

UNITED STATES OFFICE OF PERSONNEL MANAGEMENT

# HRStat Guidance

## Begin with the End in Mind



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# **HRStat Guidance**

## **Introduction**

### **Fostering Data Analytics to Improve Strategic Human Capital Management**

Strategic Human Capital Management (SHCM) is a management approach designed to realize successful performance outcomes for an agency and its employees. OPM's Human Capital Framework (HCF) provides comprehensive guidance on strategic human capital management in the Federal Government. The framework provides direction on human capital planning, implementation, and evaluation in the Federal environment. The HCF also emphasizes the need to measure and monitor success of the agencies' human capital management strategies.

A strong human capital management strategy includes the use and analysis of data. To cultivate a data analytic culture within an organization that drives successful organizational outcomes, agencies must now use HRStat, a data-driven review process.

Before embarking on the journey to use data, an agency must first have a strategic plan. As outlined in the GPRA Modernization Act of 2010 (GPRAMA), agencies must integrate human capital planning with their agency strategic planning and reporting.<sup>1</sup> A Human Capital Operating Plan (HCOP) will be established to outline how human capital strategies will be used to accomplish agency goals, objective and mission accomplishment. Additionally, while designing the HCOP, conversations among agency staff (including Chief Human Capital Officer (CHCO), Performance Improvement Officer (PIO), and Chief Financial Officer (CFO)) must occur to ensure there is a shared understanding about the current state of the agency's workforce. This workforce information will inform what strategies for improvement are selected, the timeframe for strategy execution, the resources needed to ensure success, and measures that will demonstrate and communicate progress.

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<sup>1</sup> [31 U.S.C. 1115\(g\)](#)

This guidance defines HRStat, and informs its practice in the context of [5 CFR part 250](#) subpart B and the HCF requirements.

HRStat is a robust data analysis process and an organizational development tool that cultivates partnerships between stakeholders within agencies who may not have previously partnered to develop, implement and monitor human capital strategies together.

HRStat is a way to foster an environment of collaboration between the various stakeholders and human capital staff through data-driven review conversations between program managers and staff discussing their workforce needs.

This guidance also addresses another key ingredient for success: -- building the capability to collect, analyze, understand and communicate data that will inform leadership decisions and support successful organizational outcomes.

Finally, HRStat positions the CHCO to articulate how human capital strategies contribute to the achievement of agency mission outcomes. HRStat enables agency leadership to include the CHCO, human capital staff, and human capital partners in an ongoing conversation about how human capital strategies contribute to agency performance.

This guidance outlines:

- Approaching data analysis within an agency/component;
- Conducting data-driven reviews; and
- Understanding the next steps with data analysis and its role with HRStat through the introduction of the HRStat Maturity Model.

## **Purpose of this Guidance**

This Guidance informs the practice of HRStat in conformity with [5 CFR part 250](#) subpart B and the Human Capital Framework (HCF) requirements. The final rule ([5 CFR Part 250](#)) that was published on December 12, 2016 institutionalizes a data-driven review process (HRStat) in regulation. The goals of the HCF and HRStat are to improve human capital outcomes, enhance the performance capacity of agencies in achieving their strategic goals and objectives, and create a

supportive culture for the use of data-driven reviews that inform agencies' human capital decision-making.

The questions and answers addressed in this HRStat Guidance document will be posted on the HCF On-Line Resource Center on OPM's website as Frequently Asked Questions (FAQs). FAQs will be updated periodically and expanded to address emerging issues. Updated HRStat Guidance and new training and tools will be developed for posting to the Resource Center and the MAX HRStat Community of Practice pages to address future needs of the HRStat Community.

## **Authority**

[5 CFR Part 250](#), subpart B, implements the requirements of [5 U.S.C. 1103\(c\)](#), and [5 U.S.C. §§ 1401-1402](#), the Chief Human Capital Officers Act (CHCO Act), and establishes HRStat as a required human capital process to be performed by agencies covered by [31 U.S.C. 901\(b\)](#) of the Chief Financial Officers (CFO) Act of 1990 (Pub. L. 101–576), as well as 5 U.S.C. 1401 and support the performance planning and reporting that is required by sections 1115(a)(3) and (f) and 1116(d)(5) of title 31, United States Code. Thus, as noted within the regulation, small and independent agencies are not required to conduct HRStat reviews, but are welcome to use the guidance and the HRStat process to improve their business practices and organizational outcomes.

[5 CFR§ 250.202](#) defines HRStat as “a strategic human capital performance evaluation process that identifies, measures, and analyzes human capital data to inform the impact of an agency's human capital management on organizational results with the intent to improve human capital outcomes. HRStat [which is a quarterly review process] is a component of an agency's strategic planning and alignment and evaluation systems that are part of the Human Capital Framework.”

[5 CFR§ 250.207](#) specifies that the Chief Human Capital Officer of each applicable agency: “must design, implement and monitor agency human capital policies and programs that—

- (a) Use the HRStat quarterly reviews, in coordination with the agency Performance Improvement Officer (PIO), to assess the agency's progress toward meeting its strategic and performance goals;
- (b) Implement the HRStat Maturity guidelines specified by OPM; and
- (c) Use HRStat quarterly reviews to evaluate their agency's progress."

## Background

On April 26, 2013, Office of Personnel Management (OPM) Acting Director, Elaine Kaplan, in a memorandum to Chief Human Capital Officers, introduced HRStat to the federal human capital community as:

...[a] complement to... [Chief Operating Officer] COO-led reviews of progress on agency goals, OPM is pilot testing a new approach to quarterly reviews of agency human capital progress called "HRStat." Under HRStat, CHCOs convene quarterly reviews on key human capital goals. The HRStat sessions allow for review of key human capital metrics relevant to an agency's general HR goals and in-depth analysis of HR problems for the goals that are the subject of the COO's quarterly performance reviews. The quarterly HRStat meetings are intended to enable quick course correction, if needed, to assure progress is being made.

During the years 2012-2014, OPM conducted a three year HRStat Pilot Program to guide federal agencies in the effective application of HRStat to a variety of human capital processes, operations, and problem-solving efforts. The design of the HRStat Pilot Program was a collaborative effort between OPM and OMB. The pilot program's goal was to establish data-driven reviews in the human capital domain that replicated OMB's Performance Improvement Council's (PIC) data-driven performance reviews required under the GPRA Modernization Act of 2010 (GPRAMA). In the HRStat Pilot Program, eight CHCO agencies participated each year. At the end of each pilot year, the agency cohort completed close-out surveys. These were self-assessment surveys to help determine whether the agencies had met the requirements of the HRStat Pilot Program. Six months after each agency cohort completed their HRStat Pilot year, OPM assessed the maturity levels of the agencies vis-à-vis their progress in establishing HRStat in their agencies.

In June of 2014, OPM launched the HRStat Community of Practice (CoP) as an initiative among the HRStat agencies and OPM to collaborate toward government-wide implementation of HRStat through guidance, assistance and training. The CoP provides a forum where CoP members communicate, collaborate, innovate, and address current and future needs within the HRStat community.

## **The HRStat Review Process**

[5 CFR§ 250.207](#) specifies that the Chief Human Capital Officer of each applicable agency must design, implement and monitor agency human capital policies and programs that—

- (a) Use the HRStat quarterly reviews, in coordination with the agency Performance Improvement Officer (PIO), to assess the agency's progress toward meeting its strategic and performance goals;
- (b) Implement the HRStat Maturity guidelines specified by OPM; and
- (c) Use HRStat quarterly reviews to evaluate the agency's progress.

The HRStat review process is aimed at informing better decision-making and evaluation and enhancing agency performance results.

HRStat reviews focus on defined areas of inquiry or problems that are premised on sound research, a stated problem statement or hypothesis, a defined intervention, data analysis, monitoring, and evaluation with a focus on determining causation for the particular human capital strategy or intervention being employed.

HRStat reviews are not merely presentations of human capital data to Chief Human Capital Officers or other agency senior officials on topics such as attrition rates, completion of performance evaluation plans, numbers of completed hiring decisions, or training participation rates. Rather, federal agencies must engage in robust data-driven reviews of human capital areas that are in need of program improvement, greater innovation, or improved cost effectiveness. HRStat is an effective way of creating the empirical foundation for informing better decision-making that will affect human capital areas such as mission critical occupation (MCO) retention; training intervention effectiveness; awards correlation with performance improvement; supervisor and manager leadership improvements;

cost/benefit analysis of the implementation of technology; process realignment; and enhanced customer service, to name a few.

Agency personnel performing HRStat reviews should strive to examine how human capital interventions advance performance objectives specified in Agency Priority Goals (APGs) as defined in GPRAMA. Agencies should develop metrics, goals, and milestones associated with human capital contributions when they develop their agency strategic plan and HCOP, and then review their progress quarterly through HRStat Reviews.

HRStat data-driven reviews provide agencies with a continuous means of learning and gaining insights on improvement of human capital processes and work areas of responsibility. Conducting HRStat reviews also enables agencies to evaluate progress, refine strategies, and develop demonstrable quantifiable evidence of successful human capital outcomes.

By implementing the practice of data-driven reviews throughout a human capital enterprise, federal agencies can also engage their employees' creativity and capacity to think continually of better ways to improve both human capital performance and the achievement of their agencies' mission. The use of data analytics and critical thinking about human capital issues and improvement fosters a paradigm of innovation, continually challenging the status quo and seeking human capital improvement aligned with an agency's mission.

For a step-by-step illustration of the process, see Appendix F. The HRStat Review Process.

### **The HRStat Maturity Model**

The first order of business for the HRStat CoP was to form an HRStat Maturity Model Design Team. The Design Team developed an HRStat Maturity Model designed to define the elements of the HRStat process, and ultimately to allow the agencies to assess their level of progress in engaging in the HRStat process.

The HRStat Maturity Model (see Figure 1 below) is a diagnostic framework designed to assess the maturity level of an agency's HRStat program, and how the HRStat process contributes to the advancement of an agency's mission, goals, and

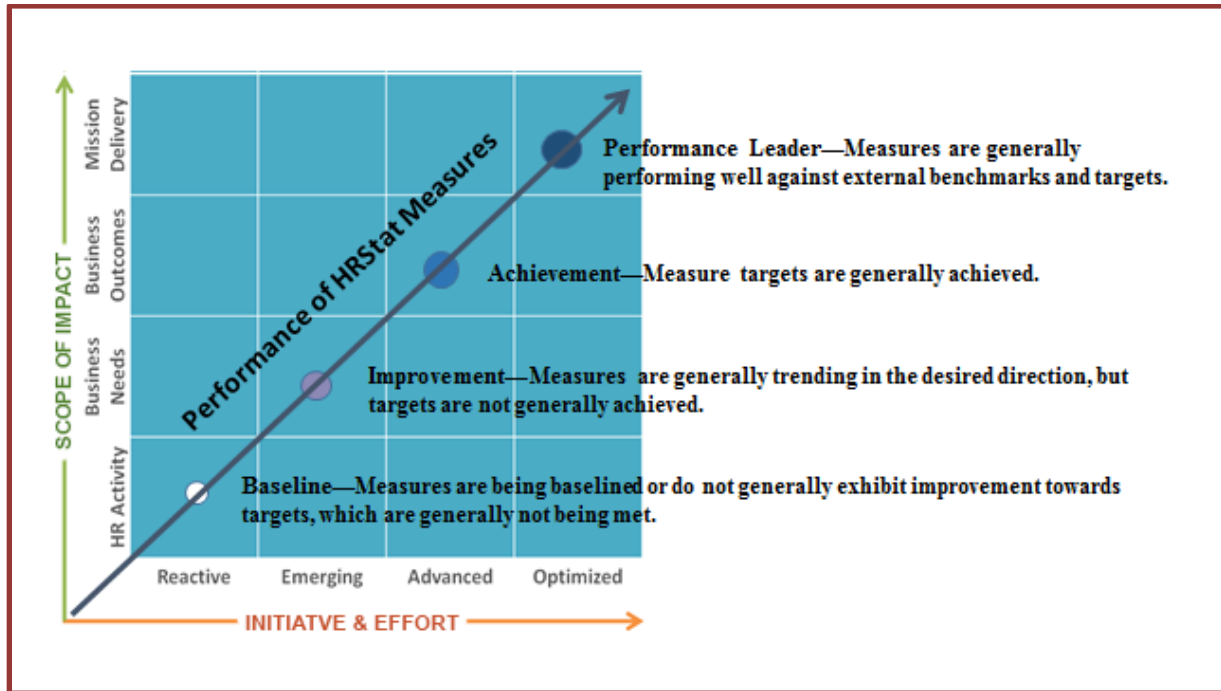


objectives. The Maturity Model serves as a practical and aspirational roadmap that will help agencies identify areas for improvement and enable them to monitor their progress over time. Please see Appendix G for an HRStat Maturity Model Glossary of Terms.

The HRStat Maturity Model is conceptualized in terms of three components: Scope of Impact, Initiative and Effort, and Performance of HRStat Measures. **Scope of Impact** measures the degree to which human capital metrics have progressed from the use of data solely for human resource functions to a state in which the metrics are integrated into the measurement of agency mission accomplishment. **Initiative and Effort** measures the degree to which an agency has developed the capacity to use human capital data to inform decision-making across the agency. Initiative and Effort describes the evolution from descriptive use of data to an optimized state where performance improvement and innovation are achieved. **Performance of HRStat** measures the degree to which an agency's metrics are in fact advancing to achieve targeted improvements and are validated against external benchmarks.

For each of these three components, there are four maturity levels (reactive, emerging, advanced, optimized) as depicted in Table 1 below and fully described in Appendix B: Critical Success Factors and Appendix D: Initiative and Effort. In describing the four maturity levels, the HRStat Maturity Model designates five domains of consideration: **analytics, technology, talent/staff, collaboration, and leadership** (See Appendices B-E).

**Figure 1. HRStat Maturity Model**



**Table 1. Components of Maturity and their Levels**

Components of Maturity	Maturity Levels as Described in Critical Success Factors (see Appendices B-E).
<b>Scope of Impact</b>	1. HR Activity 2. Business Needs 3. Business Outcomes 4. Mission Delivery <div style="text-align: right; border: 1px solid black; padding: 2px;">See Appendix C</div>
<b>Initiative &amp; Effort</b>	1. Reactive 2. Emerging 3. Advanced 4. Optimized <div style="text-align: right; border: 1px solid black; padding: 2px;">See Appendix D</div>
<b>Performance of HRStat Measures</b>	1. Baseline 2. Improvement 3. Achievement 4. Performance Leader <div style="text-align: right; border: 1px solid black; padding: 2px;">See Appendix E</div>

## The HRStat Maturity Model Assessment Tool (MMAT)

The HRStat Maturity Model Assessment Tool (MMAT) was developed to help agencies and OPM assess an agency's progression on the HRStat Maturity Model, and to focus attention on specific areas of strength and improvement. This information can help agencies and OPM determine what guidance, education, training, tools, mentoring, interagency partnerships and sharing of resources would enhance agencies' use of the HRStat process to achieve greater human capital and agency performance outcomes.

In March of 2016, OPM, in collaboration with the HRStat CoP, launched the first administration of the MMAT, the first step in implementing the Maturity Model. In June of 2016, OPM completed the first analysis of the MMAT responses, in the form of a template for individual agency Key Findings Reports (summary evaluations of the self-assessment items on the survey). Agencies that complete the MMAT will be provided a **Key Findings Report** that includes detailed assessment scores, benchmark scores, tailored guidance for improvement, and, if the agency requests, a private consultative meeting with OPM's HRStat team of mentors aimed at assisting the agency in making improvements in their HRStat process.

## The Evaluation System and HRStat

[5 CFR§ 250.202](#) defines the Evaluation System as an agency's overarching system for evaluating the results of all human capital planning and implementation of human capital strategies to inform the agency's continuous process improvement efforts. This system is also used for ensuring compliance with all applicable statutes, rules, regulations, and agency policies.

Utilizing a robust evaluation framework, an agency measures the actual results achieved by human capital interventions, and acquires lessons learned for future human capital planning efforts. Since HRStat is a component of an agency's strategic planning and alignment and evaluation systems, OPM suggests the following evaluation methodology in the context of HRStat:

- Start with the end in mind. Determine the agency’s performance needs and identify clear human capital goals, performance measures, and evaluation criteria for successful outcomes. All agency stakeholders (e.g., strategic planners, performance improvement officers, program staff, human capital experts, and HRStat teams) must work together to identify baseline goals, performance measures, metrics, and evaluation criteria to ensure a common framework of analysis prior to implementing human capital interventions.
- Implement and evaluate frequently. After identifying human capital and performance improvement goals, the agency team begins to monitor and gather data about the results of the defined intervention. The agency team compiles results, records variance between planned outcomes and targets, and documents possible reasons for any differences.
- Provide major evaluative findings to inform agency leadership decision-making. As the human capital intervention proceeds, results and findings should be conveyed to agency leadership in the HRStat data-driven reviews so they can provide feedback, address unexpected issues, and determine whether to recalibrate actions, devote additional resources, or take no further actions.
- Acquire lessons learned to inform future human capital interventions. As a result of the documented data and results gained from the HRStat data-driven reviews, agency personnel are well-positioned to use the evaluative evidence to create recommendations for future refined human capital interventions, informed by empirical evidence and the actual experience of implementing human capital strategies and actions designed to enhance human capital outcomes and agency performance.

### **HRStat Alignment with the New 5 CFR Part 250 Human Capital Operating Plan (HCOP) and Human Capital Review (HCR) requirements**

[5 CFR§ 250.205](#) requires federal agency CHCOs to develop a Human Capital Operating Plan (HCOP), which must:

- 1) describe how their human capital strategies support the execution of an agency's strategic plan;
- 2) describe the agency-specific skills and competency gaps that must be closed through the use of agency developed human capital strategies;
- 3) include annual human capital performance goals and measures that will support the evaluation of the agency's human capital strategies through HRStat quarterly reviews, and that are aligned to support mission accomplishment;
- 4) reflect the systems and standards within the Human Capital Framework (HCF), consistent with their agency strategic plan and annual performance plan, to address strategic human capital priorities and goals; and
- 5) address the government-wide priorities identified in OPM's Federal Workforce Strategic Priorities Report.

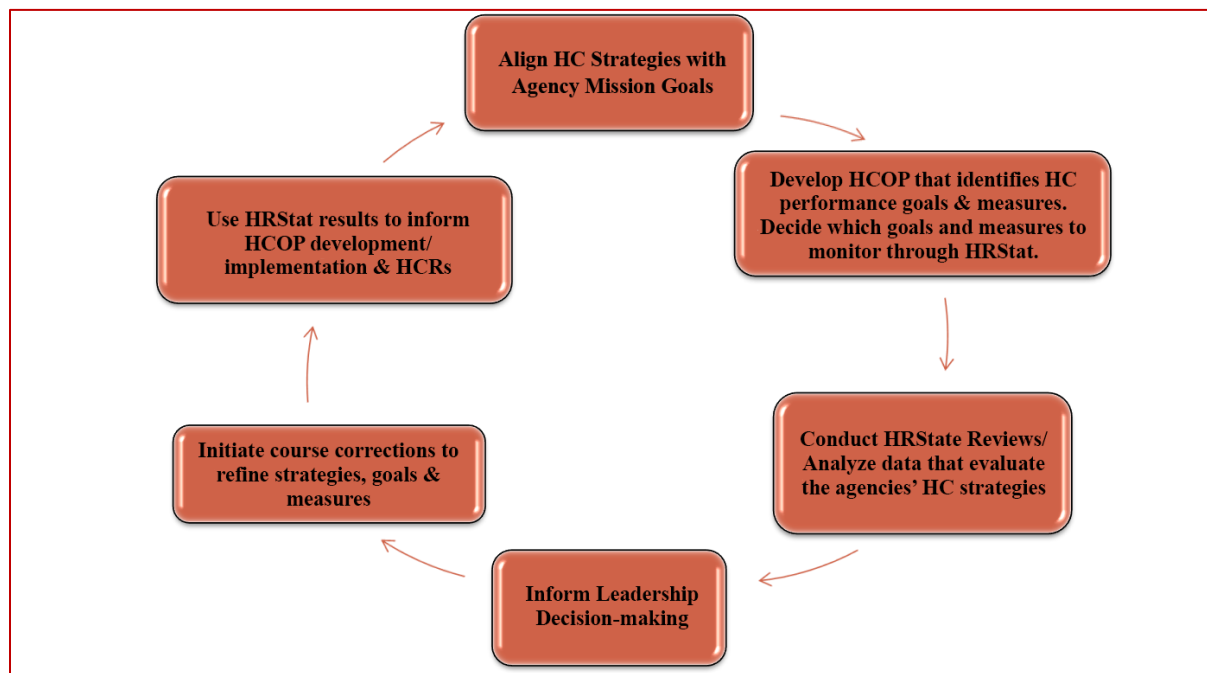
Agencies' CHCOs develop their HCOP every 4 years in alignment with the agency strategic plan and update them annually to reflect any changes in human capital strategies necessary to fulfill emerging mission imperatives or exigent human capital issues. The HRStat process provides agencies a means of evaluating the agency's human capital strategies developed and refined in their HCOPs. The HRStat process provides the methodology for testing hypotheses, developing strategies, and evaluating the results of implemented human capital programs and activities in support of agency mission objectives.

After the HCOP is complete and HRStat reviews are conducted, OPM will conduct Human Capital Reviews (HCRs) by meeting with agencies annually to measure and evaluate:

- 1) how agencies identify and implement (human capital) strategies that will lead to the success of a respective agency goal;
- 2) the efficacy of implementation strategies in support of achieving organizational goals (using the principles of the systems and standards of the HCF); and

3) agencies' ability to monitor their progress towards achieving their agency strategic goals through their HRStat reviews.<sup>2</sup>

**Figure 2. HRStat Alignment with the new 5 CFR Part 250 Human Capital Operating Plan (HCOP) and Human Capital Review (HCR) requirements**



As depicted in Figure 2 above, an agency can reconcile the three different requirements: HCOP, HRStat, and HCR, by leveraging HRStat to call attention to the most significant performance challenges and strategic goals. To enhance the achievement of these mission imperatives, the agency should identify the most salient human capital strategies and activities that will enhance the capacity of the agency to achieve its performance objectives.

Through the HRStat process, agency senior leadership can evaluate the efficacy of the implemented human capital interventions, recalibrate their efforts, and learn from mistakes and successes to inform better human capital decisions that advance

<sup>2</sup> Supplementary Information to [5 CFR 250, Federal Register, Vol. 81, No. 238](#), p. 89362, Monday, December 12, 2016.

the agency's performance objectives. The HRStat process (hypothesis, implementation, and evaluation) informs the annual review of the HCOP, refining human capital strategies each year, informed by quantifiable evidence and lessons learned from the prior year's HRStat process.

On an annual basis, OPM and individual agencies will participate in HCRs to review agency progress in aligning their human capital strategies with agency performance goals and objectives, evaluating how well the human capital strategies achieved their desired outcomes, and working collaboratively to explore ways to improve the agencies' human capital outcomes and HRStat process.

### **HRStat Alignment with the New Human Capital Framework**

HRStat is a process that helps implement the principles of the HCF. It provides agencies with a means to improve continuously their strategic management of human capital by informing their decisions with objective data and empirical evidence.

[5 CFR§ 250.202](#) specifies that the HCF provides comprehensive guidance on the principles of strategic human capital management in the Federal Government. The framework provides direction on human capital planning, implementation, and evaluation in the federal environment.

The HCF constitutes a framework that integrates four human capital systems:

- 1) Strategic planning and alignment
- 2) Talent management
- 3) Performance culture
- 4) Evaluation

These systems define good practices for effective and efficient human capital management, and support the steps involved in the planning, implementation, and evaluation of human capital initiatives in the Federal Government.

Within each of the four human capital systems, standards or consistent practices help agencies ensure that their human capital management strategies, plans, and practices:

- 1) Are integrated with strategic plans, annual performance plans and goals, and other relevant budget, finance, and acquisition plans;
- 2) Contain measureable and observable performance targets;
- 3) Are communicated in an open and transparent manner to facilitate cross-agency collaboration to achieve mission objectives; and
- 4) Inform the development of human capital management priority goals for the Federal Government.

Each system also includes focus\_areas that are related specifically to achieving a system's standard.

**Strategic Planning and Alignment**: A system that ensures agency human capital programs are aligned with agency mission, goals, and objectives through analysis, planning, investment, and measurement. The standards for the strategic planning and alignment system require an agency to ensure that its human capital management strategies, plans, and practices:

- 1) Integrate strategic plans, annual performance plans and goals, and other relevant budget, finance, and acquisition plans;
- 2) Contain measureable and observable performance targets; and
- 3) Communicate in an open and transparent manner to facilitate cross-agency collaboration to achieve mission objectives.

*HRStat enhances the decision-making capacity of agency personnel by helping to ensure that human capital objectives are aligned with agency performance goals. For example, data-driven reviews can help determine if Agency Priority Goals (APGs) are enhanced by human capital interventions such as focused employee training, recruitment and retention efforts, or rotational assignments to build skills. Through demonstrable quantifiable evidence, agencies are able to make more informed human capital decisions that align with agency performance goals, objectives, and outcomes.*

**Talent Management**: A system that promotes a high-performing workforce, identifies and closes skill gaps, and implements and maintains programs to attract, acquire, develop, promote, and retain quality and diverse talent. The standards for the Talent Management system require an agency to:



- 1) Plan for and manage current and future workforce needs;
- 2) Design, develop, and implement proven strategies and techniques and practices to attract, hire, develop, and retain talent; and
- 3) Make progress toward closing any knowledge, skill, and competency gaps throughout the agency.

*HRStat is a natural complement for effective talent management throughout the Federal Government. For example, through effective data-driven reviews, agencies may more readily assess work demands, emerging mission imperatives, and future trends likely to affect human capital needs; more effectively evaluate human capital strategies and interventions designed to reduce or eliminate competency gaps in vital positions; and understand why certain interventions may help alleviate attrition risk among employees in high impact positions.*

**Performance Culture:** A system that engages, develops, and inspires a diverse, high-performing workforce by creating, implementing, and maintaining effective performance management strategies, practices and activities that support mission objectives. The standards for the performance culture system require an agency to have:

- 1) Strategies and processes to foster a culture of engagement and collaboration;
- 2) A diverse, results-oriented, high-performing workforce; and
- 3) A performance management system that differentiates levels of performance of staff, provides regular feedback, and links individual performance to organizational goals.

*The HRStat Community of Practice (HRStat CoP) has been innovative in developing creative applications to foster productive and inclusive agency workplaces. For example, some agencies have included performance evaluation standards in management officials' performance plans that foster greater professional development opportunities and collaboration. This has resulted in bringing more of their talent to bear on agency performance objectives. Other agencies have used HRStat to measure how work-life balance policies such as phased retirement and telework affect employee productivity and employees' organizational commitment.*

**Evaluation**: A system that contributes to agency performance by monitoring and evaluating outcomes of its human capital management strategies, policies, programs, and activities by meeting the following standards:

- 1) Ensuring compliance with merit system principles; and
- 2) Identifying, implementing and monitoring process improvements.

See the discussion of principles of the Evaluation System and HRStat on page 8 of this document.

As further guidance, General Accountability Office (GAO) has described the design of an effective evaluation as an iterative process focusing on evaluation objectives, scope, and methodology in a synthesized manner.<sup>3</sup> In designing the evaluation for HRStat analysis, agency personnel should focus on the following issues:

- 1) What questions are the HRStat team trying to answer? (Ensure each major evaluation issue is specific, objective, neutral, measureable, and achievable).
- 2) What information does the HRStat team need to address each evaluation question? Where will the information be obtained from? (Carefully identify valid sources of information such as databases, surveys, prior studies, program management officials, and other subject matter experts).
- 3) How will the HRStat team answer each evaluation question? (e.g., random sampling, case studies, focus groups, or questionnaires).
- 4) What are the evaluation design methodological limitations and how will they affect the evaluation's efficiency? (e.g., inability to fully generalize or extrapolate finding to all questions in the HRStat analysis).
- 5) What are the expected results of the evaluation? (Work to ensure that the evaluation results address the specific evaluation question).

In addition to GAO's recommendation above, OPM suggests the following considerations:

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<sup>3</sup> GAO Report 12-208G: *Designing Evaluations*, 2012 Revision, p.20, U.S. Government Accountability Office: <http://www.gao.gov/assets/590/588146.pdf>.

- 6) How will the HRStat team document the evaluation?
- 7) How will the actual results of the evaluation be used to inform leadership decision-making?
- 8) How can the HRStat team involve program staff in conceptualizing and implementing evaluation methods?

## **HRStat Alignment to the Agency Performance Improvement Reviews**

The Supplementary Information in the Final Rule indicates, “the increased alignment of human capital strategies to agency goals is intended to enhance human capital and organizational performance outcomes, by making data-driven decisions.”<sup>4</sup>

To operationalize this alignment, agencies should bring the HRStat review process closer in line with the Agency Performance Improvement Review process. Agencies must develop human capital strategies that align to agency strategic goals and mission requirements. Agencies should also ensure the CHCO and their HRStat teams attend the agency’s quarterly Performance Improvement Reviews. Reciprocally, the agency’s Performance Improvement Review Team should also attend the HRStat Reviews. The CHCO could also collaborate with the agency’s senior management team to achieve mission objectives together through integration of the various areas’ goals and objectives (e.g., IT, Acquisitions, and Finance) with human capital. This integration serves an integral role with the implementation of human capital strategies.

Some HRStat agencies have moved towards combining their HRStat quarterly reviews with the agency’s quarterly reviews of APGs conducted under the authority of the GPRAMA. The GPRAMA data-driven performance reviews are regularly scheduled (at least quarterly) structured meetings used by agency executives and managers to review and analyze data on progress toward achieving APGs and other management-improvement priorities. GPRAMA requires agencies to conduct reviews of their APGs to assess progress toward the goal and

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<sup>4</sup> Supplementary Information to [5 CFR 250, Federal Register, Vol. 81, No. 238](#), p. 89358, Monday, December 12, 2016.

to develop strategies to enhance performance. These reviews are led by the agency head and Chief Operating Officer, in coordination with the Performance Improvement Officer (PIO), goal leaders, and other relevant parties.<sup>5</sup>

Those HRStat agencies that have moved towards integrating their HRStat reviews as part of the GPRAMA data-driven reviews should have the CHCO leading the HRStat review portion of the meetings, in coordination with the PIO. In these cases, the HRStat reviews are substantially aligned with and structured to advance the APGs or other management improvement priorities. For example, if an agency has an APG related to achieving a performance objective such as enhancing cybersecurity capacity, the HRStat review portion of the meeting must present a human capital management issue aligned with the APG, such as building and sustaining cybersecurity competencies. The agency must hypothesize how a selected human capital strategy will demonstrably advance the accomplishment of the APG, based on an analysis of alternative strategies and risks.

The HRStat focus area of inquiry must have identified human capital metrics and must be monitored, evaluated, and recalibrated to enhance performance progress with the APG. The PIO and the CHCO should coordinate and demonstrate the correlation of improvement in human capital performance in areas such as efficiency, effectiveness, or cost reduction with enhanced agency performance towards the relevant APG.

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<sup>5</sup> See *Managing for Results: Implementation of GPRA Modernization Act Had Yielded Mixed Progress in Addressing Pressing Governance Challenge Designing Evaluations*, September 2015, p.9, U.S. Government Accountability Office: <http://www.gao.gov/products/GAO-15-819>.

## Appendix A. Questions and Answers About the HRStat Process

### 1. To which agencies does this guidance apply?

[5 CFR Part 250](#), subpart B, implements the requirements of [5 U.S.C. 1103\(c\)](#) and the Chief Human Capital Officers Act (CHCO Act), and establishes HRStat as a required human capital process which applies to agencies covered by [31 U.S.C. 901\(b\)](#) of the Chief Financial Officers (CFO) Act of 1990 (Pub. L. 101–576), as well as 5 U.S.C. 1401 and support the performance planning and reporting that is required by sections 1115(a)(3) and (f) and 1116(d)(5) of title 31, United States Code.

Thus, as noted within the regulation, small and independent agencies are not required to conduct HRStat reviews but are welcome to use the guidance and the HRStat process to improve their business practices and organizational outcomes.

### 2. What is the process for developing and implementing effective data-driven HRStat reviews?

Agencies should first identify the relevant human capital program, policy, or area of inquiry or improvement, focusing on a thorough understanding of existing strengths, limitations, achievable performance goals, and realistic action plans. When the HCOP is created/revised, review the goals to determine if any should be included in HRStat reviews. The agency should conceptualize and articulate a focused problem statement or issue of inquiry regarding how a human capital intervention will lead to defined improvement, innovation or enhanced cost effectiveness.

In conceptualizing human capital improvement, agencies should be able to identify the optimum level of human capital performance that they would like to achieve in comparison to their present level of performance (i.e., a target). One way of identifying the optimum level of performance is through benchmarking with other federal agencies or the private sector. Agencies should develop a working hypothesis of how a particular human capital intervention (e.g., change in strategy, operations protocol, policy implementation, focused training, audit technique,

technology implementation, interaction with program staff, etc.) will specifically affect human capital performance improvement in areas such as efficiency, effectiveness, and cost. The working hypothesis informs the units of measurement (i.e., metrics) that will be collected and utilized in the data analysis of how the selected human capital intervention strategy or actions will improve human capital outcomes and corresponding agency performance.

The agency should regularly monitor progress focusing on how the human capital intervention is addressing the identified area of improvement. HRStat is a way to establish accountability for ensuring planned actions are taken. When planned actions are taken but the intervention is not successful in achieving the desired outcome, there should be no shame or blame if the intervention fails. Rather, it should be recognized as a necessary step in the direction of finding the right solution.

In all cases, the agency should conduct an evaluation to determine why, how, and to what degree the HRStat intervention or strategy affected human capital effectiveness and agency performance, to identify what specific factors led to performance improvement, and to identify how best to effectively allocate resources for performance improvement. If the intervention was not successful, the agency must still articulate a rationale for why the intervention failed to achieve the desired improvement outcome, what lessons were gained from the intervention effort, and what new interventions will be taken. If the HRStat intervention, strategy, or experiment succeeded, the agency must demonstrate in their evaluation what efforts they made to identify a causal relationship between the intervention and any corresponding improvement in agency performance.

### **3. How frequently must HRStat reviews be conducted?**

HRStat is a quarterly data-driven review that improves agencies' human capital outcomes (see [5 CFR§ 250.202 and §250.207](#)). Nevertheless, agencies are encouraged to experiment and to create a review schedule that is optimum for informed data-driven reviews within their agency culture, provided reviews are conducted at least quarterly. In guiding decisions on frequency, agencies should reflect on factors such as the complexity of the topic of inquiry, and the time

needed to assess the effectiveness of a particular HRStat intervention. Agencies should also consider practical issues such as the time commitments and scheduling availability of the CHCO and other senior leadership, and the time commitments of other agency staff involved in the process.<sup>6</sup>

It is important to remember that the data-driven review process does not require that CHCOs and their staff dedicate time for all day data-driven review meetings. Some agencies are able to establish interim short check-in meetings as part of the overall data-driven review process of no more than one hour. Short, regularly scheduled progress meetings may offer the best way to ensure that all staff have the support and capacity to fulfill the objectives of the data-driven review. Conversely, some agencies find that a monthly or bi-monthly meeting provides the best way to assess progress on their HRStat review process.

#### **4. Is OPM defining any uniform metrics that agencies must utilize in their HRStat reviews?**

No. Because of the significant variance among agencies' missions, performance objectives, culture, and human capital issues for improvement, OPM believes it is not sound policy to prescribe particular metrics that all federal agencies must utilize in their HRStat data-driven reviews. OPM believes that agencies in their HRStat reviews should be focused on utilizing the most appropriate and well-conceptualized research questions, analytical methods, data sources, and evaluation strategies. With these principles in use, agencies will have greater likelihood of success in their HRStat work.

“HRStat is a monitoring process for agencies to identify, measure, and analyze agency human capital data to inform agency leadership about how human capital is contributing to and supporting the accomplishment of the goals. Therefore, the measures associated with the reviews are agency-specific as they are based on agency set goals, and are not prescribed by OPM. So, agencies have the autonomy

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<sup>6</sup> See *A Guide to Data-Driven Performance Reviews*, p.17, The IBM Center for The Business of Government, <http://www.urban.org/sites/default/files/alfresco/publication-pdfs/1001559-A-Guide-to-Data-Driven-Performance-Reviews.PDF>

and flexibility to identify and evaluate measures that will help evaluate the efficacy of their human capital strategies.”<sup>7</sup>

Unlike the measures associated with the HRStat reviews that are agency-specific, OPM is required to “design a set of systems, including appropriate metrics, for assessing the management of human capital by federal agencies” as noted within [5 U.S.C. 1103\(c\)](#). Concerning these government-wide metrics, OPM will identify a set of measures to enable OPM to assess the state of human capital within the Federal Government.

## **5. What are some of the metrics agencies use in their HRStat data-driven reviews and what are some of the data sources?**

Throughout the HRStat pilot phase, agencies were asked to identify the metrics that they were using in their HRStat reviews in addressing their focus areas of improvement.

### **Common Metrics Agencies Have Used in HRStat data-driven reviews:**

- **Federal Employee Viewpoint Survey**
  - Global Satisfaction Index
  - Engagement Index
  - Workload index
  - Satisfaction with training
  - Employees’ performance appraisal
  - Inclusion quotient (New IQ Index)
  - Intention to leave
  - Telework Satisfaction
  - Leadership and Knowledge Management Index
  - Results-Oriented Performance Culture Index
  - Talent Management Index
  - Job Satisfaction Index
  - Inclusive Work Environment Index
  - Common Basic Needs Index

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<sup>7</sup> Supplementary Information to [5 CFR 250, Federal Register, Vol. 81, No. 238](#), p. 89360, Monday, December 12, 2016.



- Agency practices
  - Leadership Index
- **Manager Satisfaction Survey and the Applicant Satisfaction Survey**
  - Satisfaction with hiring process
  - 6-month Satisfaction Survey
- **Hiring metrics**
  - Time to hire
  - Number of applicants
  - Candidate quality
  - Demographics/Diversity
  - Veterans status
  - Disability status
  - Measuring applicants’ satisfaction
  - Quality of hiring service provided
- **Customer Service metrics**
  - Number of complaints
  - Communications effectiveness
  - HR Helpdesk response rates
- **Training**
  - HR University training participation
  - Completion of training
  - Supervisor training completion rates
  - Satisfaction with training
  - Mentoring experience satisfaction
- **Performance Management**
  - Performance appraisal
  - Performance management process analysis
- **Top 10 Best Places to Work Ranking**
  - Benchmarking of performance and areas for improvement
- **Agency personnel database sources**
  - Promotions
  - Demographics
    - Occupation
    - Years of Service
    - Diversity
    - Veterans
    - Disability
  - Telework and Alternative Work Schedule
  - Health and Wellness
  - Attrition

- Retirement (and eligibility)
  - Agency transfers
  - Voluntary/involuntary attrition
  - By Veteran status
  - By region, by program
- Percentage of staffing assigned to Agency Priority Goals

### **Data Sources:**

- **Federal Employee Viewpoint Survey** - The Federal Employee Viewpoint Survey is a tool that measures employees' perceptions of whether, and to what extent, conditions characterizing successful organizations are present in their agencies.
- **Manager and Applicant Satisfaction Surveys** - These surveys were developed in response to the 2010 Presidential Memorandum on Improving the Federal Recruitment and Hiring Process to drive change in the Federal Government's hiring process. The results are used by OPM and by each agency to make changes to the hiring process that will increase hiring manager satisfaction with HR services and improve the quality and timeliness of the applicants referred. With engaged and empowered hiring managers working in partnership with skilled HR specialists, the Federal Government will be able to attract and hire a highly talented and diverse workforce.
- **EHRI Data Warehouse** - The Office of Personnel Management (OPM) Enterprise Human Resources Integration (EHRI) Program's Data Warehouse is the Federal Government's premier source for integrated federal workforce information. The system collects, integrates, and publishes data for 2 million Executive Branch employees, supporting agency and government-wide analytics. In addition, the system provides federal workforce data to other Federal Government systems and processes dependent upon the integrated data. The OPM Data Warehouse architecture provides a flexible, scalable, and secure environment for current and future Federal Government requirements, and expansion is planned through the addition of new federal employee populations, new data elements, improved data integration and

data quality processes, and by enabling new system interfaces that utilize industry best-practice architectures.

- **FedScope** - OPM is the focal point for providing statistical information about the federal civilian workforce. OPM's FedScope (<https://www.fedscope.opm.gov/>) is an online tool that allows customers to access and analyze the most popular HR data elements from OPM's Enterprise Human Resources Integration-Statistical Data Mart (EHRI-SDM). FedScope is a mission critical system that serves thousands of customers and handles thousands of data requests yearly from a vast audience (i.e., government-wide agencies, researchers, academics, the media, Congress, White House, OMB, internal OPM program offices, and the general public). It falls under [5 CFR 9.2](#), which grants the Director of OPM authority to request data from agencies to report on the federal civilian workforce. FedScope is also an essential tool for OPM in increasing “transparency.” FedScope processing efficiently provides information at the aggregate level and at an individual record level basis (via RAW Data Sets; <https://www.opm.gov/data>). Access to detail level data is provided while protecting employee privacy and EHRI-SDM security.
- **UnlockTalent.gov** - UnlockTalent.gov is a tool you can use to obtain your agency data. All federal employees with a valid .gov or .mil email address can self-register for the site at: [www.unlocktalent.gov/](http://www.unlocktalent.gov/). All registered users, upon logging in, have access to the Agency Indicators page. This page provides data related to the overall health of an agency to enable you to pinpoint the strengths and weaknesses of your workforce to help enhance decision-making, prepare for the future, and create lasting sustainability. The data and the metrics on the page are organized into five key areas: workforce demographics, talent management, performance culture, strategic planning and alignment, and evaluation. At this time, the data comes from the FEVS and the EHRI.

Additional data will be included over time. The page will be built out in phases. The initial rollout includes metrics at the government-wide level. Agency level data will be incorporated as we continue to build this page.

The site is also a source for Employee Engagement, Global Satisfaction, and the New IQ data from the FEVS.

- **USAJOBS** - USAJOBS' Agency Talent Portal is intended to serve as a data source for strategic planning and measuring recruitment efforts. The types of data we collect and will make available include campaign traffic to your Job Opportunity Announcements (JOAs), events and career sites (if we build them for you). We also intend to provide government-wide recruitment data benchmarks, as well as gather other data sources, such as market data, to assist agencies in identifying market trends to craft better job announcements.

Portal users include HR Specialists, hiring managers, recruiters and other agency staff interested in accessing the data. Over the next 6-12 months, we intend to make dashboards and data self-service capabilities available. In the meantime, USAJOBS is available to consult with agencies to obtain data sets and work together to identify key performance indicators and measure results. For more information about the USAJOBS Agency Talent Portal, please contact us at [recruiter-help@usajobs.gov](mailto:recruiter-help@usajobs.gov) and include the subject "HRStat Inquiry."

- **Presidential Management Agenda Benchmarking** - The Presidential Management Agenda (PMA) Benchmarking initiative provides agency management teams across government with human capital benchmarks to prioritize actions to improve the effectiveness and efficiency of their agencies' human capital functions. The PMA has partnered with agency function leaders and their administrative Councils to select and define human capital metrics that will directly benefit decision-making. The PMA establishes cost and quality human capital benchmarks that allow agencies to assess their human capital operations to generate cost savings, allocate resources more efficiently, and improve processes. The benchmarks may also drive shared service adoption as a tool to improve performance. The President's Management Council strongly supports this initiative as vital for improving the efficiency and performance of mission-support functions across agencies. For further information, please see:

<https://community.max.gov/display/Management/PMA+Benchmarking+Initiative> (MAX log-in required).

## 6. What rationale have agencies articulated for using these particular metrics?

As agencies identified and developed their strategies for improvement during the HRStat pilot phase, they were asked to identify their rationale for selecting the metrics that they used in their HRStat data-driven reviews. Based on the analysis of the agencies' responses, the following is a list of some of the ways the agencies are approaching their metrics selection to address areas of improvement and to ensure alignment with strategic objectives.

- Alignment with strategic objectives
- Assess impact of initiatives and priorities
- Understand the potential risks to workforce
- Improve performance management systems
- Workforce planning and monitoring
- OPM/OMB mandate

## 7. What are some of the attributes of excellent metrics?

There are several significant criteria<sup>8</sup> that reveal whether metrics created for measuring performance improvement are appropriate for use in the HRStat process:

- **Relevant and germane to success.** The metric should logically link directly to the critical success factor that has been identified for achieving a successful human capital outcome.

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<sup>8</sup> Frost, Bob *Designing Metrics: Crafting Balanced Measures for Managing Performance*, pp. 62-63 (Dallas, TX: Measurement International, 2011).

- **Actionable to users and possessing a clear line of sight.** Optimally, metrics should be actionable so that the user obtains a line of sight between actions and metrics of success.
- **Benchmarking with other organizations.** Benchmarking metrics through comparison with your agency’s past performance and with the performance of other agencies allows your agency to compare how your actual performance rates in relation to your peers.
- **Encourages appropriate actions supporting performance improvement.** The conceptualized measures should encourage appropriate behavior and motivate the right types of decision-making that promotes the achievement of desired human capital outcomes.
- **Valid and reliable metrics.** Your measures must be valid (measuring what you intend to measure) and reliable (not influenced by random factors that cause differences in scores). In addition, the measures must be capable of statistical measurement and sampling.
- **Capacity for clear, graphical representation and visual reporting.** Optimum metrics are clear and are capable of being presented in visual and graphical representations that are easy to understand and that track performance trends over time.
- **Cost effective.** A first-rate performance metric must also not be cost prohibitive, negating its value as an important resource for measuring improvement over time.

**8. What is the role of the CHCO in the data-driven reviews and what type of leadership is needed in the HRStat process?**

The CHCO is required to lead the HRStat reviews “in coordination with the agency Performance Improvement Officer (PIO) to assess the agency’s progress toward meeting its strategic and performance goals.”<sup>9</sup> The active coordination and collaboration between the CHCO and PIO offices throughout the HRStat process will greatly enhance the integration of human capital strategies and actions into an agency’s overall performance improvement goals and objectives. CHCOs and

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<sup>9</sup> See [5 CFR §250.207\(a\)](#)

their PIO counterparts must convey the findings and summary of results from each HRStat review to the Deputy Secretary of their agency. The CHCO and the PIO should focus on identifying opportunities for achieving Agency Priority Goals and strategic objectives through a greater emphasis on coordinated human capital strategies and objectives. The collaboration between the CHCO and the PIO helps ensure that human capital outcomes are utilized optimally to inform and to advance the agency's mission goals and objectives.

The CHCO also helps to ensure that sufficient support, common understanding, and progress are occurring for the underlying goals of the data-driven reviews. Specifically, the CHCO establishes clear performance expectations (e.g., procedures and standards) for the HRStat process. The CHCO provides support by dedicating resources, establishing priorities, delegating authority, offering training opportunities, and providing the time for employees to engage in HRStat analysis. The CHCO also provides incentives, rewards, and other forms of recognition for the performance of excellent HRStat work. Significantly, the CHCO provides insightful feedback to help direct and ensure that HRStat performance matches expectations. CHCOs, working with OPM, and the HRStat Community of Practice should regularly use the MMAT process and results and other performance information to assess if their employees have the requisite knowledge, training, and experience to perform efficient and effective HRStat reviews.

What emerges from the analysis of highly effective HRStat review processes (including the analysis of the 2016 MMAT results), are certain common characteristics of effective senior leadership. The MMAT results indicated a strong correlation (.93 out of 1.0) between HR staff developing HRStat measures and targets and senior leadership contributing to the development and advancement of performance improvement by defining HRStat measures and targets. These results highlight the significance of senior leadership supporting the efforts of their employees in conceptualizing ways to identify problems and to create measures that gauge the progress of strategies and programs for obtaining human capital outcomes.

In supporting these efforts for effective measurement and understanding reasons for achievement of goals, senior leadership should recognize HRStat as a

paradigm, resource, and process for driving significant agency human capital and overall agency performance improvement. Senior leadership must also be willing to delegate the responsibilities for performing data-driven reviews to their managers, supervisors, and their employees. This will develop a heightened sense of intellectual curiosity among their staff for continually engaging in critical examinations of ways to improve human capital performance, aligned with agency performance improvement. Senior leadership should also provide employees working on HRStat reviews with the authority to develop hypotheses concerning improvements to human capital performance, and the ability to initiate strategies designed to improve human capital performance in key domains that are linked to overall agency performance improvement.

Of critical importance, CHCOs should work to establish a data-driven culture throughout their entire organization by promoting the intellectual curiosity of all of their employees to consider areas for improvement and to raise ideas for HRStat analysis grounded in sound research. A significant role for the CHCO in creating a data-driven review culture is fostering transparency by sharing HRStat review data, experiences, and lessons learned (both successes and failures) across the entire human capital organization. By widely disseminating HRStat information and involving their employees in the HRStat process, CHCOs help to create a learning environment where employees have a greater appreciation for understanding how and why improvements in human capital performance occur through sound research, tailored intervention, and evaluation.

## **9. What staffing is needed for conducting HRStat reviews?**

Most federal agencies confront budgetary constraints, competing human capital priorities, and emerging mission imperatives, which often pose limitations on the number of employees that can be devoted to HRStat work. There is no defined number of FTEs that are prescribed for successfully performing data-driven reviews. However, if an agency develops a culture where data-driven reviews are ingrained into all their human capital programs and operations, it is quite possible to maintain one dedicated person performing HRStat work to assist other human capital personnel with the development of research questions, data analysis, change



strategies, monitoring of intervention effectiveness, and evaluation. It is important to note that the individual performing the HRStat function should not be overburdened with multiple responsibilities to the degree that the person cannot adequately perform the HRStat function in a competent, thorough, and effective manner.

**10. Who must lead HRStat meetings and which individuals within an agency should attend the HRStat reviews?**

CHCOs are required to lead HRStat reviews. In essence, this means that the CHCO must attend the regularly scheduled HRStat data-driven reviews and acquire a sound working knowledge of the human capital issue(s) that are addressed as part of the HRStat process to facilitate support and direction for the particular HRStat topic of inquiry. Nevertheless, because of the technical nature of a particular human capital issue or problem, a subject matter expert such as an employee, supervisor, manager, or executive can run the meeting's presentation concerning the substantive content of the HRStat review and address questions, problems, and objectives.

In fact, the participation of employees from both HR and program offices in the HRStat process may lead to higher levels of employee engagement, employee support, and most importantly, insights and suggestions for improving and innovating human capital activities, programs and agency performance.

**11. Must the Agency's Performance Improvement Officer (PIO) attend the HRStat reviews and how should the two offices collaborate?**

Yes. The CHCO is required to lead the HRStat reviews "in coordination with the agency Performance Improvement Officer (PIO) to assess the agency's progress toward meeting its strategic and performance goals."<sup>10</sup> The active coordination

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<sup>10</sup> See [5 CFR §250.207\(a\)](#)

and collaboration between the CHCO and PIO offices throughout the HRStat process will greatly enhance the integration of human capital strategies and actions into an agency's overall performance improvement goals and objectives. CHCOs and their PIO counterparts must convey the findings and summary of results from each HRStat review to the Deputy Secretary of their agency. The CHCO and the PIO should focus on identifying opportunities for achieving Agency Priority Goals and strategic objectives through a greater emphasis on coordinated human capital strategies and objectives. The collaboration between the CHCO and the PIO helps ensure that human capital outcomes are utilized optimally to inform and to advance the agency's mission goals and objectives.

## **12. What evaluation strategies should be initiated as part of the HRStat review process to ensure progress on human capital goals?**

As noted by the General Accountability Office in their seminal 2012 report on evaluation design, there are five significant steps that federal agencies may follow in evaluating the efficacy of their HRStat interventions:

- 1) Clarify understanding of the existing human capital program or policy's goals, strategies, strengths, weaknesses, and costs from a data perspective. Also, clarify understanding of the relationship between the HRStat area of inquiry and the desired human capital outcomes;
- 2) Design appropriate evaluation questions;
- 3) Determine an appropriate evaluation approach for each evaluation question;
- 4) Identify data sources and collection procedures to obtain valid, credible information regarding the focus area of inquiry; and
- 5) Develop plans to analyze the data in ways that allow valid conclusions to be ascertained from the evaluation questions. <sup>11</sup>

In their evaluation efforts, agencies should distinguish program evaluation from performance measurement.

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<sup>11</sup> GAO Report 12-208G: *Designing Evaluations*, 2012 Revision, p.7, U.S. Government Accountability Office: <http://www.gao.gov/assets/590/588146.pdf>.

Program evaluation analyzes performance measures to assess the achievement of performance objectives in the context in which the specific human capital program or policy functions. Program evaluations focus on analyzing the relationship between program settings and the delivery of human capital programs to ascertain whether specific, focused human capital activities or employed strategies result in the desired outcomes. Further, evaluations seek to isolate the causal effect of intervening factors to determine why performance outcomes were achieved, or not.<sup>12</sup>

Performance measurement represents the systematic and ongoing monitoring and reporting of human capital program accomplishments, including that of existing goals and standards. Measures may include program staffing and resources (inputs), the type, level, or degree of program or policy activities conducted (process), the direct products or services delivered by a program (outputs), or the results of those products and services (outcomes).<sup>13</sup>

### **13. Are there specific methodological requirements that agencies must use to conduct HRStat reviews?**

No. The methods that agencies select to analyze particular human capital issues are not prescriptive. Agencies can certainly employ varied data collection, analytics, tools, and evaluative methods depending on the type of human capital challenges that the agencies are attempting to address.

“The quarterly review process is managed by agencies to identify and monitor human capital measures and targets that inform the progress agencies are making towards their agency specific goals.”<sup>14</sup>

A key advantage of active participation in the HRStat Community of Practice is learning, benchmarking, and collaborating with your federal colleagues to gain

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<sup>12</sup> GAO Report 12-208G: *Designing Evaluations*, 2012 Revision, p.3, U.S. Government Accountability Office: <http://www.gao.gov/assets/590/588146.pdf>.

<sup>13</sup> *id.* at 3.

<sup>14</sup> Supplementary Information to [5 CFR 250, Federal Register, Vol. 81, No. 238, p. 89358](#).

insights on a wide variety of methods, measures, and techniques for creating an effective agency methodology for performing HRStat reviews.

**14. What is OPM’s role in the oversight of agencies’ HRStat data-driven reviews? How will agencies be assessed by OPM on their HRStat performance?**

In accordance with [5 CFR Part 250](#), OPM will review and evaluate federal agencies’ performance in their HRStat data-driven reviews. The Human Capital Reviews (HCRs) will determine whether agencies are conducting the required HRStat reviews and to what extent they are substantively enhancing agencies’ human capital performance through demonstrable, quantitative improvements. OPM will also review whether agencies are actively evaluating their progress on achieving agency mission outcomes. OPM and agencies will utilize the MMAT to assess an agency’s progress, strengths, weaknesses, and areas for improvement in the HRStat process.

OPM’s role in the HRStat process extends far beyond examinations of agencies’ HRStat processes and progress. OPM is actively assisting federal agencies with the development of training, seminars, peer mentoring programs, dedicated websites on HRStat resources, and one-on-one consultation with federal agencies to improve their HRStat efficacy. Certainly, strategic human capital outcomes may be affected by factors beyond an agency’s control. However, agencies must demonstrate that they are engaging in robust HRStat reviews that address meaningful areas for improvement; present an evaluative framework for determining if outcomes are achieved and the reasons why particular human capital objectives and associated interventions have or have not performed in accordance with agencies’ planning, data monitoring, and evaluation methods.

**15. What type of information must an agency provide to OPM about an agency's HRStat process?**

[5 CFR§ 250.206](#), provides that each agency must participate with OPM in a Human Capital Review (HCR). The HCR will be conducted during the evaluation phase and OPM will issue guidance about the HCR requirements.

**16. What is the role of the HRStat Maturity Model Assessment Tool (MMAT) as agencies improve mission performance and make progress in conducting effective HRStat reviews and programs?**

The HRStat Maturity Model Assessment Tool (MMAT) is designed to provide federal agencies and OPM with insightful information about the level of maturity of the agency's HRStat process. The HRStat MMAT is an assessment instrument developed by OPM and the interagency HRStat Community of Practice to assess the progress and sustainability of how an agency's HRStat program functions and how it contributes towards mission delivery.

The MMAT provides agencies and OPM with information about an agency's maturity level (reactive, emerging, advanced, or optimized) for each of the five human capital domains: analytics, technology, talent/staff, collaboration, and leadership. The results from the MMAT can provide the agencies the data and the information that can guide them in performing key activities such as:

- Determining realistic human capital priorities and outcomes
- Allocating limited resources in a more efficient and effective manner
- Developing collaborative agreements with other agencies regarding the sharing of tools, expertise, and staff talent.
- Implementing training for staff on focused areas of improvement
- Measuring leadership effectiveness and the need for improvement
- Upgrading or acquiring new technology or tools
- Continuously improving analytical capabilities

The MMAT helps agencies and OPM identify what guidance, education, training, interagency collaboration, tools, and technology will help agencies achieve their

best possible HRStat performance. Working collaboratively with OPM and the HRStat Community of Practice, an agency's strengths can be leveraged to optimally enhance their HRStat performance, while weaknesses and barriers can be overcome.

### **17. Where can agencies find additional resources and information on the HRStat process?**

The questions that are answered in this HRStat Guidance document will be posted on the MAX HRStat CoP pages and the HCF On-Line Resource Center as Frequently Asked Questions (FAQs) that will be updated and expanded to address emerging issues. Training and Tools will also be developed for posting to the Resource Center, and the MAX pages to address future needs of the HRStat CoP.

OPM will also develop a research document that will provide agencies with useful evaluation questions and possible metrics for use in their data-driven reviews. A link to this document will be provided when it becomes available.

The MAX website was created to support the collaboration among the HRStat community members. The site has been established since HRStat's inception and it houses information about the community and about what HRStat is. It also houses a questions-and-answers section, a calendar of events, a resources section and archived materials from past HRStat CoP meetings, seminars, and webinars. Members of the HRStat Community are encouraged to use this platform to exchange ideas, to collaborate, and to share information with one another. If you are a member of the HRStat CoP, please contact your agency's HRStat point of contact to gain access.

### **18. Why does OPM encourage the use of the MMAT?**

The MMAT will be administered biennially by OPM, as a means of measuring agencies' improvement and the alignment of human capital strategies and outcomes with agencies' performance goals and objectives.

Agencies completing and submitting the assessment will be provided the following:

- ✓ A customized HRStat MMAT Key Findings Report that will help in the identification of an agency's maturity level within the five HRStat Maturity Model domains of analytics, technology, talent & staff, leadership, and collaboration. This report is designed to assist the agency in understanding how it is progressing with the HRStat maturity process and to help the agency identify areas of strength and areas that need improvement.
- ✓ A benchmarking comparison to indicate an agency's maturity level in comparison to other federal agencies.
- ✓ Tailored guidance for improvement in each domain of the HRStat Maturity Model.
- ✓ One-on-one, private consultative meetings, upon request, with the HRStat team focused on helping agencies identify strategies, resources, and techniques for improving their HRStat performance.

**19. If agencies want additional one-one-one consultation to improve their HRStat outcomes, how can they request assistance?**

Agencies are highly encouraged to request consultative assistance from the HRStat Program team to improve their HRStat outcomes after completing the MMAT and reviewing their resulting Key Findings Report, which will include a link for requesting consultative assistance.

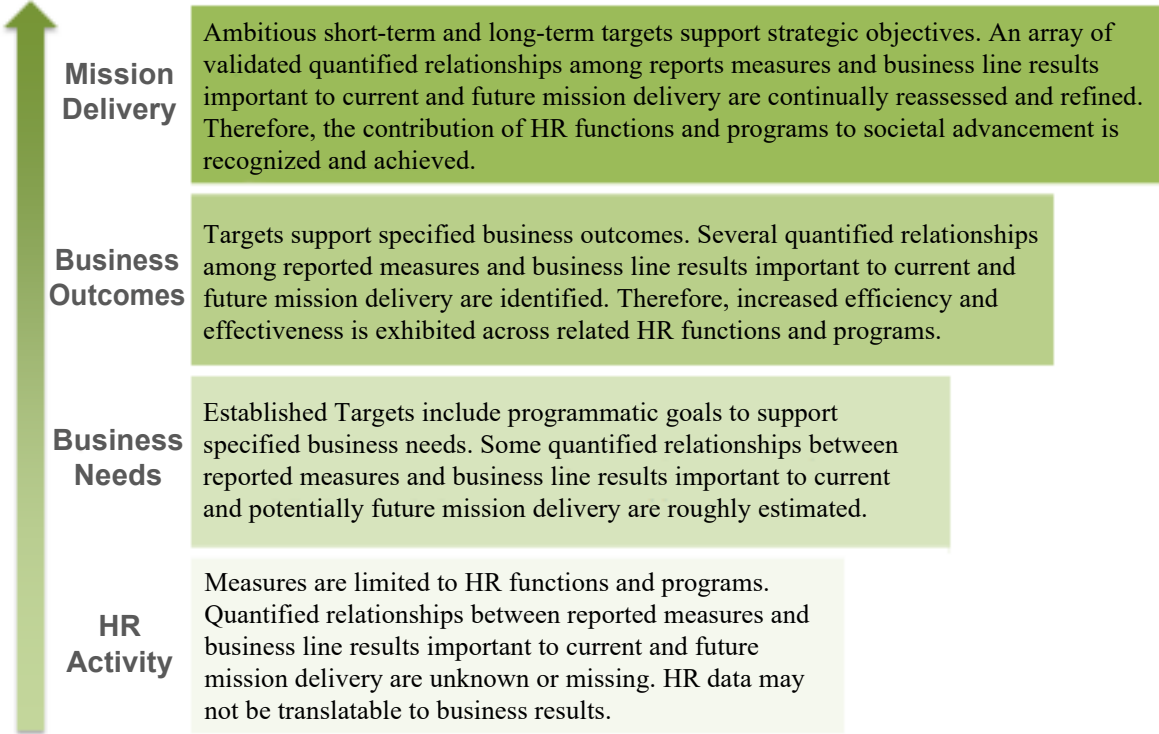
## Appendix B. Critical Success Factors

	Reactive	Emerging	Advanced	Optimized
Technology	Disparate systems, tools, and data capturing processes lacking interconnectivity. Labor-intensive reporting, manual data manipulation, lengthy download durations and queues, various sources, and limited accessibility. End users may vary based upon needs.	Data is validated, and gaps and closure strategies are identified. Current systems modified or augmented or new systems purchased for needed functionality and linking data sets. Timely provision of information with dashboards. End users include HR managers and staff.	Automatic system feeds with employee life cycle information, benchmarking data, and connection to business goals. Smooth interface between databases and displays of key data. Predictive models developed and tested. End users include leadership and business line managers.	Automated real-time synthesis that integrates environmental data to provide early warning alerts, queue actions to be taken and mitigate risk, and identify best practices. Machine learning generates predictive models for review. End users include employees via apps and portals.
Analytics	Routine reporting provides a collage of data from multiple sources and siloed activities that are presented without context. Scope is limited to providing status reports, answering simple questions, and fulfilling requirements.	Analysis of relationships and simple correlations is conducted to identify relevant contextual factors. Data needed to evaluate performance and establish connections to outcomes is developed. Static dashboards are created.	Recommendations are based upon root cause analysis, hypothesis testing, multi-causal relationship identification, and development of predictive models. Self-service dashboards are captivating, resonate with leaders, and tell a story.	Synthesized findings from models and predictive analyses are used to help guide transformation and reshape systems. Data “comes alive” with interactive dashboards that present meaningful, dynamic information across dimensions.
Talent/Staff	Collateral duties identified primarily based on availability. Outside sources are relied upon to acquire data for requests, limiting knowledge of data. Program is viewed as an event, and staff seen solely as data providers or justifiers, preventing empowerment and a sense of ownership.	Program run by a limited dedicated staff. Needed skills, such as investigation, analysis, and visual design, are identified and developed or acquired from external expertise. Staff are expected to provide data consultation in addition to reporting and feel a sense of program ownership.	A robust cadre of people proficient or credentialed in analytics, facilitation, creative thinking, and synthesis serve as partners providing insights for results. Staff have a high sense of stewardship and knowledge of the organizational environment and technological tools.	The program and staff are woven into the culture and daily operations, with a shared sense of stewardship between the program and the organization. Staff are thought leaders helping interpret data to enable business line decision-making and innovation for achieving outcomes.
Collaboration	Interactions are a series of exchanges to fulfill requests with limited discussion among internal siloes. Credibility has not been established due to limited offerings, perpetuation of status quo processes, and crisis-driven teamwork. Ambiguous roles and responsibilities contribute to a hesitation to fully share information.	Communities of practice are formed and help build a common language and framework, define roles, and break down organizational barriers. Diversity of thought is valued, multiple perspectives are sought, communication networks are formed, and key internal business line contacts are identified.	A track record for adding value generates referrals. Internal partnerships are sustained by fulfilling mutually beneficial commitments. Contributors are objective and transparent, share a global vision, confront and communicate limitations, focus on understanding, and depart from outdated processes and mindsets.	External openness results in showcasing achievements, sharing breakthrough findings, and teaching others. Removing stigmas associated with challenges and rewarding the use of sound management practices fosters a safe, honest environment where system dynamics are addressed rather than symptoms.
Leadership	Leaders (i.e., agency heads, C-suite, SES) are involved as required. Key HR leaders passively review data. Data cannot inform decisions which are made subjectively. Potential program benefits are not understood. The program is not a funding priority and lacks a seat at the table.	The value of analysis is shown as a resource to inform HR leader decisions. Executive champions garner a willingness from leaders to allocate resources for testing ROI. Leaders communicate their priorities to advance the program’s value.	Leaders leverage the program as a resource and asset to inform decisions, participate in the process, and foster a culture of innovation. Establishing leader and program expectations and needs results in investing in outcomes and sharing resources for common goals.	Leaders instill a collective vision, drive solutions, and eliminate barriers. The program is part of conducting business and informs strategy, with leaders and their teams engaged in dialogue. Valued analytical processes have expanded to other areas.



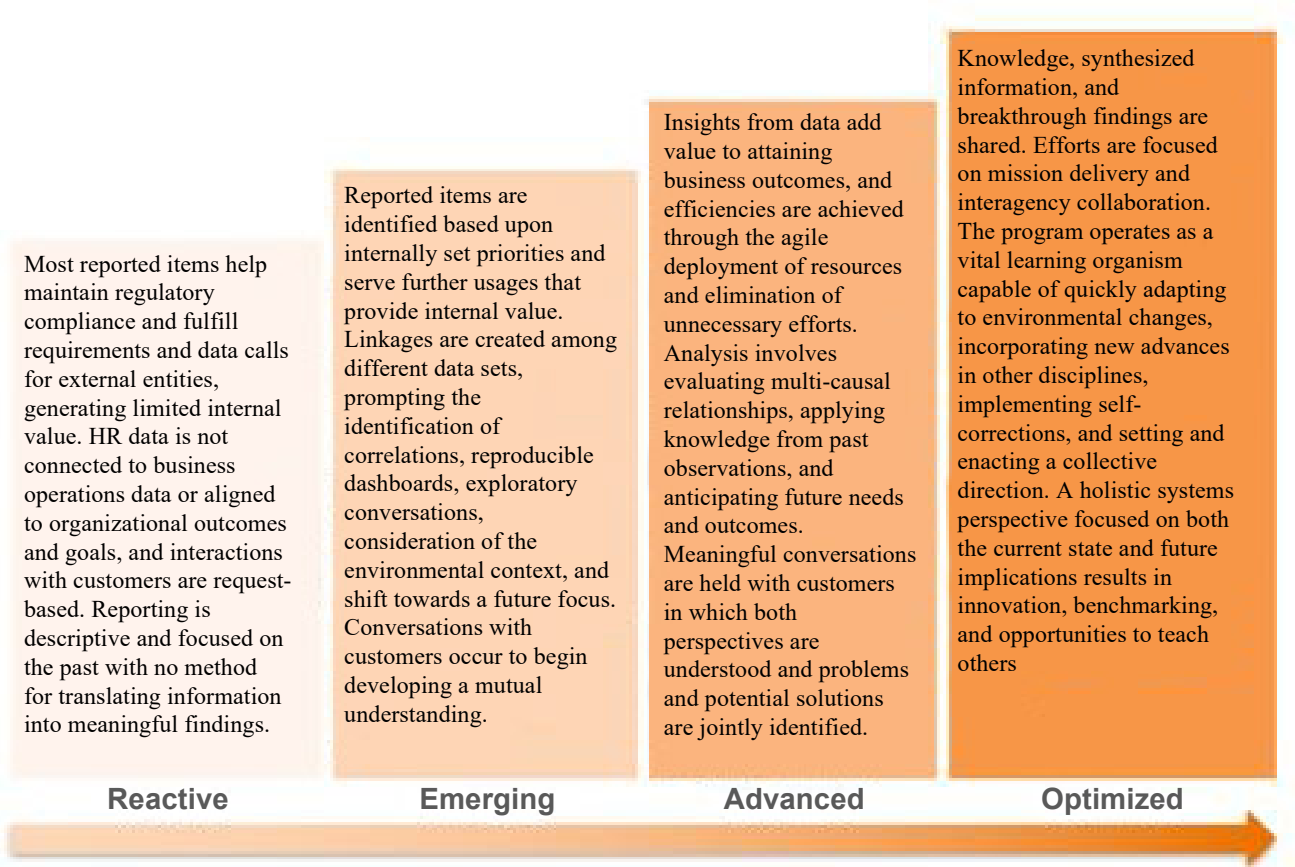
Appendix C. Scope of Impact

# Scope of Impact







## Appendix D. Initiative & Effort

# Initiative & Effort

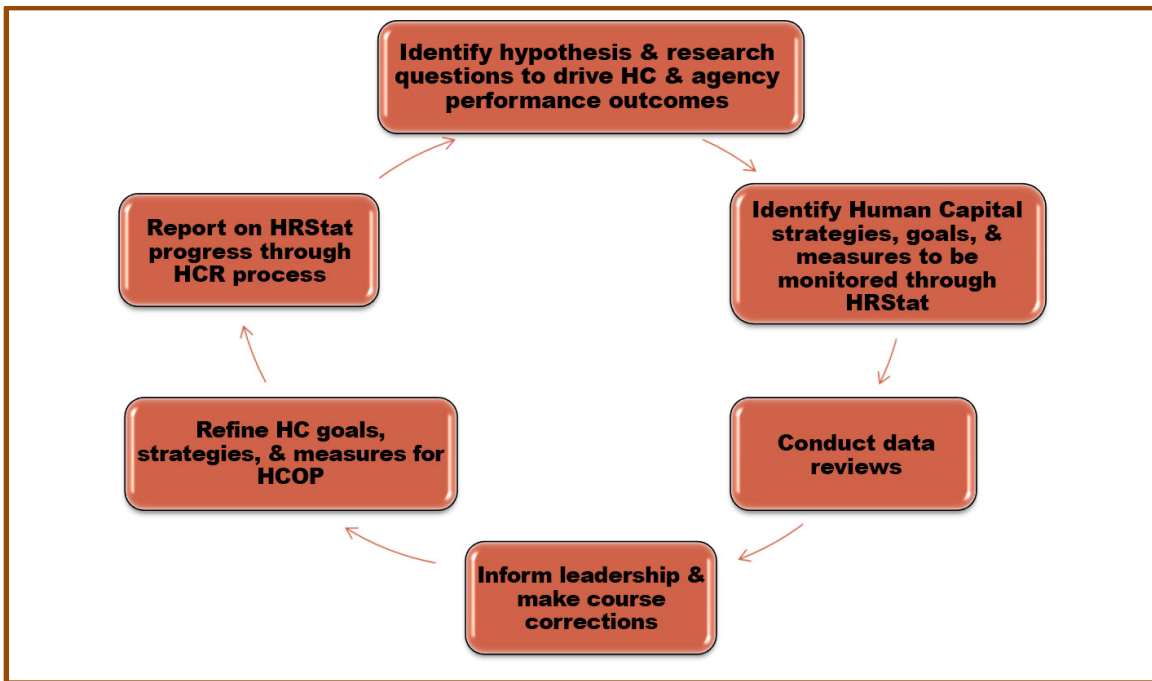


## Appendix E. Performance of HRStat Measures

### Performance of HRStat Measures

-  **Performance Leader** – Measures are generally performing well against external benchmarks and targets.
-  **Achievement** – Measure targets are generally achieved.
-  **Improvement** – Measures are generally trending in the desired direction, but targets are not generally achieved.
-  **Baseline** – Measures are being baselined or do not generally exhibit improvement towards targets, which are generally not being met.

## Appendix F. The HRStat Review Process



### HRStat Review Process Scenario: A Step-by-Step Illustration

The scenario below illustrates how the HRStat process can be used to test hypotheses and human capital strategies identified in an agency's human capital operating plan (HCOP).

Agency X is a civilian federal agency comprised of 31,000 employees. Eighteen percent of Agency X's workforce characterizes themselves as disabled. Agency X's employees have an average age of 52.7 years. Among large federal agencies, individuals with disabilities ranked Agency X last on the engagement index of the Federal Employee Viewpoint Survey (FEVS). Non-retirement attrition rates among individuals with disabilities are among the highest in the Federal Government. A significant percentage of Agency X's IT staff are comprised of individuals with disabilities. Agency X has an Agency Priority Goal (APG) addressing cybersecurity improvements and a related human capital strategy is retention of skilled IT professionals.

## **Develop Hypothesis**

Agency X's human capital staff develops a hypothesis that an improved reasonable accommodation process will improve retention rates among individuals with disabilities within the IT staff, and will directly contribute to the accomplishment of the APG.

## **Identify Strategy**

Agency X identifies in its new annual Human Capital Operating Plan (HCOP) the strategy of enhancing the capabilities of its reasonable accommodation staff and management officials through training and streamlining of the reasonable accommodation process.

## **Conduct HRStat Data-Driven Reviews**

Agency X establishes through its HRStat data-driven review process the objective of monitoring improvements through the following metrics:

- 1) HR staff response time in providing technical assistance and guidance to management and employees regarding reasonable accommodation questions;
- 2) Number of reasonable accommodation grievances filed concerning failure to timely provide reasonable accommodations;
- 3) Employee wait time for reasonable accommodations from the date of employee requests;
- 4) Employee and manager satisfaction survey scores with reasonable accommodations (e.g., technology, furniture, and software);
- 5) EEO settlement agreement data for discerning reasonable accommodation process problems: (e.g., failure to timely and adequately engage in the interactive process, and failures to provide acceptable accommodations); and
- 6) Comparison of quit rates of high performing IT staff comprised of individuals with disabilities to high performing IT staff without disabilities.

### **Inform Leadership and Make Course Corrections**

After a year of evaluating the training and streamlining the reasonable accommodation process through quarterly reviews, Agency X's Chief Human Capital Officer (CHCO), and Performance Improvement Officer (PIO) determine that retention among individuals with disabilities has declined only slightly. Further evaluation of exit surveys indicates that individuals with disabilities are departing Agency X because of organizational cultural problems, including a perceived lack of inclusivity and a lack of senior leadership support for the needs of individuals with disabilities.

### **Refine HC Goals, Strategies, & Measures for HCOP and Report on HRStat Progress through HCR Process**

Agency X's EEO office, and its CHCO revise its next year's HCOP to emphasize greater senior leadership communications, outreach, and feedback sessions for IT staff, peer mentoring programs, supervisor training, and the creation of an employee affinity group for individuals with disabilities to foster a greater sense of inclusion and respect for the work contributions of individuals with disabilities.

In conversation with OPM through its Human Capital Review with Agency X, the design and implementation of the HCOP is assessed along with progress on HRStat and OPM independent audits.

### **Ongoing Evaluation and Iterative Refinement**

After another year of HRStat analysis and evaluation of the new human capital strategies, Agency X ascertains that its retention rate among IT staff with disabilities has improved significantly and confirms that Agency X should maintain these human capital strategies and evaluate further progress through varied metrics, and engage OPM in further assessment through the HCR process.

## Appendix G. The HRStat Maturity Model Glossary of Terms

The following are descriptions of terms used within the content of the HRStat Maturity Model:

- **Analysis:** The process of breaking a complex topic into smaller parts in order to gain a better understanding of it. In statistics, the term may refer to any method used for data analysis such as analysis of variance (ANOVA), factor analysis, time-series analysis, regression analysis, etc.
- **Analytics:** A multidimensional discipline that extensively uses mathematics and statistics in the discovery, examination, and communication of meaningful patterns in data with the purpose of drawing conclusions about that information and gaining knowledge and insights to guide decision-making.
- **Benchmark:** A result used as a point of comparison. Benchmarks include standards of excellence or achievement and baselines.
- **Business:** The collective parts of the agency and their operations that fall outside of the HR organization. A business line is a particular agency component that falls outside HR.
- **Correlation:** In statistics, a measure of the extent of interdependence of variable quantities.
- **Critical Success Factors:** Key aspects of the program's management that govern the extent to which it impacts the agency's ability to deliver on its mission.
- **C-Suite:** A term used to collectively refer to an agency's highest-level senior executives.
- **Community of Practice:** A group of people who share or have an interest in a specific discipline, craft, or profession formed to gain and share knowledge and cultivate a network in a particular subject matter.
- **Dashboard:** A graphical summary of various pieces of important information to give an overview of the program's metrics and related content.
- **Data:** Facts, statistics, or items of information that have been abstracted in some schematic form and collected together for reference or analysis.  
**Workforce data** would include items related to the employee life cycle, including but not limited to transactions (hires, promotions, reassignments, separations, etc.), skill sets (competencies, training, etc.), demographics, chains of command, employee perceptions (surveys, engagement, satisfaction, etc.), productivity (outputs, time and attendance, performance, etc.), and costs.

- **Data Preparation:** The process of sorting, rearranging, formatting, and combining data in an effort to make it more organized and easier to analyze without fundamentally changing it.
- **Dynamic Information:** Displays that constantly change or refresh due to the continual collection and processing of data.
- **Effectiveness:** The degree to which the right task or activity is done to produce a desired result.
- **Efficiency:** The degree to which a task or activity is done in an optimal way (i.e., the fastest or least expensive).
- **Executive Champion:** An advocate from the highest levels of management who consistently and energetically champions and supports certain activities, policies, processes, views, etc.
- **Hypothesis Testing:** In statistics, refers to the formal procedures used to accept or reject statistical hypotheses.
- **Initiative & Effort:** The processes and conditions by which the program is managed.
- **Leadership:** The collective body of individuals within the agency with the influence and authority to make critical decisions affecting the existence, resources, and execution of programs and initiatives. A **leader** is an individual within this body typically serving as an agency head, C-suite member, or Senior Executive Service member.
- **Link (data):** Identifying and connecting data points from different sources to allow for single-point access and more robust analysis.
- **Machine Learning:** The science of getting computers to act without being explicitly programmed. It brings together computer science and statistics to harness predictive power to gain insights and to make predictions.
- **Measure:** A value that indicates the state or level of something (e.g., human capital spending). Measures are often, but not always, quantitative. A measure differs from a **metric, which** provides a value within a context typically derived from two or more measures (e.g., human capital cost per employee, in which human capital spending is divided by the number of employees).
- **Performance of HRStat Measures:** The extent to which the measures monitored on HRStat are performing against targets, past performance, and benchmarks.
- **Mission Delivery:** The ongoing fulfillment of promises made to the American public in the establishment of the agency regarding its intended purpose as recorded in its mission statement.
- **Multi-Causal Relationship:** A complex relationship characterized by multiple factors contributing to the dynamics of the relationships among variables.



- **Outcome:** A type of measure that indicates progress against achieving the intended result of a program. Indicates changes in conditions that the government is trying to influence. An outcome differs from an **output, which** is a type of measure, specifically the tabulation, calculation, or recording of activity or effort, usually expressed quantitatively. Outputs describe the level of product or activity that will be provided over a period of time. (*OMB Circular A-11*).
- **Ownership:** The attitude and act of accepting responsibility for something and taking control of how it develops.
- **Portal (technology):** A gateway website providing access or links to other sites and information.
- **Predictive Model:** A **model** is a collection of logical and statistical relationships that represents aspects of the situation under study. It captures relationships among many factors to allow assessment of risk or potential associated with a particular set of conditions, guiding decision-making. **Predictive models** leverage statistics to detect patterns found in descriptive, historical, and transactional data, to predict future behaviors and outcomes, and to identify risks and opportunities. A predictive model differs from a **descriptive model, which** describes or summarizes actual data and the relationships between factors responsible for them.
- **ROI (Return on Investment):** A performance measure used to evaluate the efficiency of an investment or across a number of investments by comparing the benefits (returns) to the costs.
- **Root Cause Analysis:** A systematic process or procedure that helps guide the identification and understanding of the initiating causes of a problem.
- **Scope of Impact:** The extent to which the program is influencing the agency's ability to deliver on its mission.
- **Seat at the Table:** The ability to influence or determine decisions.
- **Stewardship:** The responsible management of a resource, process, or organization entrusted to one's care.
- **System (technology):** A group of hardware and software forming a network that maintains and processes or interprets information.
- **System Dynamics:** The nonlinear relationships within a complex system.
- **Systems Perspective:** Taking into account all of the behaviors of a system as a whole in the context of its environment.
- **Target:** A quantifiable or otherwise measurable characteristic that tells how well or at what level an agency aspires to perform. (*OMB Circular A-11*)
- **Transformation:** A profound or dramatic change that shows little or no resemblance with the past configuration or state.

- **Visual Design:** The strategic implementation of graphs, images, colors, fonts, and other elements to enhance the aesthetics of a site, product, or materials for engaging users and helping build interest. It contributes to **data visualization** which is the visual representation of data via the information graphics selected to communicate information clearly and efficiently to users; help users in interacting with, analyzing, and reasoning about data and evidence; and make complex data more accessible, understandable, and usable.



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