

UNITED STATES OFFICE OF PERSONNEL MANAGEMENT



Human Resources Line of Business

Agency HR Benchmarking Report

November 2009

A New Day for the Civil Service

Table of Contents

1. Introduction.....	3
1.1. HR LOB Strategic Scope, Goals, and Objectives.....	4
2. Project Approach.....	6
3. Benchmarking Process	7
3.1. Conceptual Design.....	7
3.2. Detailed Design.....	8
3.3. Data Gathering.....	8
3.4. Data Reporting and Analysis	9
4. Results.....	10
4.1. Agency HR Cost per Employee Serviced.....	11
4.2. Agency HR Servicing Ratio.....	12
5. Report Summary and Next Steps	13
Appendices.....	14
Appendix A – Agency HR Benchmarking Measure Definitions.....	15
Appendix B – 2009 Agency HR Benchmarking Questionnaire	22
Appendix C – Department of Education Narrative.....	24
Appendix D – Department of Energy Narrative	27
Appendix E – Department of Housing and Urban Development Narrative	30
Appendix F – Department of Justice Narrative	34
Appendix G – Department of State Narrative.....	37
Appendix H – Department of Transportation Narrative	43
Appendix I – Department of Veteran’s Affairs	49
Appendix J – Office of Personnel Management Narrative.....	52
Appendix K – Industry Benchmark Narrative	54
Appendix L – Workgroup Participants	55

1. Introduction

In January 2008, the Human Resources Line of Business (HR LOB) established a Federal benchmarking program for payroll and human resources operations. The benchmarking program covers operations performed at both agencies and shared service centers (SSCs). The program began with a payroll benchmarking study focusing on the four payroll providers. This 2008 study highlighted the success of the payroll providers in providing payroll services in an efficient and cost effective manner to the approximately 1.8 million civilian employees they serve. The results showed that the Federal payroll providers exceeded the industry benchmarks for the three measures for which comparable industry benchmarks were available.

In fiscal year (FY) 2009, the benchmarking program was expanded to include the human resources function for both agencies and SSCs. This HR benchmarking initiative was undertaken to help understand the progress the HR LOB is making toward achieving its vision. The HR benchmarking initiative marks the first time the HR LOB will look at HR performance information across the Federal Government. Since the majority of the HR work is performed at the agencies – as opposed to Shared Service Centers or other providers – agency participation in this benchmarking program is critical to setting the baseline of what the current state of HR looks like in the Government. Understanding current performance levels across the HR function – and more importantly looking at trends over time – will be a key step towards showing progress against goals, especially if agencies plan to undertake an HR transformation effort to improve the efficiency and effectiveness of their HR services. Setting the baseline provides the basis for agencies to be able to compare their own results over time.

HR benchmarking provides insight into successful practices at other agencies and private enterprises. This insight is a significant benefit participating agencies can take away from the study, particularly given the perpetual expectation that agencies do more with fewer resources. In the future, HR benchmarking will also provide visibility into trends over time. HR benchmarking may ultimately provide insight into why there are performance differences across agencies and how improvements can be achieved (e.g., through business process reengineering or technology improvements).

This HR benchmarking program is focusing on the following business goals:

1. Establish a baseline of performance
 - Measure and compare current performance with peer organizations
 - Provide a basis (the raw data) that can be summarized and /or leveraged to satisfy requests for performance data
2. Identify benefits
 - Identify performance gaps and improvement opportunities
 - Demonstrate how changing processes can create value
 - Begin to shape messages that highlight the benefits of the HR LOB program
3. Estimate potential value
 - Determine appropriate performance targets

- Support the preparation of business cases for change
- 4. Identify best practices
 - Understand relationships between metrics and business drivers

To complete the HR benchmarking study, the HR LOB used the same benchmarking methodology that was established for the 2008 payroll benchmarking study. In September of 2008, a workgroup was convened and met for five months via bi-weekly conference call work sessions to determine the type of measures to be collected and to define detailed definitions and the overall calculation for each measure. The workgroup was later separated into two groups, one specifically for agencies to define agency measures and calculations, and one specifically for SSCs to define SSC measures and calculations. Each workgroup defined their measures plus specifications for the business narratives (the agency narratives are included in Appendices C through J at the end of this report). These narratives provide background information on each of the participating agencies.

This report describes the overall approach that was taken to identify and define the two Agency HR measures for the FY 2009 study and provides a comparison of the agency aggregated data to the industry benchmarks. Data from fiscal year 2008 was used to create this report. This report addresses the Agency portion of the 2009 HR benchmarking study; it does not contain the SSC HR benchmarking results. The SSC HR benchmarking results are contained in a separate report.

1.1. HR LOB Strategic Scope, Goals, and Objectives

The Office of Personnel Management (OPM) launched the HR LOB initiative in 2004. The HR LOB Concept of Operations (CONOPS) describes a service delivery model in which designated core HR services relative to human resources information systems (HRIS) and payroll operations move from agencies to SSCs. Over time, as SSCs evolve and expand their capabilities, more transactional and administrative activities may shift from the agency to an SSC.

The overall vision of the HR LOB is Governmentwide, modern, cost-effective, standardized, and interoperable HR solutions providing common, core functionality to support the strategic management of human capital and addressing duplicative HR systems and processes across the Federal Government.

Under the HR LOB CONOPS, agencies must obtain HRIT services for the core functions of Personnel Action Processing, Benefits Management, and Compensation Management (payroll operations) from an SSC. At a minimum, SSCs must provide HRIT services for the core functions of Personnel Action Processing and Benefits Management. Additionally, SSCs may also offer core Compensation Management (payroll operations). Other non-core functions as defined by the HR LOB Target Requirements for SSCs are not mandated. If the SSC chooses to offer services for any of the non-core sub-functions, they must meet the applicable mandatory requirements at the time such services are provided to the customer. Customer agencies may seek non-core functions from an SSC, but are not mandated to do so.

This approach allows agencies at their discretion to select services as needed to increase their focus on agency mission activities and the strategic management of human capital.

OPM expects the HR LOB to help the Federal Government realize the potential of electronic government, significantly enhance human resources service delivery for civilian employees of the Executive Branch, and realize program objectives that were established in 2004:

Objectives	Goals
<p>Improved Management Improve the government wide strategic management of human capital</p>	<ul style="list-style-type: none"> ▪ Faster decision making ▪ More informed policy making ▪ More effective workforce management ▪ Improved resource alignment with agency missions
<p>Operational Efficiencies Achieve or increase operational efficiencies in the acquisition, development, implementation and operation of human resources management systems</p>	<ul style="list-style-type: none"> ▪ Improved servicing ratio/response times ▪ Reduced cycle times ▪ Improved automated reporting
<p>Cost Savings/Avoidance Achieve or increase cost savings/avoidance from HR solution activities</p>	<ul style="list-style-type: none"> ▪ Reduced duplicative software/hardware/operations/labor resources ▪ Increased competitive environment
<p>Improved Customer Service Improve customer services</p>	<ul style="list-style-type: none"> ▪ Increased accessibility to client and value ▪ Improved communication and responsiveness ▪ Enhanced quality ▪ Enhanced timeliness ▪ Enhanced accuracy ▪ Enhanced consistency

Table 1: HR LOB Strategic Objectives

This HR benchmarking initiative was undertaken to help understand the progress the HR LOB is making toward achieving its vision. The sections that follow describe the overall approach the HR LOB took to execute this study; the benchmarking process; the 2009 study results; and a set of overall conclusions.

2. Project Approach

From September 2008 to January 2009, the HR benchmarking workgroup met to develop and define human resources measures that would be collected from the agencies. The purpose of the workgroup was to provide guidance on the development and design of the 2009 HR benchmarking study. The workgroup selected and socialized measures within their organization and defined calculations and data sets.

Five agency representatives, one OPM HR policy expert, and three HR LOB representatives participated in this collaborative effort. Workgroup participants represented the following agencies:

- Department of Justice
- Department of Treasury
- General Services Administration
- Office of Personnel Management, Center for Human Capital Management Services (MSD)
- Social Security Administration

The OPM workgroup members represented the following organizations:

- Office of Modernization and Human Resources Line of Business
- Strategic Human Resources Policy Division

The workgroup participated in the benchmarking process (see Figure 1) via bi-weekly conference calls beginning in October 2008. The participants were involved in three of the four phases that comprised this initiative: conceptual design, detailed design, and data gathering. The fourth phase of the benchmarking initiative, data reporting and analysis, was performed by the HR LOB. These four phases will be described in the next section.

3. Benchmarking Process

The benchmarking process was organized into four phases: conceptual design, detailed design, data gathering, and data reporting and analysis.



Figure 1: The Benchmarking Process

3.1. Conceptual Design

During the conceptual design phase, the workgroup members identified the set of measures that would be the focus of this study and socialized them with key stakeholders. To help prepare for this process, the HR LOB provided the workgroup with a conceptual design tool that captured the standard industry HR measures, measures outlined in the Performance Model Version 1¹, and measures described in the HR LOB Service Level Agreement template published on OPM's website and utilized by SSCs and their customer agencies.

Each member of the benchmarking workgroup reviewed the conceptual design tool and recommended five measures they would like to have included in the 2009 study. The participants evaluated each measure against the following criteria:

- Actionable: Is the data under the control of the agency/provider? Is the data currently available? Is it practical to collect the data?
- Applicable: Is the measure relevant to government processes? Does it support HR LOB goals?
- Meaningful: Will the data be meaningful to decision makers? Will the value derived from having the data be greater than the cost of collecting the data?
- Detailed: Is the scope of the measure defined and quantitative to the extent possible?
- Easily Understood: Is the data being measured clear and easy to understand?

The workgroup selected 16 measures from the initial list and later refined the list to ten. Since this was the first year of reviewing HR performance data, the workgroup agreed to limit the complexity of the study by focusing on two measures and to reconvene in FY2010 to develop additional measures for future studies. Both of the selected measures have comparable industry measures and the Federal aggregates can be compared to the industry medians.

For each measure, the HR LOB provided the workgroup members with a draft description (including measure category, measure name, calculation, frequency,

¹ http://www.opm.gov/egov/documents/architecture/HRLOB_PM_6.30.06.pdf

reporting period, and measure definition). Workgroup participants revised the draft outside of work sessions and in preparation for the sessions to ensure:

- The description for each measure reflects their organization's point of view.
- Their organization is able to report on the requested data.
- The measure is applicable across the Federal Government.

During the work sessions, each workgroup member presented their feedback and recommendations, and as a group they came to consensus on each measure.

The HR LOB leadership subsequently reviewed, commented on, and approved the workgroup's recommendations.

3.2. Detailed Design

In order to be efficient – and because the approach was iterative – the detailed design phase occurred concurrently with the conceptual design phase. During the detailed design phase the benchmarking workgroup defined and validated the calculation for each measure and the data sets necessary for those calculations to perform correctly. For each measure the HR LOB provided the workgroup members with a starting point draft of calculations and data sets.

Outside of work sessions and in preparation for the sessions, workgroup members reviewed the calculations and data sets to determine the feasibility of collecting the required data and ensure the calculation would provide a meaningful result to their organization and the Federal Government. During the work sessions each workgroup member presented their feedback and recommendations, and as a group they came to consensus on each measure.

The HR LOB leadership subsequently reviewed, commented on, and approved the workgroup's recommendations.

3.3. Data Gathering

After the conclusion of the workgroup sessions, the HR LOB created the Human Resources Line of Business Agency HR Benchmarking Measure Definitions (see Appendix A) and the 2009 Agency HR Benchmarking Questionnaire (see Appendix B). The HR LOB contacted the Multi-Agency Executive Strategy Committee (MAESC) to invite them to participate in the 2009 agency HR benchmarking data gathering phase. Each agency was provided with the 2009 Agency HR Benchmarking Questionnaire and the Human Resources Line of Business HR Benchmarking Measure Definitions. Agencies were instructed to use data from FY 2008 and were given six weeks to submit their completed questionnaire and supplemental narrative information. The HR LOB held a series of conference calls to assist with the data collection process. Agencies were encouraged to participate on these conference calls to discuss questions on completing the questionnaire or narrative.

3.4. Data Reporting and Analysis

After receiving the completed questionnaires, the HR LOB analyzed the data across agencies to create this report. For each of the Agency HR performance measures, the HR LOB established the weighted mean, median, and standard deviation:

- Weighted mean – the arithmetic average of a set of values, factoring in the sample size for each value.
- Median – the number separating the higher half of a set of values from the lower half, thus providing the middle of the spectrum of data; fifty percent of the data falls above the median and fifty percent falls below the data.
- Standard deviation – a measure of the average distance by which the scores deviate from the mean.

The Agency medians were compared to industry-reported benchmarks. Industry benchmarks were obtained from Saratoga’s 2008-2009 HR Staff and Structure Results U.S. Human Capital Effectiveness Report.

4. Results

The results, presented in this section, reflect the analysis performed by the HR LOB benchmarking team on the data collected during the data collection phase of this 2009 HR benchmarking initiative. The weighted mean, median, and standard deviation were computed based on the completed Agency HR Benchmarking Questionnaires submitted by the following eight agencies:

- Department of Education
- Department of Energy
- Department of Housing and Urban Development
- Department of Justice
- Department of State
- Department of Transportation
- Department of Veteran's Affairs
- Office of Personnel Management

The Agency medians were compared to industry reported benchmarks to serve as the basis for the benchmarking results analysis.

4.1. Agency HR Cost per Employee Served

Agency Human Resources Employee Cost measures the total cost of Human Resources to the Agency. This measure provides insight into the total cost of Human Resources across the Government.

Agency HR Cost per Employee Served	
Reporting Period	Fiscal Year 2008
All Federal Agencies Weighted Mean	\$1,571.87
All Federal Agencies Median	\$2,099.97
Industry Median (Saratoga)	\$1,766.00

Table 2: Agency HR Cost per Employee Served

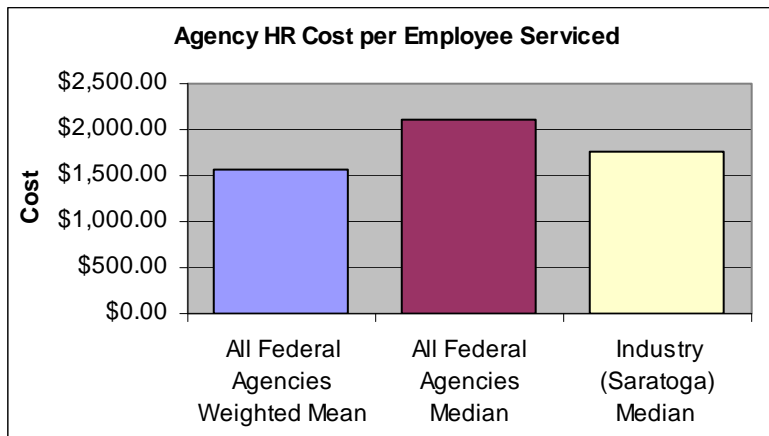


Figure 2: Agency HR Cost per Employee Served

4.2. Agency HR Servicing Ratio

Agency Human Resources Servicing Ratio measures the number of employees receiving HR services from Agency HR employees. This metric provides insight into the size and support level of HR.

Agency HR Servicing Ratio	
Reporting Period	Fiscal Year 2008
All Federal Agencies Weighted Mean	71.91
All Federal Agencies Median	66.04
Industry Median (Saratoga)	85.00

Table 3: Agency HR Servicing Ratio

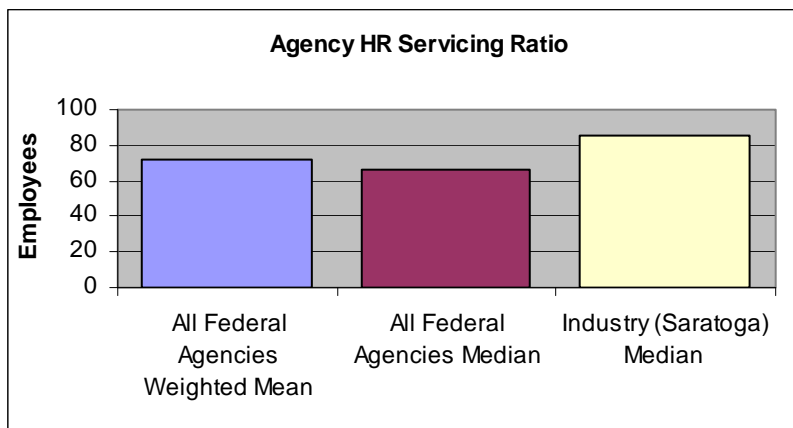


Figure 3: Agency HR Servicing Ratio

5. Report Summary and Next Steps

Due to the efforts of the benchmarking workgroup members and the individuals at the agencies who provided results data, this study provides a valuable snapshot of current HR operational performance and provides visibility into improvement opportunities. The results show how each Agency is performing in comparison to the industry benchmark and the Federal aggregate for these two measures. This report addresses the Agency portion of the 2009 HR benchmarking study. The SSC HR benchmarking results are contained in a separate report.

Benchmarking is a useful tool for the strategic planning of the HR function and for determining desired performance levels. The 2009 HR benchmarking study marks the first time we are looking at performance across the Federal Government; therefore, agency participation was a critical aspect in setting the baseline for what the current state of HR looks like in the Government. Setting the baseline provides the basis for agencies to be able to compare their own results over time, which may be the most valuable benefit participating agencies can take away from the study. Benchmarking also provides for data transparency across the Government and allows for data trends to be established. Information derived from benchmarking can help enable each agency to meet its strategic objectives.

According to Saratoga's² 2008-2009 HR Staff and Structure Results U.S. Human Capital Effectiveness Report, the single largest expense for most HR departments is labor costs. The results of a continuous benchmarking effort can be a valuable tool to produce long-term improvements in both efficiency and effectiveness of HR services delivered by agencies. As each agency continues to explore how to best control its HR cost, it is critical to understand how its investment in HR labor, IT, and other costs compares to others.

The HR LOB will continue to expand agency participation in future studies to help provide a bigger and more comprehensive picture of what HR in the Government looks like and to document trends over time. Taking an in-depth look at the practices that underlie good performance can help provide best practice examples that other agencies can replicate. Therefore, in FY 2011, the HR LOB plans to engage in a detailed analysis of the benchmarking results and the practices and drivers that led to the collective results. The HR LOB will also work toward expanding the set of measures included in the benchmarking program (e.g., HR Cost by Function such as Recruiting and Selection Cost per New Employee Hired) to help increase visibility into cost savings and/or efficiencies.

² Saratoga's annual 2008/2009 Human capital effectiveness report reveals hundreds of metrics and thousands of unique benchmarks focused on productivity, turnover, staffing, labor cost, training, and HR cost and structure. The report contains results from over 300 organizations throughout the United States, representing 12 industry sectors. The average company in the report has annual revenue of \$5.7 billion and roughly 17,000 employees.

Appendices

Appendix A describes the detailed definitions for the two agency HR performance measures.

Appendix B is the 2009 Agency Human Resources Benchmarking Questionnaire.

Appendix C – J contains a narrative summary written by each of the eight agencies that participated in the FY 2009 HR benchmarking study. Each narrative contains:

- Description of the Agency – perhaps the Agency mission statement.
- Overview of the HR department including the HR functions performed (these can be based on the BRM sub-functions and described at a high level e.g. perform HR strategy instead of conduct environmental scans).
- If your organization includes multiple bureau/agencies/components please list all that the HR organization supports.
- Type of special population of employees if any (e.g. the Department of Treasury employs X thousand temporary IRS workers each year).
- Description of any HR functions that are outsourced.
- Description of any additional information about your HR operation that explains your HR organization or operational model (e.g. your organization may have a large labor relations department due to the number of union employees you support).
- Description of any additional information that gives context to your measurement results.

Appendix K contains a narrative summary of the industry benchmark used in the FY 2009 HR benchmarking study.

Appendix L details the list of agencies that participated in the 2009 HR benchmarking workgroup.

Appendix A – Agency HR Benchmarking Measure Definitions **Agency Human Resources Employee Cost per Employee Serviced**

Measure Category: Cost

Calculation: Agency human resources employee cost / the number of employees serviced

Frequency: Annual

Reporting Period: Fiscal year 2008 (October 1, 2007 through September 30, 2008)

Purpose: Agency Human Resources Employee Cost measures the total cost of Human Resources to the Agency. This measure is one component that could be used to provide insight into the total cost of Human Resources across the Government.

Measure Definitions:

Human Resources Employee: Human Resources employees include individuals that are appropriated full-time, part-time, exempt, and nonexempt individuals (e.g. employees classified as 201s) or staff augmentation contractors who solely perform HR work* as their main job function and report directly to the HR organization. HR Assistants and Information Technology employees supporting HR Information Systems should also be included.

*The work of the HR organization is defined by the ten sub-functions of the Business Reference Model version 2:

HR Strategy: Develops effective human capital management strategies to ensure Federal organizations are able to recruit, select, develop, train, and manage a high-quality, productive workforce in accordance with merit system principles. This sub-function includes: conducting both internal and external environmental scans; developing human resources and human capital strategies and plans; establishing human resources policy and practices; managing current and future workforce competencies; developing workforce plans; developing succession plans; managing the human resources budget; providing human resources and human capital consultative support; and measuring and improving human resources performance.

Organization and Position Management: Designs, develops, and implements organizational and position structures that create a high-performance, competency-driven framework that both advance the agency mission and serves agency human capital needs.

Staff Acquisition: Establishes procedures for recruiting and selecting high-quality, productive employees with the right skills and competencies, in accordance with

merit system principles. This sub-function includes: developing a staffing strategy and plan; establishing an applicant evaluation approach; announcing the vacancy, sourcing and evaluating candidates against the competency requirements for the position; initiating pre-employment activities; and hiring employees. Creates and processes personnel action forms.

Performance Management: Designs, develops, and implements a comprehensive performance management approach to ensure agency employees are demonstrating competencies required of their work assignments. Design, develop and implement a comprehensive performance management strategy that enables managers to make distinctions in performance and links individual performance to agency goal and mission accomplishment. This sub-function also includes managing employee performance at the individual level and evaluating the overall effectiveness of the agency's employee development approach. Creates and processes personnel action forms.

Compensation Management: Designs, develops, and implements compensation programs that attract retain and fairly compensate agency employees. In addition, designs, develops, and implements pay for performance compensation programs to recognize and reward high performance, with both base pay increases and performance bonus payments. This sub-function includes developing and implementing compensation programs. Creates and processes personnel action forms. For the purpose of this measure, individuals performing core payroll services are excluded.

Benefits Management: Designs, develops, and implements benefit programs that attract, retain and support current and former agency employees. This sub-function includes: establishing and communicating benefits programs; processing benefits actions; and interacting as necessary with third party benefits providers.

Human Resources Development: Designs, develops, and implements a comprehensive employee development approach to ensure that agency employees have the right competencies and skills for current and future work assignments. This sub-function includes conducting employee development needs assessments; designing employee development programs; administering and delivering employee development programs; and evaluating the overall effectiveness of the agency's employee development approach. Creates and processes personnel action forms.

Employee Relations: Designs, develops, and implements programs that strive to maintain an effective employer-employee relationship that balance the agency's needs against its employees' rights. This sub-function includes: addressing employee misconduct; addressing employee performance problems; managing administrative grievances; providing employee accommodation; administering employee assistance programs; participating in administrative third party proceedings; and determining candidate and applicant suitability.

Labor Relations: Manages the relationship between the agency and its unions and bargaining units. This includes negotiating and administering labor contracts and collective bargaining agreements; managing negotiated grievances; and participating in negotiated third party proceedings.

Separation Management: Conducts efficient and effective employee separation programs that assist employees in transitioning to non-Federal employment; facilitates the removal of unproductive, non-performing employees; and assists employees in transitioning to retirement. Creates and processes personnel action forms.

Include full-time, part-time, exempt, and nonexempt individuals. Part-time individuals should be converted to a full-time equivalent employee based on the number of hours they work per week (e.g. an employee working 32 hours per week would be considered a .80 full-time equivalent employee.)

A point in time snapshot can be used to determine the count of Human Resources Employees (e.g., as of September 30, 2008). The snapshot date for Human Resources Employees should be the same -- or the same general time frame (e.g., same month) -- as the snapshot date for the Number of Employees Served.

Cost: HR Employee costs include:

- HR employees salaries and benefits
- Overhead/G&A (may include items such as office supplies, building fees, printing/ mailing costs, etc.)
- Cost to develop, maintain, and operate HR systems (If your organization participated in the FY2009 HR LOB Cost Benefit Analysis the HR LOB will populate this information on your behalf during the data call. You may also use the cost information you provide in your OMB Exhibit 53, however please ensure you do not include the salaries of HR IT professionals if you have already accounted for them.)
- Outsourcing/Contractor costs

Notes: The list above is not an exhaustive list.

Number of Employees Served: Number of Employees Served is defined as the number of employees receiving HR services from agency HR employees during fiscal year 2008.

A point in time snapshot of data can be used to determine the number of employees receiving HR services (e.g., as of September, 30, 2008). The snapshot date for Number of Employees Served should be the same -- or the same general time frame (e.g., same month) -- as the snapshot date for the Number of Human Resources Employees.

If an agency experiences a population increase of 5% or more of at any point during the fiscal year, the HR LOB recommends that the agency take its snapshot of data during its population peak.

This measure will be used for comparison across all agency participants. There is a standard industry benchmark available for comparison.

Agency Human Resources Servicing Ratio

Measure Category: Workforce

Calculation: Number of employees receiving human resources (HR) services from October 1, 2007 through September 30, 2008 divided by number of Agency HR employees from October 1, 2007 through September 30, 2008.

Frequency: Annual

Reporting Period: Fiscal year 2008 (October 1, 2007 through September 30, 2008)

Purpose: Agency Human Resources Servicing Ratio measures the number of employees receiving HR services from Agency HR employees. This metric provides insight into the size and support level of HR.

Measure Definitions:

Human Resources Employee: Human Resources Employees include individuals that are full-time, part-time, exempt, and nonexempt individuals (e.g. employees classified as 201s) or staff augmentation contractors who solely perform HR work* as their main job function and report directly to the HR organization. HR Assistants and Information Technology employees supporting HR Information Systems should also be included.

*The work of the HR organization is defined by the ten sub-functions of the Business Reference Model version 2:

HR Strategy: Develops effective human capital management strategies to ensure Federal organizations are able to recruit, select, develop, train, and manage a high-quality, productive workforce in accordance with merit system principles. This sub-function includes: conducting both internal and external environmental scans; developing human resources and human capital strategies and plans; establishing human resources policy and practices; managing current and future workforce competencies; developing workforce plans; developing succession plans; managing the human resources budget; providing human resources and human capital consultative support; and measuring and improving human resources performance.

Organization and Position Management: Designs, develops, and implements organizational and position structures that create a high-performance, competency-driven framework that both advance the agency mission and serves agency human capital needs.

Staff Acquisition: Establishes procedures for recruiting and selecting high-quality, productive employees with the right skills and competencies, in accordance with merit system principles. This sub-function includes: developing a staffing strategy

and plan; establishing an applicant evaluation approach; announcing the vacancy, sourcing and evaluating candidates against the competency requirements for the position; initiating pre-employment activities; and hiring employees. Creates and processes personnel action forms.

Performance Management: Designs, develops, and implements a comprehensive performance management approach to ensure agency employees are demonstrating competencies required of their work assignments. Design, develop and implement a comprehensive performance management strategy that enables managers to make distinctions in performance and links individual performance to agency goal and mission accomplishment. This sub-function also includes managing employee performance at the individual level and evaluating the overall effectiveness of the agency's employee development approach. Creates and processes personnel action forms.

Compensation Management: Designs, develops, and implements compensation programs that attract retain and fairly compensate agency employees. In addition, designs, develops, and implements pay for performance compensation programs to recognize and reward high performance, with both base pay increases and performance bonus payments. This sub-function includes developing and implementing compensation programs. Creates and processes personnel action forms. For the purpose of this measure, individuals performing core payroll services are excluded.

Benefits Management: Designs, develops, and implements benefit programs that attract, retain and support current and former agency employees. This sub-function includes: establishing and communicating benefits programs; processing benefits actions; and interacting as necessary with third party benefits providers.

Human Resources Development: Designs, develops, and implements a comprehensive employee development approach to ensure that agency employees have the right competencies and skills for current and future work assignments. This sub-function includes conducting employee development needs assessments; designing employee development programs; administering and delivering employee development programs; and evaluating the overall effectiveness of the agency's employee development approach. Creates and processes personnel action forms.

Employee Relations: Designs, develops, and implements programs that strive to maintain an effective employer-employee relationship that balance the agency's needs against its employees' rights. This sub-function includes: addressing employee misconduct; addressing employee performance problems; managing administrative grievances; providing employee accommodation; administering employee assistance programs; participating in administrative third party proceedings; and determining candidate and applicant suitability.

Labor Relations: Manages the relationship between the agency and its unions and bargaining units. This includes negotiating and administering labor contracts and collective bargaining agreements; managing negotiated grievances; and participating in negotiated third party proceedings.

Separation Management: Conducts efficient and effective employee separation programs that assist employees in transitioning to non-Federal employment; facilitates the removal of unproductive, non-performing employees; and assists employees in transitioning to retirement. Creates and processes personnel action forms.

Include full-time, part-time, exempt, and nonexempt individuals. Part-time individuals should be converted to a full-time equivalent employee based on the number of hours they work per week (e.g. an employee working 32 hours per week would be considered a .80 full-time equivalent employee.)

A point in time snapshot can be used to determine the count of Human Resources Employees (e.g., as of September 30, 2008). The snapshot date for Human Resources Employees should be the same -- or the same general time frame (e.g., same month) -- as the snapshot date for the Number of Employees Served.

Number of Employees Served: Number of Employees Served is defined as the number of employees receiving HR services from agency HR employees during fiscal year 2008.

A point in time snapshot of data can be used to determine the number of employees receiving HR services (e.g., as of September, 30, 2008). The snapshot date for Number of Employees Served should be the same -- or the same general time frame (e.g., same month) -- as the snapshot date for the Number of Human Resources Employees.

If an agency experiences a population increase of 5% or more of at any point during the fiscal year, the HR LOB recommends that the agency take its snapshot of data during its population peak.

This measure will be used for comparison across all agency participants. There is a standard industry benchmark available for comparison.

Appendix B – 2009 Agency HR Benchmarking Questionnaire

Instructions for Completing the 2009 Human Resources Benchmarking Questionnaire

Thank you for taking the time to complete this questionnaire. We anticipate that the data elements we are asking for are available through existing data sources i.e., the annual budgeting process and management reports, thus minimizing the level of effort required to collect the data. The following steps will provide for efficient and accurate benchmarking.

- 1 Review the Human Resources Line of Business Agency Human Resources Benchmarking Measure Definitions prior to completing this questionnaire.
- 2 All data should be reported based on fiscal year 2008 data (where noted.)
- 3 Each agency should submit one completed document to the Human Resources Line of Business Program Office. Use this questionnaire to submit your information.

If your agency has any questions on completing the questionnaire or on an individual measure, please contact Kirstin Sipes at 202-606-4904 or at kirstin.sipes@opm.gov. The HR LOB will hold conference calls from 2:30 PM ET to 3:30 PM on Thursday March 5th and Wednesday March 18th to discuss any questions that you may have. You may access the call at 877-421-0029 Passcode 701768.

Please return your completed questionnaire by close of business Friday, April 10, 2009. Questionnaires and all additional documentation should be emailed to the HR LOB at hrlob@opm.gov.

2009 HR Benchmarking Questionnaire

1 Agency HR Cost per Employee Serviced

Calculation	Salaries, benefits, overhead/G&A for HR employees	<input type="text"/>
	HRIT Spend (please use reference your OMB 53)	<input type="text"/>
	Annual fees paid to a Federal shared service center	<input type="text"/>
	Other outsourcing costs	<input type="text"/>
	Number of agency employees serviced during a calendar year	<input type="text"/>
	Cost per Employee Serviced	<input type="text"/>

Agencies should use their fiscal year 2008 costs.

2 Agency HR Servicing Ratio

Calculation	Number of agency employees serviced during a calendar year	<input type="text"/>
	Number of agency human resources employees during a calendar year	<input type="text"/>
	Servicing Ratio	<input type="text"/>

Agencies should provide their data based on the number of employees they serviced during fiscal year 2008 and their number of human resources employees during fiscal year 2008.

Appendix C – Department of Education Narrative

- **Description of the Agency**

The Department of Education's mission is to promote student achievement and preparation for global competitiveness by fostering educational excellence and ensuring equal access. Accordingly, the Department's strategic plan sets high expectations for America's schools and students, and for its employees. It is committed to giving students the skills they need to succeed in a highly competitive global economy.

The following three important priorities are designed to help the U.S. Department of Education successfully achieve its mission and vision.

1. Increase student achievement, reward qualified teachers, and renew troubled schools so that every student can read and do math at grade level by 2014.
2. Encourage more rigorous and advanced coursework to improve the academic performance of middle and high school students.
3. Work with colleges and universities to improve access, affordability, and accountability, so that our higher education system remains the world's finest.

- **Overview of the HR department including the HR functions performed (these can be based on the BRM sub-functions and described at a high level e.g. perform HR strategy instead of conduct environmental scans).**

The Department of Education's Human Resources Services (HRS) and Human Capital Management Staff (HCMS) report to the Assistant Secretary for Management, a key Career or Presidential Appointee Leader who also serves as the Department's Chief Human Capital Officer (CHCO).

HRS has three staff offices, two divisions and five branches by which the Department's Human Resources are managed:

- Policy and Accountability Staff
- Executive Resources Staff
- Training and Development Staff
- Human Resources Operations Division
 - Regional Customer Service Branch
 - Staffing and Classification Branch
 - Human Resources Information Systems Branch
- Employee and Labor-Management Relations Division
 - Labor and Employee Relations Branch
 - Performance, Benefits, and Work Life Branch

HRS provides leadership and direction in the formulation and implementation of policies and programs to promote efficient and effective human capital management. HRS represents the Department on personnel matters with the Office of Personnel Management (OPM), the Congress, other Federal agencies, and the public.

HCMS is headed by the Deputy CHCO with a small staff of human capital strategists. In partnership with HRS, HCMS provides leadership and direction in developing, coordinating, and overseeing the implementation and administration of the Department's human capital management initiatives and strategies.

- **If your organization includes multiple bureau/agencies/components please list all that the HR organization supports.**
 - OFFICE OF THE SECRETARY
 - Faith-Based and Community Initiatives
 - International Affairs Office
 - Office of Communications and Outreach
 - Office of the General Counsel
 - Office of Inspector General
 - Institute of Education Sciences
 - Office for Civil Rights
 - Office of Legislation and Congressional Affairs
 - Office of the Chief Financial Officer
 - Office of Management
 - Office of Chief Information Officer
 - Office of Planning, Evaluation and Policy Development
 - Budget Service
 - Policy and Program Studies Service
 - OFFICE OF THE DEPUTY SECRETARY
 - Office of Safe and Drug-Free Schools
 - Office of Innovation and Improvement
 - Office of Special Education and Rehabilitative Services
 - Office of English Language Acquisition
 - Office of Elementary and Secondary Education
 - White House Initiative on Educational Excellence for Hispanic Americans
 - OFFICE OF THE UNDER SECRETARY
 - Federal Student Aid
 - Office of Vocational and Adult Education
 - Office of Postsecondary Education
 - White House Initiative on Historically Black Colleges and Universities Staff
 - White House Initiative on Tribal Colleges and Universities Staff

- **Type of special population of employees if any.**

N/A

- **Description of any HR functions that are outsourced.**

The Department of Education utilizes the Department of the Interior's National Business Center for the following HR functions:

- Benefits Management
- Compensation Management
- Retirement Processing
- Records Management
- Personnel Action Processing

Additionally the Department of Education contracts with outside vendors to conduct most in-house departmental training.

- **Description of any additional information about your HR operation that explains your HR organization or operational model.**

N/A

- **Description of any additional information that gives context to your measurement results.**

One of the Department's Principal Offices, Federal Student Aid (FSA), is a performance-based organization. It manages its own Human Resources Services and Human Capital initiatives and strategies. FSA has approximately 1,000 employees, excluding contractors and lending and banking institutions. Although performance-based and is headed by a Chief Operations Officer, FSA falls under the absolute authority of the Secretary of Education and is subject to requirements and parameters that have been established in a Memorandum Of Understanding between the agency's Human Resources Services, the Union, and other applicable parties.

Appendix D – Department of Energy Narrative

- **Description of the Agency**

The Department of Energy's overarching mission is to advance the national, economic, and energy security of the United States; to promote scientific and technological innovation in support of that mission; and to ensure the environmental cleanup of the national nuclear weapons complex. The Department's strategic goals to achieve the mission are designed to deliver results along five strategic themes:

- **Energy Security:** Promoting America's energy security through reliable, clean, and affordable energy.
- **Nuclear Security:** Ensuring America's nuclear security
- **Scientific Discovery and Innovation:** Strengthening U.S. scientific discovery, economic competitiveness, and improving quality of life through innovations in science and technology
- **Environmental Responsibility:** Protecting the environment by providing a responsible resolution to the environmental legacy of nuclear weapons production
- **Management Excellence:** Enabling the mission through sound management

Within these themes there are sixteen strategic goals which are designed to help DOE successfully achieve its mission and vision.

- **Overview of the HR department including the HR functions performed (these can be based on the BRM sub-functions and described at a high level e.g. perform HR strategy instead of conduct environmental scans).**

The Department of Energy's Office of the Chief Human Capital Officer (CHCO) has three branches by which the Department's Human Resources are managed. The CHCO's Office (14 FTEs) is supported by the following major Offices: the Office of Strategic Planning and Policy (which includes the Human Capital Policy Division (10 FTEs), the Workforce Analysis And Planning Division (4 FTEs), the Employment Solutions Division (4 FTEs), and the Information Management Division (10 FTEs)), Office of Learning and Workforce Development (which includes Enterprising Training Services Division (43 FTEs), and Learning Strategy and Policy Division (6 FTEs)), and finally the Office of Human Resource Services (which includes Executive Resources Division (10 FTEs), Headquarters Operations Division (41 FTEs), and HQ Employee Labor Management Relations Division (12 FTEs)). The third Office is the only one that provides personnel transactional services and then only two of the three divisions. In addition, each major field site has a Human Resource Director and Staff reporting within their major program. While there is a functional accountability relationship, there is no direct reporting relationship with the CHCO in this structure.

- **If your organization includes multiple bureau/agencies/components please list all that the HR organization supports.**

The Department of Energy is a highly Scientific and Technical Workforce of over 14,000 Federal employees and 100,000 contractor employees who aid in carrying out our mission. The staff is located through out the Continental United States and in several countries through out the world. Some locations may have several hundred Federal employees while others may have very few.

Our workforce is comprised of many Programs with very diverse and critical mission areas; National Nuclear Security, Science Research and Development, Energy Efficiency and Renewable Energy, Nuclear Energy, Environmental clean-up, Civilian Radioactive Waste Management, Fossil Energy, Legacy Management, Electricity Delivery & Energy Reliability. Each Program requires a wide variety of skills and competencies.

- **Type of special population of employees if any.**

The Department of Energy is a highly scientific and technical workforce with an emphasis in Research and Development and Project Management. In support of these functions, the Department has a large acquisition workforce.

- **Description of any HR functions that are outsourced.**

DOE does not outsource any HR functions, other than the training function (noted below).

- **Description of any additional information about your HR operation that explains your HR organization or operational model.**

DOE has Union representation from 12 Unions with members from 25 Local chapters throughout the Complex, including two chapters in the Washington DC Metropolitan Area. DOE has a staff of twelve in HQ that work both Employee and Labor Relations issues, plus there are similar staffs in the field locations.

The CHCO organization provides recruiting, staffing, personnel action processing, and benefits services for Headquarters employees for positions ranging from GS to SES, and the Department's excepted service authority (EJ, EK, EN). All SES and related senior positions must be coordinated through the Executive Resources Division for Executive Resources Approval (ERB).

In addition, The Human Resources function in the Department is a matrixed organization. While the Chief Human Capital Officer is the lead over the HR function, several major field organizations or Program Secretarial Officers are delegated HR authority and have HR staffs independently funded and staffed outside the HQ Office of the Chief Human Capital Officer. Some provide remote services from a central location to their smaller field sites. National Nuclear Security Administration (NNSA), Naval Reactors, Office of Science, Bonneville Power Administration (BPA), Western Area Power Administrations (WAPA), Environmental Management's Consolidated Business Center (CBC)) would be examples of organizations with delegated HR authority.

In an attempt to improve work processes, work environment, and reduce cost through centralizing department-wide training services, the Enterprise Training Services (ETS) Division of the Office of the Chief Human Capital Officer was selected as the Department's Most Efficient Organization (MEO) in accordance with the Office of Management and Budget (OMB) Circular A-76. As an MEO, the ETS Division is tasked to meet or exceed the standards identified in the Agency Tender for this A-76 study.

The MEO provides training services to DOE Federal staff by such activities as assisting with needs assessments at the DOE element and corporate level; developing the annual training plan for the Department; and, supporting, evaluating, improving, and developing training and professional development programs. The ETS Division services DOE organizations located throughout the US through two operations offices (Washington DC and Albuquerque, NM) as well as staff on site at four locations (Georgia, Illinois, Idaho, and Washington).

- **Description of any additional information that gives context to your measurement results.**

N/A

Appendix E – Department of Housing and Urban Development Narrative

- **Description of the Agency**

The Department of Housing and Urban Development's mission is to increase homeownership, support community development and increase access to affordable housing free from discrimination.

- **Overview of the HR department including the HR functions performed (these can be based on the BRM sub-functions and described at a high level e.g. perform HR strategy instead of conduct environmental scans).**

The Deputy Assistant Secretary for Human Resource Management is responsible for providing technical services and deep specialty skill needs to support the Department's mission, and Department-wide initiatives, and for providing policies, guidance, and innovative strategic planning, in the areas of human capital management. This function is supported by three offices, which have overall responsibility for providing technical services in their organizational specialty areas. These offices provide the Office of Administration with the following core cross-functional services: statutory and regulatory support; performance standards development; quality control; specialty skill leadership; and, project support for Departmental national initiatives.

- **If your organization includes multiple bureau/agencies/components please list all that the HR organization supports.**

HUD is comprised of a Headquarters operation as well as 82 Field Offices of which HIRTS system and related HR systems have been deployed to and are functioning very well. This includes e:OPF and other subsidiary systems.

- **Type of special population of employees if any.**

N/A

- **Description of any HR functions that are outsourced.**

The Department of Housing and Urban Development utilizes the Department of the Treasury's HR Connect for its core HRIT services. Additionally, on occasion, HUD may have a large recruitment drive in an effort to employ approximately 10 contract employees on a temporary basis.

- **Description of any additional information about your HR operation that explains your HR organization or operational model (e.g. your organization may have a large labor relations department due to the number of union employees you support).**

The Office of Human Resources is responsible for providing technical services and human resource specialty skills needed to support the Department's mission and enable the DAS for Human Resource Management to provide quality customer focused service delivery to all internal and external HUD customers. This office is comprised of a number of different divisions, including: Executive Personnel Management Division, Pay, Benefits and Retirement Center, Labor and Employee Relations Division, Compensation Performance and Organization Management Division, Policy Research and Development Division, and Staffing and Classification Division. There are union presidents in all of HUD's 82 offices as well as Headquarters and Field LERD as well as Headquarters. LERD provides OHR interface with all of them. HUD has an EAP organization that provides nation-wide services in all locations with the assistance of FOH, Lifecare and other related organizations.

Employee Assistance and Worklife Program Office

- Child Care Tuition Assistance Program
 - Employee Assistance Program
 - Employee Exit Survey
 - Healthcare Services
 - Long Term Care Insurance
 - Newsletter
 - Reasonable Accommodation
 - Seminars and Events
 - Telework
 - WorkLife Program
- **Description of any additional information that gives context to your measurement results.**

HUD's relationship with Treasury and NFC has afforded the ability to provide the full compliment of HR LOB type services. The information provided below provides a snapshot of some of those areas, most of which is very customer friendly and extensive.

HIHRTS – What's in it for me?

HIHRTS is a web-based Human Resources (HR) system with easy to use tools that dramatically change the speed, accuracy, and effectiveness of personnel processes. With direct and secure access to individual personnel data, career information, HR tools, career development information, and eLearning, each individual takes charge of his/her own personal data and can better manage his/her career and benefits information.

- Review and update personal information online such as emergency contacts, home address, name, phone, and email changes. View employment, compensation, leave, performance, and benefits related data.
- Manage career and benefits information through automated resources and online tools.
- Access links including tax calculator, salary tables, Thrift Savings Plan (TSP) information and career development.
- Learn how to use HIRTS through eLearning, which teaches basic navigation, Employee Self-Service, job searching, and much more.

HUD's Integrated Human Resources and Training System (HIRTS) Tools "A World of HR Information at your Fingertips"

- **Tools for HIRTS**
 - Job Aid - Reports To Certification Memo Certification Form
 - How to delete your cache
 - Visual Department Organization Code System (VDOCS) (ID/Password required)
 - Managers: how do I set up a proxy
 - How do I register?
 - Registration Tutorial (Interactive or Text)
 - Entering Emergency Contacts Tutorial (Interactive or Text)
 - Computer-Based Tutorial (eLearning) Learn how to use HIRTS' HR-Connect quickly and easily through eLearning.
 - Employee Self-Service - Features/ highlights
 - Manager's Self-Service - Features/ highlights
 - Webcast Slide Show
 - Webcast - 04/12/05
 - Without captions
 - With captions
- **ePerformance**
 - Online Training
 - Job Aid
 - Guidebook
 - How to avoid timing-out and how to view sent documents
 - How to list employees
 - How to transfer document to another manager
 - How to copy performance documents
 - How to copy performance elements from a document
 - Webcast - 10/05/07
 - Without captions
 - With captions
 - Midyear Express
 - Interim Rating

- Final Rating
 - Final Review Process
 - Final Summary Rating Process
- How to re-open plan for employee Acknowledgement of Final Ratings
- Roll out final phase memo
 - Attachment
- Performance Management Accountability for Managers and Supervisors memo
 - Attachment
- Interim Policy HUD Performance Management memo
 - Attachment 1
 - Attachment 2
- HUD Training Strategy Memo
- Performance Management Communication Brochure
- Performance Management Brochure
- SMART Standards Training Participant Guide
- HUD SMART Standards training slides – Supervisor
- HUD SMART Standards training slides – Employee
- SMART Standards FAQs
- Notification of Personnel Actions
- Forms
 - Request for New HR User Profile
 - Modify User Profile
- HCM Analytics
 - Executives' Access

HUD Hiring Process

HUD has recently conducted a Business Process Reengineering (BPR) of the hiring process. As a result, a much more streamlined process has been implemented.

About the Hiring Process

- HIHRTS Power Recruiting Process, December 2008
 - Without captions
 - With captions
- New Streamlined Hiring Process Training for Supervisors and Managers, November 19, 2008
 - Without captions
 - With captions
 - Presentation material
- iMPACT 200 Final Report on the Streamlined Hiring Process
- HUD Vacancies on USAJobs
- Track Vacancy Actions Using the HUD 80-Day Tracker
- Employee Orientation Information
- Survey Results for New Employees

Appendix F – Department of Justice Narrative

- **Description of the Agency**

The mission of the Department of Justice is to enforce the law and defend the interests of the United States according to the law; to ensure public safety against threats foreign and domestic; to provide Federal leadership in preventing and controlling crime; to seek just punishment for those guilty of unlawful behavior; and to ensure fair and impartial administration of justice for all Americans.

- **Overview of the HR department including the HR functions performed (these can be based on the BRM sub-functions and described at a high level e.g. perform HR strategy instead of conduct environmental scans).**

The Human Resource offices within the agency support the agency's mission of administering justice by developing and implementing policy and programs, providing guidance, and leading efforts to attract, develop, and retain high performing employees.

Human Resources provides Department-wide guidance in human resources areas such as: policy development, personnel recordkeeping management, HR Strategy, organization and position management, staff acquisition, human capital planning and accountability, performance management, compensation management, benefits management, workforce development, employee relations, labor relations, employee assistance programs and life management services, separation management and personnel security/background Investigations.

- **If your organization includes multiple bureau/agencies/components please list all that the HR organization supports.**

It is the responsibility of the Human Resource organizations within DOJ to support the following bureaus, offices and divisions:

- Antitrust Division
- Asset Forfeiture Program
- Attorney General
- Bureau of Alcohol, Tobacco, Firearms and Explosives
- Office of Justice Programs
- Civil Division
- Civil Rights Division
- Community Oriented Policing Services
- Community Relations Service
- Criminal Division
- Drug Enforcement Administration

- Environment and Natural Resources Division
 - Executive Office for Immigration Review
 - Executive Office for U.S. Attorneys and offices of the U.S. Attorneys
 - Executive Office for U.S. Trustees
 - Federal Bureau of Investigation
 - Federal Bureau of Prisons
 - Foreign Claims Settlement Commission of the United States
 - Immigration and Naturalization Service (now part of DHS)
 - Interpol – U.S. National Central Bureau
 - Justice Management Division- Offices, Boards, and Divisions
 - National Drug Intelligence Center
 - Office of Inspector General
 - Office of the Solicitor General
 - Office of Dispute Resolution
 - Office of Intergovernmental and Public Liaison
 - Office of Information Policy
 - Office of Legal Counsel
 - Office of Legal Policy
 - Office of Legislative Affairs
 - Office of Public Affairs
 - Tax Division
- **Type of special population of employees if any.**

DOJ has a diverse and talented workforce of over 100,000 men and women. We lead the Nation in ensuring the protection of all Americans while preserving their constitutional freedoms. Our unique employee population of both non-union and union employees consists of over 300 job series including law enforcement personnel and attorneys.
- **Description of any HR functions that are outsourced.**

In an effort to provide optimal human resource service to the agency's 116,363 employees, the following human resource functions may be outsourced by some of the components or divisions within the agency:

 - Policy development
 - Personnel recordkeeping management
 - HR Strategy
 - Organization and Position Management
 - Staff Acquisition
 - Performance Management
 - Compensation Management
 - Benefits Management

- Human Resources Development
 - Employee Relations
 - Labor Relations
 - EAP and Life Management Services
 - Separation Management
 - Personnel Security/Background Investigations
-
- **Description of any additional information about your HR operation that explains your HR organization or operational model.**

DOJ has several servicing personnel offices that perform their own HR processes. However the function of payroll is centralized. The costs appearing in this HR Benchmark study are incurred by the agency to support the ten sub functions of the Business Reference Model (BRM) version 2: HR Strategy, Organization and Position Management, Staff Acquisition, Performance Management, Compensation Management, Benefits Management, Human Resources Development, Employee Relations, Labor Relations and Separation Management.

- **Description of any additional information that gives context to your measurement results.**

The Bureau of Prisons consolidation of HR offices may have resulted in a lower cost per employee serviced.

Appendix G – Department of State Narrative

- **Description of the Agency**

The Department of State's mission is to advance freedom for the benefit of the American people and the international community by helping to build and sustain a more democratic, secure, and prosperous world composed of well-governed states that respond to the needs of their people, reduce widespread poverty, and act responsibly within the international system.

--- Department of State/USAID Strategic Plan Fiscal Years 2007-2012

The State Department is the lead institution for the conduct of American diplomacy and its mission is carried out through six regional bureaus overseas and 27 functional and management bureaus. Abroad, the Department operates more than 260 embassies, consulates, and other posts. In each Embassy, the Chief of Mission (usually an Ambassador) is responsible for executing U.S. foreign policy goals and coordinating and managing all U.S. Government functions in the host country.

Foreign Service personnel serving both overseas and domestically represented 15,602 employees at the close of FY 2008. Of these, 6,494 are Foreign Service generalists; 4,922 are Foreign Service specialists, and the balance represents Family Member Appointment (FMA) or Part-time-Intermittent or Temporary Foreign Service appointments. Approximately two-thirds of these Foreign Service personnel are overseas.

The Department's Civil Service staff represented 11,409 employees at the close of FY 2008. Most Civil Servants are located in Washington, D.C.

Foreign Service Officers and Civil Servants work together to achieve the goals and implement the initiatives of American foreign policy. They are assisted by Locally Employed Staff (LES) who contribute local expertise and provide continuity as they work with their American colleagues to perform vital services for U.S. citizens. As of February 2007, there were 37,089 LES.

Collectively, these three populations of employees pose unique challenges to the U.S. State Department as it manages and provides HR services worldwide.

The State Department's response to the HR LOB HR benchmarking study will address Foreign and Civil Servants in their roles of HR service providers and as recipients of HR services. Locally Employed Staff (LES) will not be addressed in this analysis. LES reflect unique State Department personnel and hiring considerations that are not subject to the HR LOB Target Requirements.

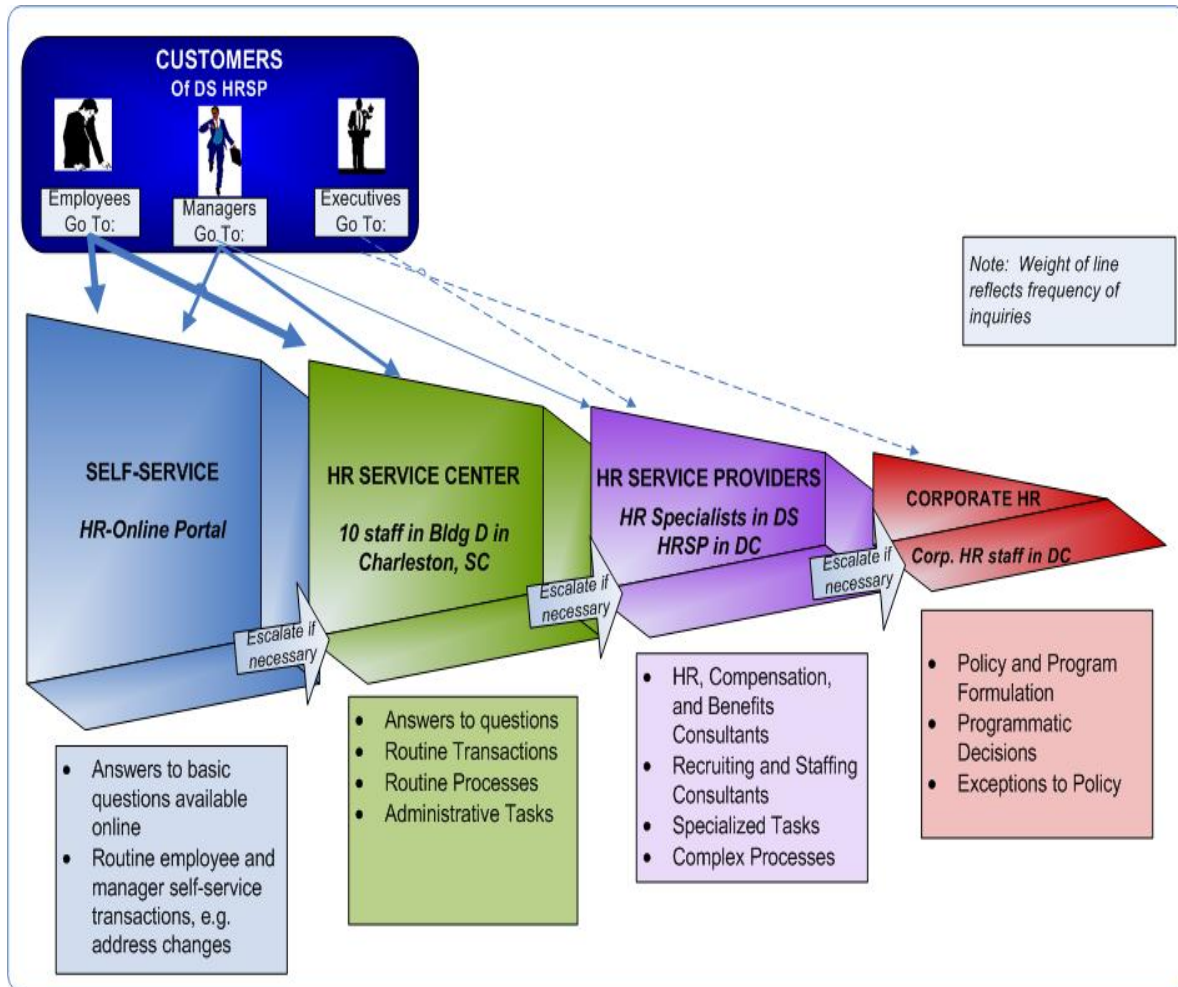
- **Overview of the HR department including the HR functions performed (these can be based on the BRM sub-functions and described at a high level e.g. perform HR strategy instead of conduct environmental scans).**

HR Bureau: During FY 2008, fourteen offices constituted the HR Bureau that is headed by the Director General of the Foreign Service and the Director of Human Resources (DGHR) assisted by one Principal Deputy Assistant Secretary (PDAS) and two Deputy Assistant Secretaries. The HR Bureau provides corporate-wide HR policy, strategic planning, administrative and IT services that support both the Civil and Foreign Service personnel systems.

It should be noted that other bureaus within the Department provide HR services in support of their organization's mission. Nearly all FS specific HR services are performed within the HR Bureau.

- **If your organization includes multiple bureau/agencies/components please list all that the HR organization supports.**

HR Service Strategy: The Department is implementing a tiered HR service delivery model based upon best practice implementations from private industry and government. Such a model requires the Department to consolidate transactional, administrative and other routine services in a single self-service web portal (Tier 0) and an HR Service Center (Tier 1) which would provide a single point-of-contact for customers. More complex HR processes will be consolidated among nine HR Service Providers (HRSPs). Corporate HR (Tier 3) will consist of policy making, HR program design, data management and exception/waiver processing, among other department-wide functions.

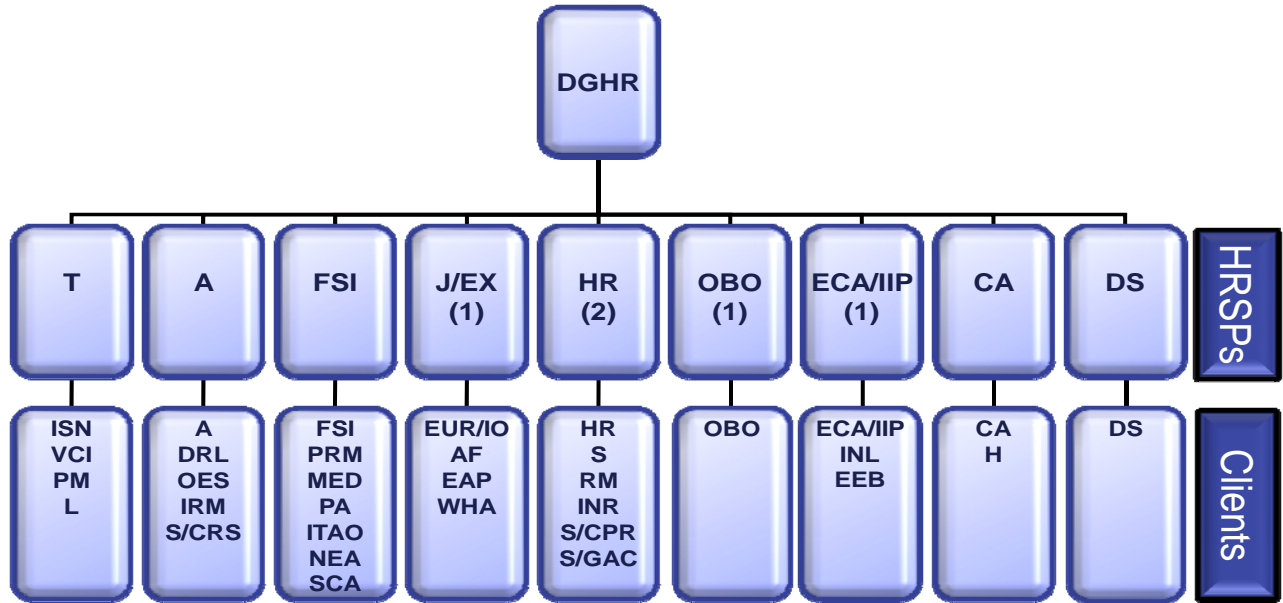


Domestic HR services are delivered through two primary mechanisms: 1) the HRSPs provide distributed HR services at the Tier 2 level; and 2) the HR Bureau provides corporate HR services at the Tier 3 level.

Human Resource Service Providers (HRSPs): The following display captures the HRSPs that collectively provide the range of specific HR services within the Department. The nine service providers and their client bureaus are depicted. The display warrants two nuances: 1) the HR service provider initiative was stood up at the beginning of FY 2009 and depicts an ongoing organizational evolution; and 2) a number of these HRSPs incorporate HR personnel located in the Executive Bureaus of their clients. For example, J/EX works with a number of regional bureaus that operate in the overseas environment (e.g., WHA or Western Hemisphere Affairs). The executive office, WHA/EX, also contains a number of personnel specialists.



HR Service Providers and Clients



(1) Classification to the GS-13 (GS-14 and above – HR); Staffing to the GS-15
 (2) HR Service Provider – also responsible for corporate functions
 (3) OIG does not require the services of an HRSP

1

Use of HR LOB BRM: The Department used the HR LOB Business Reference Model (BRM) V2 as a basis for analyzing the HRSPs and most of the offices of the HR Bureau. The instrument was used to determine how they allocated their FTEs (based on 40 hours of 2080 hours) across the BRM sub-functions and its constituent processes. The analysis was extended to include the client HR personnel located within the Executive Offices of the bureaus serviced by the HRSPs. Given the dual personnel systems existing at the State Department, the analysis also separated FTEs devoted to Civil Service from FTEs devoted to Foreign Service. No effort was made to extend the BRM analysis to “Overseas” HR operations.

Human Resource Officers at Post: Career Foreign Service personnel serve as either generalists or specialists. Foreign Service Officers, by definition are generalists, and are part of the diplomatic corps. Foreign Service specialists, however, provide staff services in the day-to-day operations of U.S. Diplomatic posts abroad. These Foreign Service specialists are hired under a specific skill code as they enter the service. The skill code of a human resources specialist is “Management—Human Resources” with a code of 2201.

- **Type of special population of employees if any.**

The State Department hires a number of individuals falling into special populations. Individuals within these populations may also provide various types of HR services.

WAE: The Department of State hires many former and retired employees under When Actually Employed (WAE) status. In particular, the Department appoints many retired Foreign Service officers to Civil Service appointments on a part-time, intermittent, or temporary basis. These appointments are attractive to retirees, in part, because the retirees may continue to receive their annuity as specified in 22 U.S.C. 4064. These re-hired annuitants are commonly referred at the Department as "when actually employed" or "WAE" employees. The general rule is that a WAE may serve no more than 1,040 hours per year.

Eligible Family Members (EFMs): Overseas, in response to job announcements issued from Foreign Service posts, Eligible Family Members (EFMs) may qualify for a Family Member Appointment (FMA). This is a Department of State mechanism used to employ US Citizen Eligible Family Members (EFM) of direct hire Foreign Service, Civil Service, or uniformed service members assigned to post and under Chief of Mission authority.

To qualify for a FMA appointment, the candidate must be a U.S. citizen spouse or an unmarried dependent child at least 18 years old, but under age 21, on the travel orders of an American Foreign or Civil Service employee or uniform service member permanently assigned to a U.S. Foreign Service post abroad and under Chief of Mission authority. In addition, the candidate must not currently receive a Foreign Service or Civil Service retirement annuity.

Locally Employed Staff (LES): The LES represent a large component of the Department's overseas workforce but are not included in this analysis.

- **Description of any HR Functions that are outsourced:**

N/A

- **Description of any additional information about your HR operation that explains your HR organization or operational model**

The State Department operates under a dual personnel system. The Civil Service personnel rules are governed by Title 5 U.S.C. and the Foreign Service personnel rules are governed by the Foreign Service Act of 1980, as amended.

- **Additional information that gives context to measurement results.**

Assumptions:

- FY 2008 data is being used.
- Personnel counts are taken at the close of FY 2008 (September 30, 2008).
- Payroll costs are computed by annualizing September 2008 monthly salaries.
- Overhead costs are computed from OMB- M-06-22 “Cost Savings Achieved Through E-Government and Line of Business Initiative.”
 - Fringe Benefits: 0.3285 of base salary
 - Liability Insurance: 0.007 of base salary
 - Overhead: 0.12 of (base salary + fringe benefits)
Note: Overhead does not include items such as office supplies, building fees, printing/mailing costs, etc.
- HR Contractor Costs: No data are available that capture HR contractor costs.
- Counting HR Service Providers
 - All individuals falling within the Human Resources Service Providers (HRSPs) of the US Department of State will be counted as HR service providers. They will be complemented by
 - Identified and selected individuals providing HR services as defined by the HR LoB BRM model, falling within the Executive Offices of Bureaus being serviced by the HRSPs.
 - All individuals falling within the HR Bureau have been counted but are weighted in relation to the HR LOB target requirements.
 - “Overseas” personnel, defined as American Direct Hires and residing “at post,” and classified by their Foreign Service skill code, shall be counted as HR service providers.
 - “Overseas” personnel, defined as American Direct Hires and residing “at post” will be considered recipients of HR services.
- Adjustments for status of employment: Minor adjustments must be made to salary costs based on the nuances of the reporting system in considering Part-time, Intermittent, and Temporary (PIT) appointments.
 - These adjustments are reflected in Full Time Equivalents (FTEs based on 40 of 2080 hours).
 - PITS are estimated to be at 0.333 FTE, with appropriate costing adjustments taken.

Data: Data reported via this instrument were generated from the Global Employment Management System (GEMS) for FY 2008. GEMS is considered the HR system of record for all domestic and overseas American direct-hire employees, including Foreign and Civil Service personnel. GEMS is a fully-operational PeopleSoft integrated human resources system, implemented on April 19, 1999, to support human resources management business processes in the Department of State. GEMS was designed to track the progress of a personnel action from its initial request until it is completely processed and made a part of the employee's permanent job history record. On July 17, 2006, the GEMS application was upgraded to 100% web-enabled version of PeopleSoft, v8.8.

Appendix H – Department of Transportation Narrative

- **Description of the Agency**

The Department of Transportation was established by an act of Congress on October 15, 1966, the Department's first official day of operation was April 1, 1967. The mission of the Department is to: *Serve the United States by ensuring a fast, safe, efficient, accessible and convenient transportation system that meets our vital national interests and enhances the quality of life of the American people, today and into the future.*

- **Overview of the HR department including the HR functions performed (these can be based on the BRM sub-functions and described at a high level e.g. perform HR strategy instead of conduct environmental scans).**

DOT's HR functions performed are as follows:

- HR Strategy
- Organization and Position Management
- Staff Acquisition
- Performance Management
- Compensation Management
- Benefits Management
- Human Resources Development
- Employee Relations
- Labor Relations
- Separation Management

The Departmental Office of Human Resource Management (DOHRM) provides leadership and direction in human resource management (HRM) by developing policies and programs that improve organizational performance. This includes ensuring that HRM programs provide effective and efficient use of human capital throughout the Department. Functions:

- Develops and implements, in cooperation with the operating administrations, both short and long term human capital plans that support DOT's strategic plan objectives and performance targets, and oversees the reporting, and evaluation of progress and results.
- Develops, implements, and evaluates departmental HRM policies and programs to support organizational performance in such areas as recruiting and staffing, position classification, employee compensation, career development, workforce diversity, labor and employee relations, executive resource planning, performance management, employee benefits, and work and family life.

- Concurs in the selections of Operating Administration's Human Resource Directors.
- Recommends performance objectives and provides performance feedback on those performance objectives to the rating officers of Operating Administrations' Human Resource Directors.
- Consults with customers, including DOT senior management officials, on improving organizational performance through HRM policies, programs, and initiatives.
- Provides policy advice, technical guidance, and oversight review for all HRM policies and programs, including workforce planning, competency management, and succession planning.
- Provides for the collection, analysis, and dissemination of workforce and ceiling allocation information to management officials.
- Serves as Chairperson of the Departmental Human Resource Management Council; Chairperson of the Departmental Federal Personnel and Payroll System (FPPS) Change Control board; and facilitates the sharing of pertinent governmental and departmental human resource management activities and best practices.
- Conducts personnel operational programs for the Office of the Secretary or other designated organizations, including recruitment and placement, performance management, position classification, suitability adjudication and management of executive resources.
- Develops departmental policy with regard to, and conducts alcohol and drug programs, including random testing.
- Provides employee wellness services, including employment information, counseling, health and fitness programs, and a wide variety of related activities.
- Conducts learning and development programs, including classroom training, self-help study, distance learning, and computer-based training.
- Maintains contact with customers to assess degree to which services satisfy customer expectations and to ascertain new or changing requirements.
- Administers employee surveys, as required by National Defense Authorization Act for Fiscal Year 2004, and acts as the DOT focal point for coordinating and preparing required departmental internal human resource reports.
- Represents DOT on interagency committees and task forces that develop and approve human resources policy. (Chief Human Capital Officers Council; HR Line of Business; Multi-Agency Executive Strategy Committee; other OPM councils and user groups; etc.)
- Provides advice to the Department in regards to matters related to the development, enhancement, maintenance, and future development of HR Information Systems. (i.e., Federal Personnel and Payroll System (FPPS), Data Mart, electronic Official Personnel Folder, Employee Express, HR Line of Business system initiatives.)

Each DOT Bureau/Operating Administration have HR Offices which develop, publish, and enforce OA-specific HR policy and perform the full range of HR LOB functions and sub-functions for their organization.

- **If your organization includes multiple bureau/agencies/components please list all that the HR organization supports.**

Operating Administrations (OAs) have been added and removed over the years, and the size of the workforce has fluctuated with these and other changes. At the point in time that the survey was completed DOT has over 55,000 employees in the Office of the Secretary, the Surface Transportation Board, the office of the Inspector General and 10 OAs:

- Federal Aviation Administration (FAA)
- Federal Highway Administration (FHWA)
- Federal Motor Carrier Safety Administration (FMCSA)
- Federal Railroad Administration (FRA)
- Federal Transit Administration (FTA)
- Maritime Administration (MARAD)
- National Highway Traffic Safety Administration (NHTSA)
- Pipeline and Hazardous Materials Safety Administration (PHMSA)
- Research and Innovative Technology Administration (RITA)
- Saint Lawrence Seaway Development Corporation (SLSDC)

- **Type of special population of employees if any.**

- The FAA's human resources management system is exempt from Title 5 for compensation and related matters. This extends into their executive system which is completely separate from the rest of government. To support these flexibilities, the FAA has its own policy office that creates policies to meet its human capital requirements. This process is further complicated by the unions' unique ability to negotiate pay and the technical nature of the jobs, e.g., Air Traffic Control Specialists, Aviation Safety Inspectors, Aerospace Engineers, etc., and the fact that the FAA labor relations offices work with 10 different unions containing 46 bargaining units. As they deploy the Next Generation Air Transportation System (NexGen), activities have begun to escalate to attract and retain appropriate technical skills for a very complex national air system.

The FAA's hiring is complex due to the multiple sources for mission critical occupations such as Air Traffic Control Specialists. They hire veterans, retired military controllers, collegiate training initiative students and members of the general public. Their process for initial testing, medical and security screening as well as interviews is extensive and exhaustive. FAA's

compensation system and paysetting is quite complex due to the unions' ability to negotiate pay and the complexities of the training requirements and career ladders. Due to these complexities, the FAA owns and manages its own automated staffing solution.

Strategic planning in the form of the Flight Plan is integral to the FAA's pay setting and they expend considerable resources in contributing to the Organizational Excellence portion of the Flight Plan. The FAA has an employee population of 46,521. (34,959 of these employees are union members.)

- The SLSDC's (population 141) wage-grade employees are all union members.
- The FTA (population 515) employs 40 interns annually.
- The FRA (population 828) has 654 employees who are union members.
- RITA maintains 759 full-time equivalent (FTE) employees: 158 in Washington, 550 at the Volpe Center (Cambridge, MA), and 51 at the Transportation Safety Institute (Oklahoma City, OK). 620 of the 759 FTE are funded on a reimbursable basis. RITA's primary activity at the Volpe National Transportation Systems Center (population 696) has a majority of employees who are union members.
- The Maritime Administration (MARAD) has the equivalent of 756 full time employees, of which 303 are funded on a reimbursable basis, primarily by the U.S. Navy. The majority of reimbursable employees work in field offices.

- **Description of any HR functions that are outsourced in 2008.**

The Department of Transportation utilizes the Department of the Interior for their core HRIT and payroll.

Some OA HR Offices provide HR services to one another via inter-agency agreements:

- FHWA provides HR services to FMCSA (population 1,051).
- FHWA provides program management services for the Departmental automated staffing solution (Monster/QuickHire) to all of DOT, except for the FAA and the OIG.
- OST provides program management and system development services to all of the OAs.

The FTA employed contract staff to facilitate and promote their Leadership Development and Mentoring Programs, develop and support supervisory training curricula, and provide training.

FHWA, PHMSA, and FMCSA employed contract staff to supplement their HR support staff.

MARAD employed contract staff to support their vacancy announcement and recruiting process.

RITA/Volpe Center employed contract staff to provide expert HR consulting, executive/managerial coaching, career planning, facilitation, mentoring program support, workforce planning, Learning and Development team and recruitment support.

The OST employed contract staff to support their performance management/workforce analysis efforts; to conduct an SES position staffing and recruitment study; to review and update DOT HR policies; and to assist in the implementation of DOT's eGov initiatives.

- **Description of any additional information about your HR operation that explains your HR organization or operational model.**

The FAA has non-Title 5 personnel rules in effect and has a large labor relations department due to the high number of union employees it supports.

The SLSDC has a large labor relations department due to their wage-grade employees' salaries being union-negotiated.

The FHWA HR Office services employees in all 50 states as well as in Puerto Rico. To provide effective service, the FHWA has three HR offices around the USA. FHWA has 2,898 employees as of September 27, 2008. Of those, 958 are in Headquarters and 1,940 are in the field. The field number includes approximately 500 employees who work in the FHWA's Federal Lands Highway Program and are funded through project funds.

The FAA HR Office services employees in all 50 states as well as in Puerto Rico and foreign countries. To provide effective service, the FAA has 12 HR offices and two shared service centers around the USA.

The FRA has a large labor relations department due to the high number of union employees it supports.

The MARAD provides HR services to the United States Merchant Marine Academy (student population 960).

The Volpe Center has a large labor relations department due to the high number of union employees it supports.

- **Description of any additional information that gives context to your measurement results.**

DOT employees provide a wide range of critical services to the public and hold positions in extremely varied functions. Their work runs the gamut from rule-making at the policy level to large systems design; coordination with state agencies; on-the-ground examination of the nation's trucking and railroad fleets; certification of transportation professionals; oversight of the transportation of hazardous materials; education; and direct management of the nation's air traffic around the clock. This variety of work adds complexity to managing talent and forecasting the future talent requirements for the Department as a whole, even as DOT strategy increases the need for "inter-modal" work, cooperation, and possibly increased future mobility across OAs.

The Department of Transportation is a large, diverse organization that employs a number of methods to achieve the best HR results for each of its Administrations and Offices while embracing best practices and economies of scale by taking on and implementing the various eGov initiatives as they become active. (Support and implementation of e-Payroll; electronic Official Personnel Folder and other e-gov/OPM initiatives; Support the implementation of the American Recovery and Reinvestment Act (ARRA); etc.)

Appendix I – Department of Veteran’s Affairs

- **Description of the Agency**

The Department of Veteran’s Affairs mission is to serve America's veterans and their families with dignity and compassion and to be their principal advocate in ensuring that they receive medical care, benefits, social support, and lasting memorials promoting the health, welfare, and dignity of all veterans in recognition of their service to this Nation.

- **Overview of the HR department including the HR functions performed (these can be based on the BRM sub-functions and described at a high level e.g. perform HR strategy instead of conduct environmental scans).**

The Assistant Secretary for Human Resources and Administration (HR&A) provides direction and oversight to five major program areas headed by the Deputy Assistant Secretaries for Administration, Human Resources Management, Diversity Management and Equal Employment Opportunity, Resolution Management, and Labor-Management Relations.

The Office of Human Resources Management (OHRM) is responsible for advising and assisting the Secretary and other VACO and field officials to meet the established mission, goals, and objectives of the Department through a strategically aligned and customer-focused human resources program.

The Office of Human Resources Management is focused on: policy development, workforce planning initiatives, human resources development, legislative changes, and civil service reform. This includes the fundamental human resources functions of staffing (recruitment and retention), classification, compensation, executive resources, workforce planning, employee relations, employee work-life and benefits, career transition, oversight and effectiveness, and employee development within the human resources community.

The functions of OHRM include liaison with OPM, representing VA before Congress, OMB, and other Federal agencies on human resources issues. Although Human Capital and Human Resources Management programs are centrally managed, the delivery of Human Resources services is on a decentralized basis and executed through approximately 140 separate HR Offices located in facilities dispersed throughout the United States and its possessions. Except for the VA Central Office local HR Office which is managed by the Office of Human Resources Management itself, the remainder of the local HR offices are under the span of control of the major sub-Agency Administrations or Staff Offices.

- **If your organization includes multiple bureau/agencies/components please list all that the HR organization supports.**

Figure 1

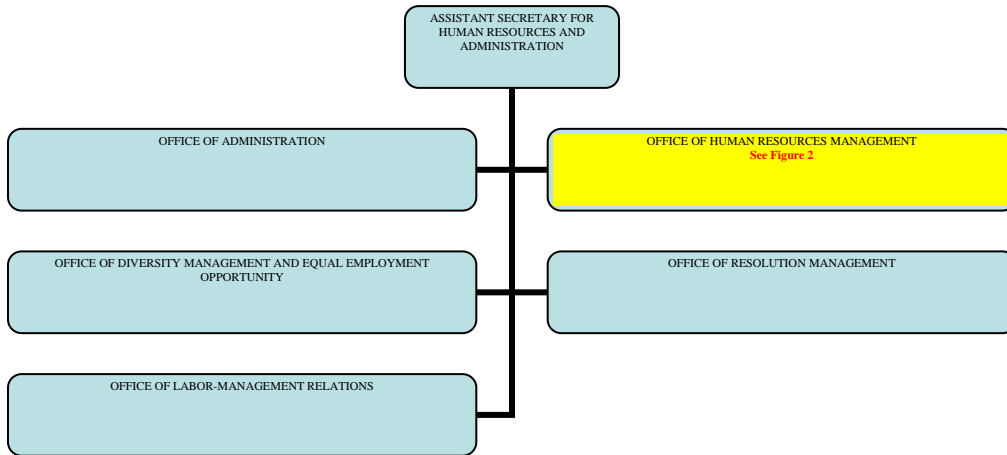
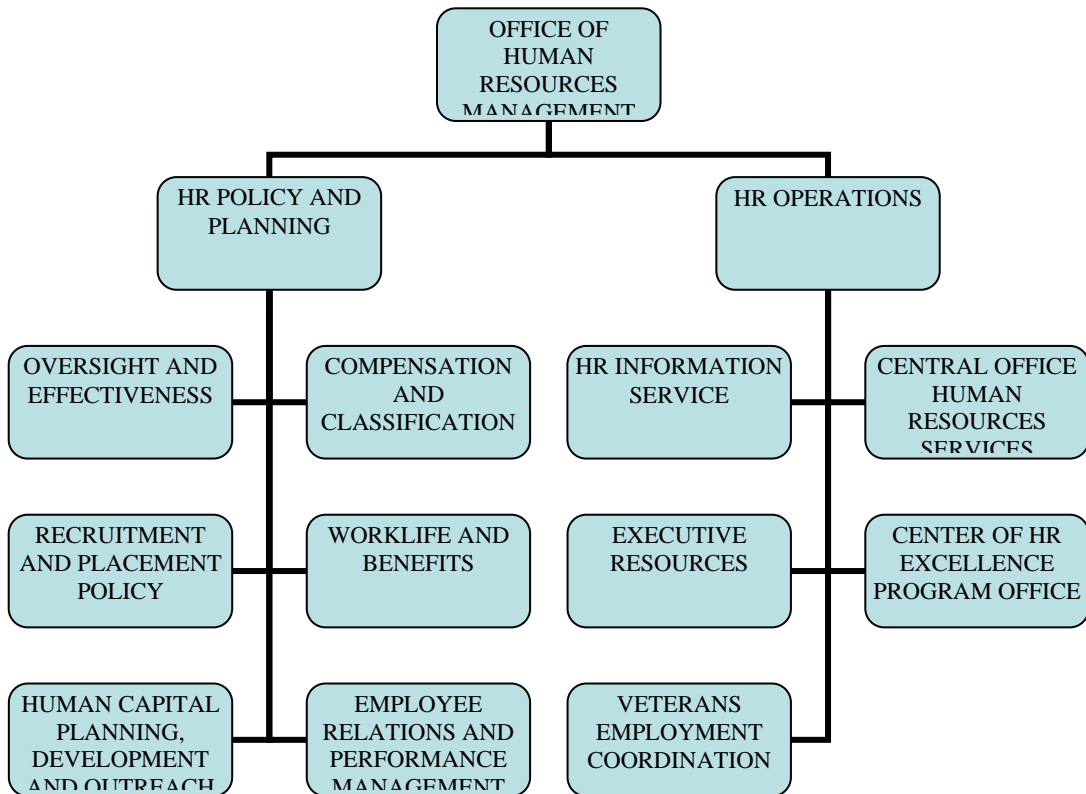


Figure 2



- **Type of special population of employees if any.**

The Department of Veterans Affairs employee population includes standard Title 5 employees but also has approximately 85,000 employees covered by unique Title 38 provisions.

- **Description of any HR functions that are outsourced.**

All HR functions for VA's Office of the Inspector General (OIG) (approximately 440 employees) are outsourced to the Bureau of Public Debt. Payroll support for these employees is provided by the National Finance Center.

- **Description of any additional information about your HR operation that explains your HR organization or operational model.**

The VA operates under a decentralized HR Service Delivery model that includes 140 separate local HR Offices that operate under the direction of local facility directors who in turn come under the operational authority of sub-Agency level Administrations or major staff Offices such as the CIO.

- **Description of any additional information that gives context to your measurement results.**

VA's corporate legacy HR/Payroll Information System is a 1960's era COBOL mainframe application that is supported by an IT based organization. The migration to DFAS for payroll is currently underway so formulating a baseline for VA is difficult at this time.

Appendix J – Office of Personnel Management Narrative

- **Description of the Agency**

The Office of Personnel Management mission is to: “Recruit and retain a world-class workforce to serve the American people.” The mission is accomplished by:

- Providing human capital advice and leadership for the President of the United States and Federal agencies
- Delivering human resources policies, products and services
- Ensuring compliance with merit system principles and protection from prohibited personnel practices
- Holding agencies accountable for their human capital practices

- **Overview of the HR department including the HR functions performed (these can be based on the BRM sub-functions and described at a high level e.g. perform HR strategy instead of conduct environmental scans).**

The Center for Human Capital Management Services (CHCMS) provides human resources management services to the OPM community. These functions include recruitment, staffing, classification, employee relations, labor relations, benefits, and work life programs. Human resources services are provided through a staff located in the headquarters in Washington, DC, and a small staff located in Boyers, PA.

- **If your organization includes multiple bureau/agencies/components please list all that the HR organization supports.**

N/A

- **Type of special population of employees if any.**

The Office of Personnel Management consists of nearly 6,000 employees nationwide in five major Divisions and a number of major Office components. The workforce is predominantly full time permanent but the agency also employs a large contingent of intermittent and part-time Test Administrators who provide reimbursable testing services for other Federal agencies, as well as military testing.

- **Description of any HR functions that are outsourced.**

CHCMS does not outsource any of its HR functions. The agency contracts with GSA to use their automated HR data system but the work is performed by in-house staff. Due to recent staff shortages and turnover in the staffing area, we contracted with a former employee to assist with our staffing workload. The contract is providing human resources services to include recruitment, placement, and classification. This contract was put in place to address an immediate need due to a severe staff shortage and is not recurring.

- **Description of any additional information about your HR operation that explains your HR organization or operational model.**

The staff of the Center for Human Capital Management Services (CHCMS) provides the full range of human resource services to the managers and employees of the Office of Personnel Management. We have been successful in meeting a variety of Governmentwide human capital goals and 'scorecard' standards. We have been successful in achieving the 45-day hiring initiative and have implemented the new government-wide 80 day model. Staff also provides leadership in succession planning, supervisory training, performance management as well as benefits management and employee and labor relations.

- **Additional information that gives context to measurement results.**

N/A

Appendix K – Industry Benchmark Narrative

- **Saratoga**

Saratoga's annual 2008/2009 Human Capital Effectiveness Report reveals hundreds of metrics and thousands of unique benchmarks focused on productivity, turnover, staffing, labor cost, training, and HR cost and structure. The report contains results from over 300 organizations throughout the United States, representing 12 industry sectors. The average company in the report has annual revenue of \$5.7 billion and roughly 17,000 employees.

Saratoga, formerly EP-First & Saratoga, is a global leader in the measurement and benchmarking of human capital. They work with 40% of FTSE 100 and Fortune 500 companies and consider intelligent measurement to be fundamental to performance improvement. Our benchmarks cover a broad spectrum including country workforce, size and sector. Data is collected to strict definitions ensuring resultant benchmarks reflect a like-for-like comparison.

The following organization size made up the participants:

Company Size	Percent of Total
1 - 500	12.6%
501 - 1,000	7.9%
1,001 - 2,000	11.9%
2,001 - 5,000	17.9%
5,001 - 10,000	17.0%
10,001 - 25,000	16.7%
25,001 - 50,000	7.5%
50,000+	8.5%
TOTAL	100.0%

The following industry distribution made up the participants:

Industry	Percent of Total
Banking	7.6%
Communications/Media	9.3%
Engineering/Manufacturing	13.4%
Hospitals	16.2%
Insurance	9.0%
Other Finance	3.8%
Pharmaceutical	2.4%
Professional Services	8.3%
Public Sector	8.3%
Retail and Leisure	4.5%
Technology	9.7%
Utilities	7.6%
TOTAL	100.0%

Appendix L – Workgroup Participants

The table below details the list of participating agencies:

Agencies
Department of Justice
General Services Administration
Office of Personnel Management, Center for Human Capital Management Services (MSD)
Social Security Administration
Department of Treasury

The table below details the list of participating OPM organizations:

OPM
Office of Modernization and Human Resources Line of Business
Strategic Human Resources Policy Division



UNITED STATES
OFFICE OF PERSONNEL MANAGEMENT
Human Resources Line of Business
1900 E Street, NW
Washington, DC 20415