



# Strategic Human Capital Plan

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## Message from the Director

I am pleased to present the Federal Housing Finance Agency's (FHFA) first Strategic Human Capital Plan. On July 30, 2008, the President signed into law the Housing and Economic Recovery Act of 2008 (HERA). FHFA was created through HERA and constitutes a new, single regulator with bank regulator-like powers and strengthened authorities necessary to oversee the safety and soundness of the vital components of our country's secondary mortgage markets – Fannie Mae, Freddie Mac, and the Federal Home Loan Bank System. In addition, HERA combined the employees of the Office of Federal Housing Enterprise Oversight, the Federal Housing Finance Board, and the GSE mission office at the Department of Housing and Urban Development to staff the new agency.

Successful human resources management is the foundation of any agency's ability to accomplish performance goals and achieve its mission. This plan comes at the critical time of the establishment of the new agency, and it provides an analysis of FHFA's current workforce, captures business challenges that will affect the management of human capital in the next few years, and outlines a plan to ensure that FHFA has the staff needed to meet its performance goals and mission.

Accomplishing FHFA's mission – to provide effective supervision, regulation and housing mission oversight of Fannie Mae, Freddie Mac, and the Federal Home Loan Banks to promote their safety and soundness, support housing finance and affordable housing, and support a stable and liquid mortgage market – requires that we hire, develop, reward, and retain a diverse, skilled, and highly motivated workforce. The uncertainty and instability in the mortgage markets have captured the attention of the world in the past year. In this turbulent environment, FHFA's mission is even more critical and it is essential to have a formal, strategic plan for ensuring the workforce needed to accomplish the mission is in place. The FHFA 2009–2011 Strategic Human Capital Plan links our human capital planning to FHFA's mission and strategic goals.

By working together and having a plan for managing our most valuable resource, our employees, FHFA will accomplish its mission and build a stronger and safer future for the mortgage markets, homeowners, and renters throughout America.

A handwritten signature in blue ink that reads "James B. Lockhart III". The signature is written in a cursive style with a stylized "III" at the end.

James B. Lockhart III  
Director



## FEDERAL HOUSING FINANCE AGENCY

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# Understanding the Federal Housing Finance Agency Mission

**Mission Statement** – FHFA’s mission is to provide effective supervision, regulation and housing mission oversight of Fannie Mae, Freddie Mac, and the Federal Home Loan Banks to promote their safety and soundness, support housing finance and affordable housing, and support a stable and liquid mortgage market.

## The Creation of the Federal Housing Finance Agency

**O**n July 30, 2008, the President signed the Housing and Economic Recovery Act of 2008 (HERA), which created a new regulator for the 14 housing-related government sponsored enterprises (GSEs) – Fannie Mae, Freddie Mac and the 12 Federal Home Loan Banks. The Federal Housing Finance Agency (FHFA) has responsibility for the safety and soundness of the GSEs, as well as oversight of their affordable housing missions. The impact of these financial institutions on the American housing market is tremendous. With the enactment of HERA, FHFA is given a critical responsibility and mission along with the supervisory enforcement tools needed to ensure the safety and soundness of these institutions.

FHFA’s primary duty as a regulator is to ensure the safety and soundness of the 14 housing GSEs so that they have the financial strength and operational capacity to fulfill their important role in the nation’s housing finance system. Providing a comprehensive and effective oversight program requires attention to the GSEs’ operations and management, the risks inherent in their activities, and the dynamic environment in which they operate. The new regulatory structure enables FHFA to utilize the experience of regulating Fannie Mae, Freddie Mac, and the Federal Home Loan Banks, to collaborate in identifying issues that may affect all 14 GSEs, and to provide a fresh perspective and alternate approaches on regulatory issues. FHFA will enhance and strengthen its oversight by:

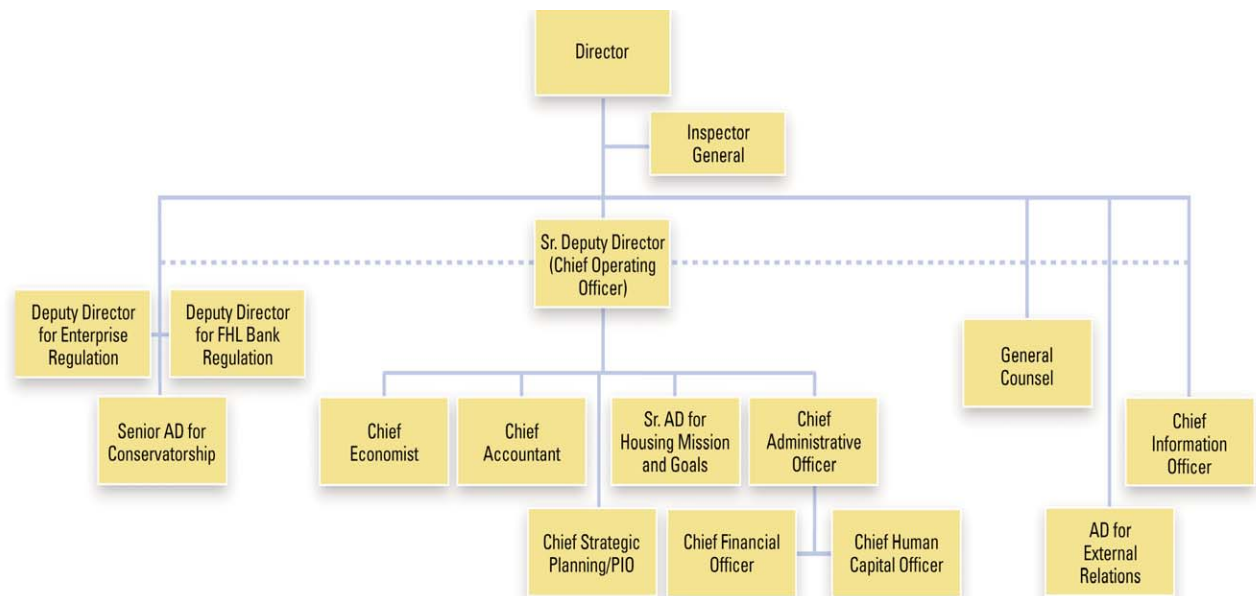
- *Developing new regulations.*
- *Applying meaningful risk-based standards.*
- *Assessing the GSEs’ changing risk profiles.*
- *Targeting resources to diagnose emerging issues.*
- *Monitoring adherence to law and regulation.*
- *Verifying that required improvements are made.*
- *Taking remedial action.*
- *Following through on litigation that can result from enforcement actions.*

With Fannie Mae and Freddie Mac each in conservatorship since September 2008, FHFA has the added responsibility for ensuring each company continues to serve its public purposes while conserving its assets and returning to a sound and solvent condition. In addition, HERA gives FHFA responsibility for development and enforcement of the 14 GSEs' affordable housing goals and new product authority, which was once the responsibility of the Department of Housing and Urban Development. FHFA will use the new authority related to the housing goals to promote homeownership and affordable housing and use the additional authority related to new products to ensure the GSEs' activities are consistent with their charters and that they support an efficient secondary mortgage market.

HERA establishes for FHFA the position of Director, nominated by the President and confirmed by the U.S. Senate, as well as the Deputy Director of the Division of Enterprise Regulation, Deputy Director of the Division of Federal Home Loan Bank Regulation, and the Deputy Director for Housing Mission and Goals.<sup>1</sup> HERA also establishes the Federal Housing Finance Oversight Board, which provides advice on overall strategies and policies. FHFA is funded outside the Federal appropriations process through GSE assessments.

In December 2008, the organizational structure of the executive tier of the agency was implemented.

### Federal Housing Finance Agency Organizational Chart



*The dotted line on the organizational chart represents the administrative authority of the Senior Deputy Director for all positions reporting to the Director.*

<sup>1</sup> On the FHFA organizational chart, the responsibility for this position is inherent in the position of Senior Deputy Director.

## **FHFA Strategic Goals**

With a very turbulent market and economic downturn facing our nation, the strengthening of the regulatory and supervisory oversight of Fannie Mae, Freddie Mac, and the Federal Home Loan Banks is critical. The establishment of FHFA promotes a stronger, safer U.S. housing finance system. As of December 2008, the combined debt and obligations of the 14 housing-related GSEs totaled \$6.7 trillion, exceeding the total publicly held debt of the United States by \$300 billion. Considering the affect the GSEs have on the U.S. economy and mortgage market, FHFA's focus is on three crucial Strategic Goals and the agency's Resource Management Strategy.

**Strategic Goal 1** ■ The housing GSEs operate in a safe and sound manner and comply with legal requirements.

**Strategic Goal 2** ■ The housing GSEs support a stable, liquid and efficient mortgage market including sustainable homeownership and affordable housing.

**Strategic Goal 3** ■ FHFA preserves and conserves the assets and property of the Enterprises, ensures focus on their housing mission, and facilitates their financial stability and emergence from conservatorship.

**Resource Management Strategy** ■ FHFA has the personnel, resources, and infrastructure to manage effectively and efficiently to achieve its mission and goals.

## **Human Capital Link to the FHFA Mission**

### **Office of Human Resources Management Mission Statement**

The Office of Human Resources Management is dedicated to collaborating as a strategic partner in achieving FHFA's regulatory mission by proactively determining human capital needs and recruiting, developing and retaining a world-class workforce that is diverse, motivated, and committed to excellence.

The creation of FHFA and the merging of staff and resources from the Federal Housing Finance Board (FHFB), the Office of Federal Housing Enterprise Oversight (OFHEO), and the Department of Housing and Urban Development (HUD) GSE Mission Staff under a new agency is an immense challenge. HERA requires the transfer of employees to the new agency, establishment of human capital programs, policies, and systems, and the abolishment of FHFB and OFHEO by July 30, 2009.



FHFB and OFHEO employees officially transferred to FHFA on October 27, 2008, and the HUD employees transferred on January 5, 2009. The challenges facing Fannie Mae and Freddie Mac and the deteriorating conditions in the mortgage market required FHFA to be in full operational status as quickly as possible.

FHFA also faces administrative and cultural challenges in merging human resources programs, pay and benefits systems, information technology systems, financial systems, and former agency cultures into a new, cohesive agency. The employees of FHFA must share a common vision and be united in meeting the agency's mission. Having an FHFA Strategic Human Capital Plan (HC Plan) linked to the agency strategic plan is critical to ensuring a smooth transition.

Significant progress has been made in a short period of time, including the development of key human capital policies which allowed for the transfer of employees to the new agency. The HC Plan provides for the identification of human capital goals and objectives to support the full implementation of FHFA, its mission, and the agency's vision for the future.

## **FHFA Performance Plan Measures and Targets**

The FHFA Fiscal Year (FY) 2009 Performance Plan outlines the following human capital measures and targets.

### **4.1**

#### **FHFA PERFORMANCE PLAN GOAL 4.1**

**FHFA has a diverse workforce that is highly skilled, highly motivated, and results-oriented.**

	<b>Performance Measure</b>	<b>Target</b>
<b>4.1(1)</b>	Establish human capital policies and programs for FHFA.	By the end of FY 2009
<b>4.1(2)</b>	Develop the Strategic Human Capital Plan for FHFA to include a Workforce Plan and Succession Plan for Leadership.	By the end of FY 2009
<b>4.1(3)</b>	Percentage of vacancies filled within the Office of Personnel Management's (OPM) 45-day time-to-hire standard.	72%
<b>4.1(4)</b>	Maintain a diverse workforce by increasing the number of minority, women, and disabled applicants for open vacancy announcements.	Establish FY 2009 baseline for future comparison and tracking

# Human Capital Planning

## Office of Human Resources Management Vision

Our vision is to become a strategic partner that provides exceptional consultation to address human capital needs, and create and maintain employee satisfaction and promote FHFA as an employer of choice.

Human capital planning benefits FHFA by providing a roadmap for aligning human capital programs and activities with the agency's mission and strategic goals. The HC Plan captures data about FHFA's current workforce, business challenges, staffing trends, and outlines the agency's Workforce and Succession Management Plan. The initiatives and human capital goals outlined in the HC Plan will help FHFA's managers and employees achieve their offices' performance goals in support of agency goals.

The FHFA Director, the Chief Operating Officer, the Chief Administrative Officer, the Chief Human Capital Officer (CHCO), and other FHFA executives are accountable for implementing the HC Plan. All FHFA managers and employees must work together as a cohesive team to accomplish human capital goals. The Office of Human Resources Management (OHRM) will offer briefings on the HC Plan, distribute copies of the published HC Plan to employees and managers throughout the agency, and post the HC Plan to the FHFA intranet and public web sites to ensure awareness and understanding.

## Human Capital Management Analysis

Individual meetings were held with FHFA executives and their subordinate managers to collect information regarding the workforce and business challenges they anticipate will affect the management of their employees and ability to meet their performance goals through FY 2011. External drivers are those conditions that are imposed by events and circumstances outside the control of the agency. Examples of external drivers that affect the work of FHFA and, therefore, its employees include the state of the economy, the status of the housing market, and the enactment of legislation. Managers were asked to provide information about how their work and employees would be affected by external drivers. The HC Plan Team, comprised of OHRM managers and senior staff, met with each FHFA office.

### Human Capital Plan Team Members:

- *Manager, Human Capital Planning and Accountability*
- *Manager, Staffing, Classification & Employee Relations*
- *Human Capital Management Analyst*
- *Training/Employee Development Specialist*
- *Human Resources Student Intern (in developmental capacity)*

### Management Meetings:

- *Office of Capital Supervision – November 18, 2008*
- *Office of External Relations – November 19, 2008*
- *Office of Technology and Information Management – November 20, 2008*
- *Division of Enterprise Regulation – November 21, 2008*
- *Office of the General Counsel (former OFHEO) – November 21, 2008*
- *Office of Policy Analysis and Research – November 24, 2008*
- *Office of the Chief Administrative Officer – November 25, 2008*
- *Division of Federal Home Loan Bank Regulations – November 25, 2008*
- *Office of the General Counsel (former FHFB) – November 26, 2008*
- *Office of Management Planning – December 8, 2008*

Managers were asked a series of questions during the interviews and were provided with information about their staff (grade level, full performance level, retirement eligibility, competency gap data, etc.). The questions generated valuable discussion about human capital planning and each office's human capital needs for the future. Managers focused on current data and past trends to predict the number of employees and skill sets needed through FY 2011. While it is difficult to forecast the external drivers that will affect work beyond the next nine to twelve months, managers were able to see where attrition trends, retirement eligibility, and competency gaps would have a definite impact on the work of the agency if not addressed.

## Interview Questions

### Workforce Planning

- *Are you one employee deep in any critical position? If so, what position? Do you have a plan if the incumbent should leave?*
- *Do you know if any of your staff are eligible to retire now or in the next five years and plan to do so? Do you have a plan for replacing them? (Retirement eligibles list provided at this meeting.)*
- *Are you providing “leadership readiness” opportunities and development to ensure you have leadership bench strength within your office?*

### Staffing and Recruitment

- *When vacancies occur in your office, do you consider whether the vacant position should be filled differently than in the past? Do you consult with OHRM about the vacancy and how best to fill it? If not, what can OHRM do to help you think strategically about filling vacancies?*
- *Do you consult with OHRM about recruitment strategies and approaches? Do you consider targeted recruitment to attract candidates that will fulfill your offices’ workforce planning needs (e.g., particular competency gap, needed bench strength, improved diversity, etc.)?*
- *Do you understand the 45-Day Hiring Model and the need to fill vacancies quickly once the vacancy announcement closes? What hurdles has this caused for you?*

### Employee Development

- *Are you aware of key competencies needed for the future work in your office? Does your current staff have these competencies? If not, do you have a plan for closing the gaps?*
- *Do all of your employees have Individual Development Plans (IDPs)? Do you ensure that their IDPs and approved training are linked to the competency gaps for their occupations and your office? How closely aligned are the IDPs to the actual training events? Are the IDPs carried out?*
- *How can OHRM assist you in targeting employee development to meet your performance goals and close competency gaps, (e.g., additional information, one-on-one consulting, learning management system, etc.)?*

### Retention

- *Does your office have high turnover (difficulty in retaining talent)? If so, have you looked at the possible underlying causes? Have you discussed retention problems with OHRM?*

### General

- *What do you consider your top three challenges for the next one to two years? (What keeps you up at night?)*
- *How can OHRM enhance the consulting role with you and help you with strategic human capital management?*

The interviews and ensuing discussions revealed areas from the managers' perspectives that are going well (human capital management successes) and areas that need focus (human capital management challenges). Responses were captured at the office level and were aggregated to provide an agency-wide perspective.

## Human Capital Management Successes

The following areas represent human capital management successes for FHFA.

- *Eight of ten offices expressed that they have a highly satisfactory consulting relationship with OHRM. They are pleased with the support and help they receive from the OHRM staff and indicated that OHRM reaches out to them with a proactive approach to handling human capital needs and requirements. The other two offices did not express sentiment, pro or con, regarding their servicing relationship with OHRM.*
- *Managers fill vacancies strategically and work with OHRM to redesign jobs and identify skills needed to accomplish their mission moving forward.*
- *Managers use innovative methods to advertise and recruit for vacancies and receive adequate numbers of diverse and highly qualified applicants.*
- *Managers understand the 45-Day Hiring Model and its importance – most have made selections within the timeframe of the model.*
- *Nearly all managers indicated that their employees are involved in writing their annual Individual Development Plans.*
- *None of the managers had a noticeable problem with attrition and none of them mentioned frequent turn-over being a problem for them.*

## Human Capital Management Challenges

A number of common human capital management challenges and workforce planning needs were identified by nearly every office and fall into six broad categories.



The challenges are listed in the order of their commonality.

1. **Key Person Dependency.** Every office indicated that they wanted to focus on building adequate bench strength to cover key areas. Managers have employees who are uniquely skilled in key areas and replacing them if they should leave the agency would present a challenge. The risk of these individuals leaving varies from office to office, depending on factors such as retirement eligibility and demand for their skill sets outside the agency. Additionally, managers expressed the need for adequate “back-up” in cases of absence or illness during critical times.
2. **Establishing the New Agency.** Eight of ten offices indicated establishing the new agency and integrating the former FHFB, OFHEO, and HUD Mission Staffs required time and resources. Most of those interviewed believe that the smooth operation of the new agency depends on the successful establishment and management of the following steps:
  - *Finalizing and communicating the organizational structure.*
  - *Understanding how the offices will work together across functions.*
  - *Establishing a common FHFA culture.*
  - *Learning the skill sets of former OFHEO, FHFB, and HUD employees and placing employees based on their skill strengths and agency needs.*
  - *Developing new policies, procedures, and practices to meet HERA legislative requirements.*
3. **Leadership Readiness.** Eight of ten offices indicated that attention to overseeing the 14 GSEs and establishing the new agency had taken precedence over focusing on having a pipeline of skilled and ready talent to shift into leadership roles when needed. When leadership opportunities arose, selecting officials often made leadership choices based on an employee’s longevity or familiarity with the project or program area(s), or they randomly rotated the leadership responsibility. All the managers understood the need to develop employees so that when leadership opportunities arise, there is a trained cadre of internal staff from which to select.
4. **Strategic Training.** Seven of ten offices indicated that they would like to have a strategic approach to identifying employee training needs, selecting training courses, and evaluating the benefits of training on employee and organizational performance and efficiency.
  - *Managers want a more succinct way to identify their office and employee competency gaps.*
  - *Managers would like to be able to have employees take some training online and to access information about training online.*

- *Managers would like a formal, in-house FHFA Examiner's Training Program.*
- *All offices indicated that time, not money, was an obstacle to attending training.*
- *Many managers indicated that they would like a repository of information to access about the quality of training events.*
- *Nearly all managers indicated a desire for training to improve writing skills and to teach FHFA writing styles.*

5. **FHFA Common Culture.** About half of the managers indicated the critical need to establish and promote a common FHFA culture that merges methodologies and practices for regulating the 14 GSEs, as well as human resources programs, systems, and benefits, information technology systems, financial functions, and agency cultures into a new, cohesive agency. Managers felt strongly that employees of FHFA must share a common vision and be united in meeting the agency's mission. They expressed the following ideas as ways to promote a common culture.

- *Communication and training for new employees and current employees on management's expectations for interacting with stakeholders, communicating information, sharing ideas, and interacting within the agency.*
- *Formal agency mission-focused Orientation Program initially for all FHFA employees and subsequently for new hires to the agency.*
- *Standardized templates for all types of agency produced documents, (reports, memorandums, papers, audit/review findings).*
- *Database of employee skill sets and data warehouse of agency information for knowledge sharing across the organization.*
- *Formal rotational opportunities for employees so that they may learn the work of other offices.*

6. **Conservatorship of Fannie Mae and Freddie Mac.** Approximately half of the managers indicated that the new work brought about by the conservatorship of Fannie Mae and Freddie Mac posed the following human capital management challenges:

- *New workload generated across FHFA due to direct and indirect roles with the conservatorships.*
- *Staff shortages in offices that gave up employees to the conservatorship office.*
- *Interrelationship of existing offices' work with the new conservatorship office work.*

Two other challenges were identified that did not have broad commonality among the offices but are mentioned because the managers who raised them were emphatic that the work of their offices is affected by these challenges.

- **Hiring-To-Budget** – One manager indicated the need to hire talented employees without regard to actual vacancies or grade level of vacant positions. For example, in an office with a large number of examiners, the likelihood that a few examiners will leave throughout the course of the year is probable. By hiring talented examiners when they are available, without regard to actual vacancies, the office is assured of a ready supply of skilled employees to fill vacancies when they occur. The office balances the cost of overhiring by realizing salary lapse when positions become vacant. The work is not interrupted by vacancies because trained staff are already on board. Likewise, this manager would like to be able to hire at any grade level despite the grade level of the vacant position as long as the allocated yearly budget for personnel costs is not exceeded. This was described as “hiring-to-budget” rather than “hiring-to-FTE.” In this executive’s opinion, the office’s ability to accomplish high quality work is greatly enhanced by having a ready supply of skilled employees on board to fill gaps when vacancies occur.
- **Employee Skills Database** – One manager felt strongly that their office’s work could not be fully achieved without the use of cross-agency workgroups. Having workgroups to perform projects assigned to the office is critical. This manager felt that the agency needs to identify employee skills and talents and maintain a database with this information. The office could then query the database for particular skills and request that the employee with the desired skill set be assigned to the office’s project.

### **Human Capital Management Challenge Initiatives**

The following initiatives address the challenges raised by the managers across FHFA. These initiatives will be implemented between FY 2009 and FY 2011 and were established based on FHFA’s needs, best practices implemented in other Federal agencies, and OPM recommendations for successful human capital management. A separate Human Capital Action Plan addresses timeframes and responsible parties.



Challenge	OHRM Initiative
<b>1. Key Person Dependency</b>	Assist managers in identifying key person dependency positions and develop a plan for acquiring bench strength for those positions.
	Focus recruitment and staffing on needed skills to ensure bench strength in risk areas.
	Help managers identify cross-training opportunities to build bench strength in risk areas.
<b>2. Establishing FHFA</b>	Finalize and communicate an organizational structure that includes all FHFA employees.
	Establish an FHFA pay system and benefits package.
	Develop and implement human capital policies and programs needed for the new agency.
	Communicate decisions, policies, and programs that affect employees.
<b>3. Leadership Readiness</b>	Establish an FHFA Leadership Development Program to prepare employees for leadership positions.
	Continue to develop existing managers and supervisors through targeted supervisory training.
<b>4. Strategic Training</b>	Establish an FHFA Examiner Training Program.
	Implement an online Learning Management System to deliver mandatory training (e.g., ethics, IT security, etc.) online.
	Provide consultation to managers and employees on IDP development and execution.
	Enhance the competency gap assessment tool/process to provide managers with more specific information about employee training needs.
<b>5. FHFA Common Culture</b>	Conduct Organizational Integration, Change Management, and Stress Management Training across FHFA.
	Implement a comprehensive Orientation Program that introduces employees to FHFA's mission, vision, and core values.
	Administer targeted in-house training on areas of common need such as FHFA writing styles.
	Develop and initiate an FHFA Administrative Assistant (AA) Training Program so that all AAs understand FHFA requirements and can provide backup to any office.
	Establish the Workforce Improvement Committee (WIC) to address employee issues and concerns.
	Convene an FHFA workgroup to assess the benefits of having an automated employee "dashboard" for easy access to HR information, personal documents, and personal employee data. Note – a dashboard is a single portal from which employees may access, with one password, their human resources related documents and functions.
	In coordination with the Director, the Senior Deputy Director, and the Office of Management Planning, plan and host an off-site executive planning and coordination conference.
<b>6. Conservatorship</b>	Consult with Office Directors and with the Director regarding the effect of the conservatorships on their workload, staff, and ability to accomplish performance goals. Provide recommendations for addressing issues on a case-by-case basis.
<b>7. Hiring-To-Budget</b>	Work with the Office of Budget and Financial Management to develop an options paper for the Director on the "Hire-to-Budget" concept.
<b>8. Skill Set Database</b>	Work with the Office of Technology and Information Management to develop a database for capturing and storing employee skill set information for use across the agency.

## FHFA Strategic Human Capital Plan Goals for FY 2009 - 2011

Achievement of the goals outlined in the FHFA HC Plan for FY 2009–2011 will ensure the agency has a diverse, highly skilled workforce to meet its mission, performance goals, and challenges identified by managers. The HC Plan goals specifically address FHFA’s needs and meet Office of Personnel Management regulatory requirements. The goals will be reviewed and updated each year to ensure they remain in alignment with FHFA’s strategic goals and mission.

### Diversity Commitment

FHFA defines “diversity” in broad terms, including but not limited to race, religion, color, gender, national origin, disability, sexual orientation, age, education, geographic origin, and skill characteristics. Having a diverse workforce helps the recruitment and retention of highly skilled employees from the entire civilian workforce and conveys the message that FHFA provides equal opportunities for all. Achieving diversity takes a serious and focused commitment to recruit and hire highly skilled candidates for vacancies and to retain employees that mirror the face of the American public.

The agency’s predecessor, OFHEO, started a tradition of aggressively recruiting applicants from minority job fairs, historically diverse colleges and universities, and through minority trade publications. These efforts, which increased OFHEO’s minority applicant pool in FY 2008 by 67 percent over the FY 2007 baseline, will continue with full support at FHFA. In addition to vigorously recruiting minorities, FHFA will focus on retaining its highly skilled, diverse workforce by continuing generous pay and benefits programs typical of those started by OFHEO and FHFB. Together, these recruitment and retention strategies will allow FHFA to maintain and improve its minority demographics which are currently on par with the Federal workforce.

### FHFA Minority Demographics

FHFA	Federal Government
32% Minorities	33% Minorities



*Office of Federal Housing Enterprise Oversight Summer Intern Class of 2008*

To ensure FHFA establishes from the onset a commitment to diversity, OHRM established Performance Goal 4.1(4), “Maintain a diverse workforce by increasing the number of minority, women, and disabled applicants for open vacancy announcements.” The target for this goal for FY 2009 is to establish a baseline against which future years may be assessed. By establishing a baseline during the first year of operation, FHFA will be able to gauge its success in recruiting and hiring minorities and the disabled. In addition, to ensure that the agency’s recruitment activities are achieving results, OHRM will analyze vacancy data on a quarterly basis to track the number of minority applicants that have applied for and have been referred to selecting officials for consideration. This quarterly tracking and analysis will allow OHRM to make immediate adjustments to outreach efforts as needed to attract minorities, women and the disabled.

Another example of FHFA’s dedication to achieving diversity is the publication of the FHFA Strategic Recruitment and Outreach Plan and accompanying Action Plan within the agency’s first six months of operations. The publication of these plans demonstrates that agency management embraces a culture that values diversity and understands a diverse workforce is essential to establish from the start of a new agency.

## Addressing FHFA Human Capital Needs

The HC Plan goals outlined below specifically address the needs of the agency based on a thorough analysis of:

- *FHFA's Strategic Plan and Performance Plan Measures and Targets.*
- *FHFA's current workforce.*
- *FHFA identified workforce management challenges.*

## Addressing Office of Personnel Management (OPM) Requirements

The FHFA HC Plan goals also address OPM's requirements to ensure human capital programs and practices are effective, efficient, comply with legal, regulatory and agency requirements, and are linked to the mission.

The Chief Human Capital Officer's Act of 2002 (CHCO Act of 2002) established the requirement for human capital accountability. Specifically, the Act states:

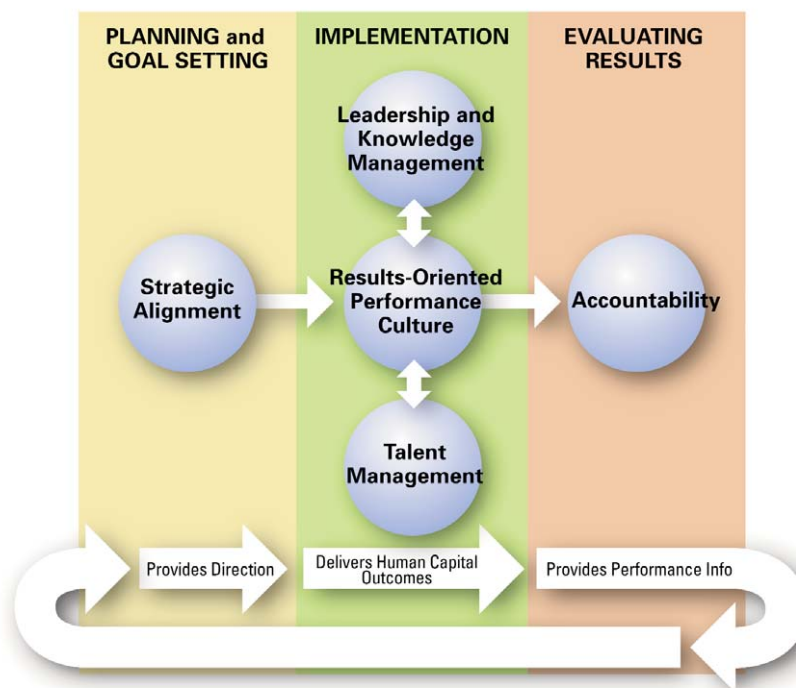
*"The Office of Personnel Management shall design a set of systems, including appropriate metrics, for assessing the management of human capital by Federal agencies. The systems...shall be defined in regulations and include standards for...holding managers and human resources officers accountable for efficient and effective human resources management in support of agency missions in accordance with merit system principles." 5 U.S.C. 1103(c)*

## Human Capital Assessment and Accountability Framework

The OPM Human Capital Assessment and Accountability Framework (HCAAF) meets the requirement established by the CHCO Act of 2002, and is comprised of five systems, each with specific, required metrics that Federal agencies must meet, as follows:

1. **Strategic Alignment:** Requires that FHFA’s human capital management strategies are aligned with mission, goals, and organizational objectives and integrated into our strategic plans, performance plans, and budgets.
2. **Leadership and Knowledge Management:** Requires that FHFA’s leaders and managers effectively manage people, ensure continuity of leadership, sustain a learning environment that drives continuous improvement in performance, and provide a means to share critical knowledge across the organization.
3. **Results-Oriented Performance Culture:** Requires FHFA to have a diverse, results-oriented, high-performing workforce and a performance management system that differentiates between high and low levels of performance and links individual, team, and unit performance to FHFA’s performance and strategic organizational goals.
4. **Talent Management:** Requires FHFA to close skills, knowledge, and competency gaps/deficiencies in mission critical occupations, and make meaningful progress toward closing skills, knowledge, and competency gaps/deficiencies in all occupations.
5. **Accountability:** Requires FHFA to make human capital management decisions based on data that informs the development of the human capital goals and objectives, in conjunction with the agency’s strategic planning and performance budget.

### The Human Capital Assessment and Accountability Framework System Model



## FHFA Strategic Human Capital Plan Goals and Objectives

### Strategic Alignment

While FHFA works to meet the legislative requirements of HERA and the strategic performance goals related to the 14 GSEs and the housing mission, the agency also faces administrative and cultural challenges in merging information technologies and systems, financial and human resources functions, and agency cultures. The employees of FHFA must be united under one vision and mission, starting with the agency strategic plan. To complete the transition from the three former agencies – OFHEO, FHFB, and the HUD Mission Staff – to FHFA will take considerable effort throughout the next year. Important progress has already been made in connecting systems, developing unified policies, and issuing regulations and guidance related to FHFA’s mission, but there is much more to be done. The FHFA HC Plan, linked to the agency strategic plan and performance plan, supports the strategic alignment of human capital policies, programs, and initiatives with the FHFA mission and performance goals, as follows:

1

### **HC PLAN GOAL 1 ■ STRATEGIC ALIGNMENT**

**FHFA’s human capital program and initiatives are integrated with and support FHFA’s mission and strategic performance goals.**

<b>Human Capital Objective 1.1</b> ■ <b>Human Capital Plan.</b>	Implement a Human Capital Plan that supports the FHFA mission and strategic goals.
<b>Human Capital Objective 1.2</b> ■ <b>Organizational Structure.</b>	Finalize and communicate an organizational structure that covers all employees.
<b>Human Capital Objective 1.3</b> ■ <b>Human Capital Policies.</b>	Continue to develop and implement human capital policies and programs needed for the new agency and communicate human capital decisions, policies, and programs that affect employees
<b>Human Capital Objective 1.4</b> ■ <b>Change Management.</b>	Conduct organizational integration, change management, and stress management training across FHFA.
<b>Human Capital Objective 1.5</b> ■ <b>Orientation Program.</b>	Design and implement an FHFA Orientation Program that promotes a unified agency culture, communicates FHFA’s mission and strategic goals, and enhances the on-boarding experience of new hires.

## Leadership and Knowledge Management

OHRM will continue to work across the agency to develop and carry out a plan to narrow technical and leadership competency gaps. During FY 2009 through FY 2011, OHRM will focus on ensuring leadership bench strength and the continuity of critical knowledge. Being one employee deep in mission critical occupations or losing institutional knowledge places FHFA at risk of not meeting its strategic goals. As experienced employees retire or move to other jobs, the initiatives outlined in the FHFA HC Plan will help to ensure a cadre of talented staff ready to step in and continue FHFA's work.

# 2

## HC PLAN GOAL 2 ■ LEADERSHIP AND KNOWLEDGE MANAGEMENT

**FHFA has identified competency gaps for leadership and mission critical occupations, and has initiated steps to ensure leadership bench strength and depth of knowledge in mission critical occupations.**

<b>Human Capital Objective 2.1</b> <b>■ Leadership Development Program.</b>	Develop and implement an FHFA Leadership Development Program to prepare senior staff for leadership roles in the future and to provide a pipeline of internal candidates for FHFA leadership vacancies. Continue to train and develop FHFA's executives and managers to ensure leadership excellence.
<b>Human Capital Objective 2.2</b> <b>■ Examiners Training Program.</b>	Design and administer a comprehensive, in-house Examiners Training Program that trains examiners on FHFA's systems, requirements, and methods for conducting GSE examinations and reporting findings.
<b>Human Capital Objective 2.3</b> <b>■ Workforce Planning.</b>	Assist managers in identifying key person dependency positions and develop a case-by-case plan for ensuring bench strength for those positions. OHRM will assist managers in ensuring plans are implemented and address key person dependency risk.
<b>Human Capital Objective 2.4</b> <b>■ Hiring for Bench Strength.</b>	In consultation with the Office of Budget and Financial Management, begin researching the regulatory and budgetary aspects of the "Hire-To-Budget" concept and prepare an options paper for consideration by the Director.
<b>Human Capital Objective 2.5</b> <b>■ Targeted In-House Training.</b>	Administer targeted in-house training on areas of common need such as FHFA writing styles.
<b>Human Capital Objective 2.6</b> <b>■ Administrative Assistant Training Program.</b>	Develop and initiate an FHFA Administrative Assistant (AA) Training Program so that all AAs understand FHFA requirements and may be rotated as needed throughout the agency.
<b>Human Capital Objective 2.7</b> <b>■ Online Training.</b>	Explore the establishment of a platform for delivering mandatory training (e.g., ethics, IT security, etc.) to employees online.

## Talent Management

The creation of FHFA and the merging of staff and resources from OFHEO, FHFB, and HUD under a new, unified regulator for the 14 housing-related GSEs will continue to be an immense challenge throughout FY 2009. HERA requires the transfer of employees to the new agency and the abolishment of OFHEO and FHFB by July 30, 2009. On October 27, 2008, less than 90 days from HERA’s enactment, the administrative work officially transferring all OFHEO and FHFB employees to the new agency was completed. The FHFA HC Plan establishes goals to ensure that the new agency has the employees on board with the skills needed to accomplish the work moving forward.

# 3

## HC PLAN GOAL 3 ■ TALENT MANAGEMENT

**FHFA is able to attract, hire, develop, reward, and retain a diverse workforce that is skilled, flexible, and performance-oriented to fulfill the mission and performance goals of the agency.**

<p><b>Human Capital Objective 3.1</b>                  ■ Pay and Benefits Systems</p>	<p>Implement an FHFA benefits package and pay structure to attract and retain a high performing workforce.</p>
<p><b>Human Capital Objective 3.2</b>                  ■ Time-to-Hire Standard.</p>	<p>Fill at least 72% of the FHFA vacancies in accordance with OPM’s 45-day time-to-hire standard.</p>
<p><b>Human Capital Objective 3.3</b>                  ■ Human Capital Policies.</p>	<p>Fully implement the OPM Career Patterns initiative for advertising FHFA vacancies.</p>
<p><b>Human Capital Objective 3.4</b>                  ■ End-to-End Hiring.</p>	<p>Establish an agency baseline for the OPM End-to-End Hiring initiative. Track progress against the baseline and identify barriers.</p>
<p><b>Human Capital Objective 3.5</b>                  ■ IDPs to Close Competency Gaps.</p>	<p>Enhance the competency gap assessment process to provide managers with more specific information about employee training needs.</p>

## Results-Oriented Performance Culture

Due to the challenges facing the GSEs and the challenging conditions in the mortgage market, putting programs in place to ensure performance results for FHFA is a critical priority. FHFA, as a new, stronger regulator, will help restore confidence and ensure ongoing liquidity in the mortgage market. The FHFA HC Plan supports the results-oriented performance culture that enables FHFA to meet its mission and strategic performance goals.



**4**

**HC PLAN GOAL 4 ■ RESULTS-ORIENTED PERFORMANCE CULTURE**

**FHFA has a Performance Evaluation Management System that is linked to the mission and strategic performance goals, holds employees and managers accountable for achieving results, and rewards employees for successful performance.**

<p><b>Human Capital Objective 4.1</b>  <b>■ Performance Evaluation Management System.</b></p>	<p>Implement an OPM-approved Performance Evaluation Management System that links to the mission and strategic performance goals, holds employees and managers accountable for achieving results, and rewards employees for successful performance.</p>
<p><b>Human Capital Objective 4.2</b>  <b>■ Management Consultation.</b></p>	<p>Consult with managers regarding the effect of the conservatorships on their workload, staff, and ability to accomplish performance goals. Provide recommendations for addressing issues on a case-by-case basis.</p>
<p><b>Human Capital Objective 4.3</b>  <b>■ Skill Set Database.</b></p>	<p>Explore the implementation of a database to capture and store employee skill set information for use across the agency.</p>

***“I want FHFA  
to be a  
results-oriented,  
performance-driven  
organization.”***

*Senior Deputy Director  
Edward DeMarco at the first  
FHFA All Executive Retreat*

## Accountability

FHFA’s success in achieving its strategic goals depends on the effective and efficient management of resources. FHFA’s management philosophy reflects the government-wide management goals outlined in the HCAAF. The size of the budget in relation to the mission requires FHFA to use limited resources efficiently and ensures that resources are tied directly to the achievement of the mission. FHFA managers use timely information for decision-making that links strategic planning, program performance, budget, and operational strategies while meeting merit system principles and human resources regulatory requirements.

# 5

## HC PLAN GOAL 5 ■ ACCOUNTABILITY

**FHFA has an OPM-approved Human Capital Accountability System that supports a results-oriented performance culture, promotes employee morale, and ensures merit system principles are followed.**

<p><b>Human Capital Objective 5.1</b>                  ■ <b>Human Capital Accountability System.</b></p>	<p>Establish a Human Capital Accountability System for the new agency that measures effectiveness and efficiency, adherence to merit system principles, and compliance with regulations.</p>
<p><b>Human Capital Objective 5.2</b>                  ■ <b>Workforce Improvement Committee.</b></p>	<p>Establish the Workforce Improvement Committee to address employee issues and concerns, and promote high morale.</p>
<p><b>Human Capital Objective 5.3</b>                  ■ <b>Employee Dashboard.</b></p>	<p>Convene an FHFA workgroup to assess the benefits of having an automated employee “dashboard” for easy access to HR information, personal documents (e.g., Position Descriptions, Individual Development Plans, Job Performance Plans, etc.), and personal employee data (Earnings and Leave information, Voluntary Payroll Contributions, etc.).</p>

The FHFA HC Action Plan identifies the timeframes for completion of the goals and the responsible parties. The goals will be reviewed and updated annually to ensure they are aligned with the agency’s strategic goals and mission. As required by OPM, FHFA will report on the achievement of human capital goals annually, by December 15, in the Human Capital Management Report.

## Summary

FHFA's workforce is its most valuable resource. Attracting, hiring, developing, rewarding, and retaining a diverse staff with cutting-edge professional skills and a breadth and depth of knowledge to support FHFA's mission and strategic performance goals is critical to the success of the agency. The HC Plan outlines goals and initiatives to be implemented over the course of the next two years (FY 2009 through FY 2011). The HC Plan is updated annually, as needed. Together, the FHFA Strategic Plan, Annual Performance Plan, and HC Plan provide the structure and direction needed to achieve FHFA's important mission.

***“By working together and having a plan for managing our most valuable resource, our employees, FHFA will accomplish its mission and build a stronger and safer future for the mortgage markets, homeowners and renters throughout America.”***

*FHFA Director  
James B. Lockhart III*

# Appendix A

## FHFA Workforce and Succession Management Plan

### Background

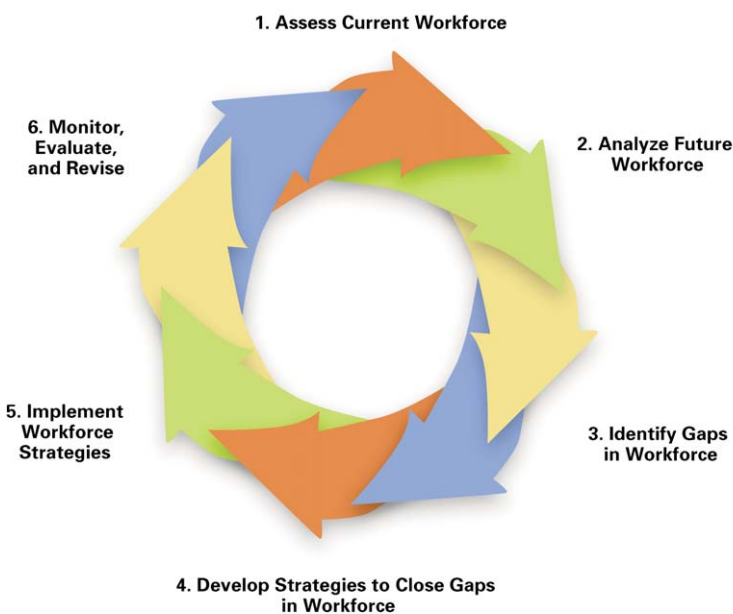
The FHFA Workforce and Succession Management Plan is a subcomponent of the FHFA Strategic Human Capital Plan. Together the plans establish the targets and initiatives for ensuring the agency has the right people, with the right skills on board at the right time to accomplish agency strategic performance goals.

The Workforce and Succession Management Plan provides an analysis of FHFA’s current workforce and specifically addresses the steps to be taken to ensure FHFA has talented employees to accomplish the work of the agency and a ready pipeline of employees to assume leadership roles.

During human capital planning interviews with FHFA managers, all offices indicated vulnerability related to key person dependency. Eight of ten offices indicated that they were weak in the area of leadership readiness. Seven of ten offices identified a need to more strategically identify employee training and development needs.

Workforce planning is the systematic process of analyzing and forecasting the talent FHFA needs to execute its mission and performance goals, proactively rather than reactively. Workforce planning is owned by all managers with OHRM staff providing guidance and advice on how to leverage human resources flexibilities and regulations to address needs. The workforce planning process is a loop, where the plan is continuously measured, assessed, and adjusted when necessary.

### Workforce Planning Model



In addition to workforce planning, agencies are required by Public Law 108-411 dated October 30, 2004, to perform leadership succession management planning.

**Public Law 108-411: “In consultation with the Office of Personnel Management, the head of each agency shall establish a comprehensive management succession program to provide training to employees to develop managers for the agency.”**

FHFA’s Workforce and Succession Management Plan is a cyclical six-step program completed annually and repeated each year. The program ensures that FHFA is meeting regulatory requirements, has talented employees needed to accomplish the mission, and is establishing a cadre of potential leaders.

## **FHFA Workforce and Succession Management Program**

### **1. Assess Current Workforce**

Each year FHFA performs an analysis of the workforce as of September 30. The analysis includes a review of demographic employee data against previous years’ data and the Federal government as a whole. It also includes a review of retirement eligibility and trends, attrition trends, and occupational competency gaps.

### **2. Analyze Workforce Needed for the Future**

Each year FHFA updates the analysis of the workforce needed to accomplish the agency’s mission and performance goals for the coming year. Specifically, OHRM will:

- *Analyze FHFA’s results in achieving the previous year’s performance goals and objectives to determine areas that may need attention going forward.*
- *Reaffirm FHFA’s Mission Critical Occupations (MCOs).*
- *Reaffirm MCO and leadership competencies needed to meet the mission and agency performance goals.*
- *Review the FHFA Performance Plan and performance goals and objectives for the upcoming year.*
- *Interview managers to determine workforce requirements to achieve the goals and objectives.*

### **3. Identify Gaps in Workforce**

Based on the analysis of the current workforce (step 1) against that needed for the future (step 2), OHRM identifies workforce gaps. Specifically the gap analysis includes the following:

- *Administration of the annual competency gap surveys for mission critical occupations.*

- *Administration of the Federal Competency Assessment Tool-Management survey for leadership positions.*
- *Comparison of the data from these surveys with the previously administered survey gap data to determine the status of closure in competency gaps.*

#### **4. Develop Strategies to Close Gaps in Workforce**

Based on the identification of workforce gaps, OHRM establishes the FHFA Strategic Human Capital Plan and human capital objectives that outline initiatives to attract, hire, develop, reward, and retain the workforce needed to meet FHFA's mission and performance goals.

#### **5. Implement Workforce Strategies**

Each year OHRM implements the initiatives outlined in the FHFA Strategic Human Capital Plan. The human capital goals and objectives define the specific strategies employed to meet workforce planning requirements.

#### **6. Monitor, Evaluate, and Revise**

By December 15 each year, OHRM submits to OPM the Human Capital Management Report that provides a full account of the success of the implementation of the Strategic Human Capital Plan. OHRM reports on the accomplishment of human capital goals against closing workforce competency gaps, conducting leadership development training, and accomplishing Strategic Human Capital Plan objectives.

The cycle repeats with an understanding of progress from the previous year and the new goals defining the direction of human capital goals for the coming year.

### **Current Workforce**

Within the Workforce and Succession Management Plan, employee data from the former FHFH and OFHEO was combined to provide a snapshot of FHFA's current staff.<sup>2</sup> Because the HUD staff did not transfer to FHFA until January 5, 2009, those 14 staff were not included in this data.

<sup>2</sup> Employee data provided by the National Finance Center as of September 30, 2008, unless otherwise noted.

FHFA in many ways is in a better position to attract, hire, and retain talented employees than other Federal agencies. With the enactment of the Housing and Economic Recovery Act of 2008 (HERA), Congress provided FHFA with these key human resources flexibilities:

- *Exemption from Title 5 for pay and compensation.*
- *Direct hire authority for positions that directly support the agency's mission.*
- *Funding from outside the Federal budget appropriations process.*

These flexibilities allow FHFA to provide generous pay and benefits packages to employees, to hire employees quickly from pools of highly qualified candidates, and to allow sufficient funding for training and development, awards and recognition, and the technology and tools employees need to accomplish their work. In the past, FHFB and OFHEO competed for talent against each other and the other Federal regulatory agencies, private sector financial institutions, and with the GSEs. FHFA will still compete with the GSEs and other financial institutions and regulators for talented employees, however, at present, the economy and market conditions have generated a higher than normal number of qualified candidates for FHFA's vacancies.

The following chart provides a quick comparison of FHFA demographics with those of the Federal Executive Branch.<sup>3</sup>

### Employee Demographics Overview

The following employee demographics provide a detailed view of the FHFA workforce.<sup>4</sup>

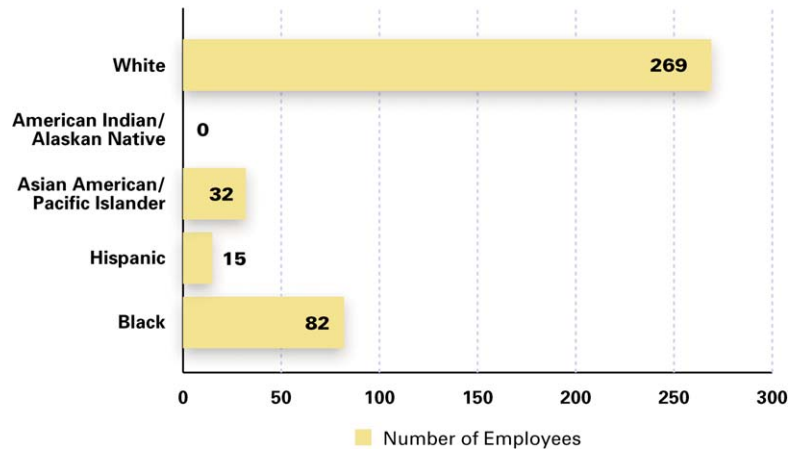
#### Employee Demographics Overview

Demographic	FHFA	Federal Government
<b>Gender</b>	56% Males	55.7% Males
<b>Age</b>	46 years old	47 years old
<b>Race/National Origin</b>	32.5% Minorities	32.9% Minorities
<b>Handicap Status</b>	5.8% Handicap	6.1% Handicap
<b>Education level</b>	80.9% Bachelor's Degree or Higher	44.4% Bachelor's Degree or Higher
<b>Length of Federal Service</b>	14.6 years	14.3 years
<b>Grade Level</b>	13.81 (Average)	10.3 (Average)
<b>Supervisory Status</b>	21.6% Managers/Supervisors	13.3% Managers/Supervisors
<b>Retirement Eligibility</b>	9.3%	2.4%

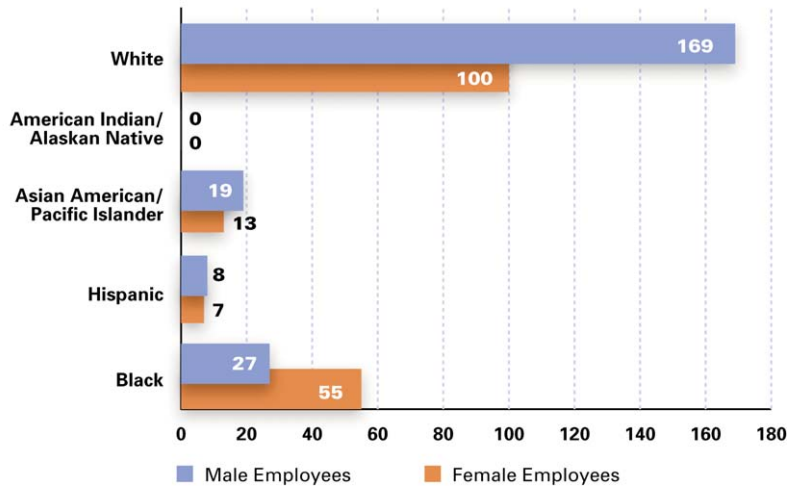
<sup>3</sup> Federal Executive Branch employee data provided by the Office of Personnel Management as of June 30, 2008.

<sup>4</sup> FHFA employee data as of September 30, 2008.

**FHFA's Population, by Ethnicity Category and Number of Employees.**



**FHFA's Population, by Ethnicity Category and Gender.**



Within FHFA, 5.8 percent of employees have a self-identified disability.



FHFA has a highly educated workforce with 81 percent of the staff holding at least a Bachelor’s Degree and 42 percent holding at least one advanced degree. In comparison, the Federal workforce as a whole has approximately 44 percent of the workforce holding a Bachelor’s Degree or higher.

**FHFA’s Educational Level Profile**

	Total	% of Population	High School/ GED	Assoc. Degree	Bachelor s Degree	Masters Degree	Doctorate Degree
<b>Total</b>	398	100.0%	51	25	154	128	40
<b>% of Population</b>	100.0%	–	12.8%	6.3%	38.7%	32.2%	10.1%

**Attrition Analysis**

**Retirement Data**

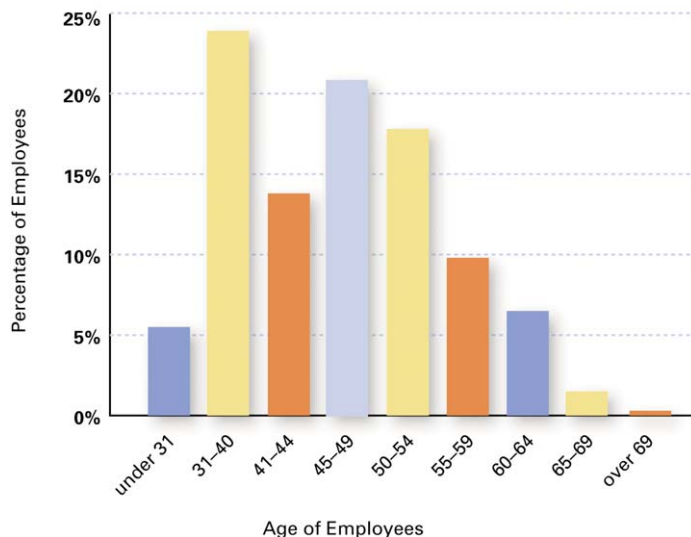
Like all Federal agencies, FHFA has an aging workforce but not one that is outside the Federal government average.

**FHFA Average Age**

	FHFA	Federal Government
<b>Average Age</b>	46	47

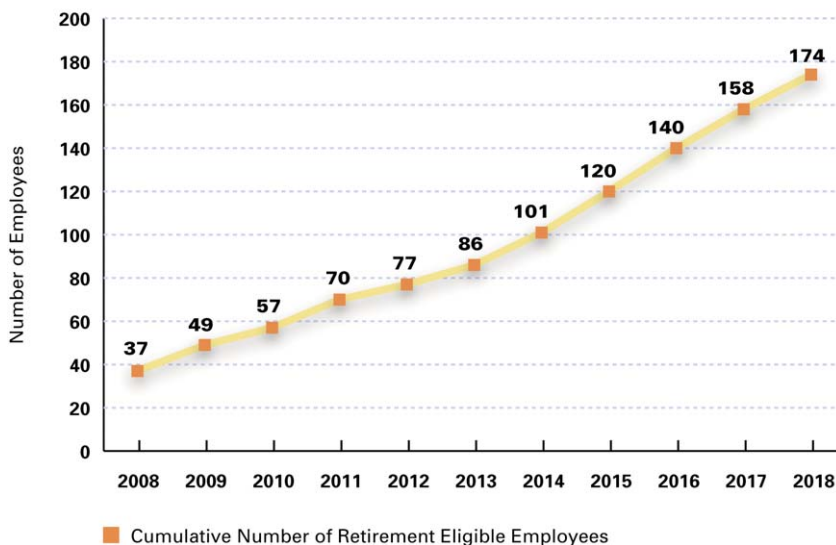
FHFA’s age profile demonstrates that employees of the agency fall within a wide range of ages.

**FHFA Age Profile**



This chart demonstrates the cumulative number of employees eligible to retire between 2008 and 2018. The number for each year assumes that no one retired in the previous years.

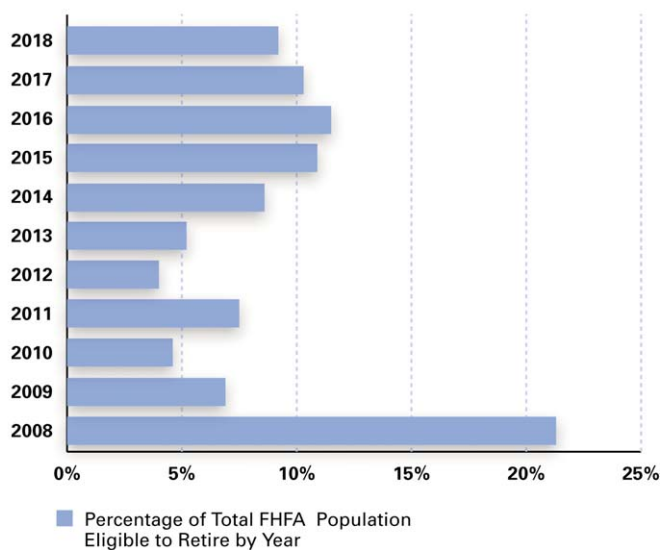
### FHFA Cumulative Retirement Statistics



The Office of Personnel Management estimates that employees average four years of service beyond their retirement eligibility date.

This chart reflects for each individual year the percentage of the total FHFA workforce that is eligible to retire. The yearly figures in this chart are not cumulative.

### FHFA Retirement Profile



More meaningful than general retirement statistics for FHFA is the office-by-office identification of employees who are eligible and likely to retire. During human capital planning interviews with each of FHFA's executives and their subordinate managers, retirement data was provided by OHRM. Several offices expressed concern about losing employees due to retirement and will receive one-on-one consulting support from OHRM on minimizing the impact to work due to retirements.

### Vacancy Rates

The number of positions that become vacant and the duration of the vacancies pose challenges to accomplishing work and meeting performance goals. It is important that agencies understand their vacancy rates and identify areas (occupations or offices) with high turnover. Where high turnover occurs, underlying causes and a plan for addressing the situation must be identified. Because FHFA does not have historical employee data to perform an attrition trend analysis, data from FHFB and OFHEO is provided. While it is unknown if either of these former agencies is an indication of FHFA's vacancy trend for the future, they provide the best estimate available.

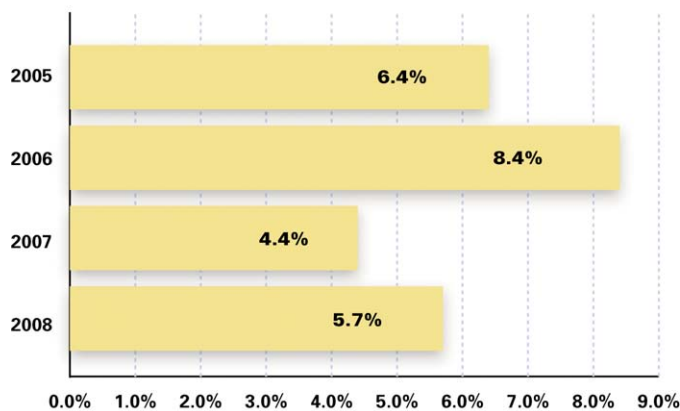
It is worth noting that during human capital planning interviews, none of the managers indicated that they had high turnover within their offices.

This chart reflects OFHEO's Vacancy rates for 2005–2008. The vacancy rate is the number of separations during the fiscal year compared with the number of total positions authorized for the agency.

#### OFHEO 2005–2008 Vacancy Data

Year	Authorized FTE	# of Separations	Turnover Rate
2005	250	16	6.4%
2006	251	21	8.4%
2007	270	12	4.4%
2008	280	16	5.7%

#### OFHEO Vacancy Rate



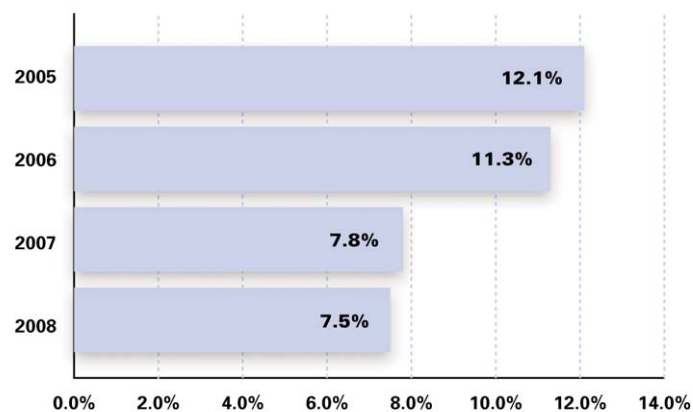
Figures do not include Student Intern positions.

This chart reflects FHFB's vacancy rates for 2005 to 2008. The vacancy rate is the number of separations during the fiscal year compared with the number of total positions authorized for the agency.

#### FHFB 2005–2008 Vacancy Data

Year	Authorized FTE	# of Separations	Turnover Rate
2005	132	16	12.1%
2006	151	17	11.3%
2007	141	11	7.8%
2008	147	11	7.5%

#### FHFB Vacancy Rate



Figures do not include Student Intern positions.

### Workforce Needed For the Future

Employees in every occupation and at every grade level are essential to accomplishing the work of the agency and meeting FHFA's mission. Certain occupations are considered mission critical because without these occupations the work of the agency cannot be accomplished. However, in no way should other occupations within the agency be overlooked, particularly the occupations that provide support to the agency.

The following occupations constitute FHFA's Mission Critical Occupations (MCOs).

- Accountant
- Attorney
- Economist
- Examiner
- Financial Analyst
- Information Technology
- All Leadership Positions

## Competency Gaps

### FHFA's MCO Competencies

In November 2008, OHRM completed an assessment of technical competencies for FHFA's MCOs.<sup>5</sup> The assessment identified gaps in technical competencies critical to the accomplishment of FHFA's mission. A web-based survey tool gathered data on employee self-reported current competency proficiency levels as well as managers' desired competency proficiency levels. The five greatest gaps (including numerical ties) between desired level of proficiency and self-assessed level of proficiency are identified as competency gaps. Listed are the competencies for each MCO. Those that registered gaps through the survey process are shown in red italic type.

### MCO Competencies and Competency Gaps

ACCOUNTANT		
Accounting	Quantitative Analysis Research (Accountant)	Flexibility
Accounting Analysis		<i>Inductive Reasoning</i>
<i>Allowance for Loan Loss</i>	<i>Risk Analysis</i>	Influencing/Negotiating
<i>Amortization Accounting</i>	<i>Securitization and Consolidation Accounting</i>	Initiative
Auditing	Accountability	Objectivity
<i>Derivatives and Hedge Accounting</i>	Active Listening	Organizational Awareness
<i>Fair Value Accounting</i>	Analytic Writing (Accountant)	Partnering
Financial Analysis (Accountant)	Briefing and Presentation	Persistence
<i>Income Recognition</i>	Communication	Problem Sensitivity
<i>Industry Knowledge</i>	Continual Learning	Project Management
Internal Controls	Decisiveness	Resilience
	Deductive Reasoning	Sharing Information and Knowledge
	Facilitation	Team Building
ATTORNEY		
Active Listening (Attorney)	<i>Legal Knowledge</i>	Flexibility Inductive Reasoning
<i>Advising Others</i>	Legal Writing	
Analyzing Facts or Information	Research (Attorney)	Influencing/Negotiating
Attention to Detail	Written and Oral Advocacy	Initiative
<i>Ethics/Professional Responsibility</i>	Briefing and Presentation	<i>Organizational Awareness</i>
Fact Finding	Continual Learning	Problem Sensitivity
Global Thinking	Decisiveness	Project Management
Industry Knowledge	Deductive Reasoning	Resilience
	Developing Others	Sharing Information and Knowledge

<sup>5</sup> The assessment was limited to the former OFHEO employees in Mission Critical Occupations.

### MCO Competencies and Competency Gaps, (continued)

ECONOMIST		
Computer Programming	Modeling Mortgage Finance	Inductive Reasoning
Data Management (Economist)	<i>Policy Analysis</i>	Influencing/Negotiating
Econometrics	Analytic Writing (Economist)	Initiative
Economic Innovation	Briefing and Presentation	Objectivity
<i>Economic Research</i>	Continual Learning	Organizational Awareness
<i>Economics</i>	Creativity and Innovation	<i>Partnering</i>
Entrepreneurship	Customer Service	Persistence
Financial Analysis (Economics)	Decisiveness	Problem Sensitivity
Financial Literacy (Economics)	Deductive Reasoning	<i>Project Management</i>
Mathematical Reasoning	Developing Others	Resilience
	External Awareness	Sharing Information and Knowledge
	Facilitation	Team Building
	Flexibility	

EXAMINER		
Accounting (Examiner)	Model Risk	Inductive Reasoning
<i>Analytic Writing (Examiners)</i>	Operational Risk	<i>Influencing/Negotiating</i>
Analyzing Data or Information	Processing Information	Initiative
<i>Credit Risk</i>	Professional Critique	<i>Objectivity</i>
Economics	Research (Examiner)	Multi-tasking
<i>Examining</i>	Achievement and Effort	Organizational Awareness
<i>Financial Analysis (Examiner)</i>	Active Listening	Partnering
<i>Getting Information and Asking Questions</i>	Briefing and Presentation	Persistence
Governance Risk	Continual Learning	Problem Sensitivity
Industry Knowledge	Decisiveness	Project Management
Information Technology	Deductive Reasoning	Resilience
Market Risk	Facilitation	Sharing Information and Knowledge
	Flexibility	Team Building

FINANCIAL ANALYST		
Data Analysis (Financial Analyst)	Mathematical Reasoning	Influencing/Negotiating
Economics	Achievement and Effort	Initiative
<i>Financial Analysis (Financial Analyst)</i>	<i>Active Listening</i>	<i>Objectivity</i>
Financial Modeling	Analytic Writing (Financial Analyst)	Organizational Awareness
<i>Financial Statement Analysis</i>	Briefing and Presentation	Organizing, Planning, and Prioritizing Work
<i>Getting Information and Asking Questions</i>	<i>Continual Learning</i>	Partnering
Industry Knowledge	Decisiveness	Persistence
Interacting with Computers	Facilitation	Problem Sensitivity
	Flexibility	Project Management
	Inductive Reasoning	Resilience

## MCO Competencies and Competency Gaps, (continued)

INFORMATION TECHNOLOGY		
<i>Business Process Reengineering</i>	<i>Infrastructure Design</i>	Facilitation
<i>Capacity Management</i>	Maintaining Information Systems	Flexibility Inductive Reasoning
Configuration Management	<i>Modeling and Simulation</i>	Influencing/Negotiating
Data Management	Quality Assurance	Initiative
Database Administration	Software Engineering	<i>Organizational Awareness</i>
Developing Information Systems	Systems Analysis Architecture	<i>Partnering</i>
<i>Econometric Analysis</i>	Troubleshooting	Persistence
<i>Econometric Engineering</i>	<i>Active Listening</i>	Problem Sensitivity
Information Assurance	Briefing and Presentation	Project Management
<i>Information Systems/Network Security</i>	Continual Learning	Resilience
Information Technology Architecture	Decisiveness	Sharing Information and Knowledge
	Deductive Reasoning	Written Communication

## FHFA's Leadership Competencies

Succession management is the term used by OPM to describe the activities required by Federal agencies to identify leadership competencies and establish the objectives and strategies to ensure there is a continuous pipeline of available leadership within the agency.<sup>6</sup>

FHFA utilized OPM's Federal Competency Assessment Tool–Management (FCAT-M) to measure gaps in leadership competencies.<sup>7</sup> The FCAT-M is a web-based survey administered by OPM. The five greatest gaps (including numerical ties) between desired level of proficiency and self-assessed level of proficiency are identified as competency gaps. Listed are the leadership competencies. Those that registered gaps through the survey process are shown in red italic type.

## FHFA FCAT–M Leadership Competencies and Gaps

LEADERSHIP		
Creativity & Innovation	<i>Entrepreneurship</i>	Public Service Motivation
External Awareness	Problem Solving	Understanding Performance
Flexibility	Technical Credibility	<i>Management Processes &amp; Practices</i>
<i>Resilience</i>	Financial Management	Goal Setting
<i>Strategic Thinking</i>	Human Capital Management	<i>Performance Coaching &amp; Feedback</i>
<i>Vision</i>	Technology Management	<i>Facilitating Performance</i>
<i>Conflict Management</i>	<i>Partnering</i>	Differentiating Performance
Leveraging Diversity	<i>Political Savvy</i>	<i>Building Performance Culture</i>
<i>Developing Others</i>	Interpersonal Skills	Influencing/Negotiating
Team Building	<i>Oral Communication</i>	
Accountability	Integrity/Honesty	
Customer Service	Written Communication	
Decisiveness	<i>Continual Learning</i>	

<sup>6</sup> OPM Website – HCAAF Resource Center, [http://www.opm.gov/hcaaf\\_resource\\_center/4-3.asp](http://www.opm.gov/hcaaf_resource_center/4-3.asp).

<sup>7</sup> The FCAT-M was administered to both former agency's employees, OFHEO and FHFB.

## Leadership Gaps

The leadership competencies above will be targeted through training and staffing and recruitment. FHFA will continue to monitor closely the status of these competencies and incorporate them into leadership development courses and technical training sponsored by FHFA.

Occupations that are one employee deep in key leadership positions will also be targeted for building bench strength and preparing a cadre of trained staff to ensure a smooth transition when the positions are vacated.

## FHFA Supervisor to Employee Ratio

To further understand the critical role of leadership within FHFA, following is an office-by-office analysis of the supervisor-to-employee ratio.<sup>8</sup> Using the overall FHFA authorized position count of 450, the agency supervisor-to-employee ratio is 1 to 4.17. These figures may change as FHFA's organizational structure is finalized and fully implemented.

### Office Supervisor to Employee Ratios

Office	Authorized Positions	Managers & Supervisors	Staff	Ratio
Office of the Director	2	1	1	1:1
Senior Deputy Director /COO	3	1	2	1:2
Office of Inspector General	10	4	6	1:1.5
Office of the Senior Deputy Director for Housing Mission and Goals	14	3	11	1:3.7
Office of the Chief Accountant	24	5	19	1:3.8
Office of Conservatorship Operations	6	2	4	1:2
Office of General Counsel	36	9	27	1:3
Office of External Relations	6	2	4	1:2
Office of Technology and Information Management	38	5	33	1:6.6
Office of the Chief Economist	14	2	12	1:6
Office of Strategic Planning/PIO	8	4	4	1:1
Office of the Deputy Director for FHLB Regulations	103	15	88	1:5.9
Office of the Deputy Director for Enterprise Regulation	131	24	107	1:4.5
Office of the Chief Administrative Officer	19	3	16	1:5.3
Office of the Chief Financial Officer	18	5	13	1:2.6
Office of Human Capital Management	19	5	14	1:2.8

Data as of January 8, 2009.

<sup>8</sup> Offices reflect FHFA's organizational structure as of January 8, 2009.



## Strategies to Close Gaps

The HC Plan outlines a number of human capital objectives and initiatives that will close previously identified gaps. FHFA will align employees within the organization to maximize current skills, develop employees based on needed competencies, fill vacancies strategically with applicants that have the required skill sets, and work to retain employees that have needed competencies. The following are the HC Plan objectives that will help FHFA close existing gaps and minimize new gaps.

### **Human Capital Objective 1.2 ■ Organizational Structure.**

Finalize and communicate an organizational structure that covers all employees.

### **Human Capital Objective 1.5 ■ Orientation Program.**

Design and implement an FHFA Orientation Program that promotes a unified agency culture, communicates FHFA's mission and strategic goals, and enhances the on-boarding experience of new hires.

### **Human Capital Objective 2.1 ■ Leadership Development Program.**

Develop and implement an FHFA Leadership Development Program to prepare senior staff (Grade 14 and 15 equivalent) for leadership roles in the future and to provide a pipeline of internal candidates for FHFA leadership vacancies.

Continue to train and develop FHFA's executives and managers to ensure leadership excellence.

### **Human Capital Objective 2.2 ■ Examiners Training Program.**

Design and administer a comprehensive Examiners Training Program that trains examiners on FHFA's systems, requirements, and methods for conducting and reporting GSE examinations.

### **Human Capital Objective 2.3 ■ Workforce Planning.**

Assist managers in identifying key person dependency positions and develop a case-by-case plan for ensuring bench strength for those positions. OHRM will assist managers in ensuring plans are implemented and address key person dependency risk.

### **Human Capital Objective 2.4 ■ Hiring for Bench Strength.**

Research the regulatory and budgetary aspects of the "Hire-To-Budget" concept and prepare an options paper for consideration by the Director.

### **Human Capital Objective 2.5 ■ Targeted In-House Training.**

Administer targeted in-house training on areas of common need such as FHFA writing styles.

### **Human Capital Objective 2.6 ■ Administrative Assistant Training Program.**

Develop and initiate an FHFA Administrative Assistant (AA) Training Program so that all AAs understand FHFA requirements and may be rotated as needed throughout the agency.

**Human Capital Objective 2.7 ■ Online Training.**

Explore the establishment of a platform for delivering mandatory training (e.g., ethics, IT security, etc.) to employees online.

**Human Capital Objective 3.1 ■ Pay and Benefits Systems.**

Implement an FHFA benefits package and pay structure to attract and retain a high performing workforce.

**Human Capital Objective 3.2 ■ Time-to-Hire Standard.**

Fill at least 72 percent of FHFA vacancies in accordance with OPM's 45-day time-to-hire standard.

**Human Capital Objective 3.3 ■ Career Patterns.**

Fully implement the OPM Career Patterns initiative for advertising FHFA vacancies.

**Human Capital Objective 3.4 ■ End-to-End Hiring.**

Establish an agency baseline for the OPM End-to-End Hiring initiative. Track progress against the baseline and identify barriers.

**Human Capital Objective 3.5 ■ IDPs to Close Competency Gaps.**

Enhance the competency gap assessment process to provide managers with more specific information about employee training needs.

**Human Capital Objective 4.3 ■ Skill Set Database.**

Explore the development and implementation of a database to capture and store employee skill set information for use across the agency.

**Human Capital Objective 5.2 ■ Workforce Improvement Committee.**

Establish the Workforce Improvement Committee to address employee issues and concerns, and promote high morale.

FHFA's HC Plan covers a two-year period from FY 2009 to 2011 and objectives will be fully implemented by September 30, 2011. The FHFA Human Capital Management Report for FY 2009 will document the evaluation of the agency's first year under the HC Plan. Progress will be monitored and evaluated on the accomplishment of key milestones and HC objectives throughout the year.

## **Conclusion**

The FHFA HC Plan is the agency's overarching roadmap that links human capital management to the agency's mission and strategic goals. The FHFA Workforce and Succession Management Plan provides an analysis of FHFA's current workforce and specifically addresses the steps to be taken to ensure FHFA has talented employees to accomplish the work of the agency and a ready pipeline of employees to assume leadership roles. The Workforce and Succession Management Plan is updated annually and the two-year HC Plan is amended to include current workforce planning data.





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