

Advancing the Strategic Management of Human Capital

The Human Capital Scorecard has a new look. In a change from previous years, OPM has enabled agencies to identify their own strategic goals to report through Proud To Be (PTB) 6 scoring. Rather than require the same checkmarks from every agency, OPM now gives agencies ample space on the scorecard to identify their own outcomes and deliverables. This new approach reflects the significant progress agencies have made through the President's Management Agenda's Strategic Human Capital Management Initiative. Throughout the Proud to Be (PTB) 5 performance cycle, OPM worked with agencies to revalidate all of their government wide checkmarks earned in previous PTB years. Based on this revalidation, agencies have provided demonstrated evidence that they have the right human capital systems in place to meet the government wide standards for success in Human Capital Management.

Agencies are now encouraged to build on these systems to meet their own strategic priorities. Although OPM continues to measure agencies' progress toward government wide standards in Strategic Human Capital Management, agencies are also identifying goals and outcomes specific to their strategic priorities. OPM is partnering with agencies to assure their HC initiatives truly support organizational outcomes. Agencies are required to show how each human capital goal contributes to agency mission, and to identify specific outcome metrics through which to demonstrate their results.

By the end of the PTB 6 performance cycle, agencies will demonstrate that their human capital activities produce measurable results that clearly contribute to agency outcomes.

Gone Green: United States Agency for International Development

USAID is the only agency to improve its status score this quarter. USAID's advancement to green status is a true turnaround story for its human capital management. Five years ago, in response to the President's Management Agenda, USAID's Office of Human Resources (OHR) decided that rather than simply react to the myriad of human resources requirements every Federal agency continuously faces, the agency would be better served by realigning all human capital management activities to agency mission accomplishment.

USAID's first step in elevating the role of human capital to support agency mission was its restructuring of OHR's reporting. With the rank of Deputy Assistant Administrator, the head of OHR now reports directly to the USAID Administrator and also serves as the Agency's CHCO. One of the new CHCO's first actions was to create a new Human Capital Strategic Plan (HCSP) 2009-2013, to better align human capital management with agency mission. The Office's overarching strategic objective is to "Provide first rate HR services and tools to support USAID's mission and increase efficiencies." To assure full implementation of the Strategic and Five-Year Workforce Plan; USAID has established processes to continuously review implementation and address issues in a timely manner.

While developing the plan, OHR moved forward quickly with significant actions to improve its human capital management. These include:

- **Workforce Planning Improvements:** The restructuring allowed OHR to develop a Consolidated Workforce Planning Model to project future staffing requirements, eliminate organizational waste, and focus attention on right sizing USAID Missions and Offices to achieve agency Foreign Policy Objectives. As a result, OHR changed fragmented and ad hoc workforce acquisition into a coherent, corporate, and continuous workforce planning process. Workforce plans are now a leading input into the operating year budget process. In addition, a number of reorganizations have taken place this fiscal year in the Washington Bureaus that more efficiently align the workforce, both Civil Service and Foreign Service, with the new Foreign Assistance framework.
- **The Development Leadership Initiative:** a multi-year effort to rebuild the USAID workforce to efficiently deliver U.S. foreign assistance. The focus of this development initiative is to increase technical expertise in the field and enable employees to engage more broadly with development partners.
- **Recruitment Outreach and Marketing:** OHR created a Recruitment Outreach Branch that reports to the Deputy Director/Deputy CHCO and, in FY 2008, fully launched a comprehensive outreach and recruitment plan. The recruitment outreach strategy targets organizations, educational institutions, and job fairs where USAID is likely to find a diverse population of the right people with the right skills, and the right talent we need for the 21st century. This new approach has consistently yielded diverse Foreign Service and Civil Service applicant pools and pipelines resulting in increased diversity for the Agency.

OHR has implemented several IT HR systems that are enhancing its HRM programs:

- **AVUE PAR:** automated system allowing agency staff and managers to initiate, track, manage, approve, administer and execute a range of personnel actions. Managers and staff are able to track personnel action cycle time, approvals, and other action-specific information.
- **e-OPF:** OHR in 2008 completed implementation of the Electronic Official Personnel Folder (eOPF). The elimination of paper Official Personnel Folders has reduced the time it takes to perform inter- and intra-agency transfers and retirement processing. For example, employees now can review their OPF at their desks, rather than set up an appointment with an HR specialist. OHR no longer has paper files, and staff get their SF-50's electronically resulting in improved service. In addition, USAID has been able to reduce the number of administrative staff.

Improvements in Time to Hire: USAID's new hiring initiatives have reduced the time to hire Civil Service employees (measured from the close of the job opportunity announcement to the offer of hire) from over 60 calendar days to 22 calendar days in Q3

FY 2008. For the Senior Executive Service (SES), hires came down from an average - over 100 days to between 38 to 64 days per quarter.

This OHR transformation has produced an organizational structure that provides greater efficiencies in serving customers, improves performance and yields agency-wide efficiencies, and establishes a clear line of sight and accountability throughout the Office. With the completion of the new HCSP FY2009- FY2013, each of the agency's HCAAF systems now defines clear goals supported by an aggressive performance improvement plan and accountability for results.

For more information on USAID, visit the agency's web page at www.usaid.gov.

Office of Personnel Management's Strategic and Operational Goals

This quarter, OPM accomplished a significant number of major operational goals directly related to our assistance to agencies through the President's Management Agenda.

Reducing the time it takes to hire employees is a priority for Federal agencies to compete for top talent. Through the President's Management Agenda, OPM developed a 45-day hiring model and asked agencies to track their progress toward this model. In FY 2008, OPM established a goal for 70% of hires government-wide to meet the 45-day hiring model. As of June 2008, 81% of hires were accomplished within the 45-day hiring timeline, and 96% of applicants were notified of their status within those 45 days.

Hiring managers are key participants in the hiring process. Their understanding of and satisfaction with the hiring experience is a good indicator of hiring process effectiveness. For several years, OPM has administered a manager satisfaction survey designed by the Chief Human Capital Officers Council. To assure that agencies use the resulting information to improve their hiring practices, OPM set a goal to see improvement in the survey results. In FY 2008, the goal was 15 agencies demonstrate improved hiring as indicated by a higher satisfaction rating among managers surveyed. OPM met that goal, and plans to roll out a revised survey instrument in December 2008. This improved survey incorporates key indicators from the End-to-End Hiring Roadmap, in order to specify more clearly which parts of the hiring experience agencies can target for improvement.

Closing competency gaps for mission critical occupations is key for agency mission accomplishment. While agencies identify their own mission critical occupations for targeted gap closure, they must also address the four government wide mission critical occupations that OPM has identified. These include Leadership, Acquisition, Information Technology and Human Resources Management. This past quarter, agencies reported on their progress in meeting their targets for gap closure for Leadership and Acquisition occupations. 15 agencies met their gap closure targets for both of these government wide mission critical occupations.

End-to-End Hiring

This past quarter, OPM released the End-to-End Hiring Roadmap, an innovative new approach that integrates all components of Federal hiring – workforce planning, recruitment, hiring process, security and suitability, and orientation. The Roadmap provides step-by-step instructions for agencies to implement each component, and demonstrates how key strategic threads – including competencies and targeted talent pools – can integrate the five components into strong talent management. Included in the Roadmap are key metrics that OPM will monitor government wide to assure agencies are effectively implementing the roadmap, and using results to improve their hiring practices. Agencies will use their December 15, 2008 Human Capital Management Reports to establish baselines and set targets toward meeting the measures outlined in the roadmap. OPM is supporting these agencies with a three-pronged institutional capacity-building initiative. These three prongs are:

- A model business requirements document that agencies can use to develop key data systems that track the information needed to make effective decisions across the five hiring components. Analytics and instructions for incorporating data results into decision making will be included in the requirements documentation.
- Metrics training to help agencies set baselines and improvement targets against the government wide E2E measures.
- Drilled-down training on each of the five E2E components. This training will include orientation to OPM's online Hiring Toolkit, which is currently being upgraded to incorporate the E2E approach to Federal hiring.

In addition to these institutional capacity-building activities, OPM is exploring the feasibility of certification programs for human resource professionals in the area of End-to-End hiring, and is encouraging the development of classroom-based training for managers and HR in the five components of E2E.

Improving Employee Performance Management – SES and GS

A long-standing goal of the President's Management Agenda has been to build effective performance management systems that give employees a clear line of sight from their individual performance plans to agency outcomes; that hold employees accountable for results; and that address poor performance. OPM has assisted agencies through training, technical assistance, and the assessment of agency performance management systems. The Performance Appraisal Assessment Tool (PAAT) is OPM's method for evaluating agency performance management systems. The PAAT defines 10 criteria for effective performance management, and assigns points to the criteria to ensure a transparent and consistent approach to assessing agency systems. OPM used the PAAT point system to set aggressive government wide targets. In FY 2008, OPM's goal was to demonstrate that, in each agency, employees in an expanded performance pilot were covered by effective performance management systems, as measured by a score of 80 or above on the PAAT, and that at least 70% of employees were covered by systems that met the PAAT criteria of alignment, results, and making distinctions in performance.

The results show that while work is still needed to assure effective performance management in Federal agencies, significant progress has been made. For the first time ever, nine agencies have established effective performance management systems covering 100% of their workforce (as measured by a score of 80 or higher on the PAAT for all systems). These agencies are the US Agency for International Development, General Services Administration, Department of Housing and Urban Development, Department of Labor, National Aeronautic and Space Administration, National Science Foundation, Office of Management and Budget, Small Business Administration, and Smithsonian Institution. These agencies are a great example of the Federal government's ability to institutionalize effective management systems that can demonstrate the results they provide for the American people.

Work remains to be done in this critical area of human capital management. The agencies whose entire workforce is covered by effective performance management systems (as measured by a score of 80 or higher on the PAAT for all systems) represent only four per cent of the total population of Federal civilian employees. As of October 15, 2008, only 17% of Federal employees are covered by performance management systems scoring 80 or more on the PAAT. Agencies are working hard to put in place improved performance management systems, and OPM fully expects to see a significant increase in the percent of Federal employees covered by effective systems.

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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