President's Quality Award ([PQA](#)) is the highest award given to Executive Branch agencies for management excellence. This year the President recognized three agencies – one in the Overall Management category and two for their human capital achievements.

The Department of Labor was recognized in the most prestigious category - Overall Management – due in large part to the fact that they have achieved "Green" status in all five initiatives in the President's Management Agenda. They are the first agency to be recognized at this level.

In addition, the Department of State received two human capital awards, including one for its Web-based program that was used to quickly determine which employees to deploy in areas devastated by the Asian tsunami and Hurricane Katrina.

The Social Security Administration (SSA) was honored for its human capital program, including the implementation of a massive recruitment program to support the recent Medicare drug benefits legislation.

### ***Agencies Make Significant Advancement in Performance Management and Talent Systems***

#### *Performance Management*

The Government is shining a spotlight on performance appraisal systems. Agencies are revising their systems to make sure employee performance plans are results-driven and link to agency goals, and to ensure performance and award distinctions are made. Recently, OPM released a Performance Appraisal Assessment Tool to assist agencies in evaluating their systems. The tool is easy to use and helps agencies pinpoint areas for improvement. Using the results of the tool, OPM is working with agencies to ensure appraisal systems continue to cultivate a culture of excellence and results in Government. During this past quarter, agencies identified "Beta" or test sites to implement and assess their revised systems.

#### *Talent*

The challenging and diverse nature of work in Government dictates we have the best and brightest working in public service. This quarter agencies sharpened their focus on closing competency gaps. Sixteen agencies now have reduced skill gaps in their key occupations. However, vital to this initiative is linking gap closure to agency priorities. For instance, Secretary of State Condoleezza Rice has launched a "transformational diplomacy" initiative which requires greater language fluency in Foreign Service employees.

In order to close these gaps, it is critical that agencies have streamlined hiring processes in place. We recognize that an improved hiring process will allow every citizen who applies for a Government job a fair and quick decision. All agencies are closing in on or meeting the 45-day time-to-hire target while nineteen agencies have reduced the time it takes to hire candidates.

## ***Building HR Skills in Government***

Increasing the skills and quality of our HR workforce is an imperative for all Federal agencies. To that end, the Chief Human Capital Officer Council recently released its HR Management Competency Model which consists of nine competencies selected based on the needs of the human capital community. This model outlines the key knowledge and skills that our HR workforce needs to support their agencies in meeting priorities and goals. Agencies will begin offering training and development programs to build skill in these areas over the next several months.

### ***More Information***

For more information on how OPM is supporting agencies with their human capital efforts, visit [opm.gov](http://opm.gov) and click on "Strategic Management of Human Capital." You will find excellent information resources, as well as our *Human Capital Update FY 2001 to FY 2005 4th Quarter* and other subsequent reports. This publication offers a comprehensive look at OPM's role in the President's Management Agenda. Just click on "HC Stories" found under the "In Focus" Section.

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