

Accountability in Human Capital Management Transformation & Modernization Initiatives

USDA Human Capital Conference
March, 2003

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AGENDA

- **The Federal Human Capital Challenges**
- **OPM's Role in Managing Human Capital Initiative**
- **Success Stories**
- **What's Ahead**



Human Capital Challenges

- Government must produce measurable results
- Aging of the workforce with competition for replacement from the commercial sector
- Government viewed as an alternative employer, rather than "employer of choice"
- Employees joining Government have different career expectations



Human Capital Challenges

- “One-size fits all” Personnel rules, regulations, and policies
- The HR workforce has not served as strategic partners and Human Capital has not been viewed as a strategic priority
- Accelerating speed of change (e.g., technology, innovation, demographics) has not been met by planning activities



Human Capital Challenges

- Lack of alignment between HR and the organization's needs
- Insufficient accountability for performance
- Competencies and workload imbalances
- Outdated performance and appraisal systems
- Reduced investments in people (training, etc)
- Knowledge drain



Human Capital Progress

One Year Ago

- Federal agencies focused on the short-term
- Federal agencies not systems-focused, view human capital problems and solutions in piecemeal fashion
- Federal agencies are not using available flexibilities

Now

- Agencies see the need to be forward-thinking and strategic
- Agencies see the value in an integrated approach based around a vision for the future
- Agencies are turning to OPM for guidance



Human Capital Challenges

One Year Ago

- Federal agencies do not understand the term “Strategic Partner.”
- Agencies see human capital improvement solely as improvement to the HR function.
- Agencies are having a hard time addressing human capital comprehensively and are not sure where to begin.

Now

- HR wants the new role, often lack the competencies and capacity.
- Agencies understand the initiative and see this as an opportunity.
- Agencies know that they are facing skill shortages and they need to address the issue.



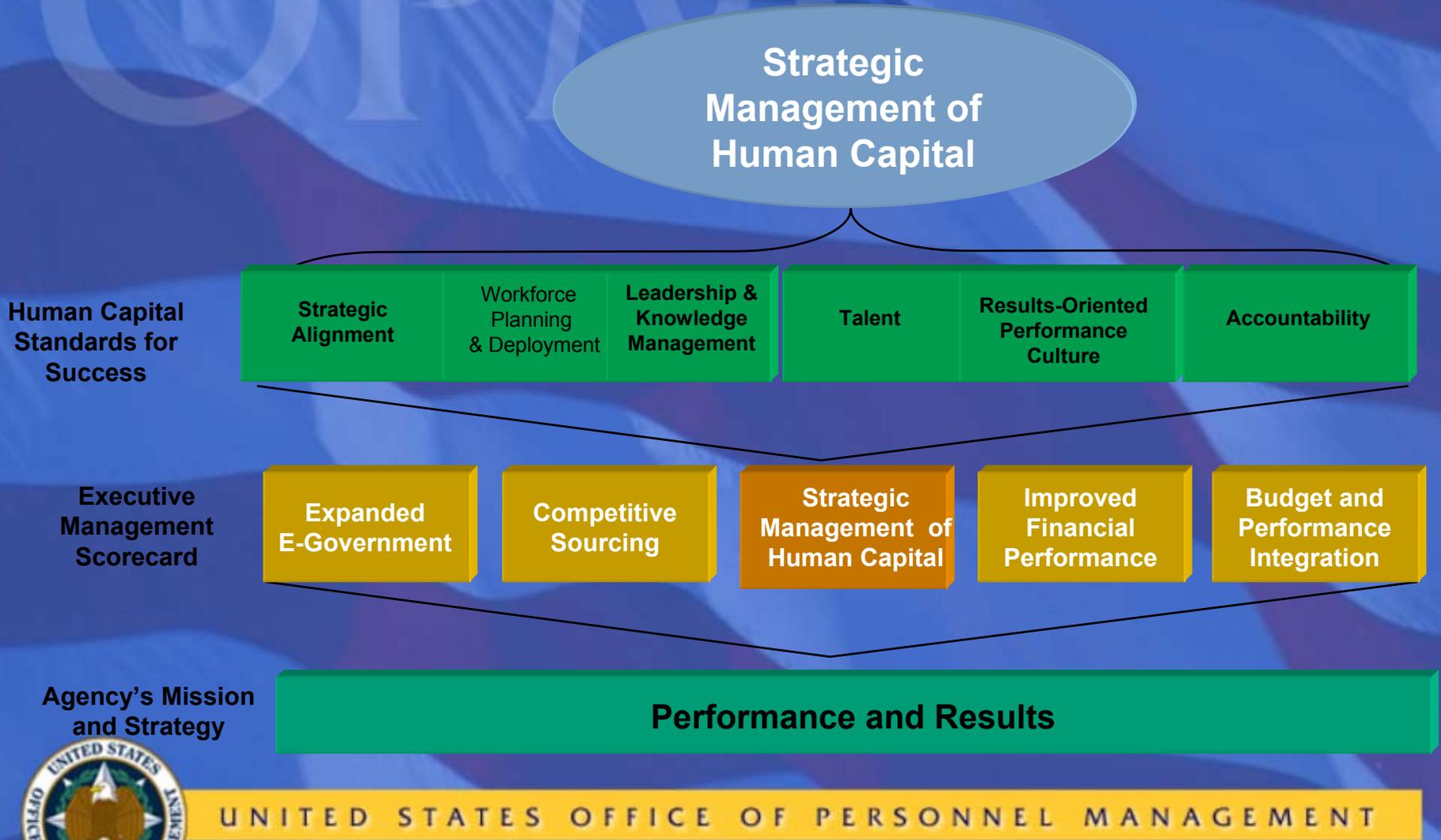
To Address Human Capital and Other Challenges Facing the Government, The President Launched a Management Reform Agenda

- Strategic Management of Human Capital
- Competitive Sourcing
- Improved Financial Performance
- Expanded Electronic Government
- Budget & Performance Integration

Standards for Success
Captured in
The Executive Branch
Management Scorecard



OPM's Main Mission is to Spearhead Strategic Management of Human Capital



Evaluating Human Capital with OPM's HC Framework

- Challenges Government to match high performing Fortune 500 companies.
- Integrates OPM, OMB, and GAO perspectives.
- Holds managers accountable for transforming workforce to get results.
- Helps agencies organize their information.
- The framework is used to evaluate agencies' progress.



Evolution of the HC Framework

- GAO Self-Assessment Checklist for Agency Leaders and Model of Strategic Human Capital Management
- Civil Service Rule X and Standards for HRM Accountability
- OMB Human Capital Standards for Success
- OPM Human Capital Scorecard
- Human Capital Assessment and Accountability Framework (HCAAF)



Building Excellence with Human Capital Standards

Strategic Alignment

WORKFORCE
PLANNING
& DEPLOYMENT

TALENT

LEADERSHIP &
KNOWLEDGE
MANAGEMENT

RESULTS-ORIENTED
PERFORMANCE
CULTURE

Accountability

AGENCY'S STRATEGIC PLAN



HC Framework Guides OPM: How to Move on Status Score

- To move from Red to Yellow on Status, agency must have a well developed human capital plan and is implementing strategies in each of the six Human Capital Standards for Success
- To move to Green on Status, agency's human capital strategies are supporting the overall mission and agency is using data to measure results in all core criteria



Human Capital Standards

Critical Success Factors

Strategic Alignment

Human Capital Focus
Governmentwide Human Capital Collaboration
Human Resources Collaboration

Results-Oriented Performance Culture

Performance Management
Diversity
Employee/Labor Management Relations

Workforce Planning & Deployment

Workforce Planning
Workforce Deployment

Talent

Workforce Analysis
Compete for Talent

Leadership & Knowledge Management

Leadership Planning & Implementation
Change Management
Integrity and Inspiring Employee Commitment
Strategic Knowledge Management
Continuous Learning and Improvement

Accountability

Agency-wide System for Ensuring
Accountability in Human Capital

Accountability

- Agency human capital decisions are guided by a data-driven, results-oriented planning and accountability system in support of agency strategic plan



Accountability

Critical Success Factor

- Agency-wide system for ensuring agency accountability in human capital, with processes and activities outlined under the HCAAF used throughout, ensuring that over time people are managed efficiently and effectively and in accordance with the merit system principles, veteran's preference, and related public policies



Components of a Good Accountability Program

- Agency has documented all of its human capital management processes, measures, and results, enabling managers/supervisors to make informed decisions
- Agency periodically analyzes human capital data to assess results, identify risks, and ensure that controls are in place to address problems and modify strategies and activities as necessary

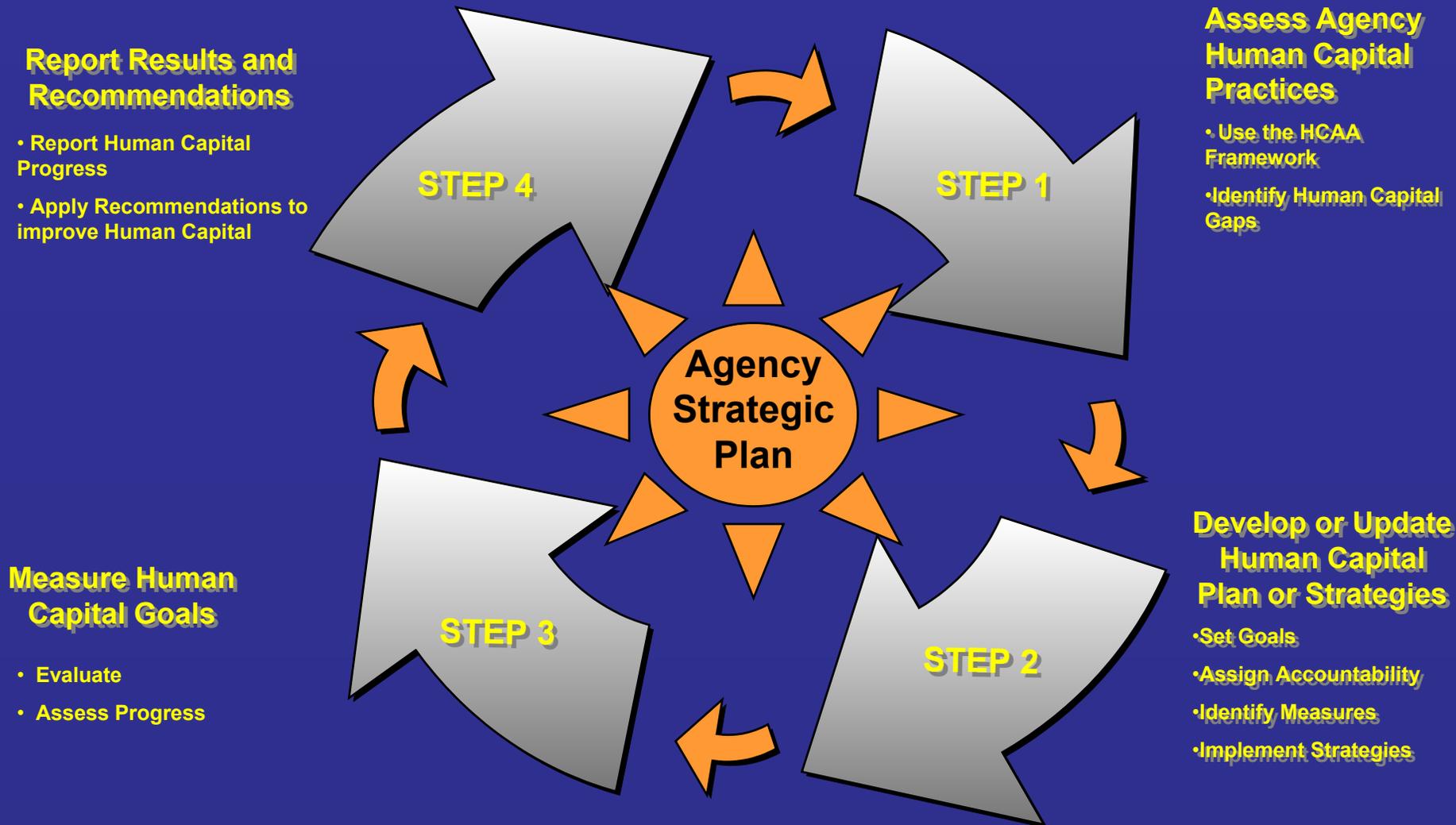


Components of a Good Accountability Program

- Human Capital strategies and the processes for ensuring accountability are periodically reassessed



Human Capital Assessment and Accountability System: Pulling It All Together



OPM Accountability Resources

- Executive Order 13197
- Merit system principles
- Prohibited personnel practices
- Accountability/metrics strike team



General OPM Resources

- **Government-wide survey data, which addresses employee perceptions of human capital management in agencies, will soon be available for agency comparison with Government-wide responses**
- **Government-wide CPDF HR transaction data will soon be available for agency comparison with Government-wide data on key metrics**



OPM is Responding to the Human Capital Challenge by Championing Several Areas

- Delivering customer focused results
- Rebuilding technical competence; assuming new roles as consultants and business partners
- Adopting innovative approaches to staffing, developing, and retaining the HR profession
- E-learning
- Developing “HR Champions” among Federal leaders and Mentoring
- Ensuring recruitment and retention comparable to commercial best practices
- Providing incentives for retired Federal workers to reenter Federal service



Success Stories

- Transformation is taking hold in the Federal HR community.
- Agencies see it as an opportunity to initiate positive proactive strategic planning.

Examples: Education “One ED” approach
NASA Competency Model
HHS Emerging Leaders Program
USDA (Accountability Plan)

- OPM is:
 - Acting strategically
 - Optimizing HR structure and processes
 - Building commitment



Human Capital Legislation

2002 Homeland Security Legislation

- **Creates of Chief Human Capital Officers (CHCO)**
- **Establishes a CHCO Council**
- **Requires OPM to design set of systems and metrics for assessing management of human capital**
- **Grants some special case direct hiring authority**



Human Capital Legislation

2002 Homeland Security Legislation

- Authorizes alternative ranking and selection procedures
- Permanently extends and expands buyout and early-out authority
- Repeals re-certification requirements for Senior Executive Service members
- Authorizes payment of academic degree training



What's Ahead

Human Capital Performance Fund

- President Bush has proposed a \$500 Million Human Capital Performance Fund for agencies to reward and retain high performers
- A shift from rewarding longevity to tying pay to results
- Proposed plan requires each agency to devise its own “pay for performance” plan and submit to OPM for approval



OPM is Restructuring with Human Capital in Mind

- Rebuilding technical competence; assuming new roles as consultants and business partners
- Delivering technical services and products that are results-oriented and customer focused
- Adopting innovative approaches to staffing, developing, and retaining the HR profession



OPM

Thank You

Questions and Discussion



<http://apps.opm.gov/humancapital/>



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