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DEPARTMENT OF COMMERCE
OFFICE OF HUMAN RESOURCES MANAGEMENT

HUMAN RESOURCES (HR) BULLETIN #227, FY20

SUBJECT: Human Capital Evaluation System

EFFECTIVE DATE: Upon release of this HR Bulletin

EXPIRATION DATE: Effective until canceled or superseded

SUPERSEDES: HR Bulletin #227, FY19, "Department of Commerce Human Capital Evaluation System," dated November 1, 2018

REVISIONS: This bulletin incorporates the roles of senior Department of Commerce (Department) leaders in organizations other than the Office of Human Resources Management and identifies the Commerce Connection website as a way to access Human Capital Evaluation System (HCES) general information. It also provides clarifying audit information for the Office of Inspector General.

PURPOSE: The bulletin communicates the Department's HCES and the roles and responsibilities shared by Department senior leadership, managers, and human resources (HR) officials. These officials are relied upon to ensure the overall efficiency and effectiveness of human capital (HC) management in support of the Department's strategic plan, all in accordance with Merit System Principles and applicable laws, rules, and regulations.

SCOPE: The HCES is designed to support the authorities related to the establishment and operation of an HC evaluation system (see Title 5, Code of Federal Regulations (CFR), Part 250).

BACKGROUND: Title 5, CFR § 250.204(d)(4) requires agencies to establish and maintain an evaluation system to appraise HC outcomes. On March 26, 2018, the Office of Personnel Management (OPM) issued a memorandum on "Evaluation System Standards" to HR Directors announcing new evaluation system standards.

COVERAGE: The HCES relies on integrating the activities of various organizations. The Chief Human Capital Officer (CHCO) establishes the HCES in collaboration with the Department's senior management team. The Office of Human Resources Management (OHRM) staff and Servicing HR Managers in the following bureaus/operating units support the CHCO in implementing and maintaining the Department's HCES:

- Department of Commerce Human Capital Client Services (DOC HCCS)
- Bureau of the Census (Census)
  Census Headquarters
  Census, National Processing Center
- National Oceanic and Atmospheric Administration (NOAA)
- National Institute of Standards and Technology (NIST)
- Office of Inspector General (OIG)
- U.S. Patent and Trademark Office (USPTO)
- First Responder Network Authority (FirstNet)
- Enterprise Services (ES)

OBJECTIVES: The HCES is the Department's instrument for monitoring and evaluating the outcomes of HC strategies, policies, and programs. It describes how the Department will use the evaluation system to help accomplish its strategic goals and meet Merit System Principles and regulatory requirements. The objectives of the HCES include:

- To ensure that HC goals and programs are aligned with and in support of the Department's mission and leadership-identified priorities;
- To document the extent to which HC goals are being met;
- To utilize a data-driven, results-oriented process to guide HC planning;
- To ensure hiring managers and HR practitioners are held accountable for their HC actions;
- To assess the effectiveness and efficiency of HC across the Department;
- To ensure the Department's HC programs adhere to Merit System Principles and other pertinent laws and regulations;
- To track Federal HC requirements and initiatives;
- To ensure issues or problems identified during evaluation activities are used to inform HC actions; and
- To promote continuous improvement in HC results, including where past performance is inadequate.

The HCES policy is to be reviewed annually, and updated as needed.

ROLES AND RESPONSIBILITIES: HC evaluation begins with the support of senior management and includes managers at all levels. The Department's leadership establishes HC goals and objectives, determines measures, establishes budgets, and modifies initiatives based on results. The Department's HC programs will be reviewed and evaluated on a continuing basis. The process of monitoring and adjusting goals, measures, budgets, and initiatives ensures a systematic approach to evaluation. Responsibilities for key leaders are as follows:

1. Deputy Assistant Secretary for Administration and Performance Improvement Officer:
    a. Uses the results of the Department's HCES, to

   i. Inform the Department's strategic goals and priorities, as applicable; and

   ii. Communicate informational overviews and status of key human capital programs to senior non-HR Departmental leadership.

2. <u>Director, OHRM and CHCO</u>:

 a. Establishes the overall design and operation of the HCES in collaboration with the Department's senior management team;

 b. Ensures resources are assigned to evaluate HC strategies, policies, and programs;

 c. Provides leadership and direction to HR staff for implementing and maintaining the HCES;

 d. Approves the annual schedule of evaluation activities;

 e. Develops methods of utilizing evaluation information to improve the Department's HC programs;

 f. Communicates evaluation findings to Department senior leadership, including recommendations to strengthen or improve HC activities;

 g. Oversees the review of Departmental policies and procedures in light of evaluation results, and provides direction for necessary modifications to update or improve those policies and procedures; and

 h. Oversees coordination of HC evaluation activities with OPM to maximize program coverage and consistent evaluations.

3. <u>Chief Information Officer</u>:

 a. Collaborates with OHRM to ensure information technology resources and tools (e.g., MS Power BI) are available to support the HCES; and

 b. Participates in HCES evaluation activities, as needed.

4. <u>Director for Financial Management and Deputy Chief Financial Officer</u>:

 a. Collaborates with OHRM to ensure financial resources are available to support the HCES (e.g., funding for information technology tools); and

 b. Participates in HCES evaluation activities, as needed.

5. <u>Chief, Employment and Labor Law Division</u>:

 a. Advises OHRM regarding potentially problematic evaluation issues; and

 b. Participates in HCES evaluation activities, as needed.

6. <u>Director, Human Resources Services, Enterprise Services (ES)</u>:

 a. Supports the HCES by providing data for evaluations covering client Servicing Human Resources Office (SHRO) programs;

 b. Supports client SHROs by collaborating on evaluation activities, as needed; and

 c. Uses evaluation results to improve ES HR operations, as applicable.

7. <u>Director, Office of Accountability, OHRM</u>:

 a. Serves as the focal point for HCES coordination between OHRM staff and the Servicing Human Resources Managers;

 b. Coordinates the annual schedule of evaluation activities with applicable parties;

 c. Directs the Department's HC independent audit program, including Delegated Examining, DE Plus, and Human Capital Management Evaluation audits; and

        d.   Serves as HCES liaison with OPM.

8.   <u>Director, Office of Human Capital Strategy and Diversity, OHRM</u>:
   a. Directs the Department's HRstat program;
   b. Serves as HRstat and Federal Employee Viewpoint Survey (FEVS) liaison with OPM;
   c. Serves as the Department's Interagency HRstat Community of Practice Member; and
   d. Provides quarterly HRstat briefings to Servicing HR Managers.

9.   <u>Department Management Council</u>:
   a. Supports an integrated approach to enterprise-wide HCES by ensuring managers participate in evaluation activities, as needed; and ensuring actions are taken, when required, to rectify issues identified by an evaluation(s); and
   b. Uses evaluation information to support improvement of HC programs.

10.   <u>Servicing HR Managers</u>:
   a. Host on-site evaluation activities by designated officials and Department HR staff;
   b. Support an integrated approach to HCES by participating in evaluation activities; providing support staff, as needed; and acting, when required, to rectify issues identified by an evaluation(s);
   c. Provide periodic updates, reports, and data as requested to OHRM about HC activities;
   d. Educate managers about their mutual accountability for following Merit System Principles and participating in HC management, and share systemic evaluation issues with managers as appropriate; and
   e. Use evaluation information to improve HC programs.

11.   <u>Hiring Managers</u>:
   a. Support the HCES by participating in evaluation activities (e.g., focus groups and hiring manager satisfaction survey) and taking action, when required, to rectify identified issues; and
   b. Take into account evaluation results in formulating management decisions and workforce planning strategies.

12.   <u>HR Specialists</u>:
   a. Support the HCES by participating in evaluation activities;
   b. Collaborate with other HR Specialists and HR leadership to identify solutions in response to evaluation issues;
   c. Implement approved solutions to improve HC program performance; and
   d. Monitor effectiveness of solutions.

EVALUATIONS: The components below support the operation of the Department's evaluation system. Each component includes a brief description of the methodology, responsible office, reporting procedure, and tracking mechanism. Each component is designed to collect information and assess HC management functions. The activities and results of one component are used as input for other components.

1. HC Independent Audit Program (HCIAP)
   - Responsible Office – Office of Accountability (OA), OHRM
   - Methodology – Primarily through review and collection of data, focus groups, interviews, and individual case reviews, the following four types of audits are conducted: Human Capital Management Evaluation (HCME), Delegated Examining (DE) Only, DE Plus, and Specialized (ad hoc). The OIG may use peer review for audits if the review is conducted by DE-certified staff from a peer OIG and is in accordance with the Council of the Inspectors General on Integrity and Efficiency peer review process.
   - Reporting – Formal audit findings are prepared and provided to the senior leadership, as well as to the Deputy Assistant Secretary for Administration (DASA) and the Office of Inspector General (OIG).
   - Tracking – Audits are scheduled on a 3-year cycle. Individual audit activities are tracked by the OA and audit team members.

2. HRstat
   - Responsible Office – Office of Human Capital Strategy and Diversity, OHRM
   - Methodology – Department-wide data on HRstat metrics is collected on a quarterly basis from various sources including the National Finance Center payroll system, FEVS results, OPM Staffing Resource Charts, OPM's Hiring Manager Surveys, and the SHROs.
   - Reporting – Quarterly reports with year-to-date data are developed and reviewed with CHCO and Servicing HR Managers.
   - Tracking – HRstat data is tracked on a quarterly basis, and also reported on other internal dashboards and annual mandatory reports.

3. HC Reviews
   - Responsible Office – Office of the CHCO
   - Methodology – Annual discussion with OPM primarily focused on reviewing the Department's Human Capital Operating Plan (HCOP), HCIAP, and HRstat programs to support mission accomplishment and HC outcomes
   - Reporting – Review results and feedback received from OPM are provided to senior leadership as appropriate.
   - Tracking – Activities are tracked using the OPM HC Review timeline.

4. Human Capital Operating Plan
   - Responsible Office – Office of the CHCO
   - Methodology – For each goal, staff perform the identified action items using appropriate processes and procedures.
   - Reporting – Status updates are provided to senior leadership as appropriate.
   - Tracking – Status of progress toward meeting HCOP goals is collected periodically and completion timeframes are updated as needed.

5. Functional Area Reviews
   - Responsible Office – Department or SHRO Program Office

- Methodology – Various methods used to complete program reviews as directed, scheduled, or ad hoc to acquire information, data, and results for use in assessing goal achievement, efficiency and effectiveness, customer satisfaction, or improvement needs. Examples of reviews include: Performance Appraisal Assessment Tool (PAAT), Exit Surveys, Hiring Manager Satisfaction Survey, Training Needs Assessment Survey, SES performance management certification, and new employee orientation surveys.
- Reporting – Appropriate reporting procedures are identified for each review.
- Tracking – Appropriate tracking mechanisms are identified for each review.

For each fiscal year, an evaluation schedule will be established and communicated to the HR community and stakeholders. The schedule will identify the evaluation activities for the fiscal year, including: type of evaluation, responsible office, and timeframe.

By design, HCES components are interrelated and information generated by one component is used to support the other components. Examples of one component informing other components include:
- HCOP updates
  - Reviewed action item measures/metrics for connection with HRstat data
  - Reviewed for topics that could be further explored as part of an HCIAP audit
- HCIAP audit findings
  - Talent management findings reviewed for connection with HRstat talent data
  - Performance culture findings reviewed for identification of functional area review that may need to be conducted, such as awards' program evaluation
- HRstat data
  - Hiring timeline data reviewed prior to HCIAP audits to enhance understanding of bureau's talent management program
  - Permanent attrition data reviewed for connection with exit survey (functional area review) results
- HC Review feedback
  - Reviewed for identification of functional area reviews that may need to be conducted
  - Reviewed for possible addition of action items in HCOP updates
- Functional Area Review findings
  - Hiring Manager Satisfaction Survey results reviewed prior to manager focus group for an HCIAP audit
  - Training Needs Assessment Survey results reviewed for connection with HCOP action items

RESULTS: The Director, OHRM and Servicing HR Managers will periodically review results of evaluation efforts to support assessment of the Department's human capital strategies. Examples of results include activity milestones and measures such as:
- HRstat data for hiring timeliness and veteran hires compared to targets;
- HCIAP data for delegated examining 26 expected results assessments;
- HCOP deliverables completion status; and
- HC Review action items timeliness.

After reviewing results, the Director OHRM and/or Servicing HR Managers will take steps to ensure identified deficiencies are addressed and share successful practices with DOC leadership and the human capital community.

Nothing in this bulletin shall affect the independence of the Office of Inspector General under the Inspector General Act of 1978, as amended (5 U.S.C. App.), including the Inspector General's ability to select, appoint, and employ such officers and employees as necessary to carry out its duties.

ADDITIONAL INFORMATION: General information is available at the HCES webpage on the Commerce Connection website.

REFERENCES: Title 5, CFR Part 250; OPM HRstat Guidance, June 2017; OPM Human Capital Reviews, May 2018; OPM Evaluation System Standards, October 2017; and HR Bulletin #226, FY20, "Human Capital Independent Audit Program."

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