

A Message from the Director

Strategic Management of Human Capital Third Quarter FY 2005 Update

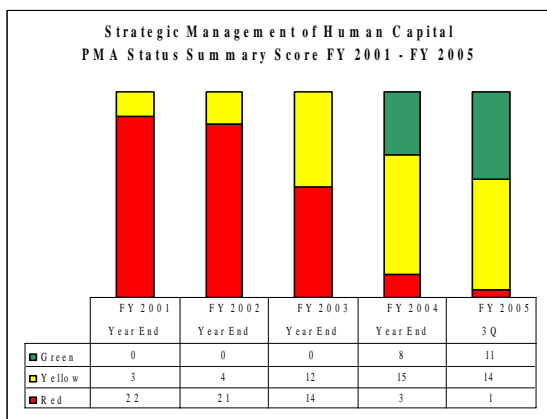
Advancing the Strategic Management of Human Capital:

It is a particular privilege to lead the Office of Personnel Management (OPM) at a time of significant transformation in the manner in which the Federal Government manages employees. As the President's chief advisor on Federal human resources, I look forward to working with you as we implement these reforms.

Linda M. Springer
Director
U.S. Office of Personnel Management

Governmentwide Progress

The chart below reflects the progress that has been made over the last four fiscal years in Strategic Management of Human Capital.



Of the 22 agencies that had a "red" status score in FY 2001, only one agency still holds the "red" status score as of the third quarter FY 2005.

Agency Progress FY 2005 Third Quarter Report

For the third quarter FY 2005, two agencies, the National Science Foundation, and the United States Army Corps of Engineers, progressed to "green" in status scores. Agency for International Development progressed to "yellow." All remaining agencies maintained their status score from the second quarter FY 2005.

Also in the third quarter, OPM released the results of the 2004 [Federal Human Capital Survey](#), a governmentwide picture of the perceptions of Federal employees.

Results from the survey suggest that there are areas where agencies are doing really well and areas that need improvement. Some examples of what is working are:

1) Federal employees understand and value their individual work.

FHCS Question	% Positive Responses	
	FHCS 2002	FHCS 2004
21) The work I do is important.	90.7	90.7

2) Federal employees feel equipped to do their work: positive scores are comparable to the private sector.

FHCS Question	% Positive Responses		Private Sector Norm
	2002	2004	
12) The workforce has the job-relevant knowledge and skills necessary to accomplish organizational goals.	71.3	73.7	75

An area that needs improvement is:

Only about one-fourth of employees say steps are taken to deal with poor performers.

FHCS Question	% Positive Responses	
	2002	2004
24) In my work unit, steps are taken to deal with a poor performer who cannot or will not improve.	24.9	27.4

Agencies are in the process of taking action on their results.

Agency Success Stories

OPM works with agencies to improve human resources (HR) practices and reviews their progress quarterly in five areas:

- 1) Strategic Alignment: agencies align their HR programs to their mission, goals and objectives.
- 2) Leadership and Knowledge Management: agency leaders effectively manage people, succession planning is in place and a learning environment is supported.
- 3) Performance Culture: agency has a diverse, results oriented, high performing workforce.
- 4) Talent Management: agency is closing competency gaps.
- 5) Accountability: agency has an accountability system to support decision making.

This quarter we are highlighting the progress agencies have made in Strategic Alignment.

Strategic Alignment

An agency's human capital strategy must be well integrated with overall performance plans and budgets. On an individual level, employees' performance expectations must be linked to the mission of the agency.

Department of Transportation (DOT)

At DOT, leaders have articulated specific Human Capital (HC) strategies for each of the agency's mission-critical strategic initiatives of safety, mobility, global connectivity, and environmental stewardship. Operating Administrations were encouraged to consider a range of strategies to meet mission needs, and to consider how HC strategies align and influence other HC systems. The Secretary tracks progress on the initiatives through a scorecard that underscores the importance of human capital. The Secretary's scorecard includes tying HC strategy to agency strategy, building budget submissions that include HC plan costs, and meeting OPM's human capital management goals.

National Aeronautics and Space Administration (NASA)

NASA uses an Integration Team to ensure that the entire suite of the President's Management Agenda (PMA) initiatives is implemented in a well-planned, consistent, and coordinated manner. As part of this integrated approach, senior leaders from many fields developed NASA's Human Capital plan and the Administrator promoted it. Senior managers performed a gap analysis to select nine major focus areas expected to yield the greatest benefit, and to determine where to put resources and emphasis.

Department of Justice (DoJ)

Justice has developed an automated workforce planning model. The model generates a variety of reports, including on-board counts, expected separations, five-year staffing targets and hiring/workforce gaps. They use "what if" scenarios to determine future needs. The model also forecasts separations by component by job series. They used OPM's Human Resources Manager competencies and a Web-based survey to do competency modeling and needs analysis for 298 job series, collecting data from 9,000 supervisors and managers.

DoJ has selected key performance indicators for a DoJ workforce metrics dashboard that will inform leaders, budget and HR officials on workforce issues and drive improvement initiatives.

More Information

For more information on how OPM is supporting agencies with their human capital efforts, visit 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 2nd 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