

Advancing the Strategic Management of Human Capital

OPM's focus for the Proud to Be (PTB) V performance cycle was to assure that agencies' human capital management has transformed to a strategic approach focused on results. To this end, OPM partnered with scored agencies to revalidate all previously-earned checkmarks on the Human Capital scorecard. The results of this effort demonstrate that, overall, agencies are well positioned to meet the challenges ahead and to continue the momentum of human capital transformation initiated through the President's Management Agenda. Because most agencies have demonstrated that they have the right human capital systems in place to meet government wide standards, OPM is enabling agencies to identify agency-specific goals in the PTB VI performance cycle. The Human Capital scorecard has been reformatted to reflect this new approach to focusing on agencies' strategic priorities, while continuing to meet the government-wide standards.

The Department of Housing and Urban Development

Congratulations are in order for the Department of Housing and Urban Development (HUD), which achieved Green status on the Human Capital scorecard this quarter. Agency leadership and human capital professionals have been striving for this goal since the President's Management Agenda launched in 2001. To get to Green, HUD has implemented a systematic approach to strengthening its human capital programs. The organization has stabilized its workforce planning processes by aligning limited resources with the agency's mission. The Department has been able to greatly reduce the amount of time needed to bring in new talent, thereby improving the hiring process. HUD has also bolstered its training programs to ensure that mission critical skill gaps are identified and addressed. HUD has improved its performance management systems to hold employees accountable for achieving results, and to reward and recognize high performers. Furthermore, the agency has institutionalized succession planning and implemented succession planning programs with a proven track record of results.

With the development and release of its new two-year Strategic Human Capital Plan, fully endorsed and supported by its Chief Human Capital Officer and Executive Steering Committee for Human Capital Management, HUD has established a strategic vision that fully integrates all Human

Capital Assessment and Accountability Framework dimensions to help build on past successes and drive continuous improvement in the future. Congratulations again to HUD for a job well done.

Workforce Planning Forum

During the PTB V year, workforce planning emerged as an area of priority for government-wide attention. In order to identify and close competency gaps, executive effective recruitment and retention strategies, and assure continuity in leadership, agencies rely on accurate, timely and relevant workforce information. Agencies have taken varying approaches to data, analysis and use of workforce information for human capital planning purposes. To help agencies learn from each other and advance their approaches to this critical process, OPM conducted a Workforce Planning Forum: Strategies for Success on May 19. In addition to the 159 forum attendees, 375 individuals logged onto the webcast of this event which presented workforce planning tools, strategies, and innovative practices that support the strategic alignment of Federal human capital to mission accomplishment.

The forum speakers presented materials showing how workforce planning provides a foundation for strategic decision-making for talent and budget management. Gregg Pelowski, Deputy Chief Human Capital Officer for the Department of Homeland Security (DHS), presented *A Framework for Human Capital Strategic Planning* – an innovative governance structure that drives human capital decision making across DHS components and organizational units. Grounded in rigorous workforce planning analyses, this framework links human capital strategies to agency goals, plans, and budget.

Dr. Engin Crosby, Department of the Army's Chief, Workforce Analysis and Forecasting Office, Civilian Resource Agency gave the audience a primer on the nuts and bolts of workforce planning that included identification of the competencies required to be a successful workforce planner. Dr. Gary Lukowski and Mr. David Williams from OPM presented *An Overview and Application of Workforce Planning*. This session focused on the basic tenants of forecasting and the tools and automation used to support workforce planning.

As we continue to evolve workforce planning systems government-wide, OPM will convene future workforce planning forums to further the

discussion and sharing of forecasting, tools and strategies to enhance human capital planning.

Improving Employee Performance Management – SES and GS

Agencies have completed a year of intensive work to improve performance management programs and practices at their extended performance pilots by June 30, 2008. Extended pilots are additional organizations within the agencies that have carried on the performance management improvement process begun by their “beta sites” from the previous year. Evidence that performance pilots have improved their systems is provided by scoring at least 80 points out of 100 on OPM’s Performance Appraisal Assessment Tool (PAAT), an evaluation tool built around 10 key success criteria for effective performance management. Eighty-four percent of PMA-scored agencies successfully completed their performance pilots.

In addition to this achievement, agencies are working towards covering all their employees by appraisal systems that score at least 80 points on the PAAT. Currently, 10 of the PMA-scored agencies have already met that goal, and the others plan to meet it by June 30, 2009.

Pay-for-performance systems covering Senior Executive Service (SES) members have also improved significantly. Last calendar year, 44 percent of SES appraisal systems met the 2-year certification criteria (the highest certification level, labeled “full” certification), and so far this year, all certified systems have been given full certification. OPM expects over 90 percent of PMA-scored agencies to see their SES systems meet full certification criteria.

End-to-End Hiring

Agencies continue to work hard to reduce the time it takes to hire an employee into the Federal government. The latest time to hire data reported by the 26 PMA agencies shows that the average time to hire is 34 days, while 76% of all hiring decisions are made within 45 days. More work is needed, however, to improve communication with applicants and address stiff competition for top talent. To further assist agencies in making the hiring process a better experience for applicants, OPM partnered with the

Chief Human Capital Officers Council Subcommittee for Hiring and Succession Planning to develop and pilot an End-To-End Hiring Roadmap. The Roadmap streamlines and integrates the components of hiring into a seamless strategy for managing talent. Interagency workgroups researched best practices across public and private organizations to develop the Roadmap's five components: workforce planning, recruitment, hiring, security and suitability, and orientation. These workgroups regularly shared their research findings with pilot agencies, which have worked to implement components of the end-to-end model.

After conducting preliminary assessment of the pilot experiences, the workgroups produced a draft document that OPM has disseminated government-wide for feedback. The final roadmap and guidelines for measuring results will be released on September 1. 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.

Evaluating Human Resources Programs

OPM continues to support agencies' efforts to examine the effectiveness and compliance of their delegated human resources operations. On April 8, 2008, the U.S. Office of Personnel Management conducted the first of five evaluator training courses being offered in Fiscal Year 2008. The three-day training course is targeted to agency employees who participate in human resources evaluations associated with the Strengthening Agency Accountability initiative. The training focuses on the Human Capital Assessment and Accountability Framework and all three phases of the evaluation process (e.g., pre-onsite, onsite, and post-onsite), including real world practical exercises. At the end of the fifth session, OPM will have trained over 200 Federal employees in evaluation techniques.

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.

Director Linda M. Springer
Office of Personnel Management