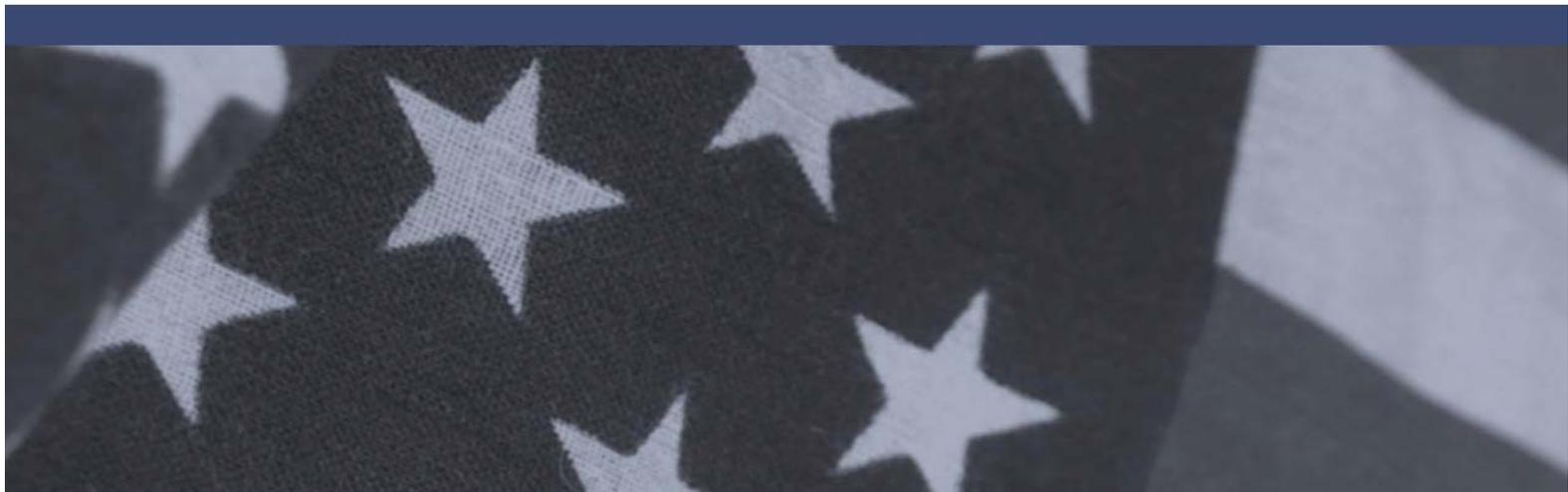


# **SECTION II**

## Strategic Alignment System



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<b>SECTION II</b> <b>Strategic Alignment System</b>	<b>The Strategic Alignment System</b>
	Human Capital Planning
	Workforce Planning
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	Human Resources as Strategic Partner

**THE STRATEGIC ALIGNMENT SYSTEM**

This section contains information specific to the Strategic Alignment system, which focuses on having a human capital management strategy aligned with mission, goals, and organizational objectives.

“Human Capital Issues rank high among CEOs’ key challenges, in fact, five of their top seven priorities relate to human capital in general and to leadership in particular.”

*Accenture: The High Performance Workplace Study 2002/2003*

**Definition**

A system led by senior management—typically the Chief Human Capital Officer (CHCO)—that promotes alignment of human capital management strategies with agency mission, goals, and objectives through analysis, planning, investment, measurement, and management of human capital programs.

**Standard**

Agency human capital management strategies are aligned with mission, goals, and organizational objectives and integrated into its strategic plans, performance plans, and budgets.

***Critical Success Factors***

The Strategic Alignment system is comprised of the following critical success factors:

- ***Human Capital Planning:*** The agency designs a coherent framework of human capital policies, programs, and practices to achieve human capital requirements to directly support the agency's strategic plan.
- ***Workforce Planning:*** The organization identifies the human capital required to meet organizational goals, conducts analyses to identify competency gaps, develops strategies to address human capital needs and close competency gaps, and ensures the organization is appropriately structured.
- ***Human Capital Best Practices and Knowledge Sharing:*** To leverage its efforts, the agency works with others to share best practices and learn about new developments.
- ***Human Resources as Strategic Partner:*** Human resources (HR) professionals act as consultants with managers to develop, implement, and assess human capital policies and practices to achieve the organization's shared vision. Senior leaders, managers, HR professionals, and key stakeholders contribute to the human capital vision and the agency's broader strategic planning process.

***Applicable Merit System Principles***

The following merit system principle is especially relevant to the Strategic Alignment system:

- The Federal work force should be used efficiently and effectively. (5 U.S.C. 2301(b)(5))

***Metrics***

Activities and outcomes of this system are assessed through documented evidence of a Strategic Human Capital Plan that includes human capital goals, objectives, and strategies; a workforce plan; and performance measures and milestones.

Agencies are required under OPM regulations implementing the CHCO Act to submit the Strategic Human Capital Plan described by this system to OPM on an annual basis.

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**RESULTS: HUMAN CAPITAL PLANNING**

When the key elements of the critical success factor Human Capital Planning are effectively implemented, agencies will realize the following results:

**Effectiveness Results**

- The agency's strategic plan establishes an agency-wide vision that guides human capital planning and investment activities.
- The agency has a system in place to continually assess and improve human capital planning and investment and their impact on mission accomplishments.
- Managers are held accountable for effective implementation of human capital plans and overall human capital management.

**Compliance Result**

- In accordance with the Chief Human Capital Officers Act of 2002 (CHCO Act), the agency CHCO carries out the functions authorized in 5 U.S.C. 1402, including aligning the agency's human resources policies and programs with organizational mission, strategic goals, and performance outcomes.

The following pages provide key elements and suggested performance indicators for this critical success factor.

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**RELATED TOOLS**

The following tools support Human Capital Planning. Refer to Appendix A for tools.

<b>Tool</b>	<b>Appendix A Page Number</b>
Key Components of a Strategic Human Capital Plan	7
Promoting a Participatory Approach in Human Capital Planning	13

<b>HUMAN CAPITAL PLANNING</b>	
<b>KEY ELEMENTS</b>	<b>SUGGESTED PERFORMANCE INDICATORS</b>
<p><i>The agency has a human capital planning system that:</i></p> <ul style="list-style-type: none"> <li>Promotes alignment of human capital strategies with agency mission, goals, and objectives through analysis, planning, investment, and management of human capital programs</li> </ul>	<p><b><u>Effectiveness Indicators</u></b></p> <ul style="list-style-type: none"> <li>Key stakeholders, including HR, participate in the development and revision of the agency's strategic plan and facilitate workforce planning and analysis efforts.</li> <li>Documents substantiate involvement of key human capital leaders and key stakeholders in the planning process (e.g., team members of review boards, working groups, or executive off-sites).</li> <li>Human capital planning is managed by a human capital review team or similar collaborative body comprised of the CHCO and senior leaders and managers from human resources, information technology, finance, and mission-specific program areas.</li> </ul> <p><b><u>Compliance Indicator</u></b></p> <ul style="list-style-type: none"> <li>As provided by 5 U.S.C. 1103(c), the agency holds managers and human resources officers accountable for efficient and effective human resources management in support of the agency's mission in accordance with merit system principles.</li> </ul>
<ul style="list-style-type: none"> <li>Establishes a process for including human capital activities and investments in the agency annual performance plan and budget</li> </ul>	<p><b><u>Effectiveness Indicators</u></b></p> <ul style="list-style-type: none"> <li>The agency's annual performance plan and budget request include human capital activities and investments.</li> <li>The annual plan identifies resources required to implement human capital strategies (e.g., retention bonuses, "buyouts," awards, training, student loan repayments, tuition assistance, Voluntary Early Retirement Authority (VERA)). Funding requirements are prioritized in case not all human capital strategies can be funded.</li> </ul>

<b>HUMAN CAPITAL PLANNING</b>	
<b>KEY ELEMENTS</b>	<b>SUGGESTED PERFORMANCE INDICATORS</b>
<i>The agency has a human capital planning system that:</i>	
	<p><b><u>Compliance Indicators</u></b></p> <ul style="list-style-type: none"> <li>• The agency has a standard for integrating its human resources strategies into the budget as stated in 31 U.S.C. 1115, as added by the CHCO Act of 2002.</li> <li>• As prescribed in the CHCO Act (31 U.S.C. 1115), the agency's performance plan provides a description of how the performance goals and objectives are to be achieved, including: <ul style="list-style-type: none"> <li>– The operational processes, training, skills and technology, and the human capital information and other resources</li> <li>– The strategies required to meet the performance goals and objectives.</li> </ul> </li> </ul> <p>[Note: In addition to amending and adding to title 5, the CHCO Act amends provisions of the Government Performance and Results Act of 1993 (GPRA), which requires agencies to prepare annual performance plans.]</p>
<ul style="list-style-type: none"> <li>• Results in the development of an annual human capital plan establishing human capital goals, objectives, and investments that link to the agency strategic plan and support mission accomplishment</li> </ul>	<p><b><u>Effectiveness Indicators</u></b></p> <ul style="list-style-type: none"> <li>• The agency's planning process links the human capital framework to the mission, function, and strategic management of the agency, as well as to other management initiatives such as e-Government and competitive sourcing.</li> <li>• The agency has designed human capital performance improvement strategies that support mission accomplishment.</li> <li>• The agency has approved and communicated human capital planning documents that describe human capital goals, objectives, investments, and strategies linked to the agency strategic plan.</li> </ul>

<b>HUMAN CAPITAL PLANNING</b>	
<b>KEY ELEMENTS</b>	<b>SUGGESTED PERFORMANCE INDICATORS</b>
<i>The agency has a human capital planning system that:</i>	
	<p><b><u>Compliance Indicators</u></b></p> <ul style="list-style-type: none"> <li>• The agency includes human capital strategic planning in agency performance plans and performance reports as stated in 31 U.S.C. 1115, as amended by the CHCO Act.</li> <li>• As prescribed in the CHCO Act (31 U.S.C. 1115), the agency's program performance report includes a review of the performance goals and evaluation of the agency's performance plan relative to the agency's strategic human capital plan.</li> </ul>
<ul style="list-style-type: none"> <li>• Provides for a formal agency-wide evaluation of the strategies in the human capital plan and its implementation.</li> </ul>	<p><b><u>Effectiveness Indicators</u></b></p> <ul style="list-style-type: none"> <li>• The strategic human capital plan sets human capital progress milestones and identifies those responsible for meeting them.</li> <li>• The agency's annual performance review tracks and measures human capital activities and investments.</li> <li>• The agency defines successful achievement of the mission in terms of quantified long- and short-term human capital performance goals.</li> <li>• The agency has a documented change management/implementation process that identifies necessary human capital practices to facilitate change.</li> <li>• Where appropriate, individual performance plans and evaluations address accountability for successful implementation of human capital strategies.</li> <li>• Human capital partnering is considered in senior leaders' and managers' annual performance reviews.</li> </ul>

<b>HUMAN CAPITAL PLANNING</b>	
<b>KEY ELEMENTS</b>	<b>SUGGESTED PERFORMANCE INDICATORS</b>
<i>The agency has a human capital planning system that:</i>	
	<p><b><u>Compliance Indicators</u></b></p> <ul style="list-style-type: none"> <li>• In accordance with the Executive Performance and Accountability Interim Rule (5 CFR 430 and 1330), senior employee performance ratings appropriately and clearly link to organizational mission, GPRA strategic goals, or other program objectives.</li> <li>• Agency managers plan and communicate performance elements and standards linked with strategic planning initiatives in accordance with the Executive Performance and Accountability Interim Rule (5 CFR 430 and 1330).</li> </ul>

<b>SECTION II</b> <b>Strategic Alignment System</b>	The Strategic Alignment System
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**RESULTS:**  
**WORKFORCE**  
**PLANNING**

When the key elements of the critical success factor Workforce Planning are effectively implemented, agencies will realize the following results:

**Effectiveness Results**

- The agency approaches workforce planning strategically and in an explicit, documented manner. The workforce plan links directly to the agency's strategic and annual performance plans and is used to make decisions about structuring and deploying the workforce.
- Mission-critical occupations and competencies are identified and documented, providing a baseline of information for the agency to develop strategies to recruit, develop, and retain talent needed for program performance.
- The agency's documented workforce plan identifies current and future workforce competencies and the agency is closing identified competency gaps through implementation of gap reduction strategies such as:
  - Restructuring
  - Recruitment
  - Competitive sourcing
  - Redeployment
  - Retraining
  - Retention (e.g., compensation, quality of work life)
  - Technology solutions.

- A business forecasting process is implemented that identifies probable workforce changes, enabling agency leadership to anticipate changes to human capital that require action to ensure program performance.
- Based on functional analyses, the agency is appropriately structured to allow the right mix and distribution of the workforce to best support the agency mission.
- Based on analysis of customer needs and workload distribution, the agency has the right balance of supervisory and non-supervisory positions to support the agency mission.

### **Compliance Result**

- The CHCO assesses workforce characteristics and future needs based on the agency's mission and strategic plan in accordance with the CHCO Act of 2002 (5 U.S.C. 1402).

The following pages provide key elements and suggested performance indicators for this critical success factor.

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### **RELATED TOOLS**

The following tools support Workforce Planning. Refer to Appendix A for the tools.

<b>Tool</b>	<b>Appendix A Page Number</b>
Enterprise Human Resources	15
OPM's Workforce Planning Model	19

<b>WORKFORCE PLANNING</b>	
<b>KEY ELEMENTS</b>	<b>SUGGESTED PERFORMANCE INDICATORS</b>
<p><i>The agency's workforce planning system includes a workforce analysis process that:</i></p>	
<ul style="list-style-type: none"> <li>• Identifies mission-critical occupations and competencies essential to achieving strategic goals</li> <li>• Analyzes current strengths and weaknesses regarding mission-critical occupations and competencies</li> <li>• Identifies competency gaps and deficiencies, including current and future competency needs and losses due to voluntary attrition</li> <li>• Systematically defines the size of the workforce needed to meet organizational goals</li> <li>• Uses workforce planning reports and studies in conjunction with the best practice benchmarks to determine the most effective work levels, workloads, and resources for efficient functioning</li> <li>• Bases decisions related to restructuring, redeployment, and reorganization on current empirical and workforce analysis</li> <li>• Conducts risk assessments to minimize adverse impacts on workforce due to restructuring</li> <li>• Documents and assesses key supporting functions of all business areas</li> <li>• Regularly evaluates customer/citizen needs and incorporates these needs into workforce plans, organizational goals, and functions</li> </ul>	<p><b><u>Effectiveness Indicators</u></b></p> <ul style="list-style-type: none"> <li>• Studies indicate which occupations and competencies are essential to achieving the agency's strategic goals.</li> <li>• Mission-critical occupations and competencies are identified in the agency's strategic plan and/or performance plan, and its strategic human capital plan.</li> <li>• A methodology exists for determining mission-critical occupations and competencies based in part on professional qualifications (e.g., certifications, licenses).</li> <li>• Trends in mission-critical occupations are analyzed in terms of the following suggested factors in order to continually adjust the agency's recruitment and retention strategy to its current state of need:             <ul style="list-style-type: none"> <li>– Number and distribution of positions by pay plan/grade or pay band/series and geographic location</li> <li>– Average age</li> <li>– Average length of service</li> <li>– Diversity trends</li> <li>– Average grade/band</li> <li>– Retirement eligibility (current and expected)</li> <li>– Turnover (e.g., separations, resignations, transfers, retirements)</li> <li>– Surpluses in occupations and competencies.</li> </ul> </li> </ul>

<b>WORKFORCE PLANNING</b>	
<b>KEY ELEMENTS</b>	<b>SUGGESTED PERFORMANCE INDICATORS</b>
<p><i>The agency's workforce planning system includes a workforce analysis process that:</i></p>	<ul style="list-style-type: none"> <li>• Competency and/or staffing models have been developed and there is analysis of gaps between the current and desired competencies for mission-critical occupations.</li> <li>• Documentation indicates workforce analysis occurs on a periodic basis and is used to drive human capital policy and decisions.</li> <li>• The agency uses a documented, systematic strategic workforce planning process that addresses the following issues:               <ul style="list-style-type: none"> <li>– The link to the agency's strategic plan and the strategic human capital plan</li> <li>– The link to the agency's annual performance/business plan</li> <li>– Work activities required to carry out the goals and objectives of the strategic plan (long term) and performance plan (short term)</li> <li>– How to structure the organization (e.g., determine what must be done for continuance of Government operations, determine necessary layers, streamline functions, consolidate organizational elements) and its work processes/workflow to carry out work activities</li> <li>– How to continually update the process to reflect mission changes, technology advances (e.g., e-Government), funding levels, competitive sourcing, and other change drivers</li> <li>– Analysis and assessment of the current workforce (e.g., skills, demographics, attrition) to meet long-term and short-term goals and objectives</li> </ul> </li> </ul>

<b>WORKFORCE PLANNING</b>	
<b>KEY ELEMENTS</b>	<b>SUGGESTED PERFORMANCE INDICATORS</b>
<p><i>The agency's workforce planning system includes a workforce analysis process that:</i></p>	<ul style="list-style-type: none"> <li>– Workforce analysis including indicators such as size and distribution of workforce (including Senior Executive Service (SES)) by grade, series, geographic locations, types of positions occupied, pay plan, veteran representation, etc.</li> <li>– How to develop current employees, recruit to fill long-term and short-term goals, and provide for continuity of leadership through succession to key positions</li> <li>– How to minimize the adverse impact on the workforce in restructuring the organization and its work processes.</li> <li>• The agency uses multi-faceted techniques to close competency gaps within the organization (e.g., strategic recruitment, mid-career hiring, training).</li> <li>• The agency conducts regular assessment of its need for, and deployment of, executive resources.</li> </ul>

<b>WORKFORCE PLANNING</b>	
<b>KEY ELEMENTS</b>	<b>SUGGESTED PERFORMANCE INDICATORS</b>
<p><i>The agency's workforce planning system includes a workforce analysis process that:</i></p> <ul style="list-style-type: none"> <li>• Forecasts future business changes in the work of the agency and how the changes will affect the workforce</li> <li>• Regularly tracks established performance measures, workforce trends, and technological advances to ensure updated models for meeting citizen and organization needs.</li> </ul>	<p><b><u>Effectiveness Indicators</u></b></p> <ul style="list-style-type: none"> <li>• Line managers and key staff, including HR, consider and prepare for possible workforce changes in areas such as mission/goals, technology, program additions or deletions, functions, and outsourcing initiatives.</li> <li>• The agency's strategic plan and/or performance plan and its strategic human capital plan reflect forecasts of the human capital implications of future business plans, including expectations and trends concerning:               <ul style="list-style-type: none"> <li>– Future workload and staffing needs</li> <li>– Workforce demographics in mission-critical occupations</li> <li>– Changing competency requirements</li> <li>– Industry benchmarking for similar occupations</li> <li>– Availability of competencies within applicable labor markets.</li> </ul> </li> <li>• The forecast is shared widely and used within the agency by those who are responsible and accountable to meet human capital needs.</li> </ul>

<b>WORKFORCE PLANNING</b>	
<b>KEY ELEMENTS</b>	<b>SUGGESTED PERFORMANCE INDICATORS</b>
<p><i>The agency's workforce analysis process is based on sources of information such as:</i></p> <ul style="list-style-type: none"> <li>• Current workforce demographic and competitive sourcing studies</li> <li>• Descriptive and documented plans and processes for hiring, recruiting, employment, and retention efforts</li> <li>• Past agency assessments and workforce data</li> <li>• Information about anticipated changes related to e-Government and competitive sourcing, goals, and objectives.</li> </ul>	<p><b><u>Effectiveness Indicators</u></b></p> <ul style="list-style-type: none"> <li>• Information systems are in operation which provide human capital data to all appropriate management levels to guide planning, analysis, and decision making. Data integrity is maintained through quality control checks.</li> <li>• The agency conducts and uses management studies to:               <ul style="list-style-type: none"> <li>– Eliminate work and interfaces that add no value</li> <li>– Assess the organization's deployment strategies, including identification of situations where competitive sourcing is the most appropriate means to meet their strategic objectives.</li> </ul> </li> <li>• Staffing data showing trends in appointments, promotions, conversions, separations, and retirements are analyzed regularly, and management decisions regarding workforce deployment are based on documented data.</li> <li>• Turnover indicators (e.g., transfers, retirements, and separations in each of the last several years, overall, and by professional, administrative, technical, clerical, and other occupations) are monitored regularly.</li> </ul>

<b>WORKFORCE PLANNING</b>	
<b>KEY ELEMENTS</b>	<b>SUGGESTED PERFORMANCE INDICATORS</b>
<i>The agency's workforce planning system includes an organizational structuring process that:</i>	
<ul style="list-style-type: none"> <li>• Utilizes functional analysis to determine appropriate organizational and physical structure</li> <li>• Clearly organizes the agency staffing plan by workflow, organizational initiative, and functional area</li> <li>• Anticipates change in citizen needs by continuously monitoring the evolution of needs, trends, and events affecting workforce planning</li> <li>• Avoids excess organizational layers</li> <li>• Reduces redundant operations</li> <li>• Analyzes internal workforce statistics (e.g., ratio of managers to workforce, distribution of workforce), data, and trends to make the most efficient choices for workforce deployment.</li> </ul>	<p><b><u>Effectiveness Indicators</u></b></p> <ul style="list-style-type: none"> <li>• Documentation of analyses of organizational functions shows review, planning, design, and, if applicable, implementation and outcome of efforts to realign the workforce.</li> <li>• Functional analyses and data analyses result in specific targets for workforce redeployment, which are reflected in the strategic human capital plan and the workforce plan.</li> <li>• The benefits of proposed changes to the structure and/or the workforce mix are quantified and incorporated into the budget submissions.</li> <li>• Duplications in support areas such as communications, legislative affairs, budget, and personnel and/or duplications in program areas are reduced and programs are streamlined and consolidated wherever possible.</li> <li>• Analysis of data includes statistics such as ratio of administrative jobs (e.g., administrative officer, budget analyst, budget clerk, management analyst, personnel clerk, personnel professional, support services specialist) to the workforce, distribution of administrative jobs by organizational component and geographic location, and trends in numbers and proportions of administrative jobs.</li> </ul>

<b>WORKFORCE PLANNING</b>	
<b>KEY ELEMENTS</b>	<b>SUGGESTED PERFORMANCE INDICATORS</b>
<i>The agency's workforce planning system includes an organizational structuring process that:</i>	
	<ul style="list-style-type: none"> <li>• A model organization has been developed that:                             <ul style="list-style-type: none"> <li>– Reflects the numbers of employees needed and their appropriate skill and grade or pay band/level mix</li> <li>– Identifies key leadership positions</li> <li>– Includes specific recruiting and training/development activities.</li> </ul> </li> </ul> <p><b><u>Compliance Indicator</u></b></p> <ul style="list-style-type: none"> <li>• The agency appropriately applies pertinent regulations and statutes to group or individual deployment-related actions as specified in the Talent Management system (Voluntary Early Retirement Authority (VERA), Voluntary Separation Incentive Payments (VSIP), Transfer of Function (TOF), etc.).</li> </ul>

<b>WORKFORCE PLANNING</b>	
<b>KEY ELEMENTS</b>	<b>SUGGESTED PERFORMANCE INDICATORS</b>
<i>The agency's organizational structuring process demonstrates that it:</i>	
<ul style="list-style-type: none"> <li>• Includes statistics regarding number of supervisors, their series and grade/pay band, geographic location, and ratio of supervisors to employees</li> <li>• Obtains the mix of supervisory and non-supervisory positions to best meet customer needs</li> <li>• Documents the need for redirecting supervisory positions and the planned program design and assessment for the implemented changes</li> <li>• Addresses impediments to restructuring by analyzing solutions found within the current environment</li> <li>• Uses a documented change management strategy.</li> </ul>	<p><b><u>Effectiveness Indicators</u></b></p> <ul style="list-style-type: none"> <li>• Analysis of data includes statistics related to the number of supervisors, their geographic and organizational location, their series and grades/pay bands, the ratio of supervisors to employees, percent of supervisors in grades GS-12-15 or equivalent, etc.</li> <li>• Supervisory needs are clearly tied to the workflow process and the organizational structure resulting in a staffing plan that indicates the necessary number of supervisors by functional area.</li> <li>• The agency has documented the need to redirect supervisory positions, designed and implemented a program to support their redeployment, and developed an evaluation process to determine if the anticipated outcomes are being achieved.</li> <li>• Impediments are identified and solutions to overcome impediments within the current environment (e.g., title 5 and/or other appropriate systems) are identified and documented.</li> <li>• Through consultation with the Office of Personnel Management (OPM), the agency makes a sound business case for any waivers, exemptions, or regulatory or legislative relief needed to overcome barriers.</li> <li>• The agency has a documented change management strategy, where appropriate, to overcome barriers and facilitate restructuring/culture change efforts.</li> <li>• The agency's restructuring, redeployment, and reorganization decisions are substantiated with empirical evidence.</li> </ul>

<b>WORKFORCE PLANNING</b>	
<b>KEY ELEMENTS</b>	<b>SUGGESTED PERFORMANCE INDICATORS</b>
<i>The agency's organizational structuring process demonstrates that it:</i>	
	<ul style="list-style-type: none"> <li>• Agency records indicate that, during restructuring, redeployment, and reorganizing, operational disruption is minimized through the use of:               <ul style="list-style-type: none"> <li>– Effective internal and external communication plans</li> <li>– Retraining</li> <li>– Reassignment</li> <li>– Placement assistance</li> <li>– Relocation allowances</li> <li>– VERA and VSIP where appropriate.</li> </ul> </li> </ul>

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	Workforce Planning
	<b>Human Capital Best Practices and Knowledge Sharing</b>
	Human Resources as Strategic Partner

**RESULTS: HUMAN CAPITAL BEST PRACTICES AND KNOWLEDGE SHARING**

When the key elements of the critical success factor Human Capital Best Practices and Knowledge Sharing are effectively implemented, agencies will realize the following results:

**Effectiveness Result**

- The agency looks beyond its own experience and resources when developing human capital strategies and works with others to share best practices.

**Compliance Result**

- As provided in 5 U.S.C. 1103(c), the agency holds managers and human resources officers accountable for efficient and effective human resources management in support of the agency's mission in accordance with merit system principles.

The following page provides key elements and suggested performance indicators for this critical success factor.

**RELATED TOOLS**

The following tool supports Human Capital Best Practices and Knowledge Sharing. Refer to Appendix A for tools.

<b>Tool</b>	<b>Appendix A Page Number</b>
Benchmarking	23

<b>HUMAN CAPITAL BEST PRACTICES AND KNOWLEDGE SHARING</b>	
<b>KEY ELEMENTS</b>	<b>SUGGESTED PERFORMANCE INDICATORS</b>
<p><i>The agency has a human capital best practices and knowledge sharing system that:</i></p> <ul style="list-style-type: none"> <li>• Benchmarks best practices and lessons learned by other Government agencies and private sector organizations</li> </ul>	<p><b><u>Effectiveness Indicator</u></b></p> <ul style="list-style-type: none"> <li>• The agency uses resources (e.g., Web sites, research findings, special studies, program guidance) from sources such as:                             <ul style="list-style-type: none"> <li>– OPM</li> <li>– Office of Management and Budget (OMB)</li> <li>– Government Accountability Office (GAO)</li> <li>– Society for Human Resource Management (SHRM)</li> <li>– International Public Management Association for Human Resources (IPMA-HR).</li> </ul> </li> </ul> <p><b><u>Compliance Indicator</u></b></p> <ul style="list-style-type: none"> <li>• The agency’s CHCO identifies best practices and benchmarking studies in accordance with the CHCO Act (5 U.S.C. 1402).</li> </ul>
<ul style="list-style-type: none"> <li>• Establishes a method or process for collaborating with other agencies regarding effective human capital strategies</li> </ul>	<p><b><u>Effectiveness Indicators</u></b></p> <ul style="list-style-type: none"> <li>• The agency uses Governmentwide benchmarks (e.g., staffing timeliness, Central Personnel Data Files/FedScope, Federal Human Capital Survey (FHCS) responses) in setting human capital strategic goals.</li> <li>• The agency participates in human capital managerial/professional employee groups (e.g., the Chief Human Capital Officers Council, the Small Agency Council, Federal Executive Boards, and National Academy of Public Administration).</li> </ul>
<ul style="list-style-type: none"> <li>• Provides valuable information to human capital planners on effective human capital strategies that is used to improve human capital planning.</li> </ul>	<p><b><u>Effectiveness Indicator</u></b></p> <ul style="list-style-type: none"> <li>• Agency representatives participate in Governmentwide collaborative efforts and/or managerial/professional/employee organizations to share best practices and leverage lessons learned.</li> </ul>

<b>SECTION II</b> <b>Strategic Alignment System</b>	The Strategic Alignment System
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	<b>Human Resources as Strategic Partner</b>

**RESULTS: HUMAN RESOURCES AS STRATEGIC PARTNER**

When the key elements of the critical success factor Human Resources as Strategic Partner are effectively implemented, agencies will realize the following results:

**Effectiveness Results**

- HR professionals and key stakeholders are involved in the agency strategic and workforce planning efforts.
- The HR function is adequately staffed and prepared, in competencies and resources, to proactively partner and consult with line managers.
- The HR staff reaches out to other organizational functions and components through facilitation, coordination, and counseling to provide integrated mission support.

**Compliance Result**

- As provided by 5 U.S.C. 1103(c), the agency holds managers and human resources officers accountable for efficient and effective human resources management in support of the agency's mission in accordance with merit system principles.

The following pages provide key elements and suggested performance indicators for this critical success factor.

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**RELATED TOOLS**

The following tools support Human Resources as Strategic Partner. Refer to Appendix A for tools.

<b>Tool</b>	<b>Appendix A Page Number</b>
Customer Service Survey Instrument	25
HR Strategy Survey Instrument for Key Leaders	29
Federal Human Capital Survey (FHCS): Questions Related to the Strategic Alignment System	37

<b>HUMAN RESOURCES AS STRATEGIC PARTNER</b>	
<b>KEY ELEMENTS</b>	<b>SUGGESTED PERFORMANCE INDICATORS</b>
<p><i>The agency's human resources system:</i></p> <ul style="list-style-type: none"> <li>Is proactively involved in the agency strategic and workforce planning efforts</li> </ul>	<p><b><u>Effectiveness Indicators</u></b></p> <ul style="list-style-type: none"> <li>The HR staff consults with managers and supervisors across the agency on various management issues.</li> <li>The HR staff provides advice and guidance to managers on human capital strategies tailored to meet organizational needs.</li> <li>The HR staff assesses and anticipates needs of customers (i.e., managers, supervisors, employees, and applicants), develops functions and services to support and fulfill those needs, ensures quality of services, and communicates program requirements to customers.</li> <li>The HR staff involves line functions in program review and/or development and likewise is invited by line functions to organizational meetings and retreats to identify and advise on HR issues.</li> <li>FHCS and/or other surveys or interviews indicate HR staff members are viewed as internal consultants and human capital strategies support the broader agency mission.</li> <li>Policies describe the process and procedures for communicating customer issues, resolving customer dissatisfaction, and handling customer comments.</li> <li>The HR staff measures and communicates the value of products and services it provides through feedback mechanisms.</li> </ul> <p><b><u>Compliance Indicator</u></b></p> <ul style="list-style-type: none"> <li>As provided by 5 U.S.C. 1103(c), the agency holds managers and human resources officers accountable for efficient and effective human resources management in support of the agency's mission in accordance with merit system principles.</li> </ul>

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<b>KEY ELEMENTS</b>	<b>SUGGESTED PERFORMANCE INDICATORS</b>
<p><i>The agency's human resources system:</i></p> <ul style="list-style-type: none"> <li>Includes a staff with the skills and competencies required for partnering with executives and managers in strategic planning</li> </ul>	<p><b><u>Effectiveness Indicators</u></b></p> <ul style="list-style-type: none"> <li>The agency conducts HR staff development needs-assessment studies to identify competency gaps.</li> <li>The agency has strategies (e.g., automation, competitive sourcing, recruitment, mentoring, training) in place to close competency gaps in HR staff and to provide managers the advice and tools they need to operate.</li> <li>HR staff conducts program reviews, customer surveys, and regular assessments of information systems and other support functions to identify areas for continuing improvement.</li> <li>Analysis of staffing levels includes considerations such as HR servicing ratio, HR staff distribution by series/grade/pay band, HR staff average grade/pay band, age, length of service, training completed, retirement eligibility, HR supervisory ratio, and ratio of personnel actions to personnel staff.</li> </ul>
<ul style="list-style-type: none"> <li>Has a human resource information system with the capacity to provide relevant and reliable data necessary for making fact-based human capital decisions.</li> </ul>	<p><b><u>Effectiveness Indicator</u></b></p> <ul style="list-style-type: none"> <li>HR staff partners with managers to:                             <ul style="list-style-type: none"> <li>Conduct workforce studies and analyze results in collaboration with managers; the data are used for decision making.</li> <li>Use all available functions and features of the agency's current system to facilitate effective agency workforce management (e.g., process and report on personnel transactions, query data) and provide routine reports to managers.</li> </ul> </li> </ul>

<b>HUMAN RESOURCES AS STRATEGIC PARTNER</b>	
<b>KEY ELEMENTS</b>	<b>SUGGESTED PERFORMANCE INDICATORS</b>
<i>The agency's human resources system:</i>	
	<ul style="list-style-type: none"> <li>– Participate, as appropriate (i.e., depending on level in organization), in agency and/or OPM initiatives to support the OPM Enterprise Human Resources Integration initiative, which will support HR management across Government.</li> <li>– Participate, as appropriate, in other e-Government initiatives such as e-payroll and Retirement Systems Modernization (RSM).</li> <li>– Use an HR information system that promotes employee self-service and manager access to a broad range of human capital information and indicators.</li> </ul>

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