

Tuesday, May 13, 2014

## **MEMORANDUM FOR: Chief Human Capital Officers**

**FROM:** Katherine Archuleta Director

**Subject:** Update: Revising the Human Capital, Reviews, and Reporting Framework

On April 26, 2013, the Office of Personnel Management (OPM), the Chief Human Capital Officers (CHCO) Council, and the Office of Management and Budget (OMB) notified the Human Capital community about efforts being taken to focus human resource planning, reporting, and management on improving Federal agency performance and productivity. This memorandum outlines the status of these efforts.

### **Objectives**

The objectives for revising our human capital planning, management review, and reporting processes are to develop and implement workforce strategies that advance progress on each agency's mission performance goals and objectives, while streamlining core human resource (HR) policies, procedures, and technology. Agencies should focus their HR operations on supporting managers and employees in hiring, engaging, and retaining top talent, while reducing the time and costs associated with HR processes and reporting.

### **Update: Refining Roles and Responsibilities**

In early 2013, OPM introduced the revised Human Capital Assessment and Accountability Framework (HCAAF), now known as the Human Capital Framework (HCF), which reflects what we have learned over the past decade about strategic human capital planning and implementation. The HCF will become effective when proposed changes to 5 CFR part 250 are final. Agencies will have an opportunity to comment on the proposed regulation in the near future.

### **Update: Setting Goals and Planning**

Under the GPRA Modernization Act of 2010 (Public Law 111-3542), each agency prepares a strategic plan with the first full budget in a new term of an Administration, along with an annual performance plan that sets performance goals. Every agency developed a new Strategic Plan and Annual Performance Plan for release with the FY 2015 Budget. To support the strategic planning process, OPM is proposing to amend the regulatory language at 5 CFR part 250 to integrate agencies' strategic human capital plans within their strategic and annual performance plans. OPM is proposing to eliminate the requirement for agencies to submit separate Strategic Human Capital Plans. Circular A-11 part 6 (sections 210 and 220), provides further guidance on the

transition plan that integrates human capital strategy with GPRA Modernization Act requirements.

### **Update: Data-Driven Performance Reviews**

The GPRA Modernization Act requires that the Chief Operating Officer (COO), with support from the Performance Improvement Officer (PIO), conduct quarterly data-driven reviews of agency performance. To assure that human capital is fully integrated into these reviews, CHCOs should participate in quarterly reviews of agency priorities and other performance goals.

In addition, CHCOs should conduct quarterly reviews of agency progress against goals and targets. OPM is partnering with agencies to pilot these quarterly reviews known as “HRstat.” Under HRstat, CHCOs convene quarterly reviews (with PIO and COO participation) on key human capital goals. These HRstat sessions enable the review of key human capital metrics relevant to an agency’s general HR goals and the in-depth analysis of HR goals that are integral to the COO’s quarterly performance reviews.

HRstat is a three-phased initiative:

- HRstat 1.0 – 8 pilot agencies completed their quarterly reviews at the end of FY 2012
- HRstat 2.0 – 16 pilot agencies completed their quarterly reviews at the end of FY 2013
- HRstat 3.0 – 8 additional pilot agencies will complete their quarterly reviews by the end of Calendar Year 2014

Going forward, OPM, in conjunction with the CHCO Council, will develop internal benchmarks of HRstat metrics to identify key strategic and operational HR metrics all agencies will collect and share.

### **Update: Modernizing and Reducing Human Capital Reporting**

The President’s Executive Order 13583 on Diversity directed OPM to “review applicable directives to agencies related to the development or submission of agency human capital and other workforce plans and reports in connection with recruitment, hiring, promotion, retention, professional development, and training policies and practices, and develop a strategy for consolidating such agency plans and reports where appropriate and permitted by law....”

In response, OPM has completed its comprehensive review to identify data from reports proposed for elimination while determining the Enterprise Human Resources Integration (EHRI) system’s ability to automatically capture reliable and valid data provided in existing reports. In April, OPM introduced the list of 12 reports proposed for elimination. Appendix A provides the status of these reports and identifies what reporting requirements we can eliminate and what requirements agencies should continue to report.

To ensure the successful consolidation of reporting requirements, agencies must continue to actively participate in assuring EHRI produces complete, accurate, reliable, and valid data that the Federal human capital community can use to analyze, plan, and support the Federal workforce. The EHRI system will serve as a key tool for OPM to produce timely and accurate data for required reports.

In addition, OPM has authored regulation: Human Resources Management Reporting Requirements which applies to 5 CFR Parts; 792, 831 and 842, which will allow agencies to focus on driving agency performance while reducing current HR reporting requirements. The regulation will be made available in the near future for agency and public comment. We will continue working to establish a comprehensive and integrated (Governmentwide) approach for data collection and analysis in support of our efforts to reduce/eliminate duplication where warranted.