



Agency Priority Goal Action Plan

Federal Strategic Human Capital Management Tools, Flexibilities, and Authorities and Strategic Skill Gaps Mitigation

Goal Leader(s):

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Leadership & Implementation Team

Goal Statement	Enable agencies to effectively address current and projected workforce needs to meet mission objectives. By September 30, 2021, OPM will provide agencies with at least 48 significant tools, flexibilities, and authorities needed to advance their human capital objectives, and mitigate skill gaps in 80 percent of identified high risk mission critical occupations compared to a 2017 skills gap baseline.
Challenge	While Chief Financial Officer (CFO) Act agencies are growing more sophisticated in addressing Strategic Human Capital Management challenges and mitigating their high-risk Mission Critical Occupations (MCO) skills gaps, Strategic Human Capital Management has remained on the GAO High Risk for years. CFO Act agencies are engaging in a systematic process of addressing MCO skills gaps, but more progress needs to be made. Moreover, agencies require additional tools and flexibilities to assist them in meeting their human capital objectives and identifying emerging workforce needs and skills, as automation continues to change the way work is accomplished.
Implementation Risk	<p>Currently, agencies can seem less anticipatory, and more reactionary about workforce needs. This goal aims to help agencies shift to a more future-focused posture, by fully leveraging tools, flexibilities, and authorities and implementing rigorous human capital management methodology.</p> <p>OPM cannot control the level of effort that each agency will put into closing their skills gaps or using the tools, flexibilities, and authorities OPM provides.</p> <p>Agencies will need to put effort into closing their skills gaps and using the tools, flexibilities, and authorities OPM provides. Agency Subject Matter Experts will be</p>

Overview (continued)

required to assist with multiple aspects of this goal. Without the appropriate personnel, the results may not be robust enough to mitigate skills gaps.

The risk is moderate to low as OPM evidence reflects that agencies are devoting the required resources to achieve this goal.

Opportunity

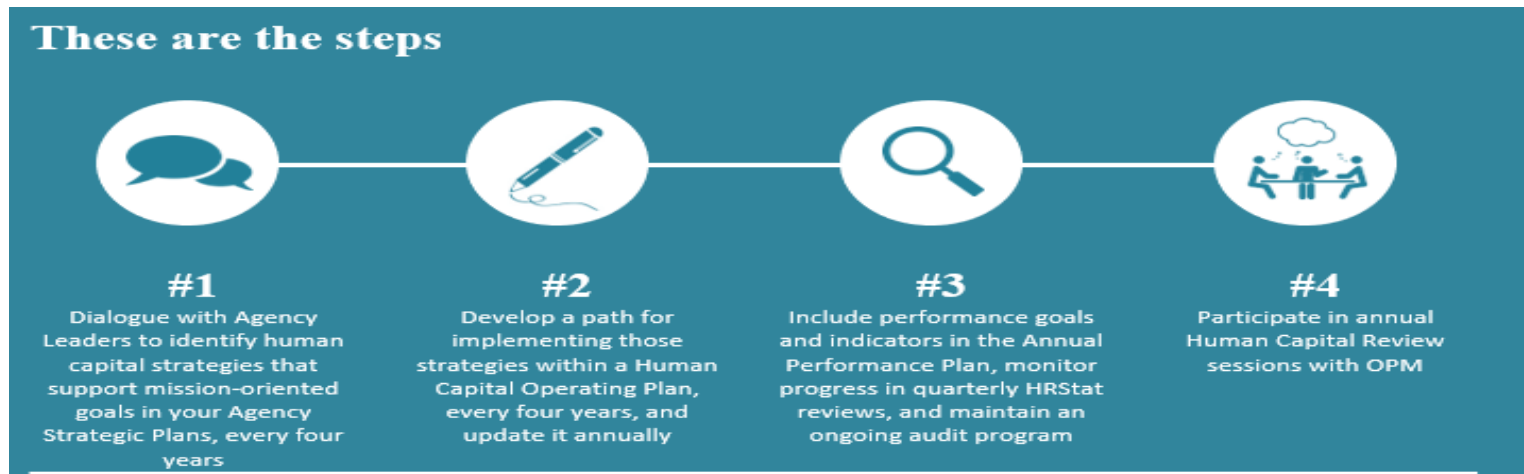
The Federal Government is postured to advance Strategic Human Capital Management using real-time tools, flexibilities, and authorities, as well as forward-leaning strategic workforce planning, to enable agencies to hire, develop, and retain the right talent, in the right place, at the right time.

Through the implementation of 5 CFR 250 subpart B, OPM can support agencies in achieving their human capital objectives by:

- assisting with the analysis and execution of a validated methodology to mitigate skills gaps in Mission Critical Occupations (MCO) to include identifying high risk MCOs, conducting a root cause analysis, developing an action plan, setting targets and monitoring progress;
- creating a foresight methodology to identify the emerging skills necessary for the future of Federal work and proactively engaging agencies to use these recommendations to shape their workforce components; and
- increasing Government efficiency by being less reactive and more proactive to: (1) identify significant tools, flexibilities, and authorities needed to advance human capital objectives; and (2) spot trends impacting the future Federal workforce, to hire, develop, and retain the right talent, in the right place, at the right time.

Overview (continued)

OPM regulation 5 CFR 250 subpart B supports Federal departments and agencies in their ability to implement Strategic Human Capital Management across their varied missions. This regulation creates the framework for agencies to align the human capital necessary to achieve their strategic plans while creating a mechanism for monitoring progress and achieving results. The illustration below captures the four step process agencies use to conduct strategic workforce planning to achieve their goals. Based upon the forward-leaning findings of OPM’s Federal Workforce Priorities Report, agencies align their human capital strategies with the Agency Strategic Plans, create a roadmap in their Human Capital Operating Plans (HCOP), and conduct data-driven “HRStat” Reviews on at least a quarterly basis to monitor progress. Agencies then identify improvements and barriers on an annual basis during Human Capital Reviews (HCR) with OPM. In turn, OPM provides guidance and identifies and develops tools, flexibilities, and authorities based on Administration priorities, HCRs, and research.



Overview (continued)

The Federal Strategic Human Capital Management Process



United States Office of Personnel Management

5 CFR 250 subpart B now fully aligns human capital management to broader agency strategic planning activities and better integrates human capital (HC) activities with an agency's mission and strategic goals. Through this process, OPM is better postured to identify the need for governmentwide and agency specific tools, flexibilities, and authorities to assist agencies in hiring, retaining, and developing the workforce for the future.

NEW Federal Human Capital Framework (HCF) & Diagnostic Tool

The HCF provides the roadmap for implementing strategic human capital management. The four systems that structure the Human Capital Framework - Strategic Planning and Alignment (plan), Talent Management (implement), Performance Culture (implement), and Evaluation (evaluate) - drive the agency's actions and decisions from overall mission to individual programs.



2018 Federal Workforce Priorities Report

Federal Workforce Priorities Report

... utilizes Foresight practices and scenario based workforce planning to set the Government-wide priorities for the next four years based on the President's Management Agenda.

STRATEGIC HUMAN CAPITAL MANAGEMENT IN FOUR STEPS



Develop and implement **Agency Strategic Plans** with HC strategies that support mission-oriented goals (Every 4 years)



1.1 Government Performance and Results Act (GPRA) Modernization Act requires agencies to align HC to their agency strategic objectives.

1.2 OPM assists agencies using **Foresight** strategies to identify future workforce requirements and emerging skills.

1.3 OPM conducts **Human Capital Learning Sessions** throughout the year to support agencies in aligning HC tools to their strategic objectives.



Develop a path for implementing strategies within a **Human Capital Operating Plan (HCOP)** and update it annually



2.1 Closing Skills Gaps initiative uses the **Multi-Factor Model** to assist agencies in identifying their high risk mission critical occupations (MCO) to target for closure.

- **Federal Action Skills Team (FAST)** are formed to lead the agency efforts to close skills gaps.
- **MCO Resource Charts** are used by agencies to report on staffing targets, staffing gaps, time-to-hire, projected attrition and projected retirements.

2.2 OPM develops **tools, flexibilities, and authorities** to support efforts to hire, retain, and develop the workforce.



Monitor HCOP metrics and Annual Performance Plan indicators through quarterly **HRStat Reviews**



3.1 HR Stat Maturity Model Assessment Tool (MMAT) is used by agencies to assess their growth in implementing the HRStat framework.

3.2 Workforce Dashboards are used to monitor human capital metrics to ensure workforce is able to achieve mission accomplishment.

3.3 Federal Employee Viewpoint Survey (FEVS) is used to develop metrics around employee engagement and other key factors affecting human capital management.

3.4 HRStat Community of Practice provides a forum for collaboration and to share best practices.



Participate in annual **Human Capital Review** discussions with OPM



4.1 Human Capital Review (HCR) discussions are held annually with OPM to review successes and barriers to achieving results.

4.2 Flexibilities such as **Direct Hire, Legislation, Improved Guidance and other tools** result from HCR discussions.

4.3 Federal Workforce Priorities Report is informed from HCR results.

4.4 HCR Report highlights trends and emerging practices from the HCRs.

Overview (continued)

In 2011, OPM and the CHCO Council developed and implemented a strategy on closing skills gaps to remove Strategic Human Capital Management from the GAO high risk list. The initial skills gap effort resulted in the identification of five Government-wide Mission Critical Occupations (MCOs) and one functional area of Science, Technology, Engineering and Math (STEM).

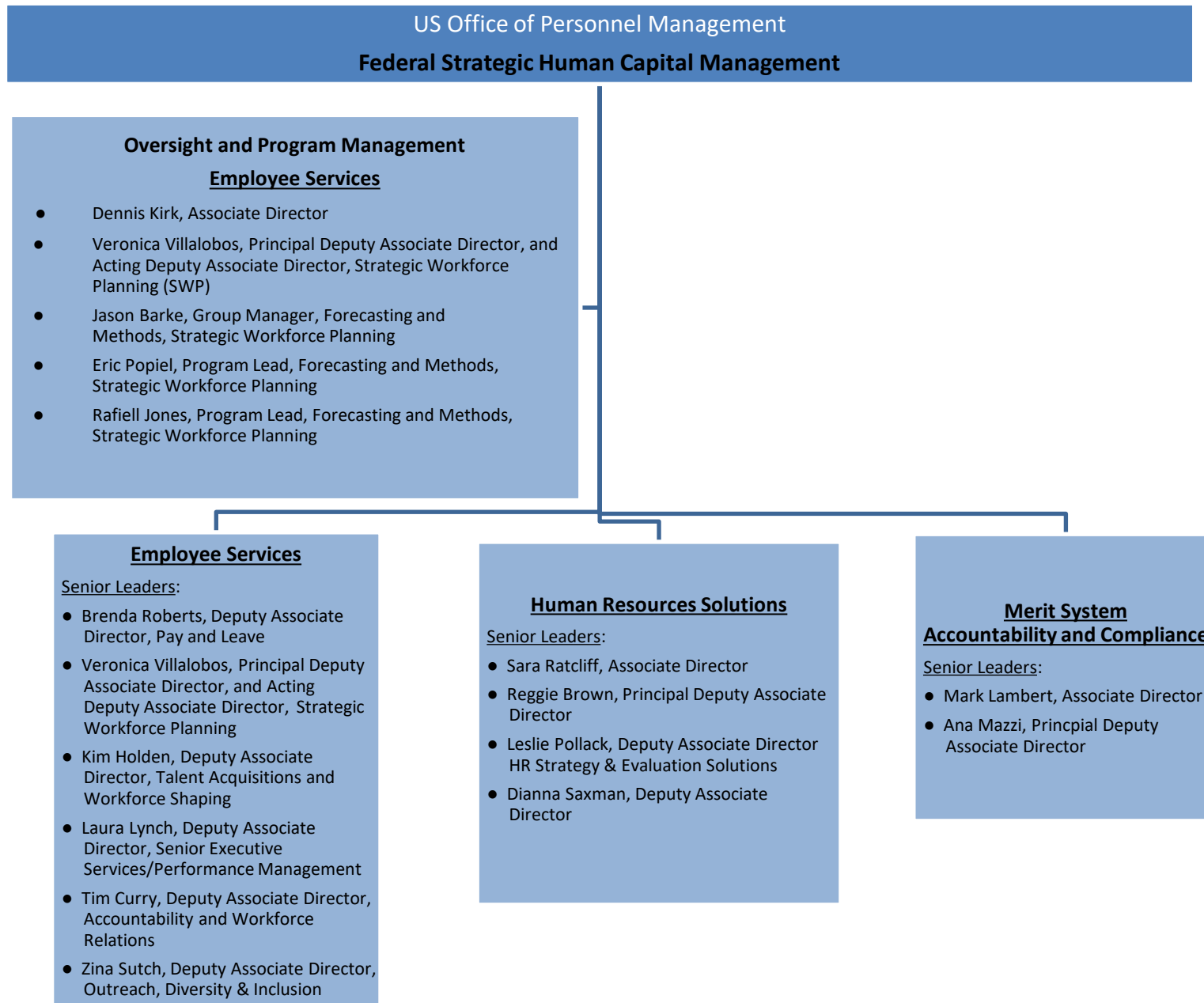
In 2015, OPM designed a new methodology for identifying **high-risk occupations** using a multi-factor model. The Multi-Factor Model is a standardized, data-driven approach that provides consistency across Government. The CHCO Council Executive Steering Committee reviewed and approved the model, provided input, and recommended moving forward with the Multi-Factor Model.

The Multi-Factor Model is comprised of four distinct factors (2-year retention, quit rate, retirement rate, and applicant quality), each having multiple dimensions that include Government-wide comparable data, as well as occupation specific data. OPM aggregates agency findings and applies an e-scanning methodology to determine Government-wide high-risk occupations and Government-wide high-risk competencies.

Performance Element	Occupation Result	Rating Level		Points X Weight Assigned	Summary
		Points	Weight Assigned		
Two year retention rate vs GW	High Risk		15%	0	Total weighted points x 100
Two year retention rate vs GW Occ	Moderate Risk		15%	0	
Quit Rate vs GW	High Risk		15%	0	
Quit Rate vs GW Occ	Moderate Risk		15%	0	
Retirement Rate vs GW	High Risk		15%	0	
Retirement Rate vs GW Occ	High Risk		15%	0	
Applicant Quality vs GW	Low Risk		5%	0	
Applicant Quality vs GW Occ	Minimal Risk		5%	0	
TOTAL			100%	0.00	0

The illustration above is an example of the multi-factor model and how the different elements are used to determine if a mission critical occupation is high risk.

Overview (continued)



Goal Structure & Strategies

Related Strategic Objective: OPM Objective 3.1- Strengthen OPM coordination of policy, service delivery, and oversight resulting in agencies achievement of human capital objectives

OPM will provide agencies with at least 48 significant tools, flexibilities, and authorities and initiate 3 ongoing efforts needed to advance their human capital objectives. These items include:

- Issuing Regulations/Authorities: 13
- Providing Guidance/Memos: 14
- Tools/Resources: 21
- Ongoing Initiatives: 3

OPM will implement the following strategies to support goal accomplishment:

- Review Human Capital Operating Plans and Human Capital Review findings and other feedback from agencies to identify agency needs.
- Identify, develop and release potential tools, flexibilities, and authorities to address needs.
- Conduct comprehensive Environmental Scan to determine what factors might impact Mission Critical Occupations in the future.
- Collaborate with agencies and Subject Matter Experts, collect pertinent data, and determine the best solution to meet their needs.

Summary of Progress – FY 20 Q1- Q2

Q1 2020

In Q2 FY 2020, OPM's Deputy Director hosted a briefing with the Occupational Leaders for the Government-wide High Risk Mission Critical Occupations (MCOs) for an update on their progress. The Occupational Leaders provided brief updates on each of the Government-wide, High Risk MCOs and indicated that they continue to make progress towards skills gap mitigation.

Cybersecurity is one of the Government-wide High Risk MCOs. In Q1 FY 2020, OPM submitted a report to Congress with an update on the cybersecurity work roles of critical need. This report highlights agency gaps and provides agency mitigation strategies for closing the gaps. OPM is working with agencies to create action plans with metrics for closing their cybersecurity work roles of critical needs, and agencies will provide an updated report on their progress to OPM in Q3 FY 2020.

In addition, OPM provided agencies with three significant tools, flexibilities, and/or authorities:

- OPM conducted a micro-learning session in December with approximately 250 agency representatives to demonstrate how data can be used to make business decisions. This training included briefings from the Departments of State and Housing and Urban Development.
- OPM released a memorandum/guidance for implementation of the final Job Family Position Classification and Qualification Standards for professional and administrative occupations in the Accounting, Auditing, and Budget Group, 0500. This memo directly supports the closing skills gaps effort, specifically the Government-wide, High-Risk Auditor position.
- OPM released the Employee Engagement Toolkit for Supervisors. This toolkit provides step-by-step guidance to easily assist work unit supervisors in understanding OPM's Federal Employee Viewpoint Survey (FEVS) results.

Summary of Progress – FY 20 Q1- Q2

Q2 2020

During Q2 FY 2020, OPM released one new tool:

SES Assessment Tool: OPM released three online Executive Assessments to assess the Executive Core Qualifications of candidates being selected for SES positions and Candidate Development Programs. The Executive Assessments include a Work Simulation, Situational Judgment Test, and a Work Styles Assessment. Agencies may use any combination of the three assessments and have already begun to use these new assessments, which are available through [USAHire](#). OPM will continue the project by evaluating data on how the assessments are impacting agencies' ability to select executives.

OPM also continued the progress on these ongoing projects:

Foresight Guidance: In an ongoing engagement, OPM assisted the Chief Financial Officers' Council Shape the Workforce Initiative in using foresight techniques to conduct an environmental scan, the results of which will be used to inform plausible future scenarios tailored to the mission of the financial management workforce.

CHCO Manager Survey: OPM provided CHCO Manager survey results from Q2 FY 2020 for each of the 24 CHCO agencies. The results are posted on the MAX portal for each agency.

HRStat and HR Community of Practice: On February 26, OPM conducted a briefing for agency points of contact for HRStat, Human Capital Operating Plans, and closing skill gaps on the continued implementation of HRStat data-driven quarterly reviews. The briefing provided an overview of the alignment between the

Summary of Progress – FY 20 Q1- Q2

HRStat data-driven quarterly reviews and the Human Capital Operating Plans and closing skill gaps. OPM facilitated a discussion enabling HRStat practitioners to share about their best practices, lessons learned and example.

On March 24, the HR Community of Practice for Staffing Professionals Pilot held a virtual conversation with 141 participants on job analysis. Core team members from the Departments of Energy and Labor led the conversation. The community learned about job analysis from an OPM subject matter expert, and about a case study with US Digital Services.

Key Milestones

Milestone	Milestone Due date	Milestone Status	Deliverables
Issue four tools, flexibilities, or authorities	Q1 FY 2020	Completed	500 Series Classification Guidance, Data Analytics Micro-learning Session, Federal Supervisory Assessments, Employee Engagement Playbook
Initiate three ongoing efforts	Q2 FY 2020	Completed	Foresight Guidance, HRStat COP, CHCO Manager Survey
Issue one tool, flexibility, or authority	Q2 FY 2020	Completed	SES Assessments
Issue eight tools, flexibilities, or authorities	Q3 FY 2020	On Track	
Issue ten tools, flexibilities, or authorities	Q4 FY 2020	On Track	
Issue four tools, flexibilities, or authorities	Q1 FY 2021	On Track	
Issue four tools, flexibilities, or authorities	Q2 FY 2021	On Track	
Issue eight tools, flexibilities, or authorities	Q3 FY 2021	On Track	
Issue nine tools, flexibilities, or authorities	Q4 FY 2021	On-Track	

Key Indicators

Measure	Q1 FY 20	Q2 FY 20	FY 20 YTD Target	FY 20 YTD Status	FY 20 Year- End Target	FY 21 Year-End Target
Number of strategic human capital management tools, flexibilities, and authorities provided to CFO Act agencies (Cumulative)	4	5	5	G	23	48
Percent of CFO Act agencies that have actively mitigated identified Mission Critical Occupations skills gaps (conducted root cause analysis, submitted an action plan, developed targets, and submitted quarterly reports) (Cumulative)	50%	50%	70%	Y	70%	80%
Number of CFO Act agencies that have actively mitigated identified Mission Critical Occupations skills gaps	12	12	-	-	-	-
Number of CFO Act agencies	24	24	-	-	-	-
Percent of CFO Act agencies that successfully accomplished a reduction in one or more of the Multi Factor Model categories (2-year retention, quit rate, retirement rate, applicant quality) from their 2015 baseline (Cumulative)	67%	67%	70%	Y	70%	80%
Number of CFO Act agencies that successfully accomplished a reduction in one or more of the Multi Factor Model categories	16	16	-	-	-	-
Number of CFO Act agencies	24	24	-	-	-	-

Data Accuracy and Reliability

Measure 1

Definition of Measure:

Cumulative number of strategic human capital management tools, flexibilities, and authorities provided to CFO Act agencies.

Data Source:

OPM (divisions) database, data calls, OPM website, CHCO Council website, and surveys.

Data Verification and Validation:

OPM will check the agency and CHCO Council websites to verify that guidance was posted, and review responses to surveys of OPM program offices / data calls for accuracy.

Data Limitations:

There are no significant data limitations.

Measure 2

Definition of Measure:

Cumulative number of CFO Act agencies that have conducted root cause analysis, submitted an action plan, developed targets, and submitted quarterly reports to mitigate Mission Critical Occupations skills gaps divided by the number of CFO Act agencies.

Data Source:

Quarterly reports from agencies, including milestone and metrics on their progress on closing skill gaps.

Data Verification and Validation:

OPM will review all quarterly submissions for accuracy, and work with individual agencies to resolve any issue.

Data Limitations:

There are no significant data limitations.

Data Accuracy and Reliability

Measure 3
Definition of Measure: Cumulative number of participating CFO Act agencies successfully accomplish a reduction in one or more of the Multi Factor Model categories (2-year retention, quit rate, retirement rate, applicant quality) from their 2015 baseline divided by the number of CFO Act agencies.
Data Source: Quarterly reports from agencies, including milestones and metrics on their progress on closing skill gaps.
Data Verification and Validation: OPM will review all quarterly submissions for accuracy, and work with individual agencies to resolve any issues.
Data Limitations: There are no significant data limitations.

Additional Information

Contributing Programs

OPM Strategic Objective

- Goal 3.1: Strengthen OPM coordination of policy, service delivery, and oversight resulting in agencies achievement of human capital objectives

President's Management Agenda

- CAP Goal 3: Workforce for the 21st Century

Regulations

- 5 CFR Part 250 subpart B, Strategic Human Capital Management

GAO Priority Recommendation

- Strategic Human Capital Management on the GAO High Risk List

Stakeholder / Congressional Consultations

- Federal departments and agencies
- Government Accountability Office