



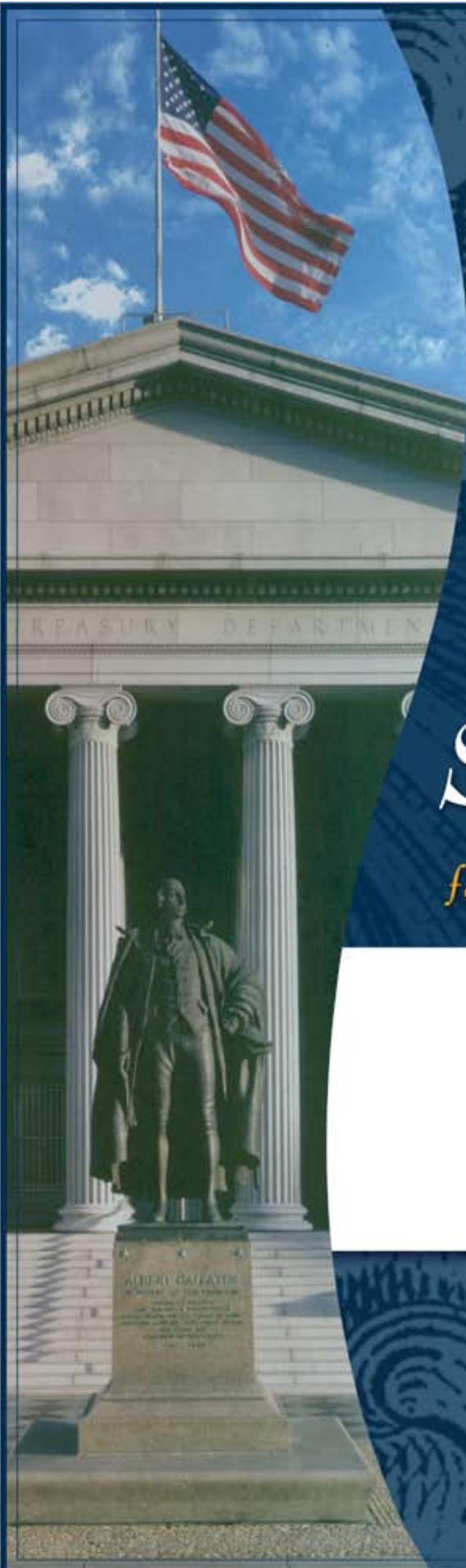
DEPARTMENT OF THE TREASURY

Human Capital *Strategic Plan*

for the Fiscal Years 2008 – 2013



U.S. TREASURY
EMPLOYER OF CHOICE



DEPARTMENT OF THE TREASURY



Human Capital

Strategic Plan

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Message from the Secretary

The Department of the Treasury Mission is to serve the American people and strengthen national security by managing the U.S. Government's finances effectively, promoting economic growth and stability, and ensuring the safety, soundness, and security of U.S. and international financial systems. One of the ways we go about fulfilling this goal is by investing in our people – attracting, developing and retaining the best and the brightest talent. The Department's workforce is one of the most critical factors affecting the achievement of the Department's goals.



The goals of the Department of the Treasury Human Capital Strategic Plan focus on a number of significant external factors that affect the current and future workforce. The plan presents a vision and, along with the annual, fiscal year Human Capital Operating Plans, is the roadmap to ensure that the Department remains an excellent place to work and a vibrant place to contribute one's talents and energy toward promoting growth and prosperity of the United States.

I am committed to implementing the Human Capital Strategic Plan. Our goal is to make the Treasury Department an employer that attracts an engaged workforce, and sets the standard as an employer of choice in the federal government community. I know that our Treasury leadership team will support and commit to prioritizing and allocating resources for our human capital initiatives. With your help, the Treasury Department has the foundation to address the workforce challenges successfully and fulfill its mission requirements.

Employees of the Treasury Department serve their country and play an important role in our nation's history. The Human Capital Strategic Plan is built on the premise that our employees are the Department's most valuable resource in fulfilling that role.

I am honored to serve as Secretary, and I am proud to work side by side with the employees of the Treasury Department.

Sincerely,

A handwritten signature in black ink that reads "Henry M. Paulson, Jr." The signature is fluid and cursive, with a long horizontal stroke at the end.

Henry M. Paulson, Jr.
Secretary of the Treasury

The Human Capital Strategic Plan's Role in Achieving Mission

THE DEPARTMENT OF THE TREASURY MISSION AND GOALS

MISSION

Serve the American people and strengthen national security by managing the U.S. Government's finances effectively, promoting economic growth and stability, and ensuring the safety, soundness, and security of U.S. and international financial systems.

The Department of the Treasury is the steward of the public purse. Its broad responsibilities and functions include producing the nation's currency and coins, collecting taxes, making federal disbursements, selling Treasury securities, regulating and supervising the nation's banks and savings institutions, providing funds and services to underserved communities for economic development, enhancing national security by combating terrorist financing and educating Americans regarding financial management.

In July 2007, the Treasury Department issued its Strategic Plan for Fiscal Years 2007–2012. With a stated vision of **setting the global standard in financial and economic leadership**, the Plan outlines four strategic goals with strategic objectives, intended results, and core values. (See Department of the Treasury Strategic Plan at <http://www.treas.gov/offices/management/budget/strategic-plan/2007-2012/home.html> .)

STRATEGIC GOALS

- Effectively Managed U.S. Government Finances
- U.S. and World Economies Perform at Full Economic Potential
- Prevented Terrorism and Promoted the Nation's Security Through Strengthened International Financial Systems
- Management and Organizational Excellence

ORGANIZATION OF THE DEPARTMENT OF THE TREASURY

The Department of the Treasury is the primary Federal agency responsible for the economic and financial prosperity and security of the United States. It is responsible for a wide range of activities including advising the President on economic and financial issues, encouraging sustainable economic growth, and fostering improved governance in financial institutions. As the steward of U.S. economic and financial systems, and as an influential participant in the international economy, the Department is committed to creating economic opportunities for U.S. citizens by raising the rate of sustainable growth.

The Department of the Treasury is organized into two major components: the Departmental Offices and the Operating Bureaus. The Departmental Offices are primarily responsible for the formulation of policy and management of the Department as a whole, while the Operating Bureaus, which make up 98% of the Treasury workforce, carry out the specific operations assigned to the Department. The basic functions of the Bureaus include:

- Managing Federal finances
- Collecting taxes, duties and monies paid to and due to the U.S. and paying all bills of the U.S.
- Producing currency and coinage
- Managing Government accounts and the public debt
- Supervising national banks and thrift institutions
- Advising on domestic and international financial, monetary, economic, trade and tax policy
- Safeguarding the financial system from the abuses of financial crime, including terrorist financing, money laundering, and other illicit activity
- Enforcing Federal finance and tax laws



THE HUMAN CAPITAL CHALLENGE AND NEED FOR REFORM

The Department's Strategic Plan for Fiscal Years 2007–2012 identifies *Key Factors Affecting the Strategic Outlook of the Department of the Treasury* and specifically recognizes the Department's workforce as one of the most critical factors potentially affecting the achievement of the Department's goals. It is a workforce that is expected to be dramatically impacted by numerous and varied global, demographic, and technological changes. As a result, the Department's Strategic Plan necessitates that the Department :

- Recognize that meeting the human capital challenges is the responsibility of all program managers, supervisors, and leaders of the Department in partnership with the Department's human capital professionals.
- Acknowledge the shrinking talent pool from which to recruit, and be prepared for increasing pressure to retain current employees and strengthen recruiting capacity.
- Recognize diversity in much broader concepts beyond age, ethnicity, and gender to new dimensions, which include education, family status and work experience.
- Prepare to manage organizations with a multi-sector workforce, consisting of a variety of types of Federal employees (e.g., full-time, part-time, temporary, permanent) and an increasing number of contractor personnel.
- Assist leaders in developing competencies in networking, excelling in global settings, and tolerating change and ambiguity.

One of the Department's top four strategic goals for Fiscal Years 2007–2012, "Management and Organizational Excellence" focuses particularly on being a "citizen-centered, results-oriented and strategically aligned organization". Investing in people is a key strategy to accomplish this goal.

The 50-plus-year-old Federal personnel system is not able to meet the challenges of today's rapidly changing and knowledge-based environment. Critical aspects of the system need reform to ensure the ability to attract, develop, retain, and reward a diverse workforce that will enable agencies to meet the critical mission entrusted to them by the American people. One of the Department's top four strategic goals for Fiscal Years 2007–2012, "Management and Organizational Excellence" focuses particularly on being a "citizen-centered, results-oriented and strategically aligned organization". Investing in people is a key strategy to accomplish this goal. As the Department moves into the next five years, it will continue to be aggressive in addressing human capital issues as a member of the federal community while pressing for needed Treasury-specific reforms to provide greater flexibility and accountability. This will be accomplished through promotion of policy changes when possible and through development of statutory and regulatory proposals in cases where legal and regulatory changes are required. To achieve a more diverse workforce and ensure equal opportunity, Treasury will increasingly seek to ensure that human resources and equal employment/civil rights and diversity programs are integrated. This integration also will help to more effectively identify and collaborate on workforce initiatives that promote progress toward this objective.

DRIVERS/TRENDS

A number of significant external factors affect the current and future workforce. These factors impact the skills sets and resources needed to accomplish shifting mission priorities and requirements. They also influence the Department's efforts and choices in delivering and strategically managing its human capital programs. The following key factors, reflected in the annual Human Capital Operating Plan (HCOP), must be considered when developing and executing specific strategies and initiatives in carrying out this strategic plan.

Economy:

Traditionally, changes in the economy have had a direct impact on the government's ability to attract and retain its workforce. Good job markets have led people to seek higher-paying opportunities outside the Federal sector. Historically, an underperforming economy has led job seekers to look at positions in the Federal government, which offer stability. Furthermore, economic downturns have historically led some people to delay retirement.

The Federal Budget:

The availability of resources to carry out the mission, to include human capital management, is highly dependent upon an increasingly complex and time-consuming budget process. Department funding levels in a constrained budget environment, as well as delays in annual appropriations, have the potential to adversely affect implementation of human capital strategies and programs. Traditionally, human capital programs are among the first programs to experience financial reductions in tight budget years. To maximize current resources, the Departmental Offices and the bureaus are identifying common issues and working together in developing joint solutions. Examples include initiatives to attract, develop and retain talent and a general transformation of the Human Capital occupation from an operational focus to a strategic partner focus.

Technology:

The Department's Strategic Plan for Fiscal Years 2007 – 2012 acknowledges that technology continues to evolve at a very fast pace. Moreover, individuals entering the workforce today and in the years to come will expect their workplace to have the same tools and technology they are accustomed to in their homes and schools. They will want access to real-time, reliable data about themselves and their organization to help them work smarter and faster. Employees want to access their information on-line and use the Internet to conduct transactions, whether they are applying for jobs, making payroll deductions, or changing their health plans. Technology offers the freedom and the flexibility to conduct business anywhere and at any time. The improved processes and streamlining of operations, which technology offers, may require constant re-engineering of business processes and an understanding of how those changes affect the workforce, including the challenge of ensuring information security. As the technology landscape is altered, the Department's employees will need training and development to keep pace with the changing technology.

Workforce Demographics (Multi-generations/Diversity):

For the first time in history, America's workforce contains four generations of adults – Traditionalists, Baby Boomers, Generation Xers, and Millennials, who will all be working together.

At the time of the previous version of the Human Capital Strategic Plan, there was great concern about a mass exodus of Baby Boomers. While significant numbers of employees retire each year, the "retirement tsunami" has not happened, and in fact, there are a significant number of Traditionalists and Baby Boomers employed at every level of the Department. Encouraging its most experienced employees to engage in activities (e.g., knowledge transfer, coaching, mentoring) that help transfer knowledge and skills to more junior employees, developing new experts as people retire over the next five to ten years, and perhaps luring retired baby boomers to a second career as public servants, present the Department both opportunities and challenges.

Along with the multi-generations in the workforce, the Department should see the diversity of the workforce increase due to a rise in ethnic populations. This shift in the population is an opportunity to re-think recruitment strategies by using specific internal and external workforce data to build a workforce that is representative of the citizens served. The success of any organization will increasingly depend on integrating diversity principles into daily operations, improving the level of inclusiveness and respect for a diverse workforce, and developing partnerships and alliances with external groups and organizations to expand the talent pool and to include a more diverse population.

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Work Culture:

The Department of the Treasury has enjoyed a long and proud history as a premier Federal employer. Like many other high-performing agencies, Treasury must embrace the changes required to attract, develop, and retain a 21st Century work force. The nature of employee loyalty to an organization has changed along with Federal retirement programs. No longer do employees feel compelled to work for the same organization for their entire careers. The Internet age has provided employees with easy access to multiple job boards with hundreds of job listings each week. It is a job seeker's market. Employers must accept that their relationship with employees will last only as long as employees feel the organization is adequately compensating them for the work they perform and providing the appropriate level of developmental opportunities. In addition to competitive pay and benefits for Federal employees, other variables are playing an increasing role in employee satisfaction and retention. Flexible work environments that offer work place options, such as Telework and Alternative Work Schedules, and recognition for a job well done through monetary, non-monetary, and/or career enhancing incentives, may be paramount to reducing turnover and retaining a workforce capable of addressing America's future challenges. Finally,



organizations must cultivate and compete for leaders who possess the ability to drive results by engaging their workforce and are perceived as being effective. Treasury's leaders must embrace an environment that encourages open and honest communication among workforce members, which leads to high levels of motivation and commitment in the workplace.

Work Life Balance:

Increasingly, successful private sector organizations are winning the talent war by making almost every term of employment negotiable. Open for negotiation are work schedules, duty locations, assignments, pay, etc. This factor will be important to consider as the Federal government vies for talent among several generations, e.g., the career-minded Baby Boomers, the family-friendly Xers. Flexible employment, including full-time, part-time, alternative work schedules, job-sharing, and alternative work locations, (e.g., telework), customized to fit the employees' needs may present new challenges for managers, who are ultimately responsible for mission accomplishment, and for human capital practitioners, who must develop the policies and the tools to support evolving work arrangements.

Desire to Engage in Public Service:

Recent studies on the Federal government as an employer indicate that the percentage of college and university graduates who enter public service immediately following graduation has dropped by half in a generation. This decrease, according to the Financial Times, stems in part because the cost of higher education can make pursuing public service prohibitive. The average college graduate now owes between \$20,000 to \$30,000, and, in individual situations, the debt can be \$60,000 – \$75,000 or higher. Such indebtedness often prices students out of public service. The unwillingness of students to commit to public service may also reflect a culture that belittles the public sector and values individual achievement and material advancement over service to the Nation. Reversing these perceptions and reaching this group by demonstrating the value, both personally and professionally, of public service poses a unique challenge to the Federal employer.

RELATIONSHIP TO PROGRAMMATIC GOALS

Success in carrying out the Department's goals is dependent upon implementation of a strategic human capital (i.e., workforce) plan that is aligned with the Department's Strategic Plan. Therefore, planning for human capital must be an integral part of the Department's overall planning and budgeting processes. The Department has acknowledged this important linkage in several ways. The Department's Strategic Plan highlights the crucial role of the workforce with the inclusion of a strategy of "investing in people" under its *Management and Organizational Excellence* Strategic Goal. The recognition of the need for integration and alignment of programmatic plans with human capital planning is reflected by the decision to update the Department's Human Capital Strategic Plan to align mission directions, timeframes, and accountability with the Department's 2007 – 2012 Strategic Plan.

DEVELOPING ANNUAL OPERATING AND ACTION PLANS

The Department is implementing a two-part approach to enterprise-wide human capital planning and management, which aligns with its departmental strategic and annual planning and accountability processes. This Human Capital Strategic Plan sets the overall vision for a five-year period with long-term goals and strategies that are outcome-based and applicable across the entire Department. To meet the goals of the Human Capital Strategic Plan, an annual Human Capital Operating Plan (HCOP) will be developed each fiscal year to identify annual goals and key initiatives to ensure steady progress towards the goals laid out in the Human Capital Strategic Plan. The Department and its bureaus will work collaboratively to develop and execute the annual operating plan which will contain innovative human capital initiatives that support each of the Human Capital Strategic Goals. Achievement of those initiatives will be evaluated by measures identified in individual initiative project plans. By leveraging bureau

initiatives, best in class business practices can be shared across the Department to attract, develop, and sustain the workforce while simultaneously transforming the human capital occupation. In addition, each bureau may implement strategies particular to the bureau's unique needs that also further the Department-wide strategic goals.



The Human Capital Strategic Plan for 2008 – 2013

VISION:

To be widely recognized as an employer of choice and to employ an engaged workforce that sets the standard for excellence in the Federal government.

MISSION:

Develop and manage innovative human capital business practices that help supervisors/managers and employees deliver results-focused outcomes which support the strategic goals and objectives of the Department by improving workforce productivity, diversity, leadership effectiveness, and individual development.



GOAL 1: BROADEN AND DIVERSIFY THE TALENT POOL

Create effective recruitment strategies and utilize available flexibilities to attract a diverse pool of highly qualified candidates, both external and internal, sufficient to ensure that the Department fulfills its mission requirements.



High performing organizations recognize that they must continuously focus on drawing the best and brightest talent available into their organization. This presents a significant challenge to human capital practitioners and managers seeking to draw talent to the Department. Motivators may include compensation, the type of work and available workplace flexibilities.

The Department recognizes that its mission requires a continuous infusion of diverse, talented, and motivated individuals at all levels or career stages with the appropriate job competencies needed to deliver effective outcomes.

Strategies:

1.1 Develop Outreach Plans

Comprehensive outreach plans have the potential to dramatically increase the number and diversity of high quality applicants for positions. Initiatives focused on internal and external partnerships; applicant-friendly information, tools and processes; marketing of Treasury as an employer of choice; and entry-level programs (e.g., honors intern program) targeted towards Mission Critical Occupations (MCOs), all have the potential to reach and engage a broader talent pool. In addition, recruitment strategies and workforce planning must focus on workforce demographics and trends, and recognize the need to recruit at all career levels and tap previously underutilized talent pools (e.g., expand outreach efforts).

1.2 Enhance Work Life Environment as an Attractor

Organizations with positive reputations for employee satisfaction and engagement are better positioned when competing for talent in a highly competitive environment. Programs which support employees in terms of work life factors such as telework; flexible, part-time and seasonal work schedules; day care; fitness amenities; and support for continuing education, will enhance the Department's ability to attract and retain talent. Efforts focused on ensuring an attractive, accessible, and secure workplace with state-of-the-art tools and equipment also increase employee satisfaction. The value of the above mentioned efforts can be compounded when the resulting employee satisfaction is widely reflected and publicized in surveys and articles which highlight Treasury as an employer of choice.

GOAL 2: DEVELOP AND RETAIN WORKFORCE

The workforce is supported, developed, and strengthened to continually evolve and execute the increasingly complex mission and strategic goals of the Department.

The greatest single asset of the Department is its workforce. Success in meeting the Department of the Treasury's challenging 2007–2012 Strategic Goals and Objectives is highly dependent upon how well the Department enhances the abilities and effectiveness of its current workforce. Developing and retaining the talent already engaged across the Department reflects strong stewardship of these valuable resources. Effectively aligning and managing limited resources will be an important factor in the Department's ability to build upon its leadership succession planning and development initiatives.

Strategies:

2.1 Regular Strategic Workforce Assessment and Planning

By conducting Strategic Workforce Assessments and implementing the results, the Department will identify and eliminate competency gaps based on the “Desired Shape” of the workforce needed to achieve its mission. These assessments provide the opportunity to identify evolving mission and technology requirements, as well as validate the competencies of the current workforce against those requirements. An assessment and planning program, which utilizes a competency framework with standardized core and technical competencies across the Department, adds benefits for employees in terms of career planning, career growth, and mobility. Comprehensive assessment and planning programs provide the informational base to drive decision-making and investments regarding recruitment, development, and succession planning to address competency gaps effectively.



2.2 Competency-Based, Mission-Aligned Continuous Learning

The use of workforce competency information developed through regular workforce assessments and continuous monitoring of mission critical occupations has multiple advantages. The Department can use workforce competency information to ensure that recruitment and continuous learning programs are having the desired effect in reducing competency gaps. A focus on mission-related competencies also facilitates implementation of specific programs and strategies for development and knowledge transfer initiatives to address specific mission critical competency gaps. Competency benchmarks allow employees to better plan and evaluate their individual career progression and view their development in terms of long-term employability. Clear identification of competencies as they relate to the mission provides employees the information they can use to explore multiple career paths and seek specific developmental opportunities.

2.3 Understand and Minimize Barriers to Retention

Regular gathering and sharing of information collected through exit interviews and workforce satisfaction surveys sheds light on issues and trends influencing attrition. This information can then be used to engage with supervisors/managers as well as the overall workforce to better understand issues and craft specific initiatives to reduce unwanted attrition. Collecting specific

metrics and trend data enables the evaluation of the effectiveness of specific initiatives and helps hold supervisors/managers accountable for fostering a workplace that encourages employee satisfaction, engagement, and retention.

2.4 Enhance Job Satisfaction and Productivity

Information gathered in connection with strategy 2.3 also informs this strategy. A wealth of job satisfaction and employee engagement enhancement activities has been initiated throughout the Department. Additional efforts by supervisors and managers, supported by human capital practitioners, to recognize each individual's unique talents by matching the right person to the right assignments, have the potential to significantly improve employee engagement and job satisfaction. Efforts to support each individual in understanding the connection between their daily work activities and the specific goals and objectives of their work unit and the Department also have the potential to enhance job satisfaction as well as performance and productivity. These efforts must start with a robust on-boarding process and continue throughout the employee's career.

2.5 Develop Leadership Bench Strength and Capability

Surveys in both the public and private sectors identify an organization's leadership capacity and effectiveness as one of the top indicators of employee satisfaction. Continuous learning programs for both current and emerging leaders, covering a broad spectrum ranging from leadership core competencies to better understanding of human capital management and policies, significantly strengthens the organization. Early identification of employees with strong leadership potential, combined with a range of leadership development programs, deepens the leadership bench strength within the Department, and assists tomorrow's promising leaders with career planning.

GOAL 3: EFFECTIVELY MANAGE AND UTILIZE HUMAN CAPITAL

Maximum organizational effectiveness is attained by enhanced employee engagement and by supporting, leveraging, and strategically leading the Department's workforce.

Obtaining, developing, and retaining talent is only the first step in achieving strong results. The way in which the Department's valuable human capital resources are deployed, managed, and supported, plays a crucial part in the overall effectiveness of the organization in delivering its mission results to the American people. Improved processes and streamlining of operations influence the numbers and types of occupations the Department will need to employ, how they will be managed, where they will work, and how their performance will be measured.

Strategies:

3.1 Communicate and Collaborate at Every Level to Implement Workforce Plans and Succession Planning

Collaboration with stakeholders across the Department on workforce development plans to address requirements identified through workforce assessments will significantly increase the effectiveness of development programs and reduce costs. Communication with employees regarding the skills and competencies which the organization values, and the programs available to develop them, will enable the Department to tap into a broader and more diverse talent pool and provide important insights to employees in charting their careers.



3.2 Develop a Strong Performance-based Culture

Performance management programs that enable employees to see the connection between their responsibilities and the success of their organization in meeting its goals and objectives, creates a strong performance culture. Any credible performance management program must facilitate the ability to differentiate performance levels with clear and measurable standards. Supervisors must receive the training necessary to assess performance effectively and communicate feedback constructively. Ultimately, it will be the Department's actions that have the highest impact in institutionalizing a results-oriented performance culture. Ensuring that recognition programs have clear mission alignment, and developing supervisors/managers who recognize, model and affirm values that reflect fair and equitable treatment based on merit, will sustain a performance-based culture.

3.3 Ensure Accountability for Human Capital Management at Every Level

A robust and highly visible accountability program builds trust through transparency at every level. Regular sharing of data and regular engagement of management and employees in discussions regarding the status of, barriers to, and initiatives for improving accountability promotes employee empowerment and progress over time. Incorporation of specific human capital management components, e.g., performance management, leadership development and succession planning, talent management, EEO (Equal Employment Opportunity), into every supervisor's and manager's performance plan ensures broad and clear accountability.

3.4 Value, Utilize and Share Existing Expertise and Experience

There are many opportunities for the Department to capitalize on the wealth of knowledge that currently resides within the organization. Knowledge management, mentoring, communities-of-practice, coaching and peer-support programs all capture experience and expertise before it goes out the door with departing individuals. Such programs bring wider and more diverse perspectives to bear on the Department's many programs, reduce learning curves, and support individual learning at every level.

GOAL 4: DEVELOP HUMAN CAPITAL PRACTITIONERS AS STRATEGIC BUSINESS PARTNERS

Knowledgeable and highly effective human capital practitioners work as key partners with the Department's leaders to ensure that effective human capital management is a strategic business component in achieving the Department's mission.

The expertise, perspectives and innovation of the Department's human capital practitioners will inform and support the efforts of Treasury leaders to attract, develop, and retain human capital as the most important asset in the Department. Organizations around the world recognize that they cannot succeed unless their human capital practitioners have the specialized knowledge



and strategic competencies to serve as key partners with senior leaders and line managers and supervisors in achieving the mission. Continuing the transformation of the human capital practitioner workforce into a cadre of highly valued advisors, facilitators and experts, through development and regular engagement with decision makers, will promote progress toward every goal in the Human Capital Strategic Plan.

Strategies:

4.1 Make Human Capital Practitioners Strategic Partners With Business Owners

Human capital practitioners with the necessary skills and competencies must be “at the table” as an intragal team member, working with senior leaders and line managers and supervisors to create innovative, state-of-the-art, effective human capital policies, programs and tools to support strategic business needs. Programs and practices, which support new dialogues and engagement with all stakeholders, serve to foster learning, creativity, and trust.

4.2 Identify and Develop Human Capital Practitioner Competencies

The world of human capital management is rapidly changing. Academic research, organizational experience, technology, new statutes and regulations, and changing demographics are redefining the set of competencies needed for the human capital community. Evaluating those competencies and developing an approach to identify the specific set of competencies most needed for human capital practitioners across the Department is the first step in ensuring the Department has a sustainable and high-performing human capital workforce. With the use of workforce assessments, the gap between current competencies and those needed for future success will be determined. This analysis will be used to guide decision-making and resource investments required to design and implement developmental programs.

4.3 Facilitate Human Capital Practitioner Career Development

Creating a cadre of human capital practitioners with broad and varied experience goes far beyond developing a specific set of competencies. Programs that support and encourage career mobility across the Department, e.g., structured career planning programs and paths (including an honors intern program for human capital professionals), special project assignments, and rotational assignments which bring together experts from across the Department, support development of human capital practitioners at every level.



Alignment with OPM's Human Capital Assessment and Accountability Framework (HCAAF)

The Office of Personnel Management (OPM) has employed widely accepted planning tools and best practices to create a model framework for human capital planning. The Human Capital Assessment and Accountability Framework (HCAAF) identifies five human capital systems that together provide a consistent, comprehensive representation of human capital management for the Federal government. The HCAAF ties human capital management to the merit system principles and other civil service laws, rules and regulations. Cornerstones of the HCAAF are the human capital systems and metrics used for the assessment and improvement of human capital programs. These human capital objectives, when linked to results, actively promote goals that Federal departments should strive to achieve as part of their human capital planning processes.

The HCAAF addresses five systems:

1. **Strategic Alignment** – Agency human capital strategy is aligned with mission, goals, and organizational objectives and integrated into strategic plans, performance plans, and budget plans.
2. **Leadership and Knowledge Management** – Agency leaders and managers effectively lead people, ensure continuity of leadership, and sustain a learning environment that drives continuous improvement in performance.
3. **Results–Oriented Performance Culture** – Agency has a diverse, results–oriented, high–performing workforce, and has a performance management system that effectively differentiates between high and low performance and links individual/team/unit performance to organizational goals and desired results.
4. **Talent Management** – Agency has closed most mission–critical skills, knowledge, and competency gaps/deficiencies, and has made meaningful progress toward closing all.
5. **Accountability** – Agency human capital decisions are guided by a data–driven, results–oriented planning and accountability system.



Alignment with EEOC Model EEO Program Elements

The Equal Employment Opportunity Commission (EEOC) has issued EEO Management Directive 715 (MD-715) which provides guidance to and sets the standards for Federal agencies in establishing and maintaining effective affirmative programs of equal employment opportunity. MD-715 requires Federal agencies to report annually on the agency's progress in attaining a model EEO program, as well as reporting on agency demographics in a variety of fields, including applicant pools, career development programs, promotions, and retention rates.

Attainment of a model EEO program at an agency provides the infrastructure necessary for an Agency to achieve the ultimate goal of a discrimination free work environment, characterized by an atmosphere of inclusion and free and open competition for employment opportunities. EEO MD-715's definition of the six "Essential Elements" for structuring a model EEO program have areas that overlap and relate to OPM's six Standards for Success.

The six elements identified as necessary for a model EEO program are:

1. Demonstrated commitment from agency leadership – Agency EEO policies are vigorously enforced by agency senior leadership. Managers and supervisors are evaluated on the commitment to Agency EEO policies and principles.
2. Integration of EEO into the agency's strategic mission – The Agency's EEO programs are organized and structured to maintain a workplace that is free from discrimination in any of the agency's policies, procedures or practices and supports the Agency's strategic mission. The Agency head and senior management officials are regularly informed of the status of EEO programs and are involved in, and consulted on, management and personnel actions.
3. Management and program accountability – All managers, supervisors, and EEO officials are responsible for the effective implementation of the agency's EEO program and plan, and the Human Resources Director and the EEO Director meet regularly to assess personnel programs, policies and procedures.
4. Proactive prevention of unlawful discrimination – The Agency makes early efforts to prevent discriminatory actions and eliminate barriers to equal employment opportunity in the workplace.
5. Efficiency – The Agency has effective systems in place for evaluating the impact and effectiveness of the Agency's EEO programs as well as an efficient and fair dispute resolution process.
6. Responsiveness and legal compliance – The Agency is in full compliance with EEO statutes and EEOC regulations, policy guidance and other written instructions.

As demonstrated in the chart below, all of the Department of Treasury Human Capital Strategic Plan goals and strategies align well with OPM’s HCAAF goals and with EEOC’s MD-715.

| TREASURY HUMAN CAPITAL STRATEGIC PLAN GOALS | STRATEGIES | OPM’S HCAAF | RELEVANT EEOC PROGRAM ELEMENTS/ MD-715 |
|---|---|-------------------|---|
| Goal 1: Broaden and Diversify Talent Pool Create effective recruitment strategies and utilize available flexibilities to attract a diverse pool of highly qualified candidates, both external and internal, sufficient to ensure that the Department fulfills its workforce mission requirements. | 1.1 Develop Outreach Plans | Talent Management | Proactive prevention of unlawful discrimination |
| | 1.2 Enhance Work Life Environment as an Attractor | Talent Management | Proactive prevention of unlawful discrimination |

| TREASURY HUMAN CAPITAL STRATEGIC PLAN GOALS | STRATEGIES | OPM'S HCAA | RELEVANT EEOC PROGRAM ELEMENTS/MD-715 |
|---|---|---|---|
| <p>Goal 2: Develop and Retain Workforce The workforce is supported, developed, and strengthened into a sustainable organization that can meet the evolving and increasingly complex mission and strategic goals of the Department.</p> | 2.1 Regular Strategic Workforce Assessment and Planning | Strategic Alignment Talent Management, Accountability | Demonstrated commitment from agency leadership Efficiency Responsiveness and legal compliance |
| | 2.2 Competency-Based, Mission-Aligned Continuous Learning | Strategic Alignment, Talent Management, Leadership and Knowledge Management | Management and program accountability |
| | 2.3 Understand and Minimize Barriers to Retention | Leadership and Knowledge Management, Accountability, Strategic Alignment, Talent Management | Proactive prevention of unlawful discrimination Responsiveness and legal compliance |
| | 2.4 Enhance Job Satisfaction and Productivity | Talent Management, Strategic Alignment, Leadership and Knowledge Management, Accountability, Results-Oriented Performance Culture | Proactive prevention of unlawful discrimination |
| | 2.5 Develop Leadership Bench Strength and Capability | Leadership and Knowledge Management | Management and program accountability Proactive prevention of unlawful discrimination |

| TREASURY HUMAN CAPITAL STRATEGIC PLAN GOALS | STRATEGIES | OPM'S HCAAF | RELEVANT EEOC PROGRAM ELEMENTS/ MD-715 |
|--|---|--|---|
| <p>Goal 3: Effectively Manage and Utilize Human Capital Maximum organizational effectiveness is attained by supporting, leveraging, and strategically leading and managing the Department's human capital.</p> | 3.1 Communicate and Collaborate at Every Level to Implement Workforce Plans | Accountability Leadership and Knowledge Management | Management and program accountability Efficiency |
| | 3.2 Develop a Strong Performance-Based Culture | Results-Oriented Performance Culture | Demonstrated commitment from agency leadership Proactive prevention of unlawful discrimination |
| | 3.3 Ensure Accountability for Human Capital Management at Every Level | Accountability Results-Oriented Performance Culture | Integration of EEO into the agency's strategic mission Proactive prevention of unlawful discrimination |
| | 3.4 Value, Utilize and Share Existing Expertise and Experience | Leadership and Knowledge Management Talent Management | Management and program accountability Efficiency |

| TREASURY HUMAN CAPITAL STRATEGIC PLAN GOALS | STRATEGIES | OPM's HCAA | RELEVANT EEOC PROGRAM ELEMENTS/MD-715 |
|---|--|---|--|
| <p>Goal 4: Develop Human Capital Practitioners as Strategic Business Partners Knowledgeable and highly effective human capital practitioners work as key partners with the Department's stakeholders to ensure that effective human capital management is a strategic business component in achieving the Department's mission.</p> | 4.1 Make Human Capital Practitioners Strategic Partners | Accountability Talent Management | Demonstrated commitment from agency leadership Management and program accountability Proactive prevention of unlawful discrimination |
| | 4.2 Identify and Develop Human Capital Practitioner Competencies | Strategic Alignment, Leadership and Knowledge Management, Accountability, Talent Management | Management and program accountability |
| | 4.3 Facilitate Human Capital Practitioner Career Development | Leadership and Knowledge Management, Accountability, Talent Management | Management and program accountability |

Measuring Progress

Each fiscal year the Department will develop and implement a *Human Capital Operating Plan (HCOP)*. The HCOP outlines the annual initiatives and measures that the Department will use to gauge progress towards meeting human capital goals and objectives under the Human Capital Strategic Plan.

The following measures will be used to track trends and determine at a strategic level, the effectiveness of strategies in meeting long-term goals at the Department level.

GOAL 1: BROADEN AND DIVERSIFY TALENT POOL

Create effective recruitment strategies and utilize available flexibilities to attract a diverse pool of highly qualified candidates, both external and internal, sufficient to ensure that the Department fulfills its workforce mission requirements.

Strategies

1.1 Develop Outreach Plans

Measures:

- *Increase in the total number of applicants for targeted positions*
- *Increase in the percentage of applicants found qualified*
- *Decrease in the number of Vacancy Announcements that are re-posted for the purpose of drawing additional/different applicants*
- *Comparison of applicant demographics to the Federal Labor Force, the Civilian Labor Force and the Relevant Civilian Labor Force*

1.2 Enhance Work Life Environment as an Attractor

Measures:

- *Improvement in response scores for questions related to Federal Human*



Capital Survey (FHCS) Index: Job Satisfaction in bureaus that showed areas for improvement from the last FHCS.

- *Increase in percentage of employees teleworking as compared to the number of positions appropriate for Telework*

GOAL 2: DEVELOP AND RETAIN WORKFORCE

The workforce is supported, developed, and strengthened into a sustainable organization that can meet the evolving and increasingly complex mission and strategic goals of the Department.

Strategies

2.1 Regular Strategic Workforce Assessment and Succession Planning

Measures:

- *Number of bureaus that conduct workforce reviews or formal planning on a periodic basis.*

2.2 Competency-Based, Mission-Aligned Continuous Learning

Measures:

- *Improvement in response scores for questions related to Federal Human Capital Survey (FHCS) Index: Well-Trained Workforce in bureaus that showed areas for improvement from the last FHCS.*
- *Number of individual development opportunities completed that close competency gaps identified in Mission Critical Occupation (MCO) workforce assessments.*

2.3 Understand and Minimize Barriers to Retention

Measures:

- *Improvement in response scores for questions related to Federal Human Capital Survey (FHCS) Index: Supportive Workplace Environment in bureaus that showed areas for improvement from the last FHCS.*
- *Workforce separation trends that are low in comparison to the Federal Labor Force, the Civilian Labor Force and the Relevant Civilian Labor Force, as appropriate*
- *Employee Exit Survey data reflects a decrease in negative feedback in relation to administratively controllable issues.*

2.4 Enhance Job Satisfaction and Employee Engagement

Measures:

- *Improvement in response scores for questions related to Federal Human Capital Survey (FHCS) Index: Culture of Inspiring, Ethical and Effective leadership in bureaus that showed areas for improvement from the last FHCS.*
- *Improvement in response scores for questions related to Federal Human Capital Survey (FHCS) Index: Supportive Workplace Environment in bureaus that showed areas for improvement from the last FHCS.*
- *Employee Exit Survey data reflects a decrease in negative feedback in relation to administratively controllable issues.*

2.5 Develop Leadership Bench Strength and Capability

Measures:

- *An increase annually in the number of qualified individuals completing specific development programs in preparation for SES or senior/mid-level manager positions in support of succession planning activities. "Qualified individuals" is defined as already possessing/meeting any program specific or technical qualifications requirements.*
- *Number of graduates of Senior Executive Service (SES) and senior/mid-level development programs placed or promoted within two years.*

GOAL 3: EFFECTIVELY MANAGE AND UTILIZE HUMAN CAPITAL

Maximum organizational effectiveness is attained by supporting, leveraging, and managing the Department's human capital.

Strategies

3.1 Communicate and Collaborate at Every Level to Implement Workforce Plans

Measures:

- *Number of bureaus with a documented hiring and development strategy in place which addresses skills and diversity needs.*

3.2 Develop a Strong Performance–Based Culture

Measures:

- *Improvement in response scores for questions related to Federal Human Capital Survey (FHCS) Index: Performance Distinctions in bureaus that showed areas for improvement from the last FHCS.*
- *Positive results obtained from Treasury’s Performance and Accountability Report and Organizational Assessment*



3.3 Ensure Accountability for Human Capital Management at Every Level

Measures:

- *Employee Exit Survey data reflects a decrease in negative feedback in relation to administratively controllable issues.*
- *Improvement in response scores for questions related to Federal Human Capital Survey (FHCS) Index: Effective Leadership*
- *Improvement in response scores for questions related to Federal Human Capital Survey (FHCS) Index: Performance–Based Rewards and Advancement*
- *Improvement in response scores for questions related to Federal Human Capital Survey (FHCS) Index: Strategic Management*
- *Improvement in response scores for questions related to Federal Human Capital Survey (FHCS) Index: Support for Diversity*

3.4 Value, Utilize and Share Existing Expertise and Experience

Measures:

- *Improvement in response scores for questions related to Federal Human Capital Survey (FHCS) Index: Learning and Knowledge Management in bureaus that showed areas for improvement from the last FHCS.*

GOAL 4: DEVELOP HUMAN CAPITAL PRACTITIONERS AS STRATEGIC BUSINESS PARTNERS

Knowledgeable and highly effective human capital practitioners work as key partners with the Department's leaders to ensure that effective human capital management is a strategic business component in achieving the Department's mission.

Strategies

4.1 Make Human Capital Practitioners Strategic Partners

Measures:

- *Annual survey of leaders across the Department regarding HC management practices and effectiveness reflects positive feedback in relation to changing role(s)*

4.2 Identify and Develop Human Capital Practitioner Competencies

Measures:

- *Number of HC Practitioner competency sets with levels identified, documented and communicated to HC workforce.*

4.3 Facilitate Human Capital Practitioner Career Development

Measures:

- *Percentage of qualified individuals completing specific HC Competency development programs or mobility programs.*



Next Steps for Treasury's Human Capital Effort

The Department of the Treasury is looking forward to the next steps for fully realizing the human capital strategic goals and outcomes of Treasury's *Human Capital Strategic Plan (HCSP)*. To achieve success, Treasury will finalize and implement the HCSP and its companion piece, the annual *Human Capital Operating Plan (HCOP)*.

While the *Human Capital Strategic Plan* outlines the human capital strategic goals, expected outcomes, strategies and critical success factors and measures, the annual *Human Capital Operating Plan* describes the process and tools that Treasury will use on an on-going basis to monitor, measure, analyze, and evaluate the effectiveness of the HCSP. The Department will use the output of the HCOP to make human capital decisions, including whether to develop, continue, or end particular human capital programs.

Treasury anticipates that the *Human Capital Strategic Plan* and the *Human Capital Operating Plan* will be incorporated into bureaus' human capital and business plans and become a part of the way in which the Department approaches business and human capital challenges. The HCSP outcomes and strategies will vary in the dates of their initiation and their duration bureau by bureau. Many human capital initiatives and activities are ongoing within the bureaus which support the HCSP and HCOP goals. Others will be identified and implemented by the Department as part of the on-going evaluation effort.

Institutionalizing the HCSP and the HCOP will require the commitment of Treasury's senior leaders, management, front-line supervisors, and the human capital community. Treasury will accomplish collaboration and successful partnership through established councils, and management planning processes to ensure that human capital strategic goals and outcomes are realized. Human capital professionals will continue to work collaboratively with senior management officials to carry out the HCSP and explore new approaches to human capital issues, challenges, and processes. The



implementation of the *Human Capital Strategic Plan* coupled with the *Human Capital Operating Plan* will forge new human capital management successes by utilizing the full depth of knowledge and expertise resident throughout Treasury. The end result will be a stronger Department of the Treasury, with a diverse, highly skilled workforce that delivers enhanced results for the American public.

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Appendices

FY 2007 Workforce Demographics

FY Workforce Demographics:

<http://intranet.treas.gov/hr/human-capital/human-capital-strategic-plan.asp>

FY 2008 Human Capital Operating Plan Initiatives

FY Human Capital Operating Plan :

<http://intranet.treas.gov/hr/human-capital/human-capital-strategic-plan.asp>

