U.S. DEPARTMENT OF EDUCATION PERSONNEL MANUAL INSTRUCTION	PMI 250-1 DATE: <u>October 2, 2006*</u> APPROVED: <u>*VERONICA D. TRIETSCH*</u> DIRECTOR, HUMAN RESOURCES SERVICES

*Includes Amendment #1 dated

SUBJECT: DEPARTMENT OF EDUCATION
                     HUMAN CAPITAL MANAGEMENT
                     ACCOUNTABILITY SYSTEMS POLICY

Distribution:

I.   AUTHORITY

This Instruction is in conformance with Executive Order 13197, Government Accountability for Merit System Principles; Workforce Information, dated January 18, 2001, establishing Civil Service Rule X, and giving the U.S. Office of Personnel Management (OPM) authority to require agencies to establish a Human Capital Management (HCM) accountability system; Interagency Agreement Number DED-01 between OPM and the Department of Education (ED) and the Homeland Security Act of 2002 (PL. 107-296), which requires every agency to appoint a Chief Human Capital Officer with the responsibility to assess agency management of human capital. In response, ED has established an HCM accountability system that supports these authorities and is designed to improve HCM practices and create a high performing workplace to enable ED to better meet its mission.

II.   APPLICABILITY

ED administers its HCM program in accordance with Title 5 of the United States Code and Title 5, Code of Federal Regulations (C.F.R). As specified herein or except as follows, ED adheres to 5 C.F.R. Part 250 –Subpart B-Strategic Human Capital, which sets the framework for ED's Accountability System. This policy applies to all employees of the Department.

ED is committed to continuous improvement using processes and measures. The priorities of the Department are to develop and utilize the competency capacity of our workforce in effective and productive ways, and assessing the results of our HCM activities. The Department's HCM Accountability Program is linked to its HCM Plan and the agency's Strategic Plan and monitors the human capital performance goals, identifies how progress will be assessed, and describes an HCM evaluation process.

III.   POLICY

This policy establishes an ED-wide HCM Accountability Program to ensure the overall effectiveness of HCM for the agency. This centralized program has oversight responsibility for the full range of HCM throughout the Department. Further program responsibility will focus on the implementation of new and high profile initiatives, and the quality of management advice and technical assistance.

This program defines the Department's role in HCM accountability, but does not replace either the Human Resources Services' (HRS) or line manager's accountability in assuring merit-based HCM activities. Each HRS Customer Services Team (CST), both Headquarters (HQ) and Regions, and Federal Student Aid/Human Resources (FSA/HR) should perform recurring internal self-assessments to ensure that its practices are consistent with merit system principles, statutory and regulatory requirements, agency policies, and negotiated agreements. Line managers should understand which practices and procedures are critical to a merit-based HCM system.

HCM accountability at the Department begins with the support of top-level management and includes managers at all levels. The Department's leadership establishes human capital goals and objectives, determines measures, establishes budgets, and modifies initiatives based on results. The continuous process of monitoring and adjusting goals, measures, budgets and initiatives ensures a systematic approach to accountability. Top leadership support and accountability is ensured through the Department's Senior Executive Service (SES) Performance Management System linking performance plans to organizational performance goals and strategic management initiatives. In this way, standards for HCM are cascaded through all levels of management.

The HRS Policy Team provides leadership, coordination, guidance, and technical expertise in all areas related to management of the agency's human capital. The Policy Team works collaboratively within HRS including the HQ and Regional CSTs and FSA/HR. This arrangement helps ED implement its human capital initiatives, practices and policies Department-wide while performing appropriate HCM functions in locations in close proximity to ED's employees.

IV.   RESPONSIBILITIES

      A.   Chief Human Capital Officer is responsible for:

        1.   Overseeing, directing, and executing all authorities related to human resources that are otherwise vested in the Secretary by statute;

        2.   Overseeing, directing and executing all authorities included in the Chief Human Capital Officer Act; and

        3.   Reviewing the Department's budget requests to ensure that they include resources to implement the agency's HCM Plan and that initiatives are consistent and coordinated agency-wide and support the Administration's and Secretary's priorities.

      B.   The Director, HRS is responsible for:

        1.   Developing, implementing, and managing an HCM Accountability Program which will help ED meet mission goals through effective recruitment, development and utilization of employees;

        2.   Determining the targeted area of emphasis for each accountability review cycle;

        3.   Planning an HCM accountability review schedule, in conjunction with the HQ and Regional CSTs and FSA/HR, on a cyclical basis;

        4.   Reviewing Departmental policies and procedures in light of findings from accountability reviews, and making necessary modifications to update or improve those policies and procedures;

5. Communicating findings from accountability reviews with the HQ and Regional CSTs and FSA/HR, which include recommendations to strengthen or improve HCM activities; and conducting follow-up actions required to correct any violations based on misinterpretation of language or intent of a personnel law or regulation; and

6. Sharing lessons learned and innovative ideas with the HR community and line managers across the Department.

C. <u>Director, HRS Policy Team:</u>

1. Developing and monitoring the HCM Accountability Program, and evaluating the effectiveness and efficiency of HCM at the Department;

2. Conducting periodic formal reviews of HR practices and procedures and documenting findings;

3. Systematically reviewing HR data to assess consistency of actions, and determining impact/results of HR policy; conducting data analysis, and preparing objective measurable standards;

4. Providing policy guidance to all Executive Offices, HRS staff, and Line Managers and updating policy when necessary;

5. Following up on all issues or problems resulting from OPM/Department audits or when discovered by other means;

6. Annually reviewing all Department HC policies;

7. Monitoring the reports that CSTs and FSA/HR are required to submit to OPM;

8. Preparing the HC Accountability Plan for submission to OPM; and

9. Preparing the annual HC Accountability Report for submission to OPM.

D. <u>Headquarters and Regional Customer Services Teams (CSTs) and FSA/HR </u>are responsible for:

1. Supporting the HCM Accountability Program by participating in on-site reviews; providing staff, as needed, to assist the accountability team; and assisting in the preparation of final reports and taking action, when required, to rectify problematic practices;

2.   Conducting recurring internal self-assessments, including delegated examining audits, and providing feedback to the Director, HRS in support of the HCM Accountability Program; and

3.   Educating line managers on their mutual accountability for the HCM Accountability Program's integrity, and sharing HCM systemic issues with them as appropriate.

E.   <u>Supervisors and Managers</u> are responsible for:

1.   Making data-driven HCM decisions that are compliant with merit system principles and applicable laws, regulations, and policies; and

2.   Implementing HCM initiatives and participate in their evaluation.

V.   PROGRAM REQUIREMENTS

A.   <u>Accountability Program</u>**.** The following objectives describe the intent and desired outcomes of the ED HC Accountability Program: (1) To define the way ED assesses and evaluates the effectiveness and efficiency of the HCM function; (2) To ensure people are managed efficiently and effectively and in accordance with the merit system principles, veteran's preference, and related public policies; (3) To ensure that HC planning is guided by a data driven, results-oriented process; (4) To document an approach that periodically analyzes human capital data to assess results or progress toward goal achievement; (5) To implement a plan for addressing issues or problems identified during accountability reviews or audits; (6) To ensure that HCM goals and programs are aligned with and support the agency mission (to include all measures available from the Human Capital Scorecard); and (7) To ensure that HCM activities are carried out in accordance with the merit system principles and other pertinent laws and regulations.

This program also ensures the integrity of merit system principles by focusing on systemic HCM issues across ED. Its emphasis is on providing technical assistance to HRS staff, finding the causes of problems, and recommending solutions to achieve exemplary customer service and to support agency mission accomplishment. While this program is cyclical in nature, the Department maintains the capability to conduct "as needed" reviews.

B**.**   <u>Human Capital Accountability at ED</u>.

ED's HCM Plan articulates the agency's strategic direction and measurable workforce performance goals. The Plan identifies the actions the Department will take to ensure the people who carry out ED's mission are in the right place, at the right time, with the right skills. The Plan identifies the major organizational human capital initiatives and actions necessary to achieve the Department's performance goals.

The HCM Plan includes an HR metrics system that provides high-level measurements to evaluate the effectiveness of HR services. Through this agency-wide plan and a common metrics system, ED will maintain accountability for all HR programs.

The HCM Implementation Plan, Appendix A of the HCM Plan, is updated annually and specifies the action steps that will be undertaken to implement improvement initiatives. This plan indicates the action to be taken, the scheduled date for the action item, the people responsible for the action item and the success measures against which the action item will be evaluated.

The Department will conduct regular accountability reviews of HQ and Regional CSTs and FSA/HR HR programs on a three-year cycle to evaluate each office against the objectives of the PMA, including HCM and the HCAAF. In addition, each CST and FSA/HR is responsible for conducting an annual internal self-assessment of its programs. An annual report of the internal assessment will be submitted to the Director, HRS and forwarded to the CHCO.

Attachment 1 provides the HCM Accountability goals. Attachment 2 provides a summary of the Department's accountability activities that support the operation of the Department's HC accountability system, including the accountability methodology used. The implementation schedule, which lists the schedule of on-site audits by fiscal year, the component to be audited, and location, is in Appendix A of the Department of Education Human Resources Management Accountability Review Plan.

Each program area will be evaluated on a three-year cycle, in addition to annual internal self-assessments. The results of specific accountability activities will be identified and reported for corrective and improvement actions, if any, by using various measurement approaches and tracking tools.

VI.   EVALUATION

    A.   Accountability Evaluation Methods.

        1.   Record Reviews. The record review is the process of examining actions, records, and files (e.g., E-Official Personnel Folders, Employee Performance Folders, merit promotion files, applicant supply files, training records, disciplinary and performance based action case files) to determine legal and regulatory compliance, observe trends, and assess overall HCM effectiveness.

2. Structured Interviews with managers, supervisors, selecting officials, HR staff, and selected employees are conducted to help clarify HCM issues and learn about the HR procedures of an organization.

3. Focus Group Interviews. These interviews are carefully designed to obtain perceptions on a very defined topic from a homogeneous group of people outside of the HR office. The focus group usually includes about five to ten people per group and is led by a moderator. The qualitative data gathered from these kinds of interviews is useful in identifying and explaining trends and patterns in perceptions.

4. Department Accountability Audits are regularly recurring in accordance with statutory authority and responsibility under 5 U.S. C. 1104. These audits are further defined in the ED HC Accountability Plan.

5. Customer Service Surveys are sent out periodically to find out if managers, supervisors, and employees are satisfied with the timeliness and accuracy of HR processes. (See Attachment 2.)

B. Human Resources Services Accountability Reviews.

1. Selection of Targeted Area(s) of Emphasis. The targeted area(s) of emphasis for each review cycle will be determined by numerous catalysts, to include the Department's annual program and strategic plans; changes in the Agency's structure; amendments in law or regulation; concerns raised by such bodies as the OPM, the Merit Systems Protection Board, and the Office of the Inspector General; high profile issues; previous systemic problems; trends in EEO complaints or grievances; or patterns in customer feedback.

2. Composition of Accountability Teams. The composition of teams may vary, based upon the expert knowledge required for the HCM issue(s) being evaluated. While HRS Policy Team will organize, coordinate, and lead the reviews, HQ and Regional CSTs and FSA/HR staff will assist them.

3. Data Collection and Analysis. The accountability team will conduct an analysis of all pertinent statistical data regarding the CST's serviced population, and those personnel actions taken pertaining to the targeted area(s) of emphasis. Computer-aided analysis will be necessary to determine the types of actions to be reviewed. Results will be shared with HQ and Regional CSTs and FSA/HR staff.

4. Development of Evaluation Guides. The accountability team will develop guides, which contain objective measurable standards germane to the targeted area(s) of emphasis. Wherever possible, standards will measure program success through results rather than process, recognizing that some legal requirements are process-driven. Guides will be forwarded to the CSTs

in advance of the on-site review, and used consistently throughout the review cycle.

5.   Components of On-Site Accountability Visit. Each on-site visit is anticipated to last three to five days in duration, depending on the extent of coverage for that review cycle. The specific nature of the visit will depend upon the targeted area(s) of emphasis and results of preliminary data analysis. Generally, the visit will consist of:

a.   Entrance Briefing. The accountability team leader will provide an entrance briefing to the CST or FSA/HR Leader and other top leaders and stakeholders as appropriate.

b.   Examination of CST or FSA/HR Documentation and Files. As appropriate, documentation and files will be reviewed against evaluation guide criteria as defined in the ED Accountability Plan. Such files will be pertinent to the targeted area(s) of emphasis and, if possible, any special issues or concerns raised during the entrance briefing. If deficient actions are found, the CST or FSA/HR will be given the opportunity to correct them while the accountability team is on-site. These individual deficiencies will not be addressed in the formal report unless they demonstrate systemic HCM issues.

c.   Interviews or Focus Groups. As needed, the accountability team will conduct individual interviews or lead focus groups with managers, employees, CST or FSA/HR staff, or other appropriate personnel, to collect additional or clarifying information, capture perceptions, and/or track consensus issues, and will, to the maximum extent possible, be kept anonymous.

d.   Close-out Briefing. Based on findings during the on-site assistance visit, the accountability team leader will provide an exit briefing to the same personnel described in section B.5.(a) above. They will be apprised of an interim summary of results, which focuses on findings, and the overall effectiveness of the HCM program.

C.   **Post-Evaluation Activities**

1.   Reporting Requirements. Following the on-site accountability review, the accountability team leader will provide a draft report to the respective CST or FSA/HR Leader (and other top leaders and stakeholders, including the Director, HRS) for their review and comments. If any discrepancies in the report are found, initial findings and the supporting documentation will be re-examined and reconsidered for the final report. Supporting documentation will be required for each significant finding identified within the report. When there are required and/or recommended actions, the HQ or

Regional CST or FSA/HR (as applicable) must develop a plan of action and submit it to the HRS Policy Team within 30 calendar days from the issuance of the draft report. Should any prevailing deficiencies be identified from previous audits that have not been addressed, corrective actions must be taken immediately to resolve the matter. Systemic problems and/or Merit System violations that are not satisfactorily resolved within the initial 60 days after the report will be reported to the Director, HRS for further action. The final report will include the scope of the review; programs or items reviewed; methodology; evaluation findings; required actions and a description of the steps taken to address any violations of laws, regulations, or policies; and recommendations to strengthen or improve HCM activities, and a timeline for completing corrective actions. The final report will be provided to the aforementioned parties and the CHCO, and in extensive negligence, waste, fraud or abuse cases, to the appropriate parties, within 60 days of the review. The HRS Policy Team will maintain records that document what action(s) were taken to address issues that were brought up in the review.

2. <u>Follow-Up Action</u>. Where follow-up is required, the accountability team will work closely with the CST or FSA/HR staff to ensure that any necessary actions have been taken to correct violations of laws, regulations, or policies. All issues or problems resulting from an OPM or agency audit must be resolved within 60 days from the issuance of the final report unless they require a longer time period to complete the required resolution due to the nature of the issue. The resolution to these types of issues will at least be initiated within 60 days.

3. <u>Review of Departmental Policies</u>. If systemic HCM issues are discovered during the review cycle, it may be necessary to issue new or revised Departmental policies.

4. <u>Recognition of HCM Best Practices</u>. When innovative or excellent HCM practices have been identified, the Director, HRS will share those lessons learned and accomplishments with the HRS staff, FSA/HR, and line managers within the Department as appropriate.

VII. EVALUATION OF ACCOUNTABILITY SYSTEM

A. The ED's Accountability System (DEAS) is a continuously evolving and improving process. This process enables ED to consistently monitor, analyze, and evaluate the performance of human capital accountability activities as they relate to the Department's mission. Annually, the Department will review the DEAS and Accountability Plan and make recommendations for improvement in order to maintain and achieve our established goals. This review will cover all components of the HC Accountability System to determine their efficiency, effectiveness, mission alignment, and compliance with the elements of the

HCAAF. Results of the annual review will be assessed against the Accountability Program to (1) ensure the following year's accountability activities are addressing up-to-date Human Capital goals and objectives; (2) determine the degree to which existing performance measures are successful in tracking mission alignment, effectiveness, efficiency, merit system compliance; and (3) ensure that all designated officials and organizations are meeting their accountability responsibilities as outlined in this policy.

B.   ED's HRS Policy Team will complete the required reports on accountability such as the HC Accountability Report with input from appropriate components throughout the Department. The report will include input from HQ and Regional CRTs and FSA/HR on the current status of their respective accountability activities. The input will be combined with a variety of human capital reports and analyzed against performance measures established through the HC Management Plan and the required HCAAF accountability metrics to formalize the report.

C.   The annual Human Capital (HC) Management Report will be signed by the CHCO, and disseminated throughout the Department as appropriate. In addition, it will be posted on ED's intranet website. The HC Management report will evaluate and report on the Department's existing HC policies, programs, and operations and will be used to modify and improve accountability activities. As necessary, the HC Management Plan and the Human Capital Accountability Plan will be updated with any modifications as identified in the HC Management Report.

Attachment 1

Human Resources Management Accountability Goals

Goal	ED Measure	Desired Outcomes
Desired recruitment/retention for employees with strategic competencies is achieved.	ED meets staffing/retention targets for employees with strategic competencies.	Positive staffing and retention for employees with strategic competencies.
Desired competency levels in mission critical occupations are achieved.	ED meets gap reduction targets developed from competency assessments and bench strength analysis.	ED has developed specific strategies to achieve desired skill, competency, and education levels for mission critical occupations. ED has identified skills and competencies for critical occupations at both the Department and Principal Office levels.
Desired quality level of new hires is achieved.	Feedback from managers and competency assessments provide evidence that new hires have needed competencies.	Managers and supervisors are satisfied with the quality of new hires. Required formal training for critical occupations is achieved. Performance standards are linked to the ED's Strategic Plan.
Ensure that ED has effective HCM programs.	ED HCM programs meet their objectives. ED has a high quality HR staff competent in both strategic and technical aspects of HR. ED leaders are held accountable for effective management of human capital. Internal ED customers are satisfied with how HCM programs address employees' needs and support effective management of human capital. Data will be obtained from documents such as FHCS/ Employee and focus groups, etc.	Program objectives have been set and appropriate measures are being used to verify that desired results are being achieved. Methods for assessing managerial performance and promotion potential result in meaningful distinctions and consequences. Review of survey data at the department reveals that managers and supervisors believe that HCM programs support management of human capital and that employees believe HCM programs address their needs.

Goal	ED Measure	Desired Outcomes
Ensure that HC operations are efficient and cost-effective.	ED human capital services are timely, accurate, and cost-effective.	HCM programs and processes are cost-effective and human resources services provided are timely and accurate.
Ensure agency complies with legal requirements in accordance with the merit system principles and other applicable laws and regulations.	ED human capital actions are correct and in accordance with law and regulations. HR processes and practices of line managers and HR staff adhere to the merit system principles and are free of prohibited personnel practices. Data will be obtained from the accountability reviews.	Quality control procedures that indicate that personnel actions at both the department and agency levels are processed consistently and in compliance with legal requirements. Systemic and non-systemic issues have been addressed. These would include questionable management practices, and violations of employee protections and veteran's preference.

Attachment 2

Measures and Data Collection Strategies

Strategic Alignment

Human Capital Goal: To have an agency human resources/human capital function in place that is adequately staffed and fully prepared to proactively partner with line managers in agency strategic and workforce planning, as well as in addressing day to day management issues and providing effective, efficient human resources services

HCAAF System: Strategic Alignment

System Standard: Agency HCM strategies are aligned with mission, goals, and organizational objectives and integrated into its strategic plans, performance plans, and budgets.

Objectives:

- To ensure that the Department's Strategic plan, goals and objectives are communicated and understood throughout the agency

- To ensure that the human resources function is adequately resourced and trained to meet customer service expectations and to provide additional strategic alignment services to assist managers in meeting their strategic goals

Measure	Purpose	Measurement Approach	Frequency	Who is Responsible
Employees understand the linkage of the PO specific goals and objectives to the Department's Strategic plan, goals and objectives.	To ensure that the Department's Strategic plan, goals and objectives and the linkage to PO specific goals and objectives are communicated to all employees.	• FHCS • Agency Employee survey • EDPAS 25% reviews	Bi-annually Bi-annually (see note below) Annually	Deputy CHCO Deputy CHCO PO Asst. Secretary
All employees performance plans effectively link to the agency's mission, goals, and outcomes.	To ensure that all employees have performance plans that effectively link to the agency's mission, goals, and outcomes.	• Performance Appraisal Assessment Tool (PAAT) Review • Metrics Dashboard • FHCS/Employee Surveys • 25% EDPAS Review	Annually	HRS Employee Relations Team

Note: The FHCS will be done bi-annually (even numbered years) and the Agency employee survey will be done bi-annually (odd numbered years).

Leadership and Knowledge Management

Human Capital Goal: To ensure continuity of leadership by addressing potential competency gaps in effective leadership and by creating a continuing pipeline of available leadership in the organization

HCAAF System: Leadership and Knowledge Management

System Standard: Agency leaders and managers effectively manage people, ensure continuity of leadership, and sustain a learning environment that drives continuous improvement in performance, and provide a means to share critical knowledge across the organization. Knowledge management must be supported by an appropriate investment in training and technology.

Objectives:

- To ensure adequate bench strength within the Agency

- To strengthen current leadership development programs targeted for supervisors and managers across the agency

Measure (may cover more than one objective)	Purpose	Measurement Approach	Frequency	Who is Responsible
Employee satisfaction with leadership.	To determine the extent to which employees hold their leadership in high regard, both overall and on specific facets of leadership.	FHCS	Bi-Annually	Deputy CHCO
Difference between competencies needed and competencies possessed by managers and leaders.	To determine the extent to which competency gaps are being closed for Management and Leadership Competencies.	• Competency assessments of managers and leaders.	Pre and Post assessment	Leadership and HRS Training Development Team FSA/HR
Compliance with merit system principles and related laws, rules, and regulations.	To determine that decisions, policies, processes, and practices comply with merit system principles, and related laws, rules, and regulations governing Leadership Succession Management.	• Compliance assessment of training initiatives and succession planning strategies • Focus groups with leaders and employees	Incorporate into reviews	CHCO Director, HRS FSA/HR
Percentage of critical leadership positions filled from internal sources, other Government sources (including military) and non-Government sources.	To determine the extent to which internal succession planning efforts result in the selection of leaders in critical roles/occupations.	Data collected on succession sources when leaders are selected for critical leadership positions.	As positions are filled.	HQ Customer Services Team Executive Resources Team FSA/HR
Bench Strength Index - The relationship between the number of employees in the leadership pipeline who demonstrate the required level of proficiency on leadership competencies and the number of critical leadership positions.	To ensure enough internal organizational capacity exists to mitigate leadership attrition and maintain progress toward mission attainment as employees progress to leadership positions through career paths.	• Bench strength analysis contained in the Succession Plan.	Annually through assessment of career plans.	CHCO Executive Resources, Training, Policy Team, HQ Customer Services Team, FSA/HR

Note: The FHCS will be done bi-annually (even numbered years) and the Agency employee survey will be done bi-annually (odd numbered years).

Leadership and Knowledge Management

Human Capital Goal: To ensure leaders foster a learning culture that provides opportunities for continuous development and encourages employees to participate

HCAAF System: Leadership and Knowledge Management

System Standard: Agency leaders and managers effectively manage people, ensure continuity of leadership, and sustain a learning environment that drives continuous improvement in performance, and provide a means to share critical knowledge across the organization. Knowledge management must be supported by an appropriate investment in training and technology.

Objectives:

- To establish and implement competency models for mission-critical occupations (MCOs)

- To develop and implement agency-wide training to address agency requirements that are broad-based and cannot be met through existing resources

Measure (may cover more than one objective)	Purpose	Measurement Approach	Frequency	Who is Responsible
Program compliance with merit system principles and related laws, rules, and regulations.	To determine that decisions, policies, processes, and practices comply with merit system principles, and related laws, rules, and regulations governing Continuous Learning.	• Compliance assessment of MCO development activities and training plan development and implementation. • Focus groups with leaders and employees	Incorporate into review activities.	HRS/ Training Team FSA/HR
Employee satisfaction with leadership.	To determine the extent to which employees believe their leaders have developed a culture that values personal growth.	• FHCS survey • Employee survey	Bi-Annually Bi-Annually (see note below)	Deputy CHCO Managers
All targeted mission-critical employees are provided the opportunity to have documented IDPs in place that reflect their competency needs.	To ensure competency-based career development paths that reflect the agency's mission requirements are being used by employees in MCOs.	• Skills assessment to provide each employee with information to use in developing an appropriate IDP consistent with required competencies in the applicable field. • IDP records maintained in an automated or manual system, to include a review and count of IDPs.	Annually	HRS Training Team in partnership with agency managers FSA/HR
Percentage of HR employees who meet the competency requirements for their positions.	To use the CHCO Council HRM competency model to ensure enough internal organizational capacity exists to mitigate HR/HC customer service and consultation gaps.	• Skills assessment against the competency model to identify competency gaps. • Focus groups with leaders and employees.	Annually	CHCO and/or HR Director FSA/HR
Indication that the training activities have positively impacted job performance.	To ensure that the agency's training investments are targeted to build and support unique agency mission requirements.	• Skills Assessment to provide the agency with rolled up data about training "gaps" in MCOs • Review of results from training evaluation system.	Annually	HRS Training Team and FSA/HR in partnership with agency managers

Note: The FHCS will be done bi-annually (even numbered years) and the Agency employee survey will be done bi-annually (odd numbered years).

Results-Oriented Performance Culture:
Performance Appraisal

Human Capital Goal: To have a performance management system in place that differentiates between high and low levels of performance and links individual/team/unit performance to organizational goals and desired outcomes

HCAAF System: Results-Oriented Performance Culture

System Standard: The agency has a diverse, results-oriented, high-performing workforce and a performance management system that differentiates between high and low levels of performance and links individual/team/unit performance to organizational goals and desired results effectively.

Objectives:

- To develop a results-oriented culture which has systems in place to recognize high-performing employees and organizations

- To hold managers and supervisors accountable in their performance plans for the appropriate appraisal of their employees' performance and to take actions that ensure all employees are meeting performance expectations

Measure (may cover more than one objective)	Purpose	Measurement Approach	Frequency	Who is Responsible
Employee perceptions regarding performance appraisal.	To determine the extent to which employees believe their organizational culture promotes improvement in processes, products and services, and organizational outcomes.	• Employee survey • Focus groups with leaders and employees	Annually	Deputy CHCO Managers
Percent of employees achieving each rating level used in an agency's performance appraisal system in relation to organizational and individual performance through a distribution of ratings analysis.	To determine the extent to which agencies make meaningful distinctions in employee performance.	• SES employee performance ratings show a relationship to organizational performance. • Information provided through implementing the PAAT for BETA sites. • Employee performance rating records maintained in an automated system. • Information on organizational performance provided through GAO reviews, PART reviews, etc.	Annually	CHCO Executive Resources Managers
Program compliance with merit system principles and related laws, rules, and regulations governing performance appraisals.	To determine that decisions, policies, processes, and practices comply with merit system principles, and related laws, rules, and regulations governing Performance Appraisal.	• Compliance assessment provisions for training and rating employees. • Focus groups with leaders and employees • Information provided through implementing the PAAT.	Incorporate into review activities	HRS ER Team FSA/HR

Results-Oriented Performance Culture System:
Awards

Human Capital Goal: To have an awards system in place that provides employees with a direct line of sight between performance expectations, awards granted, and meeting the agency mission

HCAAF System: Results-Oriented Performance Culture

System Standard: The agency has a diverse, results-oriented, high-performing workforce and a performance management system that differentiates between high and low levels of performance and links individual/team/unit performance to organizational goals and desired results effectively.

Objectives:

- To ensure that the agency incentive awards program includes a variety of types of awards that are properly funded for effective use in motivating and retaining employees

- To ensure that the agency policy for payment of performance bonuses to SES members is properly aligned to strategic goals and objectives and recognizes performance results

Measure (may cover more than one objective)	Purpose	Measurement Approach	Frequency	Who is Responsible
Awards Program compliance with merit system principles and related laws, rules, and regulations.	To determine that decisions, policies, processes, and practices comply with merit system principles, and related laws, rules, and regulations governing awards.	• Compliance assessment provisions rewarding employees, including SES members. • Focus groups with leaders/employees	Incorporate into review activities	Employee Relations Team/ Executive Resources Team FSA/HR
Employee perceptions of awards program.	To track the extent to which employees believe agency monetary awards reflect employee performance.	• FHCS • Employee survey • Focus groups with leaders/employees	Bi-Annually Bi-Annually (see note below)	Deputy CHCO Managers Employee Relations Team FSA/HR
Percent of employees receiving rating-based awards, Quality Step Increases (QSIs), and time off awards based on achieving each rating level used in an agency's performance appraisal system in relation to organizational and individual performance.	To determine the extent to which awards are appropriately based on distinctions in employee performance.	• Employee performance rating and awards records maintained in an automated system. • Information on organizational performance provided through GAO reviews, PART reviews, etc. if any.	Annually	Employee Relations Team FSA/HR
Percent of SES employees paid performance bonuses based on achieving each rating level used in an agency's SES performance appraisal system in relation to organizational and individual performance.	To determine the extent to which SES appraisals and awards are appropriately based on achievement of organizational results.	• Employee performance rating and awards records maintained in an automated system. • Information on organizational performance provided through GAO reviews, PART reviews, etc.	Annually	Executive Resources Team

Note: The FHCS will be done bi-annually (even numbered years) and the Agency employee survey will be done bi-annually (odd numbered years).

Talent Management System:
Recruitment and Retention

Human Capital Goal: To close workforce competency gaps in MCOs through effective recruitment and retention strategies that are aggressive and multi-faceted to ensure a sufficient number of highly-qualified employees with the requisite competencies to meet emerging program requirements

HCAAF System: Talent Management

System Standard: The agency has a diverse, results-oriented, high-performing workforce and has closed skills, knowledge and competency gaps/deficiencies in MCOs, and has made meaningful progress toward closing skills, knowledge, and competency gaps/deficiencies in all occupations used in the agency.

Objectives:

To improve hiring practices in MCOs

To support retention of highly-qualified employees with the requisite competencies in the agency

To support retention of employees with unique qualifications or to meet special agency mission needs that arise

Measure (may cover more than one objective)	Purpose	Measurement Approach	Frequency	Who is Responsible
Employee perceptions of whether or not ED has the talent necessary to achieve organizational goals.	To determine the extent to which employees think the organization has the talent necessary to achieve organizational goals.	• Employee survey • FHCS • Focus groups with employees	Annually Annually	Deputy CHCO Managers
Employee perceptions of the extent to which employees are satisfied with their jobs.	To determine the extent to which employees are satisfied with their jobs and various aspects thereof.	• Employee survey • FHCS	Annually Annually	Deputy CHCO Managers
Review of hiring in MCOs.	To determine the extent to which competency gaps for MCOs are closed.	• Employee skills assessment instrument • Managers' survey • Review hiring in MCOs	Annually	HRS Training HRS CST FSA/HR EEOG
Review of hiring in MCOs.	To determine the degree of success achieved in decreasing the under-representation of certain groups of people within the MCOs.	• Review hiring data of MCOs.	Annually	HRS CST FSA/HR EEOG
Time to hire calculated as the average time from the date the vacancy announcement closes to the date an offer(s) is extended expressed as working days.	To determine the efficiency of hiring practices.	Hiring records maintained in an automated or manual system, including those maintained for Delegated Examining Units (DEUs).	At least quarterly or at the end of each cycle of hiring.	HRS CST FSA/HR Managers
Review the use of hiring flexibilities such as Relocation and Recruitment incentives and Career Patterns.	To attract high-quality candidates.	• Review numbers of applications received when hiring flexibilities are used. • Compliance assessment of hiring flexibilities. • Results of OPM Management Satisfaction Survey. • Analyze if meets needs.	Annually	HRS CSTs FSA/HR Independent Audit Team

Measure (may cover more than one objective)	Purpose	Measurement Approach	Frequency	Who is Responsible
Compliance with merit system principles and related laws, rules, and regulations.	To determine that decisions, policies, processes, and practices comply with merit system principles, and related laws, rules, and regulations.	• DEU and internal audits • Focus groups with leaders and employees	Incorporate into audit activities	Independent Audit Team

TABLE OF CHANGES

The PMI has been revised as follows: 1) to add 'is responsible for' to Section IV. E; 2) to delete the reference in Section V.,B to Attachment 3, and delete the corresponding attachment in its entirety; 3) to add a statement in Section V.B, that the implementation schedule (which was previously cited in Attachment 3) is in Appendix A of the Department of Education Human Resources Management Accountability Review Plan, and to revise Section VII., Part C, to change all references to the Human Capital *Accountability* Report to the Human Capital *Management* Report; also changed the statement that the report would be presented to the CHCO and the Director, HRS to read that the report would be signed by the CHCO.