

Strategic Human Capital Management Leading the Way through Our People and Systems

As human capital (HC) management programs mature in the Federal Government, their direct relationship to achieving mission objectives and providing service to the public become more evident. Key examples are found in the programs of the Intelligence Community and U.S. Agency for International Development (USAID).

The **Intelligence Community (IC)**, which is comprised of 16 intelligence agencies, is demonstrating significant results in transforming its strategic human capital management programs. At the heart of this transformation is recognition that the IC's success relies on a dedicated and unified corps of intelligence professionals. To support these professionals, senior leaders and managers of the IC have used OPM's Human Capital Assessment and Accountability Framework (HCAAF) – the Federal blueprint for effective and efficient human capital management – to establish common standards and metrics for human resource activities across the Community's components. The result is an integrated communications and decision-making process for development of common, sophisticated solutions to human capital management issues and workforce trends that directly affect mission accomplishment. Through this process, the IC has implemented innovative workforce solutions such as mandatory cross-agency rotational assignments to instill collaboration at all levels of the Community. For more information on the Intelligence Community, visit their web pages at www.dni.gov.

USAID provides economic, development and humanitarian assistance around the world in support of the foreign policy goals of the United States. Over the past two years, no agency has made a more dramatic turnaround in its human capital management program. USAID's turnaround is grounded in two simple HC principles: 1) align human capital planning with agency strategy, and 2) build a sustainable human capital management infrastructure.

Among USAID's strengths is its strong workforce planning model (and process), which is linked to the Agency's strategic and program planning efforts and used to identify its current and future human capital needs. The model is being used for organizational restructuring and is integrated with the Agency's budget process. The Agency's accountability system and audit process have also been significantly improved. Each HCAAF system is addressed in the agency accountability plan and metrics are established by the Agency's Performance Management Plan (PMP) to track progress and make improvements. The Agency is making use of the accountability plan, PMP, and results of the Agency survey and self audits to identify areas of improvement and achieve efficiencies in the HC planning process.

USAID has also demonstrated its commitment to effective human capital management through the realignment of its reporting structure. The Chief Human Capital Officer/Director of Human Resources now reports directly to the Agency Administrator. The new structure has improved the visibility and viability of human capital management within the agency, and helped USAID better align its people with its mission. Key

human capital positions also have been filled, including a dedicated and strategic Deputy HR Director. The new management team has demonstrated a depth of HC knowledge and understanding of agency priorities and goals that speak to their readiness and commitment to improve agency HR/HC programs and initiatives. For more information on USAID visit www.usaid.gov.

OPM's Human Capital Program – Making a Difference

Last year, OPM conducted the first-ever independent evaluation of its HC program, which was established in 2002. The review was completed in December 2007, and used an innovative evaluation methodology to assess the impact of OPM HC activities on agency management and mission accomplishment. Data sources included an agency questionnaire on our HC products and services, to which 21 of 26 (81%) of President's Management Council (PMC) agencies & 12 non-PMC agencies responded. Among others, three interesting findings emerged:

- Agencies that use OPM's Human Capital Program products and services to a greater degree tend to demonstrate better results in the human capital area of the Executive Branch Management Scorecard. The scorecard tracks how well agencies are executing the President's Management Agenda initiatives.
- Agencies that use OPM's Human Capital Program products and services to a greater degree tend to have a higher percentage of satisfied employees as indicated by results of the agency Federal Human Capital Survey (FHCS).
- These agencies also tend to show better program outcomes, as indicated by PAR and PART results.

These findings suggest OPM's HC program has produced tangible improvements in Federal human capital management and agency performance. The evaluation also produced several key recommendations that OPM is acting upon to continue providing the best possible service for federal agencies.

Performance Management Systems Continue Improvements

Agencies continue to make widespread improvements to their employee performance management systems. All agencies are on track to assess these systems' effectiveness by June 2008. Improved results are already visible in agency Senior Executive Service (SES) pay-for-performance systems. As of December 31, 2007, 99 percent of all executives are covered by performance management systems that meet effectiveness criteria and that have been certified by OPM, with the Office of Management and Budget concurrence.

To support agencies in improving their systems, OPM hosts a range of events designed to share promising practices and lessons learned across the Federal government. On a quarterly basis, OPM holds a governmentwide Performance Management Forum where agencies are updated on performance management activities and share information with each other about their systems. This year, the Chief Human Capital Officers Council Training Academy has focused two sessions on performance management, including a discussion of program assessment tools and successful practices in agencies. OPM also hosts the Executive Resources Forum, which addresses all issues related to the SES, including the SES pay-for-performance system.

Improving the Federal Hiring Process

Federal agencies have worked diligently over the past several years to reduce the time to hire using OPM's 45-day hiring model. The latest results show that these efforts have proven successful, as the average time it takes to hire is approximately 30 business days. Over 70% of all hires are made within the 45-day hiring model.

Recently, OPM launched an aggressive End-to-End Hiring initiative which aims to increase applicant satisfaction with the Federal hiring process and to further reduce the time it takes to bring on top talent in the Federal workforce. The initiative is designed to further integrate and create standards (a hiring roadmap) for key processes that drive talent acquisition and retention – 1) workforce planning, 2) recruitment, 3) hiring process, 4) suitability/security, and 5) new employee orientation process. The roadmap was being developed in collaboration with Federal human capital practitioners and is currently being piloted in several agencies.

Human Capital Management Reports

The Human Capital Management Report (HCMR) communicates human capital results as assessed through agencies' accountability systems. The report also forms a critical resource for OPM's overall leadership for strategic human capital management. Specifically, the annual HCMR provides an overview of agency human capital results measured against goals and objectives, including compliance with merit system principles, law, and regulations; feedback on the success of agency accountability systems; information that agencies can use to adjust their human capital strategies and programs; the raw material for OPM to assess the "state of human capital" across government and a snapshot of human capital progress across all HCAAF systems; and information for OPM to use in assessing the need for new or revised human capital programs and policies. The HCMR is now required by 5 CFR Part 250

All PMA-scored agencies submitted their HCMRs to OPM on December 15, 2007 and future submissions are required by 5 CFR Part 250. The HCMRs were analyzed by a panel of Human Capital Leadership and Merit System Accountability employees, which consisted of the Human Capital Officer, Lead Evaluator, and HCAAF Program Managers. After the reports were analyzed, verbal feedback was provided to the agency

during a consulting session. To formalize the feedback, a Human Capital Development Letter (HCDL) will be issued to each agency by April 30, 2008. The HCDL will summarize the content of the consulting session and include feedback on the “health” of each agency’s human capital program and an assessment of how well its accountability system is working. We will conduct an after action review of the entire HCMR process with OPM staff and agency representatives in May and June. Based on this feedback, adjustments will be made to the FY 2008 HCMR guidance that will be given to agencies in July 2008.

FOR MORE INFORMATION

For more information on how OPM is supporting agencies with their human capital efforts, visit www.opm.gov and click on “Strategic Management of Human Capital.” You will find excellent information resources and reports, including the Human Capital Assessment and Accountability Framework (HCAAF) Resource Center. The Resource Center offers practical tools and solutions for improving human capital programs.

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