

# **SECTION I**

## **Introduction to the HCAAF Practitioners' Guide**

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<b>SECTION I</b> <b>Introduction to the HCAAF Practitioners' Guide</b>	<b>Organization of the HCAAF Practitioners' Guide</b>
	Human Capital Assessment and Accountability Framework (HCAAF)
	Metrics

**ORGANIZATION OF THE HCAAF PRACTITIONERS' GUIDE**

The HCAAF Practitioners' Guide presents specific guidance on the systems defined in the Human Capital Assessment and Accountability Framework (HCAAF) with linkages to merit system compliance. The guidance complies with merit system principles, veterans' preference rules, and other civil service laws, rules, and regulations, including those relating to prohibited personnel practices.

***Sections II through VI***

These sections provide information about each of the following five human capital systems and their expected results as well as linkages to merit system compliance, where appropriate:

- Strategic Alignment
- Leadership and Knowledge Management
- Results-Oriented Performance Culture
- Talent Management
- Accountability.

These five systems, though distinct, are necessarily interrelated to serve a common purpose of producing a world class workforce which:

- Is effective in achieving agency mission results
- Delivers the highest quality products and services
- Quickly adapts to changing environments.

***Glossary***

A glossary of key terms is included following Section VI.

***Appendix A: Tools***

Appendix A contains tools that support each system. The tools fall into three broad categories:

- Summaries of critical content
- Overview of key Web resources and/or tools
- Models.



Refer to the Table of Contents for page numbers for each section.

***Online Version of Guide***

This Practitioners' Guide may also be accessed online via the OPM Web site (<http://www.opm.gov>).

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	Metrics

**HUMAN CAPITAL ASSESSMENT AND ACCOUNTABILITY FRAMEWORK (HCAAF)**

The HCAAF establishes and defines five human capital systems that together provide a single, consistent definition of human capital management for the Federal Government. The HCAAF fuses human capital management to the merit system principles—a cornerstone of the American Civil Service—and other civil service laws, rules, and regulations. Establishment of the HCAAF fulfills OPM's mandate under the Chief Human Capital Officers Act of 2002 (CHCO Act) to design systems and set standards, including appropriate metrics, for assessing the management of human capital by Federal agencies.

The regulation at 5 CFR 250.203 establishes requirements for an agency to submit to OPM annually a Strategic Human Capital Plan and an Agency Human Capital Accountability Report. The requirements in the regulation are by design congruent with the planning and reporting requirements contained in OMB Circular A-11 and title 31 U.S.C.

*Five Systems of HCAAF*

The HCAAF outlines an ongoing process of human capital management in every Federal agency—planning and goal setting, implementation, and evaluating results—in five systems:

- **Strategic Alignment (Planning and Goal Setting).** A system led by senior management—typically the Chief Human Capital Officer (CHCO)— that promotes the alignment of human capital management strategies with agency mission, goals, and objectives through analysis, planning, investment, measurement, and management of human capital programs.
- **Leadership and Knowledge Management (Implementation).** A system that ensures continuity of leadership by identifying and addressing potential gaps in effective leadership and implements and maintains programs that capture organizational knowledge and

promote learning.

- **Results-Oriented Performance Culture (Implementation).** A system that promotes a diverse, high-performing workforce by implementing and maintaining effective performance management systems and awards programs.
- **Talent Management (Implementation).** A system that addresses competency gaps, particularly in mission-critical occupations, by implementing and maintaining programs to attract, acquire, develop, promote, and retain quality talent.
- **Accountability (Evaluating Results).** A system that contributes to agency performance by monitoring and evaluating the results of its human capital management policies, programs, and activities; by analyzing compliance with merit system principles; and by identifying and monitoring necessary improvements.

Each system consists of components that allow human capital practitioners to assess how well the system is strategically managing its human capital in compliance with merit system principles.



**HCAAF Web site:**

<http://apps.opm.gov/HumanCapital/tool/index.cfm>

**Strategic Management of Human Capital Web site:**

[http://www.opm.gov/Strategic\\_Management\\_of\\_Human\\_Capital/index.asp](http://www.opm.gov/Strategic_Management_of_Human_Capital/index.asp)

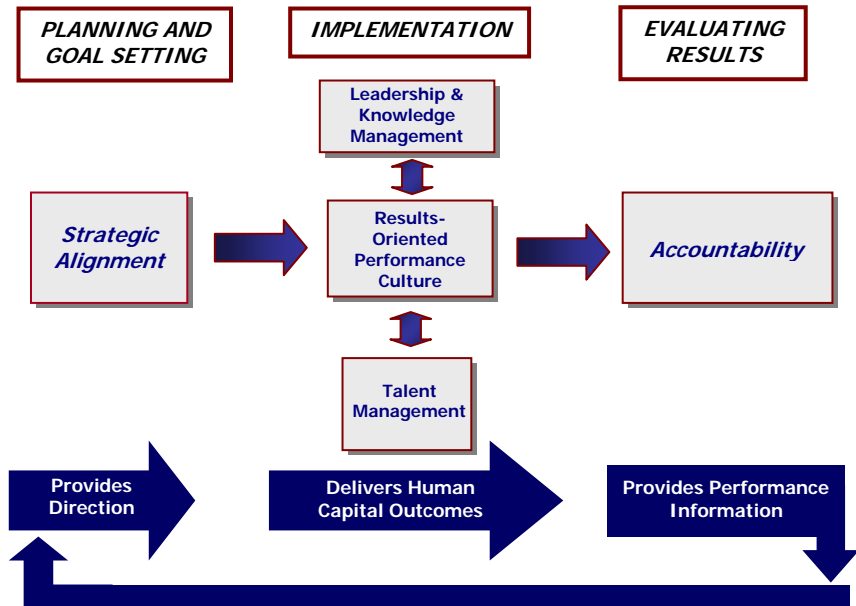
**Human Capital Management FAQs:**

<http://apps.opm.gov/HumanCapital/faq/index.cfm>

***Relationships Among the HCAAF Systems***

Figure 1 below shows the relationships among the human capital systems.

**Figure 1. Relationships Among the Human Capital Systems**



Implementation of the HCAAF will enable agencies to transform the Federal workplace into high-performing arenas where every employee is enabled to understand and maximize his or her contribution to agency mission. Through implementation of the HCAAF, Federal agencies will be able to focus on:

- Human capital management systems and practices that most impact attainment of their mission
- Measurable, observable agency and individual performance results.

This will help to assure the American people's continuing trust in their Government's ability to serve them and protect our national security.

***HCAAF Taxonomy*** The following components reflect the overall taxonomy of the HCAAF and explain how the information is organized in the HCAAF Practitioners' Guide.

Component	Explanation
Standard	A standard describes the critical human capital management outcomes for agencies to strive toward in each of the five HCAAF systems.
Metrics	These are measurements that provide a basis for comparison. Strategic human capital management requires a reliable and valid set of metrics that provides an accurate baseline against which individual agency progress can be assessed. Required outcome metrics are provided for the three systems that implement strategic human capital plans and programs: Leadership and Knowledge Management, Results-Oriented Performance Culture, and Talent Management. These required metrics are summarized on the following pages. Additional suggested metrics are also included.
Critical Success Factors	Each system is based on critical success factors that make up the overall system. Critical success factors are the areas on which agencies and human capital practitioners should focus to achieve a system's standard and operate efficiently, effectively, and in compliance with merit system principles. For example, Change Management and Diversity Management are two critical success factors associated with the Leadership and Knowledge Management system.
Results	The results describe the desired effects when key elements of a critical success factor are effectively implemented. Results are presented in two categories: effectiveness results and compliance results. Compliance results refer to specific statutory or regulatory requirements.
Key Elements	Each critical success factor contains several key elements that are similar to the Elements of Yes initially developed as part of the HCAAF. Key elements describe what you would expect to see in an effective critical success factor.
Suggested Performance Indicators	The suggested indicators—both effectiveness indicators and compliance indicators—describe examples of visible evidence of the existence of key elements and compliance with merit system principles. Cumulatively, the indicators identify how well the agency is doing relative to key elements. The suggested performance indicators are linked to the key elements and are not meant to be an all-inclusive list. Human capital practitioners may need to search for other indicators if agency approaches differ from the list of suggested performance indicators provided. Agencies may decide which suggested performance indicators provide the best evidence they have implemented practices that lead toward achieving the standard.

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	<b>Metrics</b>

## METRICS

Metrics have been established to help agencies accomplish the standard for the three systems that implement strategic human capital plans and programs—i.e., Leadership and Knowledge Management, Results-Oriented Performance Culture, and Talent Management. These three systems have both required and suggested metrics.

- Required metrics focus on human capital management outcomes and are required for Governmentwide reporting. They focus on human capital management outcomes from three perspectives: organization, employee, and merit system compliance.
- Suggested metrics focus on human capital management activities that support outcome metrics and show the health of a specific HCAAF critical success factor.

The metrics were developed based on extensive research from a variety of expert sources. To be incorporated in the HCAAF, a metric needed to meet the following criteria:

- Align with the HCAAF
- Drive organizational effectiveness directly or indirectly
- Be applicable Governmentwide
- Be actionable (under the control of the agency)
- Be practical (cost effective and acceptable)
- Be reliable (stable)
- Be valid (accurate and appropriate for its purpose).

The metrics described in this Guide were carefully chosen to maintain their usefulness over time. However, many additional human capital metrics exist that agencies may find they want to implement. Agencies are encouraged to augment these Governmentwide metrics with other activity and outcome metrics relevant to the agencies' human capital objectives.

The following pages provide the system standard and the required outcome metrics for the Leadership and Knowledge Management, Results-Oriented Performance Culture, and Talent Management systems. Refer to each specific system's section for the suggested metrics.

**Leadership and Knowledge Management System Standard**

Agency leaders and managers effectively manage people, ensure continuity of leadership, and sustain a learning environment that drives continuous improvement in performance, and provide a means to share critical knowledge across the organization. Knowledge management must be supported by an appropriate investment in training and technology.

Required Outcome Metric	Description	Purpose
<p><b>Organization Metric:</b> Competency Gaps Closed for Management and Leadership</p>	<p>Difference between competencies needed and competencies possessed by managers and leaders</p>	<p>To determine how the agency should target its recruitment and retention, and development efforts to bring the competencies of its managers and leaders into alignment with the agency's current and future needs</p>
<p><b>Employee Perspective Metric:</b> Questions from Annual Employee Survey about Satisfaction with Leadership</p>	<p>Items from Annual Employee Survey</p>	<p>To determine the extent to which employees hold their leadership in high regard, both overall and on specific facets of leadership</p>
<p><b>Merit System Compliance Metric:</b> Merit-Based Execution of the Leadership and Knowledge Management System</p>	<p>An assessment of compliance with merit system principles and related laws, rules, and regulations governing the Leadership and Knowledge Management system</p>	<p>To determine decisions, policies, processes, and practices executed under the Leadership and Knowledge Management system comply with the merit system principles and related laws, rules, and regulations</p>

**Results-Oriented  
Performance Culture  
System Standard**

The agency has a diverse, results-oriented, high-performing workforce and a performance management system that differentiates between high and low levels of performance and links individual/team/unit performance to organizational goals and desired results effectively.

Required Outcome Metric	Description	Purpose
<b>Organization Metric:</b> SES Performance/Organizational Performance Relationship as Linked to Mission	Relationship between SES performance ratings and accomplishment of the agency's strategic goals	To determine the extent to which SES appraisals and awards are appropriately based on achievement of organizational results
<b>Organization Metric:</b> Workforce Performance Appraisals Aligned to Mission, Goals, and Outcomes	Degree of linkage between employees' performance appraisal plans and agency mission, goals, and outcomes	To determine whether all employees have performance appraisal plans that effectively link to the agency's mission, goals, and outcomes
<b>Employee Perspective Metric:</b> Questions from Annual Employee Survey about Performance Culture	Items from Annual Employee Survey	To determine the extent to which employees believe their organizational culture promotes an improvement in processes, products and services, and organizational outcomes
<b>Merit System Compliance Metric:</b> Merit-Based Execution of the Performance Culture System	An assessment of compliance with merit system principles and related laws, rules, and regulations governing the Performance Culture system	To determine decisions, policies, processes, and practices executed under the Performance Culture system comply with the merit system principles and related laws, rules, and regulations

**Talent Management System Standard**

The agency has closed skills, knowledge, and competency gaps/deficiencies in mission-critical occupations, and has made meaningful progress toward closing skills, knowledge, and competency gaps/deficiencies in all occupations used in the agency.

Required Outcome Metric	Description	Purpose
<b>Organization Metric:</b> Competency Gaps Closed for Mission-Critical Occupations	Difference between competencies needed and competencies possessed by employees in mission-critical occupations	To determine how the agency should target its recruitment, retention, and development efforts to bring the competencies of its workforce into alignment with the agency's current and future needs
<b>Employee Perspective Metric:</b> Questions from Annual Employee Survey about Organizational Capacity	Items from Annual Employee Survey	To determine the extent to which employees think the organization has talent necessary to achieve organizational goals
<b>Employee Perspective Metric:</b> Questions from Annual Employee Survey about Employee Satisfaction	Items from Annual Employee Survey	To determine the extent to which employees are satisfied with their jobs and various aspects thereof
<b>Merit System Compliance Metric:</b> Merit-Based Execution of the Talent Management System	An assessment of compliance with merit system principles and related laws, rules, and regulations governing the Talent Management system	To determine decisions, policies, processes, and practices executed under the Talent Management system comply with the merit system principles and related laws, rules, and regulations

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