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

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.

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.

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

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.
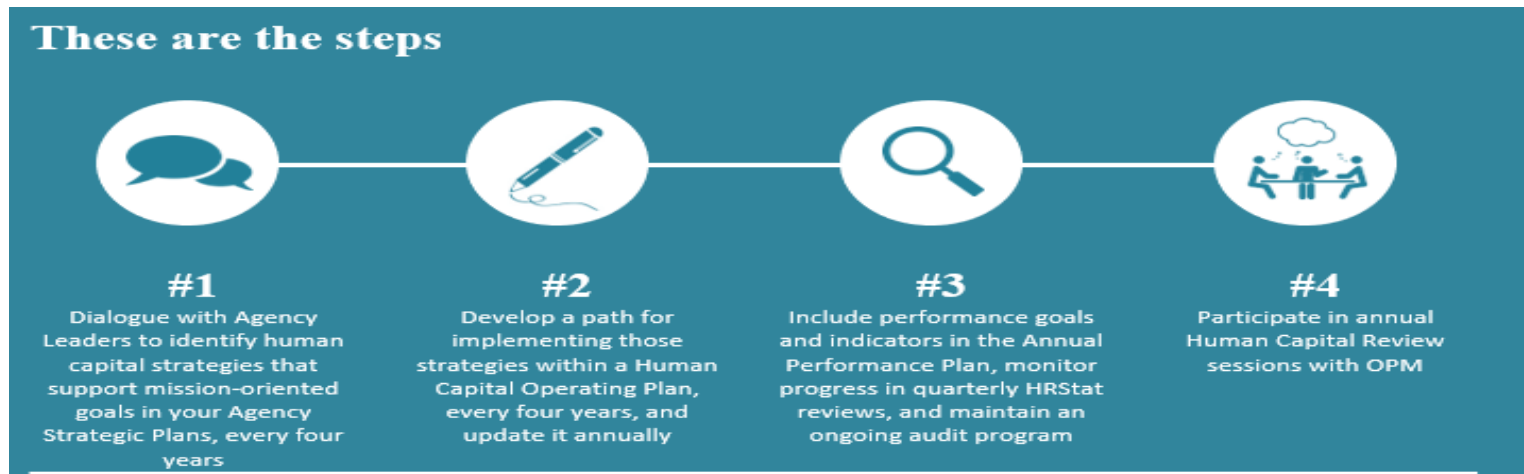
Overview (continued)

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

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

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

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

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

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.

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.

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.

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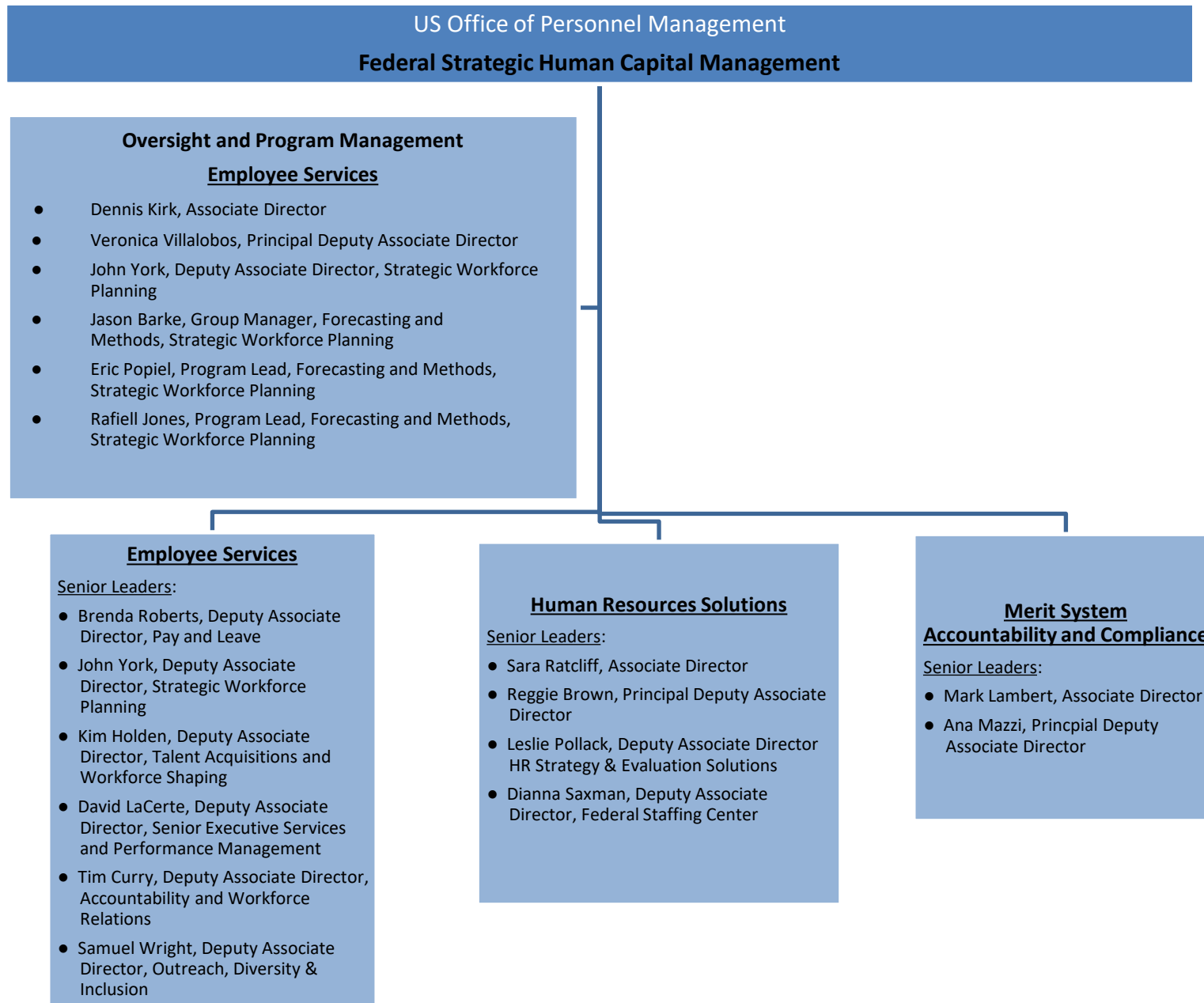
In 2015, OPM designed a new methodology for identifying *__high-risk occupations__* using a multi-factor model. The Multi-Factor Model is a standardized, data-driven approach that provides consistency across Government. The CHCO Council Executive Steering Committee reviewed and approved the model, provided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

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.

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.

Overview (continued)

US Office of Personnel Management
Federal Strategic Human Capital Management

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Senior Leaders:

- Mark Lambert, Associate Director
- Ana Mazzi, Princpial Deputy Associate Director

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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 Q3

OPM's Response to COVID-19

In partnership with Federal agencies, including the Centers for Disease Control and Prevention, Federal Emergency Management Agency, Department of State, and Department of Labor, OPM developed new guidance, authorized new flexibilities, and revised procedures to provide Federal agencies and employees with the human capital information and options to surge capacity and maximize the use of telework in response to the Coronavirus Disease (COVID-19) pandemic.

OPM issued the following memoranda:
- Human Resources Flexibilities Available for Federal Employees Impacted by the 2019 Novel Coronavirus Guidance (February 7, 2020)
- Preliminary Guidance to Agencies during Coronavirus Disease 2019 (COVID-19) (March 3, 2020) and Additional Guidance for Coronavirus Disease 2019 (COVID-19) (March 7, 2020)
- On-boarding Processes for New Employees During the COVID-19 Emergency (March 24, 2020)
- Waiver of the Premium Pay Limitation and Aggregate Pay Limitation for Employees Working in Response to Coronavirus Disease 2019 (COVID-19) (April 14, 2020)
- Annual Leave and Other Paid Time Off Guidance (June 18, 2020)

OPM issued the following fact sheets:
- COVID-19 Excepted Service Hiring Authority (March 27, 2020)
- Options for Telework-Eligible Employees with Caregiving Responsibilities (March 27, 2020)
- Recruitment, Relocation, and Retention incentive waiver requests for COVID-19 pandemic health crisis (April 3, 2020)
- Federal Employee Coverage under the Leave Provisions of the Families First Coronavirus Response Act (FFCRA) (April 7, 2020)
- The Use of Flexible Work Schedules in Response to Coronavirus Disease 2019 (COVID-19) (May 27, 2020)
- The Use of a Maxiflex Work Schedule in Response to Coronavirus Disease 2019 (COVID-19) (May 27, 2020)

OPM also launched a COVID-19 Surge Response Program v on March 27, 2020 via Open Opportunities, which provides a centralized location where Federal agencies can post details, microdetails, and/or temporary rotational assignments to assist with COVID-19, open to current Federal employees.

Summary of Progress – FY 20 Q3

Other Deliverables for Federal Agencies

Human Capital Review Report Release for FY 2019 HCR and **Addendum**: OPM released a report identifying the significant trends and findings from the Human Capital Reviews conducted in FY 2019. During the reviews, OPM and agencies engaged in conversations about challenges they experienced and were given the opportunity to showcase their successes in achieving organizational goals and President's Management Agenda objectives.

Gears of Transformation Tools Webinar: On May 7, OPM led a webinar on the Accelerating the Gears of Transformation tools, a set of tools designed to guide leaders, human capital practitioners, and managers through the use of human capital strategies to modernize the Federal workforce.

Agile Federal Workforce Forum: OPM partnered with GSA/The Federal Robotic Process Automation Community of Practice to host the virtual Agile Federal Workforce Forum on May 28 and June 11. The focus of the events was to help agencies navigate how to train, communicate, and manage employees through times of technological disruption. In addition, OPM developed flysheets to guide agencies in managing the human resources impacts of Robotic Process Automation and distributed them to forum attendees.

Federal Cybersecurity Workforce Summit and **Workshop Series:** On June 23, OPM partnered with the National Initiative for Cybersecurity Education for a half-day human capital summit, which kicked off a virtual workshop series. Sessions included:
- July 21: Pay flexibilities
- August 11: Hiring flexibilities
- September 15: Candidate assessments
- October 1: Interpretive guidance for cybersecurity positions

Human Resource Community of Practice Pilot for Staffing Professionals: OPM concluded the HR Community of Practice for Staffing Professionals pilot in Q3. The pilot connected Federal human resource professionals to exchange information, tools, and best practices around various topics such as human capital management, workforce management, and HR technical areas. The pilot was initially scheduled for six months but was extended to one year (May 2019 – May 2020). The community's final event was a discussion on *Hiring Authorities for COVID-19 Recruiting*, held on June 30, during which the community held a question and answer session with an OPM subject matter expert. The HR Community of Practice MAX page is an active place to exchange ideas, generate conversations, and share resources.

Summary of Progress – FY 20 Q3

Closing Skills Gap Initiative

During the FY 2019 Human Capital Review progress, OPM found that agencies are at various stages of skills gap assessment and mitigation. While public/private pay disparities remain a challenge and achieving a workforce with the necessary competencies for mission accomplishment can be difficult for some agencies. While each agency has its own priorities, some occupations and skillsets stand out as common challenges. For example, nearly half of the agencies referenced IT and cybersecurity needs. Recruitment and retention for IT and cyber positions is an ongoing challenge due to the ever-changing landscape, competition with the private sector and other Federal agencies, and difficulty retaining talent.

OPM, taking an 'enterprise-wide' view in helping agencies align skill needs to position needs, collaborated with and received executive guidance from the CHCO Council in the design and implementation of the Closing Skill Gaps Initiative. The initiative requires each participating Chief Financial Officer (CFO) Act agency to provide quarterly updates to OPM, allowing OPM to monitor progress and provide any needed support to agencies as they work to mitigate skill and competency shortfalls. As of the end of Q3, 86 percent of CFO Act agencies have actively mitigated identified Mission Critical Occupations skill gaps by conducting root cause analysis, submitting an action plan, developing targets, and reporting on progress, reflecting an increase of 7 agencies from Q2. Two CFO Act agencies are excluded from the measure because they do not have skills gaps as determined by the workforce data.

Key Milestones

Milestone	Milestone Due Date	Milestone Status	Deliverables
Issue four tools, flexibilities, or authorities	Q1 FY 2020	Completed	1. 500 Series Classification Guidance 2. Data Analytics Micro-learning Session 3. Federal Supervisory Assessments 4. Employee Engagement Playbook
Initiate three ongoing efforts	Q2 FY 2020	Completed	1. Foresight Guidance 2. HRStat COP 3. CHCO Manager Survey
Issue one tool, flexibility, or authority	Q2 FY 2020	Completed	1. SES Assessments 2. OPM Memorandum - Human Resources Flexibilities Available for Federal Employees Impacted by the 2019 Novel Coronavirus Guidance 3. OPM Memorandum - Preliminary Guidance to Agencies during Coronavirus Disease 2019 4. OPM Memorandum On-boarding Processes for New Employees During the COVID-19 Emergency 5. COVID-19 Surge Response Program via Open Opportunities 6. OPM Fact Sheet - COVID-19 Excepted Service Hiring Authority 7. OPM Fact Sheet - Options for Telework-Eligible Employees with Caregiving Responsibilities
Issue eight tools, flexibilities, or authorities	Q3 FY 2020	Completed	1. Human Capital Review Report and Addendum release 2. Gears of Transformation Tools Webinar 3. Agile Federal Workforce Forum and Flysheets 4. Federal Cybersecurity Workforce Summit and workshops 5. HRCOP Pilot for Staffing Professionals

Key Milestones

			6. OPM Fact Sheet - Recruitment, Relocation, and Retention incentive waiver requests for COVID-19 pandemic health crisis 7. OPM Fact Sheet - Federal Employee Coverage under the Leave Provisions of the Families First Coronavirus Response Act (FFCRA) 8. OPM Memorandum - Waiver of the Premium Pay Limitation and Aggregate Pay Limitation for Employees Working in Response to Coronavirus Disease 2019 9. OPM Fact Sheet - The Use of Flexible Work Schedules in Response to Coronavirus Disease 2019 10. OPM Fact Sheet - The Use of a Maxiflex Work Schedule in Response to Coronavirus Disease 2019
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	Q3 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	11*	21	17	G	23	48
Percent of CFO Act agencies that have actively mitigated identified Mission Critical Occupations skill gaps (conducted root cause analysis, submitted an action plan, developed targets, and submitted quarterly reports) (Cumulative)	54.5%	54.5%	86.4%	70%	G	70%	80%
Number of CFO Act agencies that have actively mitigated identified Mission Critical Occupations skills gaps	12	12	19	-	-	-	-
Number of CFO Act agencies	22^	22^	22^	-	-	-	-
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)	72.7%	72.7%	72.7%	70%	G	70%	80%
Number of CFO Act agencies that successfully accomplished a reduction in one or more of the Multi Factor Model categories	16	16	16	-	-	-	-
Number of CFO Act agencies	22^	22^	22^	-	-	-	-

*In Q3 of FY 2020, OPM revised the Q2 result from 5 to 7 (cumulative 11) to reflect additional deliverables provided to agencies in response to the COVID-19 pandemic.

^Two CFO Act agencies do not have skills gaps as determined by workforce data and, as such, they have been removed from the

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