

**UNITED STATES
DEPARTMENT OF COMMERCE
SUCCESSION PLAN**



Fiscal Years 2007 – 2011

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DEPARTMENT OF COMMERCE
SUCCESSION PLAN FY 2007 TO FY 2011

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BACKGROUND

This succession plan will guide the leadership growth within the Department of Commerce to keep pace with organizational growth and also evolve to meet the ever-changing human resource demands to meet the mission, through a multi-step process. This Plan incorporates the following components and associated processes:

- Alignment of Succession Planning Management Program with Corporate Strategy, Culture, and Structure;
- Design, implementation, continuous improvement of Succession Management Process and Tools; and
- Reinforce and Sustain Succession Planning Management and Leadership Development

As a part of the analysis to align the succession planning management program with corporate strategy, culture, and structure, and design the process and tools, Commerce identified the mission-critical occupations (MCOs) for the Department of Commerce. Positions identified as mission critical include those positions that are in line with accomplishing Departmental objectives as defined by the bureaus and where high attrition rates are anticipated over the next few years. Bureau representatives continue to participate in the process of annually validating mission-critical occupations for future workforce restructuring planning, recruitment and retention planning, and succession planning. The senior managers review the list of occupations by grade level and provide input on specific recruitment needs, competency gaps, and retention or succession needs.

The list of mission-critical occupations includes a variety of positions in the technical, scientific, legal, and administrative areas as follows:

Economist	0110	Misc. Administration & Program	0301
Attorney	0905	Gen. Business & Industry	1101
Statistician	1530	Physical Scientist	1301
Meteorologist	1340	Computer Scientist	1550
Fishery Biologist	0482	Information Technology Specialist	2210
Oceanographer	1360	Mathematical Statistician	1529
Physicist	1310	Management & Program Analyst	0343
Electronic Engineer	0855	Trade Specialist	1140
Patent Examiner	1224	Hydrologist	1315
Gen. Compliance	1801	Chemist	1320
Acquisition	1102		

Additionally, the MCO identification process includes a search of the literature, benchmarking the Office of Personnel Management (OPM), conducting interviews with managers and other employees, and conducting focus groups with employees at all levels to identify the competencies for the Department of Commerce. The leadership competencies associated with the MCOs are

based on the OPM Executive Core Qualifications (ECQs), including the 27 definitions. (See **Appendix A**)

The process of implementation and continuous improvement of the succession planning management program includes employing strategies such as the recruitment of leaders, retooling current leaders through reorganization and developmental assignments, comprehensive training and development of future leaders in formal programs, and general workforce training and development for employees at all levels.

The continuous review and evaluation of succession management strategies through results reports and accountability audits are the mechanism to reinforce and sustain Succession Planning Management and Leadership Development

The Department, like many federal agencies, is facing challenges of increasing numbers of retirement eligible employees in the leadership workforce, as well as shrinking numbers of available employees in the population. Therefore the Department has proactively established procedures to strategically manage leadership succession.

I STRATEGIC ALIGNMENT

A. Introduction

The Department of Commerce's historic mission, to enhance economic opportunity for the American people, continues to evolve to meet the ever-changing demands of the global economy. To address the challenges that are ahead in meeting these ever-changing demands, the Department of Commerce has updated this succession plan to ensure effective and efficient management of succession of human capital through a focus on mission critical occupations (MCO). Strong leadership, plans, and policies that enhance our ability to acquire and retain a diverse, highly skilled workforce, as well as results-focused initiatives are components of Commerce's succession planning management. The development of this Plan included review and analysis of the Department's Strategic Plan, Strategic Human Capital Management Plan and Organizational Performance Plans.

The Department of Commerce has over 40,000 employees and is comprised of the following organizational units:

Office of the Secretary (OS)	National Oceanic and Atmospheric Administration (NOAA)
Bureau of Industry and Security (BIS)	National Telecommunications and Information Administration (NTIA)
Economics and Statistics Administration (ESA)	* U.S. Patent and Trademark Office (USPTO)
Bureau of the Census (Census)	Technology Administration (TA)
Bureau of Economic Analysis (BEA)	National Institute of Standards and Technology (NIST)
Economic Development Administration (EDA)	National Technical Information Service (NTIS)
International Trade Administration (ITA)	
Minority Business Development Agency (MBDA)	

* Public Law 106-113, the American Independent Inventor's Protection Act of 1999, established the U.S. Patent and Trademark Office as a performance-based organization.

The Department of Commerce and its component bureaus create the conditions for economic growth and opportunity by promoting innovation, entrepreneurship, competitiveness and stewardship. The Department of Commerce's mission is linked directly to encouraging the economic growth that benefits all American industries, workers and consumers; enhancing technological leadership and environmental stewardship, and advocating market growth strategies. The responsibilities of the Department of Commerce, are carried out through its different bureaus, which foster U.S. business and industry; stimulate international trade (ITA); measure and analyze social development and economic activity (Census, EDA); promote a better understanding of U.S. Economy (BEA); administer U.S. export control systems (BIS); promote minority business' growth and competition in the global economy (MBDA); develops domestic and international policy (ESA); enforce intellectual property rights of our nation's inventors (USPTO); advance our nation's scientific and technological capabilities (TA, NTIA, NTIS, NIST); and understand, predict, and protect the natural environment (NOAA).

B. Alignment

The responsibilities of the Department of Commerce are to foster U.S. business and industry; stimulate international trade; measure and analyze social development and economic activity; advance the nation's scientific and technological capabilities; and understand, predict, and protect the natural environment. These responsibilities serve as foundation for the Department's FY 2004 – 2009 Strategic Plan that highlights the major forces and direction of the Department's programs and resources to better serve the nation's interests. The following four strategic goals have been established to meet the Department's responsibilities:

- ***Provide the information and tools to maximize U.S. competitiveness and enable economic growth for American industries, workers and consumers.***

The Department evaluates and analyzes key domestic and international marketplace trends in determining appropriate business strategies and initiatives. Both the public and private sectors rely heavily on the Department's information to chart their business and economic policy and program development. The Department maintains close alliances with the public and private sectors in advancing research initiatives and partnerships to create an environment that is most conducive for both domestic and global business development and economic growth.

- ***Foster science and technology leadership by protecting intellectual property, enhancing technical standards, and advancing measurement science.***

The Department recognizes the importance of maintaining a strong science and technology base as essential in ensuring America's business success and economic security. The Department establishes national policy, examines issues of technological development and innovation and promotes the integration of cutting-edge science and technology in every area of business.

- ***Observe, protect and manage the Earth's resources to promote environmental stewardship.***

The Department is committed to advancing our understanding of the Earth's changing climatic and geophysical conditions and their roles in shaping the planet's economic, social and environmental needs. The Department has direct management responsibilities for specific national resources, and stewardship responsibilities to ensure the optimal use of national assets. Recent global natural disasters highlight the importance of the Department's work in predicting the Earth's changing conditions, developing appropriate plans and managing resources to address such conditions.

- ***Achieve Organizational and Management Excellence (Management Integration Goal).***

The fulfillment of the Department's strategic goals is contingent upon having in place a support infrastructure that enables the Department to perform its work and carry out its mission through the utilization of human and material resources and identifying areas for improved efficiency of operations, practices and services.

The Department of Commerce Succession Plan supports and implements the Management Integration goal through emphasis on corporate advancements and human resource management improvements over the next several years. The succession plan provides a clear explanation of the goals and objectives, and details initiatives that will be undertaken in order to achieve this strategic goal through the following practices:

- Active support of top leadership;
- Link to strategic planning;
- Identifying talent from multiple organizational levels, early in employees' careers, or with critical skills;
- Emphasize developmental assignments in addition to formal training; and
- Address specific human capital challenges, such as diversity, leadership capacity, and retention

This succession plan highlights the dynamic integration of strategic goals and their supporting objectives and activities as mutually reinforcing. In the context of the Department's Human Capital Plan, the succession plan is congruous and compatible with the Human Capital initiatives of all Departmental components. Thus, it is important to reiterate that although listed activities are specifically associated with one primary goal, they have a positive and measurable impact upon accomplishment of other Commerce strategic goals as well.

Senior management has defined and promotes succession management as a dynamic, continuous process of systematically identifying, assessing, and developing leadership talent to ensure the Department's capacity to meet future strategic tasks. The Department stakeholders and their roles in this process are detailed below.

Stakeholder	Role
Department Senior Management	Maintain commitment to the succession management plan and hold subordinate managers accountable in meeting the plan's goals.
Office of Corporate Human Capital Strategy & Workforce Initiatives, Office of the Secretary	Plans and analyzes the workforce, alignment of employees and competencies, data and provides strategies for effective human capital management; develops problem solving and innovative HC solutions; reports measurable results to Office of Personnel Management and Office of Management and Budget.
Office of Policy and Programs, Office of the Secretary	Interpret and develop policy and guidance to implement new or changing applicable human capital and human resources laws, regulations and flexibilities to support the succession management plan.
Department Human Capital Management and Accountability Council	Provides regular input/feedback to OHRM on the succession management plan; promote the plan throughout the Department and work with OHRM in ensuring the plan's successful implementation.
Principle Human Resources Managers Group	Implement the succession management plan; communicate the plan's elements throughout their respective bureaus; report on the bureaus' progress in meeting the plan and identify areas for attention/improvement.
Organizational Component Office of Human Resources Operation	Provide, as needed, human resource services such as posting announcements for leadership programs, reviewing applications received, providing advisory HR services to the leadership project leads.
Organizational Component Office of Executive Resources	Informs development/revisions of the SES component of succession management and coordinates the Executive Resource Board reviews of candidate IDPs and ECQ submissions to OPM.
Organizational Component Office of Policy and Programs	Coordinates and disseminates Department wide policies, tools, systems and activities, as needed, to implement the succession management plan and processes.
Organizational Component Human Capital Office	Plans and analyzes component workforce to update and change succession strategies and approaches as needed; develop and deploy tools and techniques which complement and support Department wide succession management.
Organizational Component Office of Training and Development	Designs, implements and administers formal leadership programs, and training and development related succession management strategies.

C. Senior Leaders Involvement and Leadership in Succession Management

The Department Deputy Secretary regularly meets with the Executive Management Team, which is comprised of all bureau heads in the Department to include the Chief Human Capital Officer (CHCO). This group routinely discusses human capital issues to lead policy change and implementation. The CHCO also advises and consults with the Team concerning human capital issues. During FY 2006, the CHCO endorsed and approved a strategic recruitment tool and process, "Tools for Finding the Best Talent" which promotes one of the succession management strategies of this plan. (See Appendix B) The CHCO presented this tool to the Executive Management Team for implementation. Additionally, senior staff in the Office of Human Resources Management presented additional briefings and workshops on this tool and succession management strategies to managers, supervisors and team leaders through out Commerce.

Senior leaders are also actively involved in the selection process of the Senior Executive Service (SES) Candidate Development Program (CDP) in the role of panel reviewers for all applications and as interviewers for candidates that progress to the second stage of the selection process. The SES also serves as mentors for each of the candidates selected to participate in the SES CDP. In this role they are instrumental in assisting the candidates to prepare Individual Development Plans (IDP) that target not only the program competencies but also identify and select appropriate program components that will build individual competencies gaps identified through the program 360 assessment for each individual candidate. During the SES CDP capstone activity, the action learning team project, senior leadership identify real time issues and challenges and act as executive project sponsor for the candidate action learning teams as the teams determine solutions and present, as well as implement their solutions, for the executive sponsor.

D. Succession Plan Goals

Commerce continues to transform its culture and go beyond simply replacing individuals and engages in broad, integrated succession planning and management efforts that focus on strengthening both current and future organizational capacity. As part of this succession plan update, Commerce's succession planning and management promotes the organization's efforts to become what it needs to be, rather than simply to recreate the existing organization through the following activities and goals:

- Provide various systems to identify highly qualified and trained employees to uphold the Department of Commerce mission and continue in leadership roles to implement government reforms;
- Cultivate an environment that encourages and empowers all Departmental mission critical employees to become leaders and innovators in their occupations;
- Enhance the diversity of the Department's workforce and leadership; and

- Implement and support human resources policies and practices that create a positive and results oriented performance culture and establish the Department of Commerce as an employer of choice.

In order to achieve the above stated goals the Department of Commerce depends on its Office of Human Resources Management (OHRM). The OHRM mission is to develop and manage value-added resources policies and programs, and provide expert consultation, services and solutions in an efficient and customer-focused manner. OHRM carries out this mission through its role of providing leadership, technological advancements, and pilot systems for effective management of human capital and succession planning. Over the next five years, OHRM will continue to deliver exceptional service that will provide comprehensive corporate innovative solutions to succession planning challenges. OHRM remains committed to organizational excellence and promoting the Department as an employer of choice through the following performance goals:

- Establish a strong infrastructure to support continued learning and development;
- Align workforce competencies and business requirements;
- Create a dynamic learning environment of world-class training and development opportunities for the general workforce; and
- Enhance leadership capacity at all organizational levels.

The OHRM will evaluate results of this succession plan using the metrics detailed in **Appendix C** and various other metrics such as:

- Bureau feedback concerning the value and quality of corporate programs in place;
- President's Management Agenda Balanced Scorecard Measures;
- Workforce and customer satisfaction with programs implemented or expanded based on new authorities and flexibilities;
- Job satisfaction survey feedback;
- Analysis and comparison of customer satisfaction data before and after the implementation of Leadership Development programs; and
- Percentage of completion of identified individual development activities, as documented in employee plans.

II BUSINESS CASE FOR SUCCESSION MANAGEMENT

A. Critical Challenges

The Department faces a number of external environment challenges such as heightened information security requirements, changing and shrinking available workforce, need for continuity of operations during natural and terrorist threats, and increasing numbers of retirements in senior positions. During the next five years, prospective hires will be in high demand by other federal agencies and private sector employers. As Commerce meets this challenge through adjustment of existing programs and implementing innovative new strategies to attract and retain the best talent, the Department must ensure diversity in the workforce to maximize efficiency of all employees and cultivate an environment that encourages and empowers all employees to become leaders.

Additional Commerce specific workforce challenges are described below.

- Over the next five years, the Department, through the National Oceanic and Atmospheric Administration, will spend several billion dollars in contracts for purchase, construction, and modernization of environmental satellites. Complex, high cost acquisitions such as these are extremely difficult to manage within cost and schedule. Given the billions of dollars at stake in the NOAA satellite projects and their importance to the public safety and economic stability this is a top challenge facing the Department.
- The Census Bureau is preparing for the monumental task of enumerating the physical and political assets of this nation through the decennial census survey from 2007 through 2010. This effort is constitutionally mandated. It is the largest peacetime operation employing hundreds of thousands of workers and managers who can lead them. This workforce will survey approximately 140 million households. Census estimates that 17% (\$1.9 billion) of its 2010 budget will be spent on contracts for information technology systems, advertisement and leases for local office spaces in this effort. This is a preeminent national priority that has great economic implications to this nation.
- The Department accomplishes its goals of promoting trade, opening overseas markets to American firms, and protecting U.S. industry from unfair competition by imports primarily through the work of the International Trade Administration (ITA). China has one of the world's fastest growing economies, making its markets an attractive one for U.S. businesses. While U.S. exports to China have increased rapidly over the past 3 years, this growth has not kept pace with the growth of Chinese imports. Commerce must be able to depend on a seamless team effort from its staff in China and its various headquarters units that deal with China-related issues. To address this challenge, Commerce will need to develop appropriate management lines of authority to ensure that the Department organizations cooperate effectively. In addition, effective human resource strategies to forecast future staffing needs and provide a continuous supply of qualified officers with adequate China-specific expertise must be developed.

- The United States Patent and Trademark Office (USPTO) faces numerous challenges, such as a continuing increase in applications, training about 1,000 newly hired examiners in Patents and Trademarks, and transitioning to an electronic processing environment. In certain areas, the Patent and Trademark Office is experiencing a backlog of up to three years (i.e., the patent application that is being examined in 2006 was filed three years prior). This challenge calls for highly qualified and trained leaders who can lead and retain the new examiners to ensure the accomplishment of the Department's strategic goal - "protecting the intellectual property".
- The risk of terrorism continues to rise. The Bureau of Industry and Security (BIS) administers the U.S. dual-use export licensing and enforcement system designed to prevent hostile nations and terrorists groups from acquiring technologies and materials that have both a civilian and military application. This bureau needs emerging leaders who are not only technically qualified to identify threats that dual technologies pose but also capable of leading and developing staff to do the same.
- The Digital Television Transition and Public Safety Act of 2005 requires the Federal Communications Commission to auction recovered analog spectrum and deposit the proceeds into a special fund, which is to be used for programs within the National Telecommunications and Information Administration (NTIA). Funding for the programs authorized by the act exceeds \$2.5 billion. Implementing this act will constitute a significant management challenge for NTIA. The bureau began hiring, in 2006, a large contingent of electronic engineers and leaders who can lead them towards effective and responsible expenditure of the \$2.5 billion set aside for implementation of this act.

These and other challenges continue to change and shape the direction of Commerce's missions and priorities and the availability of resources of all types. Therefore, the plan will be adjusted as necessary, on a fiscal year basis, to accommodate the redirection of work impacted by factors such as: 1) changed Departmental and/or bureau requirements; 2) funding levels; 3) emerging needs; and 4) Governmental and national priorities.

B. Current Workforce Demographics

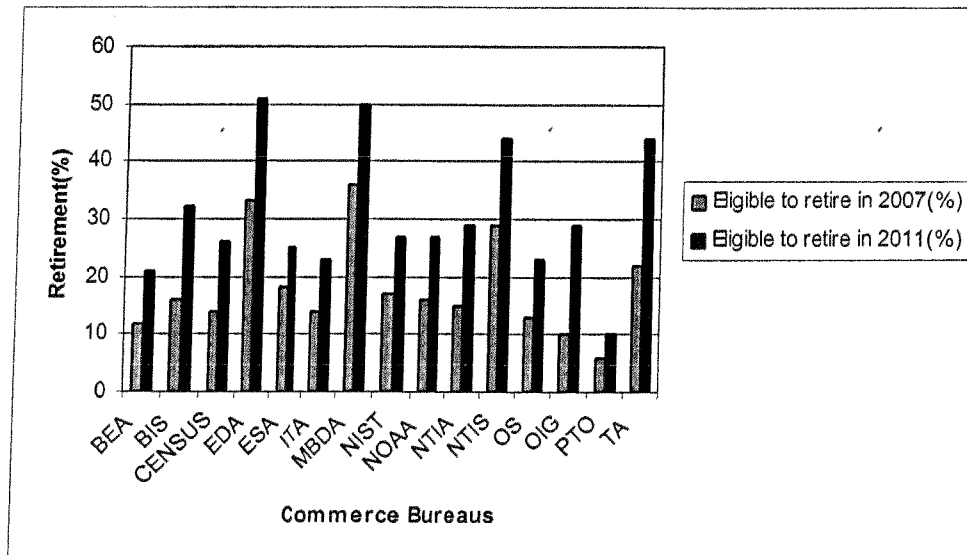
The Department has a flatter organization with fewer manager and leadership positions through effective reorganization and restructuring. Current data also confirms an aging workforce, steady attrition rates and more than half the workforce in mission critical occupations.

Comparison of the present demographics (Quarter 1 (Q1) & Quarter 2 (Q2) of FY 2006 with fiscal years 2003 through 2005 bears out the changes projected in the *Department of Commerce Workforce Restructuring Plan, FY 2003-FY 2007*. The Human Capital challenges identified then remain valid as we update the Business Case for Succession Management for FY 2007 to 2011.

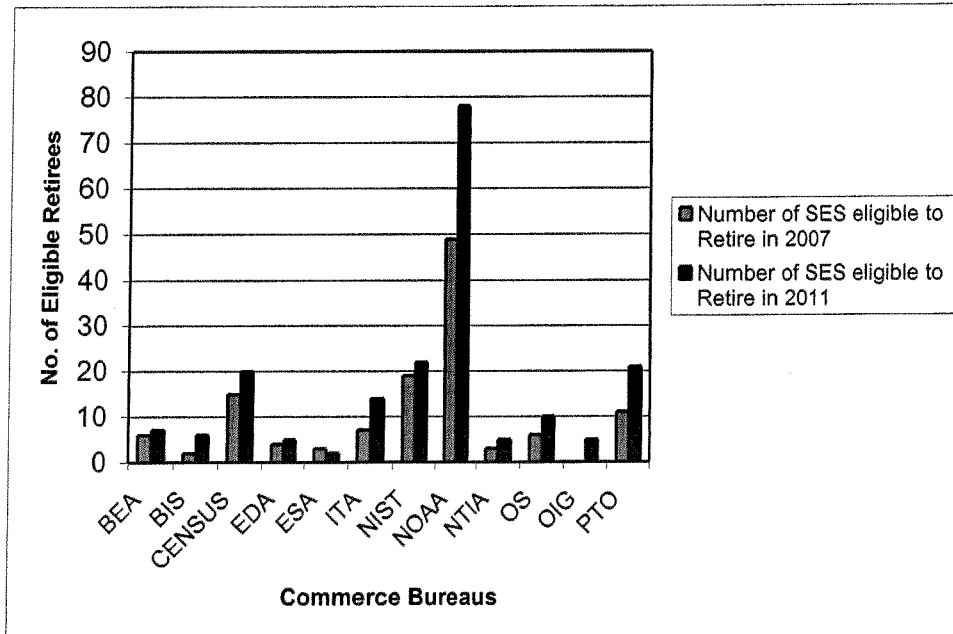
	2006 (Q1-Q2 only)	2005	2004	2003
Average age of employee	46.29 years	46	46	45.52 years
Percent of workforce over 51 years	24%	35%	35%	15%
Turnover rate in the Department	4.62%	10.8%	8.4%	8.2%
Percent of employees in mission-critical occupations	51%	47.9%	49.7%	50%

The graphs below show the FY 2006 data which confirms continued increases in projected retirement eligible employees and retirement eligible Senior Executive Service for FY 2007 and FY 2011 specifically in mission critical occupations (MCOs) and Non-MCOs.

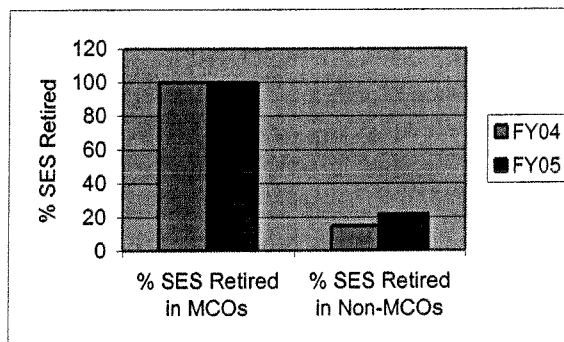
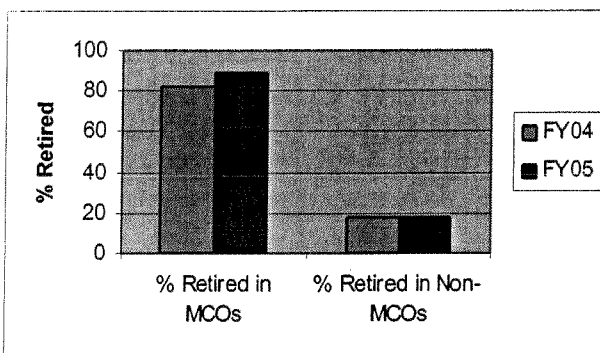
ALL MCO EMPLOYEES



SENIOR EXECUTIVE SERVICE



Based on a recent study on retirement patterns in MCOs conducted early in FY 2006, data shows that in FY04 there were 522 and in FY05 there were 495 MCO employees eligible to retire. In FY 2004, 430 and in FY 2005, 444 MCO employees did retire. This represents 82% and 89% actual MCO retirement rates in FY04 and FY05 respectively. In comparison it was found that the overall retirement rate for all Non-MCO occupations was only 18% for the same periods of FY04 and FY05. A similar study undertaken during the same period for SES members, shows that almost 100% of SES members in MCO positions eligible for retirement retired in comparison to 15% and 22% for all Non-MCO SES positions in FY04 and FY05 respectively.



This data indicates and validates that the actual rate of retirement for eligible MCO employees will continue to be higher than the rate of retirement for all other occupations. As shown above, in the coming years a large number of employees in the MCOs are eligible to retire. Retirement eligibility data in a specific MCO such as Oceanographer, indicates that as many as 41% of the

employees will become eligible for retirement. The data on current rates of separations, which does not include retirements, also indicates that there is a steady rate of separations every year in MCO positions (see Table 1).

Projected numbers are even larger for the Senior Executive Service. Approximately 37% and 59% of the SES workforce in MCOs are eligible to retire in 2007 and 2011 respectively (see Table 2).

Table 1

Consolidated MCO Separations in Commerce for FY 2005 and FY2006				
#	MCO	Occupation series	% Separated in 2005	% Separated in 2006 (as of Q2)
1	Economist	110	7.2	2.4
2	Misc. Admn. & Program	301	9.5	4.7
3	Mgmt. & Program Analyst	343	5	2.7
4	Fishery Biologist	482	3	1.04
5	Electronic Engineer	855	3.7	1.8
6	Attorney	905	5	2.6
7	Gen. Business and Industry	1101	7.7	2.8
8	Trade Specialist	1140	6.3	4.3
9	Patent Examiner	1224	7.1	4.9
10	Physical Scientist	1301	2.9	1.8
11	Physicist	1310	4.7	1.2
12	Hydrologist	1315	0.3	0.7
13	Chemist	1320	7.2	1.7
14	Meteorologist	1340	0.5	0.15
15	Oceanographer	1360	0.19	0
16	Mathematical Statistician	1529	5.88	3.37
17	Statistician	1530	6.8	1.83
18	Computer Scientist	1550	5.48	2.2
19	Gen. Compliance	1801	8.43	6.3
20	IT Specialist	2210	2.45	1.37

Table 2

SES Retirement in MCOs in Commerce for FY 2007 and FY 2011							
#	MCO	Occupation series	Total No.	No. Eligible to retire in 2007	% Eligible to retire in 2007	No. Eligible to retire in 2011	% Eligible to retire in 2011
1	Economist	110	13	7	53.85	8	61.54
2	Misc Admn &Program	301	84	24	28.57	38	45.24
3	Mgmt &Program Analyst	343	2	1	50.00	1	50.00
4	Fishery Biologist	482	7	4	57.14	7	100.00
5	Electronic Engineer	855	1	1	100.00	1	100.00
6	Attorney	905	21	6	28.57	10	47.62
7	Gen. Business and Industry	1101	26	6	23.08	16	61.54
8	Patent Examiner	1224	5	1	20.00	4	80.00
9	Physical Scientist	1301	51	25	49.02	34	66.67
10	Physicist	1310	4	2	50.00	2	50.00
11	Hydrologist	1315	2	2	100.00	2	100.00
12	Chemist	1320	1	1	100.00	1	100.00
13	Meteorologist	1340	15	11	73.33	13	86.67
14	Oceanographer	1360	2	2	100.00	2	100.00
15	Mathematical Statistician	1529	3	1	33.33	2	66.67
16	Statistician	1530	13	4	30.77	8	61.54
17	Gen. Compliance	1801	1	0	0.00	0	0.00
18	IT Specialist	2210	4	1	25.00	3	75.00

C. Current Leadership Talent Pool

As presented in the Current Workforce Demographics section, the number of attritions and retirements in MCOs continue to grow at an increasing pace. Below are tables depicting our present population in the MCOs and population of leadership programs used to build our bench strength. Training and development is a major component in the varied strategies for building bench strength. Part III of this plan explains additional strategies that will build targeted MCO bench strength as well as leaders at all levels in order to prepare a greater segment of the workforce to assume senior leadership positions with or without participation in a formal leadership program.

Bureau	Total Number of employees in MCOs (FY 2006)	# MCO leaders (GS 13, 14, 15)	# non-MCO leaders (GS 13, 14,15)	# SES in MCOs	#SES in non MCOs
BEA	398	62	9	10	0
BIS	210	25	26	11	1
CENSUS	3243	1150	166	24	14
EDA	133	13	5	9	0
ESA	43	7	0	5	1
ITA	1425	266	15	38	4
MBDA	71	12	2	3	0
NIST	1342	200	120	24	8
NOAA	7337	972	417	100	20
NTIA	165	17	4	7	3
NTIS	79	9	5	0	2
O/S	401	60	55	26	17
OIG	47	3	17	6	1
USPTO	6116	506	86	19	36
TA	4	1	0	1	0

The tables below indicate the numbers of employees participating in the mid and senior level Department leadership development programs.

- The Executive Leadership Development Program (ELDP) is open to GS-13 and 14 (or equivalent) employees currently in or having experience in the targeted MCOs.
- The Senior Executive Service Candidate Development Program (SES CDP) is open to GS-14 and 15 (or equivalent) employees currently in or having experience in the targeted MCOs.

The candidates for both programs are selected based on the best-qualified applicant. Additionally, the selection process considers which applicants also satisfy the bench strength targets based on an analysis of current retirement and attritions occurring in the MCOs at the time of selection.

ELDP MCO Breakdown by Number of Candidates Selected		
MCO	Number selected	
	ELDP I (FY 2005)	ELDP II (FY 2006)
0110- Economist	2	-
0301- Misc. Admin & Program	5	3
0343- Management & Program Analyst	2	3
0482 - Fishery Biologist	1	1
0855- Electronics Engineer	-	2
0905- Attorney	4	3
1101- General Business & Industry	4	2
1140- Trade Specialist	5	4
1224- Patent Examiner	-	3
1301- Physical Scientist	4	1
1340- Meteorologist	2	1
1530- Statistician	2	3
2210- IT Specialist	4	5
TOTAL	35	31

SES CDP Participant Breakdown by MCO and Number of Candidates Selected		
MCO	Number selected	
	SES CDP I (FY2005)	SES CDP II (FY2006)
0110- Economist	2	1
0201- Human Resources Specialist	-	2
0301- Misc. Admin & Prog	3	3
0343- Mgt/Prog Analyst	2	1
0501- Fin. Admin. and Program	1	-
0855- Electronics Engineer	-	1
0905- Attorney	1	1
1101- Gen Bus/Ind	3	2
1140- Trade Specialist	9	1
1220- Patent Administration	-	1
1301- Physical Scientist	4	3
1310- Physicist	-	1
1340- Meteorologist	3	1
1530- Statistician	1	2
1550- Computer Scientist	-	1
2210- IT Specialist	1	2
TOTAL	30	23

D. Succession Targets

The Department has identified the following issues for FY 2007 through FY 2011 as crosscutting issues having the most urgent and formidable human capital challenges faced by the Department currently and in the near future:

- High rates of turnover expected in most mission critical occupations during the next five years;
- Projected surge in retirements among the Senior Executive Service (SES) managers; and
- A need to strengthen competencies in technical, general, and leadership areas to address mission changes and changes to the workforce.

Due to the criticality of the MCOs, Commerce is committed to maintaining not only an adequate pool of potential leaders but sufficient bench strength across the MCOs to ensure efficient operations, practices, and services.

Commerce succession targets are based on developing and maintaining bench strength of 8% greater than current FY 2006 leadership/management positions through our mid level and senior level leadership programs that are intended to address projected attrition rates.

	Current Bench Strength (2006)	Department Leadership Program Candidate Graduates per year	Bureau Level Leadership Program Candidates and/or External sources	Department Annual Leadership Target* (Both MCO and Non-MCO) (FY 2007)
Employees in MCOs (GS 13, 14, 15)	3303	110 ¹	228	338
Employees in Non-MCOs (GS-13, 14, 15)	927			
SES Members (MCOs)	283	48 ²	As needed from external sources	32 ³
SES Members (Non-MCOs)	107			

NOTES:

* The target number is based on projected FY 06 attrition rate of 8%

1- Graduates from the ELDP and ALDP Programs.

2- Graduates from the Senior Executive Service Candidate Development Program.

3- SES bench strength at the end of FY 2007 will exceed target. Determination has been made to hold the next offering of the SES CDP until last quarter of FY 2007 and evaluate the need for another offering at that time.

The Department plans to fill vacant leadership positions by making use of a three pronged approach, which includes the following: a) selecting internally from qualified employees who have completed Department wide or bureau leadership development programs; b) selecting internally from qualified leadership bench strength employees who have not participated in leadership development programs; and c) recruitment of leaders from external sources. Historically bureaus have recruited, on average, 50% of its leaders directly from external sources. The remaining 50% of the leaders will be selected as depicted above.

Targeted strategic recruitment will be used as an approach to succession management to address projected increasing retirements not filled through the bench strength pool.

E. Cost/Benefit

Budget for Department Leadership Development Programs

	Pilot FY 2004-2006	Second Offering FY 2005-2006	Third Offering FY 2006-2008
SES CDP	24 months 30 candidates \$342,000	18 months 23 candidates \$324,000	18 months #TBD \$342,000 *
ELDP	24 months 30 candidates \$176,000	18 months 30 candidates \$176,000	18 months 30 candidates \$176,000
ALDP	24 months 30 candidates \$125,000	12 months 30 candidates \$125,000	12 months 30 candidates \$125,000

Note: * Third offering for SES CDP not projected to start until FY 2008, pending leadership workforce analysis and determination of need for augmenting bench strength of senior leadership cadre. With the completion of the second offering for SES CDP, current bench strength meets the target for FY 2007.

The benefit of a succession plan is that it defines the strategy, plan and implementation process to guide Commerce in assessing current competency levels; projects future workforce needs; and ensures that the Department continually has effective leadership to accomplish its mission. This is particularly important in light of the following current Department challenges requiring focused leadership direction:

- in Census, as that bureau prepares for and executes the Decennial census;
- in National Oceanic and Atmospheric Administration, as several billion dollars are spent in contracts for purchase, construction, and modernization of environmental satellites;
- in International Trade Administration as it promotes trade, opening overseas markets to American firms, and protecting U.S. industry from unfair competition particularly in China; and
- in the Bureau of Industry and Security, as work is done to prevent hostile nations and terrorists groups from acquiring technologies and materials that have both a civilian and military application.

While the costs of leadership programs can be counted, the loss of effective leadership or use of ineffective leadership when it is most needed is not as easily calculated. However, the benefit is in preventing such a situation.

III SUCCESSION MANAGEMENT STRATEGIES

The four primary strategies for succession management are: Leadership Development Programs; Developmental Assignments; Workforce Training and Development; and Strategic Recruitment and Retention. Each of the strategies will be used in a concentrated combined effort to address the varied succession needs of the different MCOs.

A. Leadership Development Programs

The *DOC Workforce Restructuring Plan* analyzed extensive workforce demographic data for the most populous occupations Department-wide to identify the mission-critical occupations (MCOs) necessary for mission accomplishment. The analysis was aligned with emerging missions, revised budgets and Administration priorities. Historical trends in hiring and training were also considered.

Recent government wide focus on the human resources (HR) and acquisition occupations was considered in the FY 2006 review of mission critical occupations for Commerce. The acquisition occupation has been added to the Commerce list of mission critical occupations following workforce analysis and consideration of the high levels of projected retirement and attrition rates of the occupation. Additionally, a recent Commerce OIG Report noted that the Department spends nearly \$2 billion annually on goods and services. Focused tracking and management of these employees' competencies is important to the work of Commerce. Office of Management and Budget acquisition workforce management efforts and processes will be leveraged to ensure Commerce effectively manages the workforce in these two occupations.

Based on the Department analysis and projected attrition, the pipeline for leadership in our 21 MCOs as well as selected required competencies in certain MCOs, the Department pinpointed and prioritized training and development needs. The attrition analyses examined separation trends, retirement projections, and distribution of women and minorities in technical and leadership positions. The Department of Commerce used the workforce analysis data to plan and implement the leadership programs with curriculum designed to assess and improve leadership competencies. Commerce uses Department-wide training and development programs, augmented by bureau leadership programs, as a primary method to close leadership competency gaps. A prerequisite for selection for participation in Department wide leadership programs is current or previous job experience in a mission-critical occupation.

In FY 2005, the Department launched a series of pilot leadership development programs that span the GS-7 through GS-15 (or equivalent) levels. These programs build an environment that supports continuous learning and development across multiple levels, early in employees' careers while shaping the leadership of a high performing organization.

The leadership programs are:

1. Aspiring Leaders Development Program (ALDP), GS-7 to GS-12 (or equivalent)
2. Executive Leadership Development Program (ELDP), GS-13 to GS-14 (or equivalent)
3. Senior Executive Service (SES) Candidate Development Program (SES CDP), GS-14 to GS-15 (or equivalent)

The pilot for these programs completed the first classes in September 2006. The second round of programs began in the first quarter of FY 2006 for ALDP and ELDP.

The competencies for these programs are based on the OPM Executive Core Qualifications (ECQs), including the 27 definitions. Various competencies have been identified as required at different levels of management in mission critical occupations. The program leadership competencies are aligned with specific components of the leadership programs and assessed through supervisor and program manager surveys and feedback.

<i>Competencies identified for supervisors:</i>
The key competencies identified are six competencies from the Office of Personnel Management's 27 leadership competencies of management - communication, continual learning, customer service, flexibility, problem solving and team building

<i>Competencies identified for managers:</i>
The key competencies identified for this tier of managers include creativity and innovation, conflict management, decisiveness, human resources management, and influencing and negotiating.

<i>Competencies identified for senior executive level managers:</i>
In addition to the ECQs, key competencies highlighted for this level program are: Leadership / Management - the primary tool for assessing the results of the executive's efforts and Customer/Client Service Responsiveness - which targets accomplishments in collaborating with external and internal customers.

4. Administrative Certificate Program (APCP) GS-2 to GS-8 (or equivalent)
This program trains and develops junior level employees to lead small groups and administrative projects. The program activities build responsibility and prepare these employees for higher level positions.
5. Career Assistance Program (CAP) GS-7 to GS-15 (or equivalent)
This program provides training, hands on career management tools, and individual consultation to participants to assist them in determining career goals and developing potential career paths to leadership.
6. Bureau leadership development programs

Additional information on these programs is detailed in **Appendix D**.

B. Developmental Assignments

Employees have the opportunity to request detail assignments to acquire knowledge and skills in areas throughout Commerce. Many of these arrangements are made as a part of the development and approval of the Individual Development Plans and selected development plans in the bureaus such as Census and the Bureau of Economic Analysis. Management recognizes the need and benefit of cross training and encourages employees' participation to increase the pool of leaders.

C. Workforce Training and Development

The LMS (Learning Management System), an on-line system includes over 1,200 on-line courses that employees may complete at their desktop. More than 4,000 employees have successfully completed at least one course using the system over the past two years (2005 and 2006). Completion of selected on-line leadership and management courses is a requirement for several of the formal leadership programs. List of these courses are in **Appendix E**.

Commerce regularly offers stand-alone leadership courses such as Supervisory Training, Conflict Management, Team Building for Leaders, How to Manage Poor Performers, Striving for Empowerment & Accountability Training, Performance Management Training for Supervisors, Building Results-Oriented Performance Plans and other similar topics which contribute to the development of management and leadership competencies in our employees in the entry levels of our leadership succession pipeline.

D. Strategic Recruitment/Retention

Based on continuous analysis of recruitment and retention challenges, the Department's approach to ensuring a sufficient pool of applicants to address projected retirements and employees making up our leadership bench strength encompasses the following objectives:

- Continue to build, modify the entry level management pipeline
- Invigorate student employment programs as a productive recruitment tool
- Manage and expand mid-level recruitment activities and recruitment sources
- Enhance university partnerships and alliances
- Utilize training and development programs as an active retention tool throughout the employee's life cycle
- Leverage and collaborate bureau resources
- Analyze, monitor and adjust targeted external SES hires

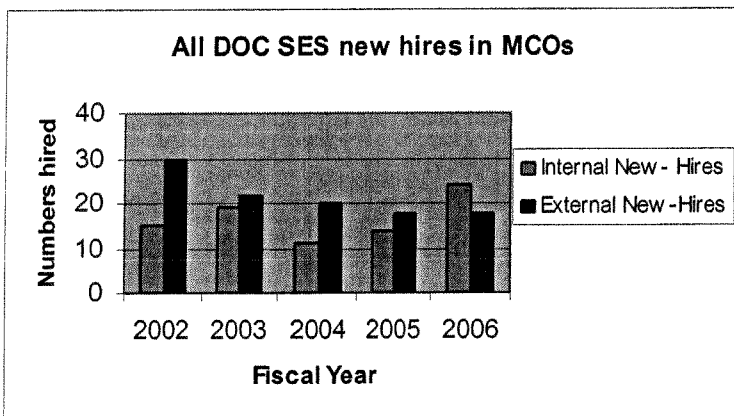
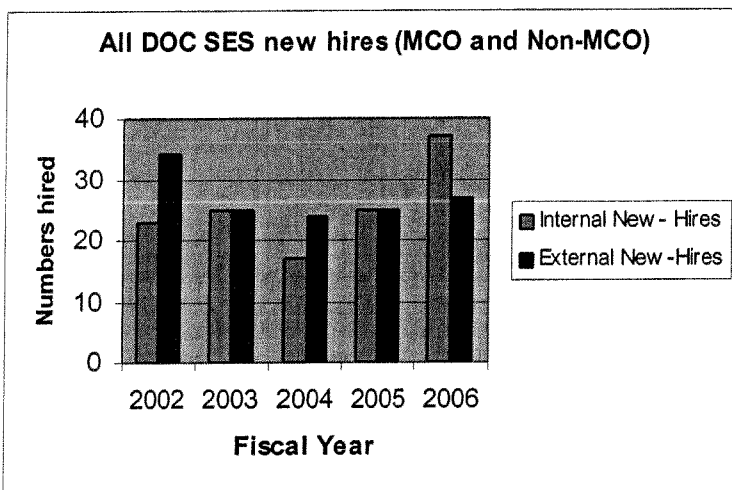
The Department has an effective hiring strategy and process that integrates internal and external sources.

- Commerce has used business re-engineering to improve the Post Secondary Internship Program to increase the number of interns joining the Commerce workforce.

- Commerce is working in concert with the Office of Personnel Management on scheduled career fairs across the country to target and promote jobs in public service and targeted agency occupations.
- Commerce is exploring options to enhance tracking of individuals contacted during recruitment efforts to gauge the effectiveness of the recruitment events and build a pool of potential applicants.

These strategies will continue to be used to address the increasing retirements in the senior workforce.

The chart below shows the trend in the Department concerning internal and external SES hiring.



To enhance this hiring process, Commerce has developed a desk aid for managers and supervisors to increase awareness of and knowledge concerning the flexibilities available to attract, recruit and retain employees who will augment our leadership cadre. The Chief Human Capital Officer has reviewed and distributed this aid to senior leadership in all components for implementation. (See **Appendix B**)

IV. SUCCESSION MANAGEMENT IMPLEMENTATION

The following implementation strategies encompass a combination of training and development activities, recruitment and retention as well as a studied analysis and application of when external infusion of leadership is desirable based on the unique missions at Commerce requiring leaders with cutting edge leadership competencies and up to the moment knowledge of occupational exigencies.

A. Leadership Development Programs

Commerce piloted the three Department-wide leadership programs (ALDP, ELDP, SES CDP) in FY 2004. These programs are now in their second class offerings after the pilot. After each class ends, the programs are reviewed for results, lessons learned, and need for a new class using end of program reports and development of business case for potential new classes. Based on this review, decisions are made concerning changing the program and changing the number of participants accepted in the next class. Also considered in this review is the throughput of employees in bureau leadership programs as well as results of Department wide training needs analysis.

B. Developmental Assignments

Developmental assignments are an integrated component of the Department wide leadership programs. These assignments are correlated to the development of the competencies targeted in the leadership programs. In addition to overall program measurements, developmental assignment supervisors also evaluate the programs and the performance of the candidates during their developmental assignments. Changes to the program and future assignments are made based on this feedback. Additionally there are bureau specific stand-alone developmental assignment programs targeting specific leadership and technical needs such as the Math Statistician Rotation Program and Census/Bureau of Economic Analysis Exchange Program. Individual employees not in a leadership development program may also request developmental assignments as part of the development process for their Individual Development Plans.

C. Workforce Training and Development

Annual training needs assessment results inform the selection and offering of individual workforce training and development opportunities. Results reports for this training is presented to the Director of human resources and business cases are made for continued offerings or necessary changes in offerings. These training opportunities are generally communicated to the employees through Commerce wide broadcast messages.

D. Strategic Recruitment/Retention

As we approach the new millennium, the Department of Commerce, is faced with the challenge of taking a proactive stance in addressing closing competency gaps, replenishing the workforce and addressing under representation. Due to the increasing numbers of eligible retirees government-

wide, Commerce must constantly compete with the private sector and other federal agencies for shrinking pools of highly qualified candidates. To be successful in “becoming the employer of choice,” the Department must utilize a combined strategy of recruiting highly qualified entry level, mid-level and senior executives.

In an effort to guarantee a skilled and diverse pool of applicants, the Department continues to increase its efforts with respect to recruiting externally and internally. Internal recruitment is the corner stone of the Department’s strategy to retain high performing candidates currently on staff.

Additionally, Commerce actively works with external sources to provide opportunities for potential employees to get a “look” at working in Commerce through such programs as the Post Secondary Internship Program. Through this partnership Commerce consistently brings onboard 100 undergraduates, graduate and post graduate summer interns annually. These interns cross all mission critical occupations and provide Commerce with a targeted pool of qualified applicants to further enhance the pipeline of high potential candidates to address our mid level and high-level leadership succession planning.

Bureaus also have specific intern programs targeted to their mission such as NOAA’s Educational Partnership Program (EPP). EPP’s mission is to increase the number of professionals from under-represented groups in NOAA sciences.

The Department retention efforts include the following:

- Retention pay
- Telework
- Rotational assignments
- Work Life Programs
- Retention bonuses
- Student loan repayment
- Tuition Assistance

External sources for talent include:

- USAJOBS: which centralizes the storage and retrieval of job applications, including resumes and curricula vitae.
- Targeted Internship/Fellowship Programs
- Recruitment Events (Job Fairs)
- Employee referral (word-of-mouth)
- Internet Web Sites (resume mining, job advertising)
- Professional Associations, organizations and groups

V. SUCCESSION MANAGEMENT RESULTS

A. Accomplishments

As part of the ongoing efforts to ensure right people exist in the right jobs at the right time, during FY 2006, Commerce has:

- Launched a new skill-based Administrative Professional Certificate Program for employees at grade levels GS-2 through GS-8 and equivalent. More than 120 employees enrolled in this program. The program has been started in order to create a pool of talented entry level work force ready to take on additional responsibilities.
- Increased offerings of leadership courses from the on-line Learning Management System training courses, available whenever needed at the desktops of over 40,000 users. These courses are highly focused and have been successful in cross-training of employees in closely related fields of their current employment, closing skill gaps in the area of project management, and are a component of leadership development programs.
- Adopted the Federal Transition Assistance Program in partnership with the Department of Defense and the Walter Reed Army Medical Center to provide work assignments for wounded military service members. This program has helped the Department of Commerce in identifying the talent, educational qualification and the experience of the ex-servicemen who can take on responsible roles at the Department of Commerce.
- Developed category rating policy and pilot: The Department began piloting the category rating flexibility within the Office of the Secretary and the National Oceanic and Atmospheric Administration (except bargaining unit employees due to requirement to negotiate) on September 1, 2006 after integration with Recruitment One Stop. Numbers of vacancies using category rating and management satisfaction in the recruiting talent pool will be collected and available after Quarter 1, FY 2007. This flexibility is being used to provide managers with a larger pool of talented applicants, while preserving veterans' preference and streamlining the hiring process.
- Implemented Inter-Bureau (Census/Bureau of Economic Analysis) Exchange Program (IBEP): The IBEP is a nine month experience that permits Band III and IV staff members to leave their home bureau and to work at a host bureau in two assignments. One assignment will permit participants to perform functions that are very similar to their normal duties and responsibilities at their home bureau. A second assignment will be a "stretch" experience that will permit participants to perform functions that are new and quite different from their normal duties and responsibilities. At the end of an IBEP round, participants are expected to return to their home bureau and be reabsorbed into their previously held positions. The IBEP was designed to create opportunities through which the Census Bureau and BEA increase their institutional knowledge of the other bureau's

operations and improve general relations between the two organizations. Additionally, use of employee development across bureaus enhances leadership capability and succession management flexibility. Commerce anticipates expanding the program to other components as part of a targeted leadership development program.

- Implemented a Math Statistician Rotation Program: Voluntary Reassignment Program that promotes mathematical statistician's organizational knowledge by gaining experience in another area within the Census Bureau. This is a skill in a core competency area that facilitates the mobility of mathematical statisticians across different program areas, thus providing employee development and flexibility in succession planning. The prospective participants review descriptions of the Census Bureau branches and staffs that employ mathematical statisticians and the kind of work they do and then decide on three preferences. Assignments are based on mutual preferences and vacancies created by the reassignment program. Reassignment is permanent and if applicants want to participate in the program again, they must remain in their current position for two years.
- Manager involvement in building in all levels of succession planning: all Commerce components, through partnership groups such as the Human Capital Management and Accountability Council and the Principle Human Resource Managers Group, review and provide input on the succession plan as well as participating regularly in discussions with the staff of the Office of Corporate Human Capital Strategy & Workforce Initiatives concerning challenges and succession management activities in their component organizations.

Case Studies of Achievement



Special Development Program Helps Ensure Leadership for Tomorrow

In the fall of 2004, Commerce began a two-year Aspiring Leaders Development Program (ALDP) for high potential employees in the GS-9 through GS-12 or equivalent grade levels. This program is intended to develop individuals for leadership positions in occupations where high attrition among managers and executives is expected over the next several years. Throughout the course of the program, ALDP participants, who were selected through a highly competitive process, receive intensive training to enhance their leadership potential. In addition to coursework focused on leadership, the training involves one-on-one interviews with successful leaders throughout the Department, short-term assignments targeting the development of particular skills, and shadowing effective leaders as they go about their work.

One of the candidates in this year's ALDP class is Fatimot Ladipo.

Fatimot joined Commerce in June 2004 as a management analyst, coming to the Department from the office of Georgia's lieutenant governor in Atlanta. Although not yet through her first year in the program, Fatimot has already found her experiences to be very rewarding. "I really enjoyed conducting interviews with managers," she says, "you learn so much about the important work going on throughout the Department. The interviews gave me a much broader understanding of the mission of the Department and the scope of the work done." Fatimot recently completed a detail to the Bureau of the Census, where she did research in support of outreach efforts to allow nonprofit organizations better access to Census data.

Summing up her experiences thus far Fatimot notes, "In addition to helping me identify competency areas that I want to target for improvement, participating in the ALDP has really given me insight into how leaders think, and provided me invaluable opportunities to network with individuals with a more global perspective than I previously had."

Post-Secondary Internship and SCEP Programs Bring Department New Talent

Sydia Lopez, originally from the Los Angeles area, first came to work at Commerce in June 2004 while she was a graduate student at the University of Southern California. Her appointment was made possible through one of the post-secondary internship programs the Department uses to hire promising candidates, the Hispanic Association of Colleges and Universities program. This program provides students opportunities to experience federal jobs during the summer or for a semester during their school year. During her internship, Sydia was converted to a student appointment through the Student Career Experience Program (SCEP). SCEP is a federal program that enables us to hire students into developmental positions in order to address our future hiring needs. Participants who complete the program can become permanent federal employees without further job competition. Once Sydia completed her masters degree in Public Policy in May 2005, she was



converted to the federal competitive service, where she is now working as a human resources specialist in the Office of the Secretary's Office of Human Resources Management.

Sydia is very positive about the programs that made her aware of the opportunities within the Department of Commerce available to bright students like herself. "If I hadn't gotten the internship and had the opportunity to work for the federal government in Washington, I probably would have stayed in California, and perhaps worked for local government. But I found that a federal job at Commerce offered so much of what I was looking for in a career—an appropriate balance of the factors I value. I also realized that these programs had eased the transition from college to a permanent job—while my friends were still looking for work right before graduating, I already knew I'd be leaving for a great job in a very supportive environment."

Using these employment programs, the Department has been able to access intelligent, enthusiastic employees like Sydia who otherwise might have been missed in a very competitive market for talented workers.

B. Initiatives

Career Patterns: This initiative will add to Commerce's flexibility in shaping our workforce planning efforts through the use of a broad range of non-traditional employer-employee relationships. We began implementation of this initiative with briefing of the Career Patterns to bureau managers in August 2006. Additional presentations on this initiative were conducted with Commerce's functional partnership groups and Principal Human Resources Managers. Bureaus will begin to identify selected mission critical occupations applicable for using career patterns and will begin to operate in the new Career Patterns environment in FY 2007.

Strategic Recruitment: Commerce is developing strategies to maintain contact with and provide information to individual who have participated in our time limited programs such as summer internships, Post Secondary Internship Program, and Commerce's National Academy Foundation. Through this outreach, the Department can build on the knowledge of federal employment these individual gained while in the programs and promote continued interest in long-term federal employment.

Information Technology Exchange Program (ITEP): ITEP will promote the interchange of federal and private sector IT workers to enhance skills and competencies. Commerce has completed a draft policy for implementation of the ITEP and projects using the program in FY 2007.

VI. ACCOUNTABILITY

Department of Commerce will conduct regular accountability audits of bureau human resources programs on a 3-year cycle to evaluate each bureau against the objectives of the Department's human capital strategies and requirements. In addition, each bureau is responsible for conducting an annual training needs assessment as well as assessment of their human capital programs, including Delegated Examining Units (DEU), and reporting to the Office of Human Resources Management as described in HR Bulletin #36. (See Appendix F)

Human capital accountability at the Department begins with the support of top-level management and includes managers at all levels. The Department's leadership establishes strategic plans linked to organization mission; human capital goals and objectives that support attainment of strategic goals and objectives; and determine measures to evaluate progress. Leadership also establishes budgets and other necessary resources, and modifies initiatives based on results achieved as well as changing environments. The continuous process of monitoring and adjusting goals, measures, budgets and initiatives ensures a systemic 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 human capital management are cascaded through all levels of management.

All bureaus developed a description of their HRM Accountability System that included how the bureau will measure and monitor efficiency, effectiveness and compliance in each of the following areas: Talent Management, Results-Oriented Performance Culture, and Leadership and Knowledge Management. The description will include an introductory section that links the system to Department and bureau goals and strategies. The Bureau of the Census, International Trade Administration (ITA), National Institute of Standards and Technology (NIST), National Oceanic and Atmospheric Administration (NOAA) and United States Patent and Trademark Office (USPTO) must each develop an annual report that summarizes progress in each of the areas listed above and discusses improvements to the bureau-level accountability system.

As human capital plans are updated annually, the metrics and areas of focus for the HRM Accountability System will be updated to reflect the changes.

Through this Department-wide succession plan, individual bureau strategic plans, independent HRM Accountability Audits and a common metrics system, Commerce will maintain accountability for all HR programs. Accountability audits encompass a dynamic system whereby bureau strategic, human capital, and succession plans are reviewed against transactional results. Processes are assessed as well as overall progress towards planned results. Audit outcomes are communicated through the leadership chains to the heads of the bureau and within Commerce. The Principal Human Resource Managers (PHRMs) are also apprised of accountability audit results. Systemic issues are written as case findings, required, and recommended actions. Bureaus address the actions prior to closing the audit. Best practices are shared with other bureaus through the PHRM which can result in Department and/or bureau policy changes designed to enhance succession planning. Government-wide standards for HRM accountability systems will continue to evolve, and the Department will provide updates as necessary. Below is a summary of the metrics and indicators:

- **Strategic Alignment and HRM Accountability:** HR Performance Measurement Survey and Federal Human Capital Survey results. Government Performance and Results Act goals and results related to human capital.
- **Talent Management:** Competency gaps closed for mission-critical occupations, Federal Human Capital Survey results related to Talent, manager satisfaction with hiring results,

time-to-hire using the OPM model and information from the Staffing Timeliness Measures (STM) system, and proper use of hiring authorities as determined by audits.

- **Results-Oriented Performance Culture:** Performance Appraisal Assessment Tool (PAAT) results including Federal Human Capital Survey results related to Performance Culture, timely completion and quality of performance plans, mid-year reviews and summary reviews as determined by audits and certification through the Department's Performance Management Tracking System, and compliance with SES Certification requirements.
- **Leadership and Knowledge Management:** Human Capital Scorecard deliverables from closing skill gaps and gaps in succession plans. In 2006, compliance coverage will be determined by the Commerce training needs assessment that is required by the Workforce Flexibility Act.

The Office of Human Resources Management (OHRM) in the Office of the Secretary provides leadership, coordination, guidance, and technical expertise related to management of the Department's human resources. OHRM staff works collaboratively with management and with the human resources offices in the bureaus. This arrangement helps Commerce implement its human capital initiatives, practices and policies Department wide while performing appropriate human resources functions in the bureaus where employees work.

A. Accountability Evaluation Methods

- Records Review is the process of examining actions, records, and files (e.g., Official Personnel Folders, Employee Performance Folders, demographic data, 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 HRM effectiveness.
- Structured Interviews with Managers, Supervisors, HR Staff, and selected employees are conducted to help clarify HRM issues and learn about the HR procedures of a particular organization.
- Focus Group Interviews are carefully designed to obtain perceptions on HR programs and processes from a homogeneous group of people outside of the HR office. The focus group usually includes five to ten people 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.
- HRM Accountability Audits are regularly recurring in accordance with statutory authority and responsibility under 5 U.S. C. 1104 and Executive Order 13197. Audits will employ various evaluation methods.

- HR Performance Measurement Surveys are conducted periodically to find out if managers, supervisors, and employees are satisfied with the quality, timeliness and accuracy of human resources services.
- Employee Surveys, such as the Federal Human Capital Survey, provide information about organization climate, culture and management practices.

B. Evaluation Metrics:

The Department has strategically employed tools and techniques for succession planning management. The approach includes identifying leadership and other competencies, establishing objectives and strategies to address them, and defining performance expectations. The Department conducts ongoing workforce analysis to identify its current and future leadership needs. This analysis includes the size of the workforce, its deployment across the organization, and the competencies needed for the agency to succeed. A formal succession planning management program is in place that includes a review of current and emerging leadership needs in light of strategic and program planning, identifies sources of key position talent and provides for assessing, developing and managing the identified talent. Additionally, the Department conducts regular assessments of its leadership policies and has identified key positions and high-potential employees. Formal programs such as the SES CDP, ELDP, and ALDP have been launched as a method of developing the next generation of leaders.

Indicator (OPM Human Capital Standard for Success)	Results
Workforce study and analysis on leadership is conducted.	Data used to plan, implement and continually the three leadership programs Department-wide.
Formal succession planning or talent management program is in place and its impact is measured.	Review and analysis of the succession planning program is a component of accountability audits.
Written leadership development strategy is tied to workforce analysis and strategic plan.	The leadership development strategy is tied to the workforce analysis data on mission critical occupations.
Documented and communicated leadership skill training program includes all levels of supervisors, managers, and potential leaders.	Leadership skills training opportunities are announced via Dept.-wide broadcast messages and are attended by employees at all levels in the operating units.
A system exists to assess leadership competencies (e.g., identification of high potential candidates for candidate development programs or identification of development needs to be incorporated into individual development plans).	The SES CDP, ELDP, and ALDP opportunities include approximately 100 employees with curriculum designed to assess and improve leadership competencies.
Individual development plans (IDP) for leaders and managers include formal and informal training.	Managers and leaders receive information and assistance with developing IDPs. As a part of this process, listing formal and informal activities are recommended.

Indicator (OPM Human Capital Standard for Success)	Results
Leadership development program usage and impact are measured and analyzed.	Evaluations of the leadership program usage and impact continue through the program cycle.
Policy and methodology for managing high-potential employees are documented.	The recognition and rewards systems are in place and managers are trained and advised on the policies.
Measures of success are documented and tracked.	The organizational performance metrics are in place and the results are being shared among the operating units.
Percentage of women and minorities in career ladders (GS 5-7-9 or similar) is tracked and assessed.	As a part of our recruitment and retention plan, the percentage of women and minorities in career ladders is tracked and the plans are modified to accordingly.
Analysis of workforce demographics (including SES) helps inform succession plans. Analysis includes data such as average grade/age/length of service, distribution of the workforce (by series, grade, gender, race/national origin, supervisory status), turnover rates, and retirement eligibility.	The Department of Commerce Succession Plan includes the analysis of the data for employees at all levels in the organization. This data is used to plan and implement programs and procedures for succession management.

VII. COMMUNICATION PLAN

The attached chart includes data on the implementation of the strategies designed for the recruitment of leaders, retooling current leaders, comprehensive training and development of future leaders in formal programs, and general workforce training and development for employees at all levels.

The Department recognizes communication as a critical component of this succession plan. One of the strategic goals of this plan is to “Implement and support human resources policies and practices that create a positive and results oriented performance culture and establish the Department of Commerce as an employer of choice” by establishing and maintaining effective communication channels and creating strong alliances. The goal is based on the concept that an informed and participative workforce involved in making decisions that impact them is more likely to be committed to and positively engaged in taking on the leadership roles designed to accomplish the Department’s mission. As a result effective human capital management will be embraced by all segments of the workforce.

First line supervisors are responsible for the ongoing lines of communication with each employee but all segments of the workforce must be engaged in a two-way communication and accountability system to help the workforce understand and remain engaged in the planning, implementing, assessing, the existing programs geared towards leadership development. The Department has implemented the following communication plan framework that describes appropriate communication activities to keep the workforce apprised of our human capital goals, activities, programs and accomplishments as we move forward. Departmental and bureau communication plans and plan frameworks are working documents that will continue to be roadmaps to successful workforce engagement.

COMMUNICATIONS PLAN

Communication Plan

Target Audiences:
 A = All Commerce Employees
 S = Selected Employees/Project Teams
 B = Bureau Directors/Points of Contacts
 C = Commerce Secretary/Points of Contact
 M = Managers and Supervisors
 O = OHRM
 E = External to Commerce

Communication Activities	Print Media - flyers, etc.	Email	Internet	Intranet	Policy	Plumtree	Radio Announcements	Magazines	Newspaper	Voicemail	Briefings/Training	SES "Town Sessions"
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Task List

2007 - 2011

Secretary Support for Succession Management		A	A	A	O	S				A	A	SE
Strategic Human Capital Plan	B	A	A	A	O	C					A	SE
Proud To Be IV Plan		A	A	A	O	S					A	SE
Surveys												
FHCS Initiated		A	A	A		S				A		SE
FHCS Results Reviewed		S			O	B						
FHCS Results Shared	B	A	A		O						A	SE
Commerce Survey		A	A		A							
Commerce Results Reviewed		S		S		B						SE
Commerce Survey Results Shared	A	A		A	O							
HR Performance Survey		A	A		A							
HR Performance Survey Review		S		S		S						
HR Performance Survey Results Shared	A	A		A	O							
Talent												
College Recruitment - RNO/Gender	E			A			E	E	E			
College Recruitment - Disability	E			A			E	E	E			
College Recruitment - MCO	E			A			E	E	E			
Performance Culture												
PAAT Implementation	A	A	A	A							A	
Initial Plans in Place		A	A	A	O	B					A	
Mid-Cycle Reviews		A	A	A					A			
Final Appraisal		A	A	A							M	S
Appraisal Results/Lessons Learned		A	A	A	O						M	S
Leadership and Knowledge Management												
Learning Management System Implementation		A	A	A	O							
Full Suite of Training Options Operational	A	A	A	A					A			
Accountability												
Accountability Audits		M	A		O	B						

VIII. SUMMARY

As explained in the Introduction, this Succession Plan has been revised to direct the Department of Commerce's leadership succession planning. This Plan is an update and replacement for the Department's Workforce Restructuring Plan. The succession plan components provide an explanation and blueprint for ensuring Commerce continues to set and meet high standard for organizational excellence and fosters a continual learning and development culture. As a working document, this succession plan will be reviewed and updated regularly.

The Department has significant accomplishments that illustrate the results of continual review, update and implementation of strategies and activities evolving from a proactive and concerted succession management approach. Long-term succession management will include continuous improvement of current Commerce leadership development programs and in-depth analysis and use of lessons learned to determine if and when offerings of any leadership program should occur and how many candidates should be selected to address the succession plan targets. Graduates of the programs will be tracked to determine if, when, and how they enter the leadership ranks. The SES CDP graduates are encouraged to post resumes in the Senior Executive Service's Senior Opportunity and Resume System (SES SOARS). This system is designed to bring together career SES members and agencies to fill the top leadership positions in government. Career SES members, SES reinstatement eligibles, and OPM-Certified Candidate Development Program Graduates (CDP Grads) can post resumes and/or view opportunities posted by agencies. Agencies can post opportunities and/or view resumes.

The accountability process will measure our success in these efforts and direct the necessary changes needed to ensure the continued efficacy of the Department leadership succession management efforts.

IX. RESOURCES

- A. Department of Commerce Strategic Plan: FY 2004 – FY 2009
- B. Department of Commerce Performance and Accountability Report (FY 2004)
- C. Department of Commerce Performance and Accountability Report (FY 2005)
- D. Government Performance and Results Act of 1993
- E. Human Capital Accountability and Assessment Framework
- F. OHRM Human Capital Summary - Case for Green
- G. OHRM Showcase of Human Capital Accomplishments
- H. OPM Guide to the Strategic Leadership Succession Model (October 2005)
- I. President's Management Agenda (2002)