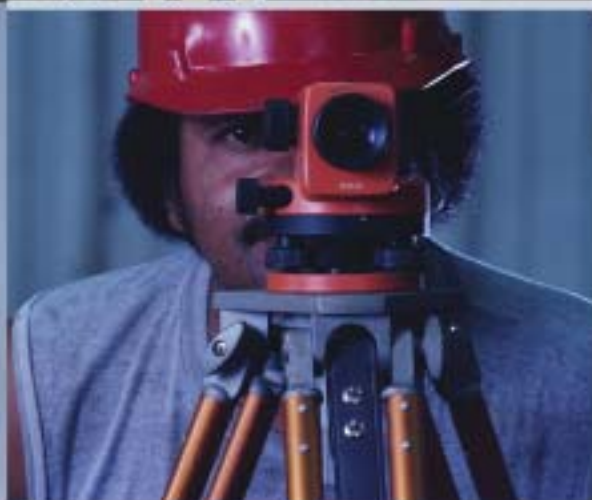
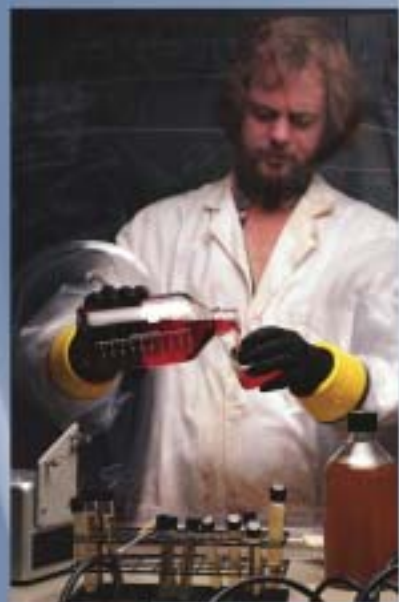


U.S. DEPARTMENT OF LABOR

Building a Model Workplace for the 21st Century



HUMAN
CAPITAL
STRATEGIC
■ PLAN

2003-2008



In every organization, however large or small, people are the most valuable resource.

That's especially true at the U.S. Department of Labor, which is fortunate to have one of the most seasoned, dedicated, and professional workforces in the Federal government. I have been personally enriched by working closely with the Department's career professionals, and am committed to investing in the future of our human capital.

Recruiting, retaining, and developing talented people enables our Department to carry out the Strategic Human Capital Management goal of the President's Management Agenda, fostering a culture of excellence that supports our responsibilities for the 21st Century workforce.

Through a comprehensive approach that includes effective performance management, professional development, succession planning, and continuous learning to keep our Department's skills current with evolving workforce needs, the Department is making great strides in meeting its challenges by having the right people, in the right place, at the right time, with the right skills to accomplish our mission.

With the help of the Department's talented career professionals, we will continue to ensure that the American workforce is the safest, most skilled, and most competitive in the world. Thank you for all you do to better protect and prepare America's 21st Century workforce.

A handwritten signature in black ink that reads "Elaine L. Chao". The signature is written in a cursive, flowing style.

Elaine L. Chao
Secretary of Labor





U. S. DEPARTMENT OF LABOR

Building a Model Workplace for the 21st Century

Human Capital Strategic Plan
2003-2008

EXECUTIVE SUMMARY

The Department of Labor's Human Capital Strategic Plan for FY 2003-2008 outlines our mission, vision, departmental structure, strategic goals, standards for success, and major human capital strategic initiatives. With the Plan's DOL-wide approach to managing human capital, we hope to increase DOL agency coordination on these initiatives. Our vision is that, through these strategic goals and initiatives, staff at all levels will see the direct link between DOL's mission and managing our human capital. The Plan describes our initiatives in the context of the President's Management Agenda, as well as the Office of Personnel Management's (OPM's) Human Capital Assessment and Accountability Framework and Standards for Success. This Plan was developed with the advice and guidance of OPM.

The Strategic Plan commits us to do the following:

- ▶ Align our goals, performance and budget with our mission by implementing a DOL-wide approach to human capital strategic planning;
- ▶ Ensure that our employees have critical skills to meet present and future business needs by using competencies to drive development and recruitment programs;
- ▶ Improve front-line service delivery by restructuring the workforce to reduce the distance between customers and DOL decision-makers;
- ▶ Minimize knowledge loss and skills gaps caused by an

aging workforce and employee turnover, and address changing skill needs through succession planning, knowledge management, and developmental programs;

- ▶ Promote efficient human capital management systems by increasing our use of technology;
- ▶ Cascade DOL-wide goals to every Departmental level by implementing a uniform performance management system;
- ▶ Guide our human capital decisions by measuring success and progress accurately, through a data-driven, results-oriented planning and accountability system that uses valid measurement metrics;
- ▶ Improve our diversity through targeted outreach and hiring programs; and
- ▶ Implement our strategic initiatives by developing an action plan with major milestones and timelines.

Our Human Capital Strategic Plan is designed to be a working document, used on a regular basis to keep our initiatives in line with our strategic goals. We will manage progress in achieving the Plan's Standards for Success through regular benchmarking against projected outcomes, DOL's scorecard for the President's Management Agenda, and oversight by DOL's Management Review Board (MRB). Our Plan will be updated annually to incorporate progress on initiatives and future priorities. ■



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Section 1

DOL Strategic Goals

A Prepared Workforce: Enhance opportunities for America's workforce

A Secure Workforce: Promote the economic security of workers and families

Quality Workplaces: Foster quality workplaces that are safe, healthy and fair

A Competitive Workforce: Ensure a competitive 21st Century workforce

Understanding Our Mission

DOL MISSION

The Department of Labor fosters and promotes the welfare of the job seekers, wage earners, and retirees of the United States by improving their working conditions, advancing their opportunities for profitable employment, protecting their retirement and health care benefits, helping employers find workers, strengthening free collective bargaining, and tracking changes in employment, prices and other national economic measurements. In carrying out this mission, the Department administers a variety of Federal labor laws including those that guarantee workers' rights to safe and healthful working conditions; a minimum hourly wage and overtime pay; freedom from employment discrimination; unemployment insurance; and other income support.

DOL ORGANIZATION

DOL administers its statutes and programs through major component agencies, each headed by an Assistant Secretary or Commissioner. DOL carries out the agencies' missions through the National Office and a network of regional, field, district, and area offices, and in some cases, operating at local and national levels.

DOL HUMAN RESOURCES

DOL is committed to recruiting, developing, and retaining a high-quality, diverse workforce that effectively meets changing mission requirements and program priorities. Human resources offices provide services to eight major program agencies located in the National Office and six regional offices. The

Human Resources Center (HRC) in the Office of the Assistant Secretary for Administration and Management (OASAM) manages DOL-wide policy, guidance and accountability.

Our human resources mission is: To provide leadership, guidance, and technical expertise in all areas related to management of DOL's human resources, including recruitment, development, and retention of staff, and leadership in labor-management cooperation.

Our human resources vision is: Consistently excellent human resource service programs that recruit, develop and retain a diverse workforce that is highly competent and focused on results and service to America's workers. ■

Strategic Goal
Building a Model
Workplace
for the 21st
Century

Performance
Goal

The right people are
in the right place at
the right time to
carry out the
mission of the
Department.

Section 2

Our Human Capital Management System for the 21st Century

PRESIDENT'S MANAGEMENT AGENDA

The President envisions a government that is citizen-centered, results-oriented, and market-based. The President's Management Agenda (PMA) is a strategy for improving the management and performance of the Federal government, and making this vision a reality. The PMA includes five government-wide initiatives: competitive sourcing, improved financial performance, expanded electronic government, budget and performance integration, and the strategic management of human capital.

DOL's Human Capital Strategic Plan supports the PMA by defining and directing the strategic management of human capital at DOL. The Plan is consistent with OPM's Human Capital Assessment and Accountability Framework, which established Standards for Success for human capital management.

HUMAN CAPITAL MANAGEMENT AT DOL

The DOL Management Review Board (MRB) unifies DOL agency responses to the PMA and the

Secretary's objectives. The MRB is the principal forum for coordination, executive oversight, and integration of agency management processes.

The Human Resources Center in the Office of the Assistant Secretary for Administration and Management (OASAM) provides leadership, coordination, guidance, and technical expertise in all areas related to management of DOL's human resources. The Human Resources Center works collaboratively with the human resource offices in the major program agencies and regional locations within DOL. This arrangement helps DOL implement its human capital initiatives, practices and policies DOL-wide while performing appropriate personnel functions in locations close to DOL employees.

WORKFORCE PLANNING AT DOL

DOL's workforce planning is a continuous process which incorporates four steps:

- ▶ **Assessing the Current Workforce:** Assessing the current workforce and

WORKFORCE PLANNING



analyzing what is likely to occur over time.

- ▶ **Analyzing the Future Workforce:** Identifying the future workforce (human capital) needed to carry out the mission, goals, and objectives of the Department/ Agency.
- ▶ **Identifying Gaps:** Identifying the gaps between the workforce of today and the human capital needs of tomorrow.
- ▶ **Developing Strategies to Address Gaps:** Developing and implementing strategies to address those gaps. These strategies are identified in the Human Capital Strategic Plan. ■

“Government likes to begin things—to declare grand new programs and causes. But good beginnings are not the measure of success. What matters in the end is completion. Performance. Results. Not just making promises, but making good on promises.”

President George W. Bush

Section 3

Our 21st Century Workforce

Chart 1.

Workforce Demographic Highlights: Federal Civilian Workforce vs. DOL ¹				
	Fed		DOL	
Status & Location				
Full Time	93.6%		94.9%	
Permanent part-time	3.5%		3.4%	
Temporary	2.9%		1.7%	
% in DC area	15.8%		32.9%	
Diversity				
	All	Sup ²	All	Sup ²
Women	45.0%	30.2%	50.4%	32.8%
Minority	30.4%	19.1%	35.3%	20.8%
Asian/Pacific Islander	4.5%	3.1%	3.8%	1.7%
Black	17.1%	9.8%	23.8%	13.1%
Hispanic	6.6%	4.8%	6.9%	5.1%
Native American	2.2%	1.4%	0.7%	0.9%
Veterans' Preference (excludes DOD)				
Disabled	19.2%		19.0%	
Targeted Disabilities	7.1%		6.7%	
Education/Experience				
Bachelor's or higher	40.5%		59.6%	
MBA degree	0.9%		1.4%	
Supervisors/managers	11.1%		13.1%	
Average Grade	9.5		11.0	
Avg. Length of Service	17.1		15.7	
Age				
Average Age	46.3		45.1	
Less than 30 years	4.7%		9.5%	
30-39 years	21.2%		20.9%	
40-49 years	36.0%		32.4%	
At least 50 years	38.1%		37.3%	

DOL's WORKFORCE DEMOGRAPHIC COMPOSITION

DOL's workforce includes the following key demographics:

- ▶ Total employment for DOL at the end of FY 2002 was 16,112. Of that number, 63.9 percent were in mission-critical occupations³ and 94.9 percent were permanent, full-time workers.
- ▶ DOL's workforce is slightly younger (45.1 years) than the Federal civilian workforce (46.3 years).
- ▶ DOL has made progress in developing a diverse workforce, and representation rates for women and minorities exceed those for the Federal government as a whole.

Comparing DOL to the total civilian labor force (CLF),⁴ progress continues to be made, particularly in the recruitment of Asian/Pacific Islanders, whose representation rate has risen to 4.0 percent as of the end of FY 2003, exceeding the 3.8 percent rate for the CLF.

Representation rates for women and blacks also exceed those for the CLF. Hispanics remain under-represented in the Federal and DOL workforce in comparison to the CLF.

¹ Data for DOL reflect the full-time permanent workforce at the end of FY 2002. Data for the Federal civilian workforce reflect conditions as of the end of FY 2001.

² Supervisors include all managers in grades 13 through SES.

³ Mission-critical occupations are occupations identified by DOL's agencies as making essential contributions to accomplishing a program mission.

⁴ The CLF includes employed and unemployed persons not on active duty in the armed forces. As of the year 2000, CLF rates for major groups were as follows: 46.6 percent women, 11.2 percent Black, 11.8 percent Hispanic, and 0.9 percent Native American/Alaskan Native.

- ▶ Compared with the Federal civilian workforce, DOL's workforce is more educated (59.6 percent have at least a bachelor's degree, compared with 40.5 percent for the Federal civilian workforce), and more concentrated in professional and administrative occupations (82 percent compared with 55.1 percent).

TRENDS

Turnover⁴ trends, FY 1998 to FY 2002:

- ▶ Between FY 1998 and FY 2002, DOL's turnover rate hovered around 7 percent a year. In FY 2002, turnover was higher (7.7 percent) in response to early retirements offered, which pushed the retirement rate to 4.4 percent (double the rate from the previous year). The turnover rate for DOL's mission-critical occupations was similar to DOL's overall rate (7.1 percent a year from FY 1998 to FY 2002).
- ▶ On average, DOL hired about 1,300 employees per year from FY 1998 through FY 2002, a hire rate of 8.3 percent per year.⁵

Projected turnover trends, FY 2003 to FY 2008:

- ▶ DOL projects retirements will increase gradually from 2.9 percent in 2003 to 3.6 percent in 2008. Total DOL turnover (including retirements and other separations) also is projected to increase gradually from 7.0 percent to 7.7 percent.
- ▶ Turnover trends for all mission-critical occupations mirror those for DOL overall.
- ▶ Turnover varies significantly among particular mission-critical occupations. Economists, mine safety and health specialists, computer specialists, and criminal investigators have an average turnover rate of less than 5 percent a year. Average turnover rates for workers' compensation specialists and

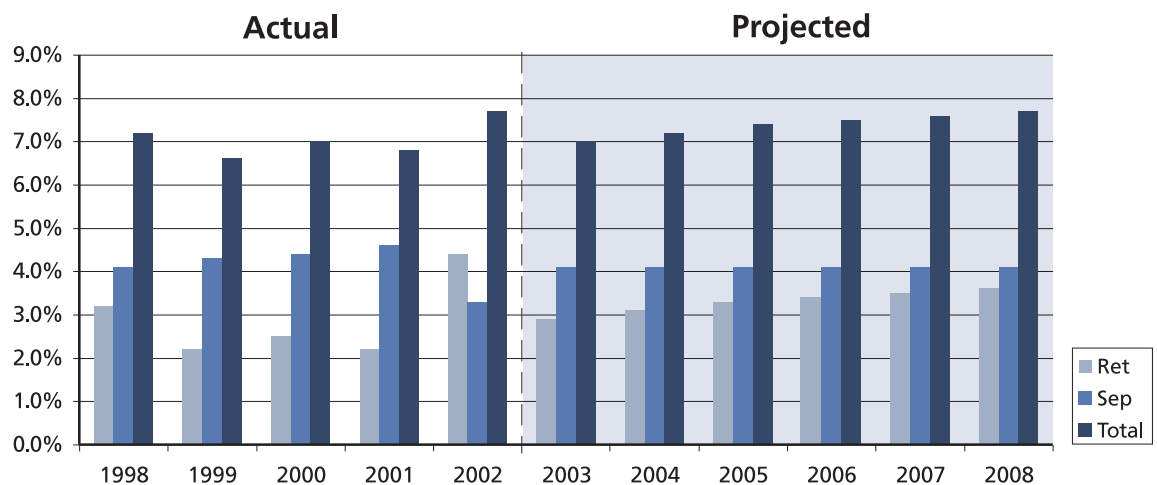
mining engineers exceed 10 percent a year.

- ▶ DOL's ability to retain new employees in mission-critical occupations also varies. Accountants, pension law specialists, criminal investigators and equal opportunity specialists have three-year retention rates of about 60 percent.⁶ Some mission-critical occupations have three-year retention rates above 85 percent (safety specialists, unemployment insurance program specialists, manpower development specialists and mine inspectors).
- ▶ DOL anticipates that current hiring levels of 8.3 percent will be sufficient to meet the projected turnover.

Chart 2 shows separation rates for employees in mission-critical occupations

Chart 2.

Actual and Projected Separation Rates for Mission-Critical Occupations FY 1998 - FY 2008



⁴ Turnover is measured as the number of separations (retirements, resignations, removals, etc.) during a fiscal year, divided by the total number of DOL employees at the beginning of that fiscal year.

⁵ Hires include transfers from other Federal agencies, but do not include personnel movement among DOL agencies.

⁶ "Three-year retention rate" refers to the percentage of new employees still employed at DOL after three years.

Our 21st Century Workforce

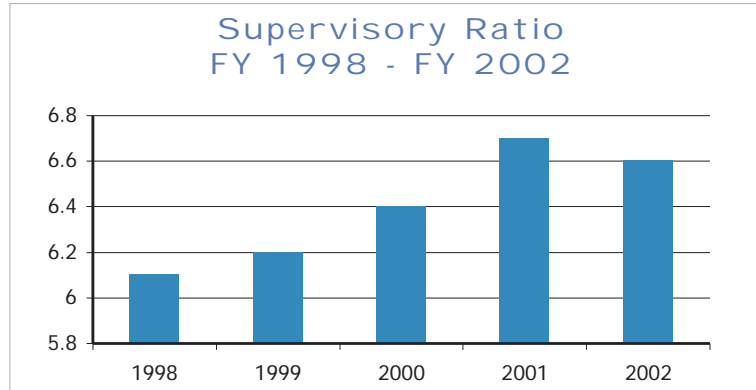
for FY 1998 through FY 2002,⁷ as well as projected separation rates for FY 2003 through FY 2008. In projecting non-retirement separations, DOL assumed the separations would follow the average for the past five years. (Note: after rising for several years, the non-retirement separation rate declined in FY 2002, apparently influenced by external economic conditions.)

supervisors increased from 5 in FY 1992 to more than 6.1 by FY 1998. The ratio of employees to supervisors continued to increase

In general, when compared with rates for non-managers, manager retirement rates are higher and non-retirement separation rates are lower. During the past five years,

managers retired at an average rate of 4.5 percent a year, while other separations for managers were only 2 percent a year. The higher retirement rate for managers reflects the fact that an increasing proportion of managers are becoming eligible to retire. Chart 4 summarizes separation rates for managers and non-managers.

Chart 3.



Managerial Trends

From 1992 through 1998, the number of supervisors at DOL decreased significantly, while the number of non-supervisors increased slightly. As a result, the ratio of employees to

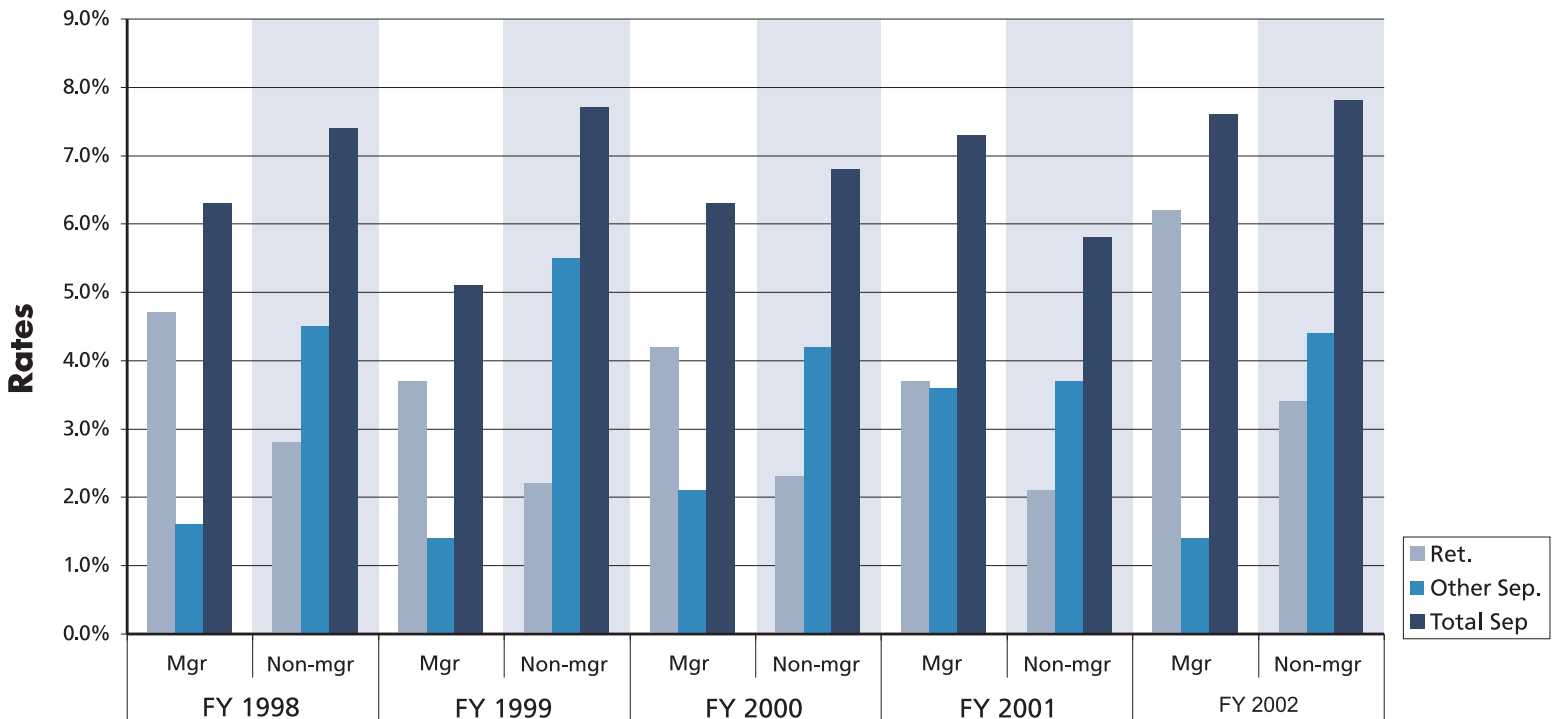
supervisors increased slightly in the last year, reducing the supervisor/employee ratio to 1:6.6 for FY 2002.

managers and non-managers.

During the next five years, 54.3 percent of DOL managers in GS grades 13-15, and 63.5 percent in the Senior Executive Service,

Chart 4.

Separations for Managers and Non-Managers



⁷ Retirement rates for FY 2002 are atypically high due to the early retirements offered that year.

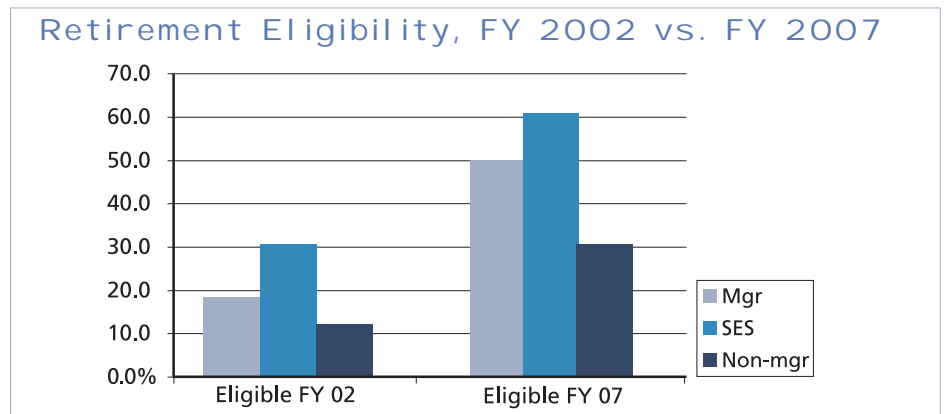
will be eligible to retire, compared with only 32.8 percent of non-managers. Assuming managers continue to retire at the same rate as in the past five years (FYs 1998-2002), at least 435 managers and SES can be expected to retire by the end of FY 2007, out of a total of 1,164 managers that will be eligible to retire during that time. Retirement eligibility for managers, Senior Executives, and non-managers are compared in Chart 5.

SKILLS ASSESSMENT FOR THE 21ST CENTURY

DOL's 21st Century workforce will require the development of new skills. This is a critical concern in DOL's human capital planning efforts. Currently, DOL is conducting a complete evaluation of current and future skills necessary for mission-critical occupations. The following applies to most DOL mission-critical occupations:

- ▶ The loss of historical/institutional knowledge due to management retirements will leave gaps in the knowledge, skills, and abilities of DOL's workforce.
- ▶ When compared with historical program enforcement efforts, DOL's shift toward compliance assistance and consulting requires stronger communication and analysis skills and a deeper knowledge of DOL programs.
- ▶ Almost all occupations will require more information technology skills.
- ▶ Employees need retraining and higher skill levels in order to keep up with technology improvements and program changes. These workplace advances will alter job structures and descriptions. For example, manual clerical processes will continue to be replaced by technology-based methods.
- ▶ Employees need new knowledge and skills in order to understand technological changes in the industries DOL regulates.
- ▶ More employees need project management skills to manage increasing workloads from competitive sourcing projects and information technology activities. ■

Chart 5.



Strategic Conclusions

- ▶ The gradual rise in DOL-wide turnover most likely will not present a significant problem for DOL, as current hiring rates should meet the demand for employees. However, special attention is needed in occupations with relatively high three-year turnover rates.
- ▶ Turnover among managers will be significant; DOL needs effective succession planning and knowledge management programs.
- ▶ In order to meet the challenges of the 21st Century, DOL needs employees with 21st Century skills. DOL needs forward-looking competency-based training and recruitment programs in order to hire and train skilled employees.
- ▶ Technology developments will continue to change the skills DOL's employees need.

Section 4

Human Capital Standard

Strategic Alignment
Our human capital strategy is aligned with our mission, goals, and organizational objectives, and integrated into our strategic plans, performance plans, and budgets.



Our Human Capital Standards for Success and Strategic Initiatives

Strategic Alignment Progress

In FY 2001, DOL began a coordinated workforce analysis and planning effort. Under this program, DOL accomplished the following major initiatives:

- ▶ Established the Management Review Board (MRB) in July 2001. The MRB meets monthly to coordinate action on management issues and oversee PMA progress. The MRB reviews, among other things, human capital initiatives so that it can coordinate DOL-wide action on these initiatives.
- ▶ Launched a new performance management system in August 2001, focusing on results.
- ▶ Created a “management cross-cut” fund in the FY 2003 budget. This fund supports coordinated initiatives in furtherance of the PMA’s human capital objectives. To date, this fund has supported succession planning programs and development of competency models for mission-critical positions.
- ▶ Included human capital goals in its annual GPRA plans since FY 2001.
- ▶ Submitted a workforce analysis, as well as individual agency restructuring plans, to OMB in August 2001.
- ▶ Developed agency “scorecards” in 2002 to track PMA progress. The individual agency scorecards are modeled after the OMB scorecard.

Strategic Initiatives

A.1 We will develop and regularly update the Human Capital Strategic Plan to support our business goals and strategies.

DOL’s Human Capital Strategic Plan provides a framework for a DOL-wide approach to meeting human capital challenges. The Plan brings together, in one document, strategic initiatives to meet the challenges presented by increasing retirement rates, loss of institutional knowledge, and changing skill requirements.

DOL’s Plan includes an action plan setting forth accountability criteria, timeframes, and milestones, as well as a metrics plan incorporating specific success measures. DOL will update these plans annually to keep abreast of progress and changing business needs.

In order to promote a common framework for human capital initiatives within DOL’s agencies, DOL will distribute the Strategic Plan and updates to all managers.

A.2 We will maintain DOL-wide support for human capital initiatives through a management cross-cut budget initiative.

In future budgets, DOL intends to include a management cross-cut budget to support human capital initiatives in furtherance of the PMA. Annually, DOL will review funded projects’ performance and will evaluate new funding requests. DOL will consider both DOL-wide and individual agency funding requests. The extent to which a project can be transferred across the Department will be a key factor in selecting projects for funding. ■

Workforce Planning and Deployment Progress

Restructuring

DOL has made progress in delayering and restructuring its organization. For example, DOL has accomplished the following:

- ▶ Streamlined operations and moved processes closer to the customer. For example, DOL reduced the number of regions and offices, consolidated functions, eliminated duplicative management positions, and improved processes to be more focused on the customer. (The DOL restructuring plan outlines these initiatives.)
- ▶ Reduced the number of supervisors by 10.5 percent since FY 1996, increasing the supervisory ratio from 5.5 to 6.6 in FY 2002. DOL agencies adopted various strategies for reducing the number of supervisors, including converting supervisors to team leaders, consolidating regions, and eliminating duplicative positions.

In FY 2003, DOL prepared an updated restructuring and delayering plan. This plan focuses on DOL's remaining restructuring needs and leverages opportunities to streamline as turnover occurs and workloads change.

DOL has made substantial progress through the following actions:

- ▶ Combined divisions and redirected supervisory positions to front-line activities.

- ▶ Closed more than a dozen underutilized offices or one-person duty stations.
- ▶ Consolidated field office locations, often co-locating staff in Federal buildings.
- ▶ Consolidated its public affairs function.

To facilitate restructuring, including needs created by competitive sourcing initiatives, DOL established a Career Transition Assistance and Placement Program. This DOL-wide program establishes policy and procedures for retraining employees in new skills and placing employees in positions for which they are qualified.

e-Government

DOL strongly supports e-Government initiatives, and has demonstrated results using technology to transform its human resources services. DOL also supports partnering with other Federal agencies to reduce costs on human capital e-Government projects. DOL has used technology to improve human resources processes in the following ways:

- ▶ Launched WebPARS, a system that enables managers to electronically initiate and complete personnel actions from their own desktops.
- ▶ Implemented an analytical reporting tool that allows DOL to produce timely, accurate and relevant human resource information for a wide variety of customers. For example, DOL now provides agency heads regular "at-a-glance" reports about their workforce-

Human Capital Standard

We are citizen-centered, delayered and mission-focused, and we leverage e-Government and competitive sourcing.

Workforce Planning and Deployment



Our Human Capital Standards for Success and Strategic Initiatives

that help them develop workforce plans.

- ▶ Implemented PeopleTime, an integrated commercial off-the-shelf (COTS) payroll and time and attendance system.
- ▶ Populated successfully OPM's e-Clearance System, one of the 24 e-Government initiatives outlined in the PMA; and
- ▶ Partnered with OPM on four human capital-related e-Government initiatives: recruitment one-stop, e-Training, e-Payroll, and Enterprise Human Resource Integration (EHRI).

Strategic Initiatives

B.1 We will complete five-year restructuring and consolidation initiatives.

DOL's restructuring plan includes action milestones, as well as commitments to continue restructuring and delayering as opportunities and changing work needs allow. DOL will update and evaluate the restructuring plan semi-annually as part of its agency scorecard reviews.

DOL plans to restructure as follows:

- ▶ Further streamline and consolidate regional structures. (For example, by 2005 ETA plans to consolidate ten regions into six.)

- ▶ Where practicable, co-locate all DOL offices at the same geographic location. (For example, by FY 2005 six agencies in Jacksonville, Florida, will share common space.)
- ▶ Re-deploy positions no longer needed due to technology. (For example, by 2007 BLS will re-deploy employees currently occupying obsolete clerical/technical positions.)
- ▶ Further reduce the number of small offices. (For example, as of FY 2003, ESA closed 15 underutilized one-person duty stations.)

B.2 We will issue additional guidance to managers to help them respond to personnel changes caused by competitive sourcing and restructuring initiatives.

In FY 2004, DOL will provide guidance to all managers about implementing the Career Transition Assistance and Placement Program.

B.3 We will enhance DOL's workforce planning and analysis capability.

- ▶ DOL will create an electronic human capital information source ("dashboard") to enable managers to access and use current DOL workforce data, in areas such as diversity, retirement eligibility, performance appraisal results and awards.

- ▶ DOL will use electronic EHRI analytical reporting tools to acquire improved human capital forecasting capability and enhance its workforce planning efforts.

B.4 We will implement DOL-wide e-Government initiatives to manage our human capital strategically.

- ▶ DOL will deploy an electronic recruitment tool that seamlessly integrates with the recruitment one-stop initiative, accepts on-line applications, automates rating and ranking of candidates, and produces electronic certificates to managers.
- ▶ DOL will incorporate an automated classification tool that works with the electronic recruitment tool.
- ▶ DOL will continue to partner with OPM on four e-Government initiatives: recruitment one-stop, e-Training, e-Payroll and EHRI.
- ▶ DOL will continue to develop RegionNet, its consolidated regional intranet website, to disseminate information efficiently to DOL employees. ■

Leadership and Knowledge Management

Progress

Succession Planning

Due to the demographics of its workforce, DOL needs a strategic approach to succession planning, particularly in management positions. Current estimates indicate that 64 percent of DOL's Senior Executive Service and 54 percent of supervisory/managerial staff in GS grades 13-15 will be eligible to retire in the next five years. In response, DOL launched three programs: the SES Candidate Development Program, the Management Development Program (MDP), and the MBA Fellows Program.

All DOL succession planning programs included the following elements:

- ▶ Training to develop executive core qualifications (ECQs);
- ▶ Individual mentoring;
- ▶ Rotational assignments; and
- ▶ Developmental plans.

The SES Program

DOL created its first SES Candidate Development Program in FY 1999. All but one (96 percent) of the first class of twenty-three SES candidates received SES certification. Fifteen were selected for SES positions and the other seven are eligible for appointment. Because most participants in that first class were placed successfully, and DOL projects continued SES retirements, in September 2002

DOL launched a second DOL-wide SES candidate program. Twenty-seven candidates participated in the second program, and will begin obtaining certification in October 2003.

The MDP

DOL created the Management Development Program for mid-level employees (GS 12/13/14) to ensure it will have leaders with management skills necessary for the 21st Century workforce. DOL piloted the MDP successfully in FY 2001. Of the eight participants that completed the pilot program, six have been promoted. DOL expanded the MDP DOL-wide in FY 2003, with forty participants selected from seven DOL agencies.

The MBA Program

During early FY 2002, DOL began developing a more business-like management approach. Prior to that time, less than one percent of DOL's employees possessed graduate degrees in business-related fields, and few of these employees were in management positions. Under the leadership of Secretary Elaine L. Chao, herself an MBA, DOL embarked on an initiative to recruit individuals possessing marketing, quantitative analysis, and strategic thinking skills, and train them in DOL's many worker protection, compensation, and employment programs.

DOL designed the MBA Fellows program to attract and retain employees with business skills. Secretary Chao launched this program in June 2002. DOL hires MBAs under the career intern hiring flexibility, and also uses other pay flexibilities, such as recruitment bonuses.

Human Capital Standard

Our leaders and managers effectively manage people, ensure continuity of leadership, and sustain a learning environment that drives continuous improvement in performance.

Leadership and Knowledge Management



Our Human Capital Standards for Success and Strategic Initiatives

In FY 2003, DOL hired thirty MBA Fellows. These Fellows currently are working throughout DOL on projects such as building partnerships with private sector businesses and implementing the PMA. In addition, the Fellows are identifying barriers to organizational effectiveness in DOL components and representing DOL at intergovernmental meetings.

In addition to the MBA Fellows program, DOL has targeted outreach toward hiring mid-level MBAs. For example, Secretary Chao sent a letter to MBA alumni organizations encouraging applications from their members. Further, DOL markets to well-known MBA business associations and publications.

Knowledge Management

The rising retirement rate for DOL employees, and managers in particular, is leading to a potential loss of institutional knowledge. "Knowledge management" is DOL's strategy to preserve institutional knowledge and to get the right knowledge to the right people at the right time. DOL intends to help people share information and put it into action in ways that improve organizational performance.

As one important way to manage institutional knowledge and encourage succession planning, DOL created the Mentoring Program. The Mentoring Program is an opportunity for employees to participate in a 12-month, structured mentoring relationship. Employees at grades GS-13 and higher serve as

mentors to employees at grades 11, 12, and 13. Mentoring pairs are trained in establishing effective mentoring relationships.

DOL piloted its first mentoring program in 2001. In May 2003, at the Asian Pacific American Career Development Summit, Secretary Chao launched the current DOL-wide mentoring program. In 2003, DOL had a total of 118 mentoring pairs.

DOL's other current knowledge management initiatives include the following:

- ▶ The LaborNet Advisor -- an interactive system that provides information for employees about their benefits as Federal employees. The Advisor now contains a leave benefits component, and DOL is expanding the Advisor to include all benefits.
- ▶ The DOL Employee Handbook -- an online tool to help employees learn about benefits, rights, and responsibilities as DOL employees. The Handbook is a web-based tool updated with the latest changes and information.
- ▶ A competency initiative to close skill gaps in mission-critical occupations (see "Talent," p. 14).

Strategic Initiatives

C.1 We will maintain SES and mid-level management development and training programs based on succession planning needs.

DOL will initiate new SES Candidate and MDP classes every three years, setting the number of class participants to ensure that the pool of graduates is sufficient to meet projected demand created by management turnover.

C.2 We will continue the MBA Fellows Program.

DOL will establish new MBA Fellows classes annually, so long as the need persists, and will design class sizes to meet the demand for business skills.

C.3 We will continue the mentoring program.

DOL will continue to establish new mentoring groups annually and recruit more participants DOL-wide.

C.4 We will launch the "DOL Supervisor's Toolbox."

The DOL Supervisor's Toolbox will be an online reference tool for managers. Users will be able to access frequently asked questions and current topics in people and operations management, covering areas as diverse as timesheet entry and sexual harassment.

C.5 We will pilot the use of exit and entrance surveys.

Exit and entrance surveys, for departing and new employees, respectively, have been shown to be a useful tool to assist in knowledge management. DOL plans to conduct pilots of such surveys during FY 2004. ■

Results-Oriented Performance Culture

Progress

Diversity

DOL has a structured outreach program that has helped increase its workforce diversity over the past several years. As a result, DOL exceeds most measures of diversity, when compared to Federal government averages. (See Chart 1.) DOL is increasing representation of Hispanics, Asian Americans/ Pacific Islanders, and women, and removing pockets of under-representation in management and mission-critical occupations. DOL evaluates and identifies under-representation in mission-critical occupations on an annual basis.

To increase diversity, DOL actively recruits at colleges and universities. DOL also recruits at national job fairs and conferences, as they typically attract large numbers of individuals from targeted populations. Further, DOL works with special emphasis groups, and sponsors or participates in forums, conferences and summits designed to promote diversity. For example, Secretary Chao sponsored two government-wide Asian Pacific American Career Development Summits.

Performance Culture

DOL aligned all employees' performance rating cycles to coincide with the fiscal year, beginning October 1, 2003. This facilitates cascading to employees at all levels the performance goals from strategic and annual performance plans. The common

cycle, performance goals, and managerial competencies provide for leadership accountability to ensure a results-oriented and high-performing workforce. DOL has improved its awards program to recognize more significantly excellent performance. For example, since FY 2001, DOL has increased the bonus pool for SES and Senior Level executives three times. In addition, in FY 2003, DOL increased the bonus pool for other DOL employees for the first time since 1984.

Strategic Initiatives

D.1 We will increase diversity DOL-wide and increase specific representation in management and mission-critical occupations.

DOL will take the following actions to accomplish this goal:

- ▶ Actively recruit at colleges and universities with diverse student populations, including Historically Black Colleges and Universities, Tribal Colleges and Universities, Hispanic Serving Institutions, women's institutions, and Asian organizations;
- ▶ Develop additional marketing and recruitment materials with broad appeal (for example, DOL will publish materials in Spanish); and
- ▶ Continue to sponsor forums, conferences and summits aimed at targeted groups.

Human Capital Standard

We have a diverse, results-oriented, high performance workforce, and have a performance management system that effectively differentiates between high and low performance, and links individual/team/unit performance to organizational goals and desired results.

Results-Oriented Performance Culture

Our Human Capital Standards for Success and Strategic Initiatives

D.2 We will link performance management systems to programmatic performance goals.

Already, DOL has placed all managers on performance plans that include both basic management competencies and performance goals tied to DOL's organizational goals.

To ensure the goals in managers' performance plans are cascaded down to non-supervisory employees, DOL will provide guidance to supervisors at the beginning of each appraisal cycle.

D.3 We will improve our performance management and awards programs.

DOL will monitor and produce an annual report on its use of awards. This report will be useful to ensure maximum use of awards pools. ■



Talent

Progress

Historically, DOL focused on traditional knowledge, skills and abilities (KSAs). These KSAs often did not adequately differentiate superior performers from average performers.

“Competencies” address the total person. By using competency-based HR tools, DOL will improve productivity and effectiveness in its human resources management practices. DOL has launched a competency initiative that focuses on the following:

- ▶ **Selection:** DOL is developing and using behavioral interview questions to help supervisors focus on critical factors that distinguish superior performers from average performers. In this way, DOL is matching more precisely the person selected with the job.
- ▶ **Training and development:** DOL is identifying training and development activities to enhance specific desired competencies. By focusing development resources on particular competencies, DOL is encouraging superior performance and maximizing return on investment.
- ▶ **Workforce planning:** DOL is assessing employees’ competencies and comparing them with the competency levels needed. This enables DOL to measure and close competency gaps at all staff levels.

Competency Models

DOL has developed competency models that contain the general and technical competencies required at various proficiency levels (entry, journey, senior and expert). These competency models identify and define a particular competency, and, for each competency, set forth the following:

- ▶ Benchmarks (standards by which work is measured at each proficiency level);
- ▶ Selection indicators; and
- ▶ Developmental indicators.

As of September 30, 2003, DOL had competency models in place for all mission-critical occupations. DOL is developing an online competency assessment tool to facilitate use of these competency models.

Strategic Initiatives

E.1 We will use competency models for a competency-based approach to training, recruitment and selection.

DOL is launching an online competency assessment tool in FY 2004. This tool allows skills assessments by employees and their supervisors, identifies development needs, and links to relevant training programs. The tool also includes structured interview questions that can be used with an online recruitment system.

Human Capital Standard

We have closed most mission-critical skills, knowledge, and competency gaps/deficiencies, and have made meaningful progress toward closing all gaps.

Talent



Our Human Capital Standards for Success and Strategic Initiatives

E.2 We will launch an online guide for HR practitioners and supervisors.

Early in FY 2004, DOL will provide to managers and human resources practitioners an online guide for the competency models and the online competency assessment tool. DOL also will provide additional training.

E.3 We will expand our talent pool by strategically using HR flexibilities and special hiring authorities.

DOL is promoting and using special hiring authorities and programs designed to bring new people into the government, including the career intern program, bilingual hiring authority to meet mission needs, various student authorities (such as the Student Career Employment Program), and pay flexibilities (such as recruitment bonuses). DOL is promoting these flexibilities at various special events throughout the year, and is tracking use of these flexibilities through administrative systems. ■



Accountability

Progress

In conjunction with OPM, DOL conducts regular accountability reviews of its human resources programs. In addition, DOL developed PMA scorecards, modeled on the OMB-PMA scorecard, for each DOL agency. Semi-annually, DOL evaluates each major DOL agency on its progress against the objectives of the PMA, including human capital management.

DOL's Human Capital Strategic Plan includes an HR metrics system that provides high-level measurements to evaluate the effectiveness of HR services. The Addendum summarizes these metrics.

Through this DOL-wide Strategic Plan and a common metrics system, DOL will maintain accountability for all its HR programs and human resource offices.

Strategic Initiatives

F.1 We will improve our accountability system by using a metrics plan, accountability reviews, and methods for measuring progress.

The HR metrics plan includes (1) a list of the high-level metrics DOL will use to evaluate success on each of OPM's Human Capital Standards for Success, (2) strategies required to implement those metrics, and (3) development of web-based reporting tools that will provide managers with regular access to the metrics. In addition, DOL will continue to

use the DOL agencies' human capital scorecards semi-annually to measure progress toward meeting the PMA.

F.2 We will share best practices across DOL, working together to resolve scorecard and other issues.

DOL's human resources offices collaborate on developing best practices and other methods for improving DOL-wide performance on human capital issues. DOL shares best practices, identified through the agency scorecard reviews, among its agencies.

F.3 We will administer the Federal Human Capital Survey (FHCS).

DOL administers the FHCS biennially, and will provide key metrics for evaluating human capital management at DOL. ■

Human Capital Standard

Our human capital decisions are guided by a data-driven, results-oriented planning and accountability system.

Accountability

