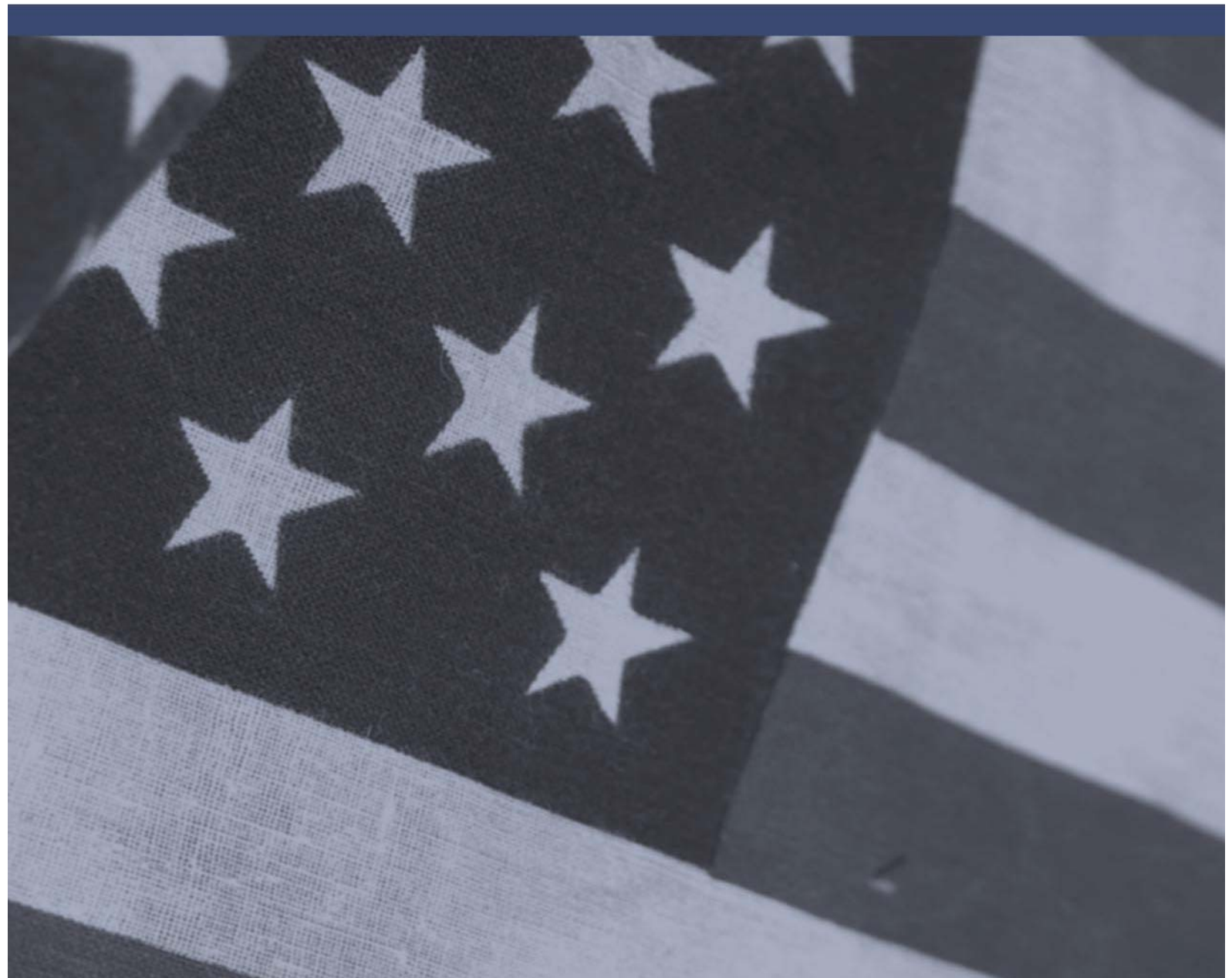


SECTION V

Talent Management System



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THE TALENT MANAGEMENT SYSTEM

This section contains information specific to the Talent Management system, which focuses on agencies having quality people with the appropriate competencies in mission-critical activities.

“Given the interest in and the importance of the work of Government, we owe it to the American people to have hiring systems in place to ensure we have the right people on board doing the vital work of the Government.”

OPM News Release, March 15, 2004

Definition

A system that addresses competency gaps, particularly in mission-critical occupations, by implementing and maintaining programs to attract, acquire, develop, promote, and retain quality talent.

Standard

The agency has closed skills, knowledge, and competency gaps/deficiencies in mission-critical occupations, and has made meaningful progress toward closing skills, knowledge, and competency gaps/deficiencies in all occupations used in the agency.

Critical Success Factors

The Talent Management system is comprised of two critical success factors that work together to ensure agencies have people with the right skills, in the right places, at the right times. Addressing the critical success factors helps eliminate gaps and deficiencies in the skills, knowledge, and competencies of employees of mission-critical occupations in the current and future workforce. The two success factors usually work together.

- ***Recruitment:*** The workforce plan drives the aggressive and strategic recruitment of diverse and qualified candidates for the agency's workforce.
- ***Retention:*** Leaders, managers, and supervisors create and sustain effective working relationships with employees. The workplace is characterized by:
 - A motivated and skilled workforce
 - Attractive and flexible working arrangements
 - Compensation packages and other programs used to hire and retain employees who possess mission-critical skills, knowledge, and competencies.

Applicable Merit System Principles

The following merit system principles are especially relevant to the Talent Management system (5 U.S.C. 2301):

- Recruitment should be from qualified individuals from appropriate sources in an endeavor to achieve a work force from all segments of society, and selection and advancement should be determined solely on the basis of relative ability, knowledge and skills, after fair and open competition which assures that all receive equal opportunity. (5 U.S.C. 2301(b)(1))
- All employees and applicants for employment should receive fair and equitable treatment in all aspects of personnel management without regard to political affiliation, race, color, religion, national origin, sex, marital status, age, or handicapping condition, and with proper regard for their privacy and constitutional rights. (5 U.S.C. 2301(b)(2))

Required Outcome Metrics

The following are required outcome metrics for the Talent Management system.

Required Metric	Description	Purpose
Organization Metric: Competency Gaps Closed for Mission-Critical Occupations	Difference between competencies needed and competencies possessed by employees in mission-critical occupations	To determine how the agency should target its recruitment, retention, and development efforts to bring the competencies of its workforce into alignment with the agency's current and future needs
Employee Perspective Metric: Questions from Annual Employee Survey about Organizational Capacity	Items from Annual Employee Survey	To determine the extent to which employees think the organization has talent necessary to achieve organizational goals
Employee Perspective Metric: Questions from Annual Employee Survey about Employee Satisfaction	Items from Annual Employee Survey	To determine the extent to which employees are satisfied with their jobs and various aspects thereof
Merit System Compliance Metric: Merit-Based Execution of the Talent Management System	An assessment of compliance with merit system principles and related laws, rules, and regulations governing the Talent Management system	To determine decisions, policies, processes, and practices executed under the Talent Management system comply with the merit system principles and related laws, rules, and regulations

Suggested Metrics

In addition to the required outcome metrics, the following metrics associated with the Talent Management system are suggested.

Suggested Metric	Description	Purpose
Turnover of Employees in Mission-Critical Occupations	Percent of turnover	To track turnover of Federal employees in mission-critical occupations by reason for leaving
Turnover of Employees in Mission-Critical Occupations during Probationary Period	Percent of turnover among those serving in their probationary period	To determine how many new Federal employees in mission-critical occupations leave Federal service during their probationary period of employment and to determine whether their exit was voluntary or involuntary
Time To Hire	Average time from date vacancy closes to date offer is extended (expressed in working days)	To determine the efficiency of a critical phase of the Federal hiring process
Management Satisfaction with the Hiring Process	Management responses to items from Annual Employee Survey	To determine if hiring managers believe the recruitment and selection process achieves recruitment and retention goals
Applicant Satisfaction with the Hiring Process	A questionnaire published on OPM's USAJobs Web site	To determine if applicants have a favorable impression of the recruitment and selection process

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RESULTS:
RECRUITMENT

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

Effectiveness Results

- Workforce competency gaps are closed through the use of effective recruitment and retention strategies, creating a workforce capable of excellent performance in the service of the American people.
- Senior leaders and managers are involved in strategic recruitment and retention initiatives, which ensures the necessary organizational focus and resources are allocated to achieve recruitment and retention goals.
- Recruitment strategies are appropriately aggressive and multi-faceted to ensure a sufficient flow of quality applicants to meet staffing needs identified in the workforce plan, positioning the agency for successful program accomplishment.
- Flexible compensation strategies are used as needed to attract and retain quality employees who possess mission-critical competencies.
- Quality of work/life programs are provided and obstacles to recruitment and retention of a quality workforce have been addressed, positioning the agency to be successful in acquiring and retaining the talent needed for program goals and objectives.

Compliance Result

- Recruitment, hiring, and merit promotion processes adhere to the merit system principles in 5 U.S.C. 2301 and follow other pertinent legal and regulatory guidance (including but not limited to 5 U.S.C. 3101, 3102, 3301, 3302, 3308-3318, 3319, 3502, 3503; as well as 5 CFR 315, 316, 317, 330, 332, 335, 337, 338, 550; and other congressionally-mandated enabling legislation).

The Recruitment and Retention systems work together to produce many of these results.

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

RELATED TOOLS

The following tools support Recruitment. Refer to Appendix A for tools.

Tool	Appendix A Page Number
Incentives and Employee Recognition	129
Federal Hiring Flexibilities Resource Center	133
Federal Hiring Process Models: Improving Speed in Federal Hiring	137
10 Hiring Fixes – Ten Things <u>You</u> Can Do To Improve Federal Hiring	143
Other Strategies To Meet Hiring Requirements	145

RECRUITMENT	
KEY ELEMENTS	SUGGESTED PERFORMANCE INDICATORS
<p><i>The agency has a recruitment system that:</i></p> <ul style="list-style-type: none"> • Identifies the challenges involved in attracting a high-quality workforce • Establishes competency gap reduction goals and develops action plans to address current and future competency gaps • Uses appropriate hiring flexibilities and tools • Attracts and hires applicants who possess needed mission-critical competencies 	<p style="text-align: center;"><u>Effectiveness Indicators</u></p> <ul style="list-style-type: none"> • The goals of recruiting for mission-critical occupations and competency gap reduction are established and documented in the agency's strategic planning (or strategic human capital planning) process and tracked through the agency's accountability system. • Recruitment strategies are created to maintain mission-critical competencies at the desired level using business forecasting and workforce analysis results. • Statistical data are analyzed related to the relative success of various types of appointments and recruitment flexibilities. • The agency conducts "lessons learned" or other evaluation activities and uses the findings to make improvements. • New hire follow-up (e.g., supervisory assessment of the employee's productivity, adjustment to the job, and adjustment to the work environment) is conducted. <p style="text-align: center;"><u>Compliance Indicators</u></p> <ul style="list-style-type: none"> • The agency closes skill gaps in mission-critical occupations in accordance with the Chief Human Capital Officers Act (CHCO Act) (5 U.S.C. 1103(c)). • When OPM delegates examining or other personnel management authorities to the agency under the auspices of 5 U.S.C. 1104, the agency complies with the standards established by OPM and with merit system principles.

RECRUITMENT	
KEY ELEMENTS	SUGGESTED PERFORMANCE INDICATORS
<p><i>The agency has a recruitment system that:</i></p> <ul style="list-style-type: none"> • Involves senior leaders and managers in recruitment planning and the implementation of strategic recruitment initiatives to attract talent 	<p style="text-align: center;"><u>Effectiveness Indicators</u></p> <ul style="list-style-type: none"> • Adequate staff with the requisite competencies are allocated to the recruitment and hiring process commensurate with workload. • Senior leaders and managers manage resources and participate in job analysis and in the planning, communication, and evaluation of recruitment strategies. Information is provided to senior managers on a regular basis including: <ul style="list-style-type: none"> – Actual versus budgeted staffing levels – Recruitment effectiveness based on an assessment of the quality of hires, timeliness in filling positions (e.g., use of 45-day model, 30-day model for Senior Executive Service (SES), or similar hiring model), and diversity statistics – Turnover rate for mission-critical occupations by grade/pay band and location. • Senior leaders and managers assist human resources (HR) staff in implementing strategic recruitment initiatives, including participation in such activities as recruitment fairs and outreach programs and visits to schools. • Training classes, intranet, and other forms of guidance provide information to senior leaders and managers on available staffing options. <p style="text-align: center;"><u>Compliance Indicator</u></p> <ul style="list-style-type: none"> • As prescribed by the CHCO Act (5 U.S.C. 1103(c)), the agency holds managers accountable for effective and efficient human resources management that supports the mission in accordance with merit system principles.

RECRUITMENT	
KEY ELEMENTS	SUGGESTED PERFORMANCE INDICATORS
<p><i>The agency has a recruitment system that:</i></p> <ul style="list-style-type: none"> • Utilizes aggressive and multi-faceted strategies when competing for desired talent 	<p><u>Effectiveness Indicators</u></p> <ul style="list-style-type: none"> • The agency’s recruitment strategies include assessment of sources, such as professional organizations, colleges/universities, veterans’ organizations, state and private disability and rehabilitation offices, and community groups likely to yield high quality and diverse candidates. • Recruitment strategies have been developed based on an analysis of the primary sources for qualified applicants. • Ongoing relationships are established and maintained with recruitment sources such as: <ul style="list-style-type: none"> – Colleges and universities, outplacement organizations, professional associations – Veterans’ organizations and special programs for veterans (e.g., Veterans Invitational Program (VIP)) – Recruitment fairs (e.g., fairs sponsored by the Office of Personnel Management (OPM) or special interest groups) – Special programs/organizations supporting people with disabilities (e.g., Department of Defense (DoD) Computer/Electronic Accommodation Program (CAP), deaf and hard of hearing in Government, rehabilitation institutions, vocational rehabilitation). • Recruitment flexibilities and appointing authorities authorized by OPM (e.g., direct hire, category rating, language expertise) are publicized widely throughout the agency and are used to enhance recruitment scope and timeliness.

RECRUITMENT	
KEY ELEMENTS	SUGGESTED PERFORMANCE INDICATORS
<i>The agency has a recruitment system that:</i>	
	<ul style="list-style-type: none"> • Additional recruitment flexibilities are requested if needed and are justified by a human capital business case. Necessary funding is provided to support implementation of the flexibilities. • Managers are able to make valid selections from lists of high-quality candidates.
<ul style="list-style-type: none"> • Reviews recruitment, hiring, and merit promotion programs to ensure fair hiring and assess overall results 	<p><u>Effectiveness Indicators</u></p> <ul style="list-style-type: none"> • Recruitment activities are evaluated to assess factors such as: <ul style="list-style-type: none"> – Return on investment – Cost effectiveness of various media and other recruitment sources in generating qualified and available applicants – Quality and quantity of applicants – Timely notification of applicants throughout the selection process regarding the status of their resumé/application – Timeliness (e.g., use of 45-day model, 30-day model for SES, or similar hiring models) – Applicant and manager satisfaction with the application process – Reasons for declination of job offers – Recruitment strategies and flexibilities that are most effective in meeting agency needs – Reasons (e.g., poor fit between the employee and job requirements) for resignations and separations within the first year after appointment. • Managers and HR staff are trained on the merit system principles, legal requirements, and other policies governing Federal employment. • Audit and evaluation results (e.g., OPM, Government Accountability Office (GAO), and Inspector General (IG)) are used to drive process changes when systemic problems are identified.

RECRUITMENT	
KEY ELEMENTS	SUGGESTED PERFORMANCE INDICATORS
<i>The agency has a recruitment system that:</i>	
	<p><u>Compliance Indicators</u></p> <ul style="list-style-type: none"> • The agency examines (when authorized by OPM delegation), appoints, promotes, and reassigns employees consistent with merit system principles (5 U.S.C. 2301) and other pertinent laws, rules, and regulations (e.g., the Uniform Guidelines in 5 CFR 300.103). • The agency’s annual self-audit of delegated examining operations demonstrates operations are accomplished in accordance with OPM procedural requirements as delegated under the authority of 5 U.S.C. 1104.
<ul style="list-style-type: none"> • Ensures application and decision-making processes are not unduly burdensome or time consuming. 	<p><u>Effectiveness Indicators</u></p> <ul style="list-style-type: none"> • The agency establishes an “applicant friendly” process for applying for jobs that includes: <ul style="list-style-type: none"> – Vacancy announcements, application instructions, recruitment brochures, and marketing products that target the desired applicant pool(s) and are clearly written in plain language, attractive, and informative; are easily accessible; and highlight benefits (e.g., work/life flexibilities, Federal Employees Health Benefits, Employee Assistance Program, Flexible Spending Accounts, defined-benefit pension plan, Thrift Savings Plan, life insurance, and long-term care insurance) – Regular communication about the status of an individual’s resume/application as well as answers to applicant questions (as evidenced by correspondence records) – A timely decision-making process. • Data from applicant surveys and entrance interviews reflect a positive experience for applicants. • Length of time to hire is consistent with recommended hiring models.

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**RESULTS:
RETENTION**

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

Effectiveness Results

- Workforce competency gaps are closed through the use of effective recruitment and retention strategies, creating a workforce capable of excellent performance in the service of the American people.
- Senior leaders and managers are involved in strategic recruitment and retention initiatives, which ensures the necessary organizational focus and resources are allocated to achieve recruitment and retention goals.
- Flexible compensation strategies are used as needed to attract and retain quality employees who possess mission-critical competencies.
- Quality of work/life programs are provided and obstacles to recruitment and retention of a quality workforce have been addressed, positioning the agency to be successful in acquiring and retaining the talent needed for program goals and objectives.

Compliance Result

- Retention policies and practices adhere to merit system principles set forth in 5 U.S.C. 2301 and other Federal laws, rules, and regulations (e.g., 5 U.S.C. 5301 and 5706; the Federal Workforce Flexibility Act of 2004; 5 CFR 531, 550, and 575).

The Recruitment and Retention systems work together to produce many of these results.

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

RELATED TOOLS

The following tools support Retention. Refer to Appendix A for tools.

Tool	Appendix A Page Number
Incentives and Employee Recognition	129
Benefits	153
Compensation Flexibilities	161
Federal Human Capital Survey (FHCS): Questions Related to the Talent Management System	175
Workforce Shaping and Restructuring: VERA and VSIP	181
Work Arrangements and Quality of Work/Life	185

RETENTION	
KEY ELEMENTS	SUGGESTED PERFORMANCE INDICATORS
<p><i>The agency has a retention system that:</i></p> <ul style="list-style-type: none"> Utilizes flexible compensation strategies to retain employees who possess mission-critical competencies 	<p><u>Effectiveness Indicators</u></p> <ul style="list-style-type: none"> The agency's strategic, performance, and/or strategic human capital plans and policies promote appropriate use of compensation flexibilities (e.g., recruitment bonuses, relocation bonuses, retention allowances) to attract and retain high-quality employees who possess mission-critical competencies. The agency also makes a successful case to support funding. Written policies and procedures describe guidelines for use of compensation flexibilities in meeting the agency's need for highly qualified employees consistent with legal requirements governing the use of the flexibilities. Managers have been informed about and use available compensation flexibilities where justified. Incentive and recognition programs are established, budgeted, and implemented to focus on retention of high performing employees with mission-critical competencies. Use of compensation flexibilities and awards is analyzed to determine whether there is a discernable relationship between the use of the flexibilities and successful recruitment and retention of high-quality employees in mission-critical occupations. The analysis includes consideration of retention and exit interview information. <p><u>Compliance Indicator</u></p> <ul style="list-style-type: none"> When OPM delegates examining or other personnel management authorities to the agency under the auspices of 5 U.S.C. 1104, the agency complies with the standards established by OPM and merit system principles.

RETENTION	
KEY ELEMENTS	SUGGESTED PERFORMANCE INDICATORS
<i>The agency has a retention system that:</i>	
<ul style="list-style-type: none"> • Develops short- and long-term strategies and targeted investments in current employees to eliminate competency gaps in mission-critical occupations • Trains the current workforce in mission-critical competencies needed by the agency 	<p><u>Effectiveness Indicators</u></p> <ul style="list-style-type: none"> • Strategies are developed and implemented for reducing competency gaps through training, development, or alternative sources (e.g., intern program, contractor outsourcing). • Staffing, training, and performance data indicate success in closing competency gaps.
<ul style="list-style-type: none"> • Documents planned and completed retention activities, including requested budget funding, staff allocation, and management accountability 	<p><u>Effectiveness Indicators</u></p> <ul style="list-style-type: none"> • Retention trends are tracked and analyzed by the appropriate management level. • Exit interviews are conducted and data/information are analyzed at the appropriate level to allow supervisors and managers to address retention. • Senior leaders and managers manage resources and participate in the planning, communication, and evaluation of retention strategies. Senior leaders and managers and first-line supervisors implement strategic retention initiatives in partnership with HR. • Appropriate metrics, as defined by OPM guidance or developed by the agency, are reported to senior managers and human resource executives to assess the outcomes from retention strategies. • Policies and procedures are established indicating how retention activities are evaluated.

RETENTION	
KEY ELEMENTS	SUGGESTED PERFORMANCE INDICATORS
<p><i>The agency has a retention system that:</i></p> <ul style="list-style-type: none"> • Creates a productive, supportive work environment through a variety of programs, such as telework, childcare assistance, fitness centers, health assessments, safety seminars, employee assistance programs, parking facilities, and transit subsidies. 	<p><u>Effectiveness Indicators</u></p> <ul style="list-style-type: none"> • The agency has determined which quality of work/life programs meet the needs of the workforce and has implemented programs to promote flexible working arrangements and to sustain a productive, supportive work environment. • Senior leaders and managers promote the use of quality of work/life programs and provide resources necessary to establish and sustain these programs to create an effective environment. • Policies and procedures describe guidelines for flexible working arrangements, including: <ul style="list-style-type: none"> – Temporary, term, and seasonal appointments – Flexible and/or part-time work schedules – Telework, including technology required to support it, where appropriate. • Policies and procedures describe guidelines for sustaining a productive, supportive work environment, including: <ul style="list-style-type: none"> – Ergonomic work stations – Reasonable accommodation – Child care/elder care assistance – Wellness programs (e.g., fitness centers, health assessments) – Employee Assistance Program – Safety inspections and education – Parking facilities and transit subsidies – Benefits (e.g., Federal Employees Health Benefits, Thrift Savings Plan, Flexible Spending Accounts, defined-benefit pension plan, life insurance, and long-term care insurance).

RETENTION	
KEY ELEMENTS	SUGGESTED PERFORMANCE INDICATORS
<i>The agency has a retention system that:</i>	<ul style="list-style-type: none"> • These policies and procedures have been communicated to the workforce and prospective applicants via Web pages, letters from the CHCO, recruitment materials, vacancy announcements, job fair announcements, or other methods. • The cost and benefits of quality of work/life programs are evaluated (e.g., surveys, entrance and exit interviews) to determine if they are perceived by employees as creating a positive work environment, are meeting an identified workforce need, and are contributing to recruitment and retention goals. <p><u>Compliance Indicators</u></p> <ul style="list-style-type: none"> • The agency operates work/life programs in accordance with governing laws, rules, and regulations (e.g., telework (Public Law No. 106-346, Section 359), flexible work schedules (5 CFR 610), transit subsidies (Executive Order 13150)). • On-the-job injury and other Workers' Compensation claims are filed in accordance with 5 U.S.C. 8102, 20 CFR parts 1-25, and other guidelines of the Office of Workers Compensation Programs (OWCP). • The agency has an emergency preparedness plan in place in accordance with OPM's requirements for individual agencies, as outlined in OPM's Federal Manager's/Decision Maker's Emergency Guide and in accordance with GSA's guidance on occupant emergency plans (Executive Orders 12656 and 12472).