

Strategic Human Resources Management

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# Human Resources Management (HRM) Accountability System Development Guide



United States  
Office of  
Personnel  
Management

Office of  
Merit Systems  
Oversight and  
Effectiveness

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**S t r a t e g i c   H u m a n   R e s o u r c e s   M a n a g e m e n t**

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# Executive Overview

- This Human Resources Management (HRM) Accountability System Development Guide was created by the Office of Personnel Management (OPM) and a Task Force of agency representatives, working under the auspices of the Interagency Advisory Group Committee on Human Resources Management (HRM) Accountability. While it provides a broad look at HRM accountability, it also provides line managers and HR specialists with an accountability framework to use in developing agency accountability systems. This framework can be customized and applied at various levels within an agency — from the Department level down to the installation level — no matter what type of organizational structure is in place.
- As this document reflects, the Task Force believes that human resources management is everyone's business. The business world is evolving from an industrial-based to a knowledge-based enterprise, and this is requiring a new way to look at business strategies and human resources management. As renowned HRM expert Dave Ulrich states in his recent article, *A New Mandate for Human Resources*, "The competitive forces that managers face today and will continue to confront in the future demand organizational excellence. The efforts to achieve such excellence — through a focus on learning, quality, teamwork, and reengineering — are driven by the

way organizations get things done and how they treat their people. Those are fundamental HR issues."

- As a result, HR's role has changed. The focus is no longer on serving the individual employee and paperwork processing, but on the effective use of human resources — people — in achieving the organization's strategic objectives. It's about achieving organizational excellence, a flexible workforce with the competencies to do the job well, and return on investment. It's too big to be the responsibility of the Personnel or Human Resources Office alone. Significant management involvement and sharing of expertise are needed to reconceive and reconfigure the program — again and again if necessary as external circumstances require. In sum, HRM accountability is about the responsibility shared by top management, line managers, and the HR staff for ensuring that people are used effectively, and in accordance with legal requirements.
- Most organizations, today, acknowledge the need for accountability-based HRM, but are confused about how and where to start. This guide describes a model for establishing and maintaining an HRM accountability system within an organization, with particular emphasis on HRM goals and measures. This emphasis responds to the widespread interest

- ✓ **Guide can be used by all agencies.**
- ✓ **Guide promotes effective legally-compliant HRM, which is necessary for organizational excellence.**
- ✓ **HRM accountability shared by top management, line managers, and HR staff.**
- ✓ **OPM challenges agencies to share their successes in HRM accountability.**



## Executive Overview

in how to measure HRM effectiveness in support of agency mission accomplishment.

- The HRM accountability model described here is a continuous cycle, or system. A systemic approach enables an agency to identify, collect, and use the information or data on which accountability is ultimately based. HRM accountability starts with identifying the agency strategic goals. Following that, agency HR goals in support of the strategic goals are defined. Then, performance measures are developed and a baseline established to permit assessment of whether the goals are being met. When these measures are coupled with the Merit System Principles framework, the agency is able to develop a

profile and comparisons of how well it is performing in implementing HRM consistent with the Principles, the backbone of the Federal HRM system.

- To further the establishment of HRM accountability systems Government-wide, the Office of Personnel Management (OPM) plans to follow this overview document with examples, best practices, and more detailed guidance on all aspects of HRM accountability system development. OPM has begun to compile a clearinghouse of accountability practices, but it is by no means exhaustive. Therefore, we set forth this challenge to agencies: to share with OPM your best practices regarding HRM accountability so that we may share them with the Federal community and learn together from your successes.



# Introduction: Why HRM Accountability?

**T**his Human Resources Management (HRM) Accountability System Development Guide has been developed by the Office of Personnel Management (OPM) to help achieve the goal of sound, manager-based people management in the Federal Government. It is based on the following simple premise: Human resources management does not exist as an end in itself but for the purpose of supporting organizational mission accomplishment.

The Federal manager is not a free agent when it comes to managing people. HRM activities are carried out within the framework of established public policies, such as Veterans Preference, and the values of openness, fairness, and equity expressed in the Merit System Principles. On the other hand, Human Resources (HR) systems and processes cannot take on a life of their own independent from broad organizational goals. They must instead be judged by how well they, and the functional experts who administer them, support those who work each day to carry out the agency's programs.

This is not a new premise, and it may seem to be no more than common sense. "Let managers manage," as the saying goes, and let that include managing people. Yet in many agencies, it represents a real change from the traditional model of HRM. Authority to make many HRM decisions has historically been held in the HR or

Personnel Office (for example, classification of positions to title, series and grade). Managers obviously participated in these decisions, but the HR Office often retained final authority. The primary concern was for compliance with HR laws and regulations, not how well the HR system supported mission accomplishment. The new model does not abandon compliance concern but rather represents a major shift in balance toward outcomes and results.

The new, though still evolving, Federal HRM model places the direct responsibility for human resources management on those whose immediate task is mission accomplishment — line managers. These managers, supported by the human resources staff, must be given authority to manage human resources and then be held accountable for the results or outcomes of their decisions.

This makes good business sense. Those with authority and responsibility for accomplishing the agency mission should also have authority and responsibility over HRM. Those who run an agency's business should know best what kind of employees are needed and how they should be deployed.

In the Executive Branch, this responsibility is also a legal mandate. OPM can and does delegate HRM

- ✓ To let managers manage.
- ✓ To support the mission within the framework of laws, rules, and regulations.



## Merit System Principles

**The nine Merit System Principles constitute the framework that shapes the whole structure of Federal HRM as it strives to support agency mission accomplishment. The Principles are commonly and correctly identified as supporting fairness for employees and adherence to HR laws and regulations that enforce the concept of merit. Yet, they support equally the need for efficiency and effectiveness, and for not allowing rules to become an end in themselves. Thus, the Merit Principles as a totality provide an excellent set of HRM values to live by for the Federal manager. The Prohibited Personnel Practices are specific practices to be avoided in upholding the Merit Principles. See Appendix A for the full text of the Principles and Practices.**

authorities to heads of agencies and holds agencies accountable for reviewing the efficiency and effectiveness of their human resource management programs.

The Government Performance and Results Act (GPRA) provides another legal mandate with implications for HRM accountability. Application of GPRA will push agencies in the direction of aligning all their activities, including HRM, toward achieving agency strategic goals and measuring progress toward those goals. For GPRA to have the desired effect, a clear and conscious link between GPRA results and human resource inputs and goals must be established at every agency. In the context of HRM accountability, managers gain more discretion, but within a tight frame of mission definition and performance monitoring.

This document is specifically intended to enable agencies to fulfill their HRM accountability and GPRA responsibilities. We believe it will be a useful tool for getting agencies — with the HR Office as the catalyst — to establish viable HRM accountability systems, and to help their managers understand and embrace their responsibility and accountability for effective HRM. It is no cure-all; other initiatives and tools will no doubt be needed. Ultimately, each agency must find its own path to realizing these objectives.

## Accountability Legal Authorities

Under title 5 of the U.S. Code, OPM may delegate (and in fact has done so extensively) any function vested in the OPM Director to the heads of agencies (5 U.S.C. 1104), who in turn may delegate to “subordinate officials the authority...to take final action on matters pertaining to the employment, direction, and general administration of personnel under his agency...” (5 U.S.C. 302). These authorities carry with them accountability, not only for legal compliance but also for program effectiveness. Each agency is responsible for preventing prohibited personnel practices from occurring and complying with applicable civil service laws (5 U.S.C. 2302), as well as for reviewing the efficiency and effectiveness of its human resource management programs (5 U.S.C. 305). Failure by an agency to carry out this responsibility is a violation of the law. Just as important, it will also probably lead to less than fully effective use of human resources, which in most Federal agencies constitute by far the greatest budget expense.



# Accountability Roles and Responsibilities: Who Is Accountable?

**N**ow that we have identified the “why” of accountability, it is important to identify the “who.” Who is accountable for HR decisions and what responsibilities do they hold? The National Performance Review (NPR) mandate for decentralization of HRM authorities combined with the requirement of GPRA to assess program accomplishments against performance goals has had a profound effect on the manner in which HRM decisions are made and the level of accountability for those decisions. In order to meet the challenges presented by NPR, many agencies have pursued the strategy of delegating key HRM authorities to managers and following a more collaborative approach between managers and the human resources staff in the decision-making process for those HRM authorities retained by the HR Staff.<sup>1</sup>

This chapter is designed to assist managers and HR Staffs to better understand their roles and responsibilities in the HRM accountability process.

As noted above, HRM authorities have been delegated to agency heads by the Director of OPM. Agency heads typically delegate these authorities to the HR Office, which in turn may or may not delegate them further to line managers. Therefore, from the top down, no single official or organization is unilaterally accountable for HRM decisions regardless of whether HRM authorities are dele-

gated to the operating unit level or remain with the HR Staff. And delegated authorities within the agency are a shared responsibility between the manager and the HR Staff. All HRM decisions must adhere to the Merit System Principles, the foundation of the Civil Service; not be proscribed by a Prohibited Personnel Practice; and comply with established laws and regulations.

Where there is a union present, authority is also exercised within the framework of negotiated agreements. In the last few years, agencies have entered into labor-management partnership agreements that give employee representatives additional opportunity to participate in agency decisionmaking. For example, in one agency the union has worked with upper management to help establish agency goals. In this situation, the union can be said to have taken on a kind of shared accountability for the achievement of those HRM goals.

## Guidelines for Shared HRM Accountability

Every agency is likely to have its own unique approach. But, to point the way while raising important issues for agency consideration, the Task Force has developed the

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<sup>1</sup>HR Staff refers to the HR service provider, whether providing consulting and/or processing services.

- ✓ **Generally, the manager is directly accountable for the program impact of the HRM decision, while the HR Staff is directly accountable for the regulatory compliance of the action.**
- ✓ **However, “shared accountability” means that both HR staff and managers are ultimately accountable for effective, legally compliant HRM.**
- ✓ **Top management is accountable for committing the organization to shared accountability.**

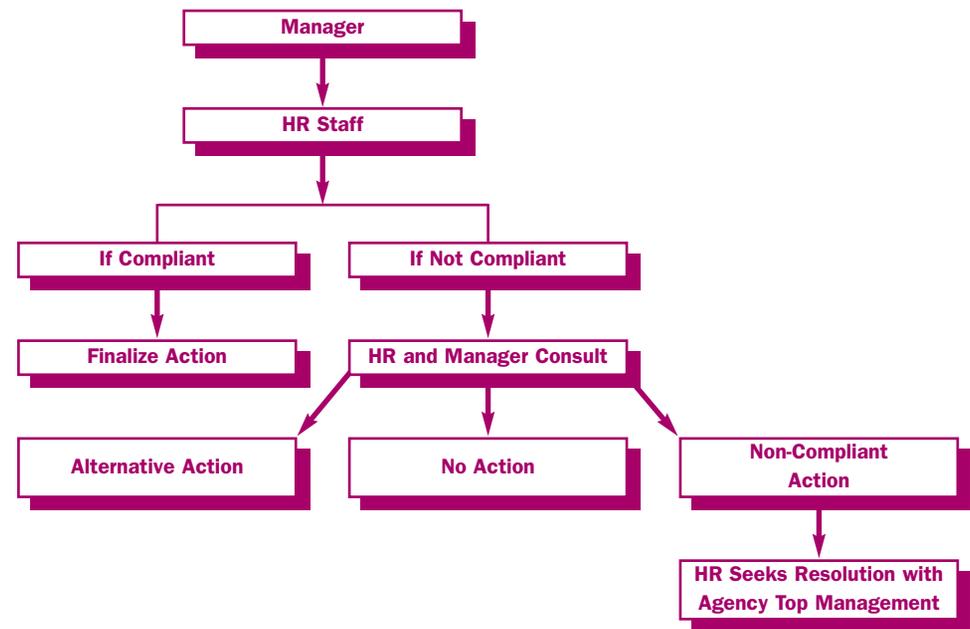


## Accountability Roles and Responsibilities: Who is Accountable?

following guidelines for describing and sharing HRM accountability. Where HRM authority has been delegated to a manager but the HR Staff has responsibility for processing the action, the HR Staff is accountable for ensuring that the proposed action meets regulatory compliance and is consistent with the Merit System Principles. If the proposed action fails to meet regulatory compliance, the HR Staff consults with the manager to offer other options that enable the manager to achieve the desired goal but comply with regulations. In this situation, the manager and HR Staff have *shared accountability*. Though the manager has the final discretionary authority, the HR Staff has the final regulatory authority. Therefore, *the manager is accountable for the program impact of the HRM decision while the HR Staff is accountable for the regulatory compliance of the action at the time it is effected*. In this case, if the manager cannot select an option that meets regulatory compliance, the HR Staff should not process the action. If the manager continues to try to effect the action, the HR Staff should go through appropriate channels to notify higher-level management.

Automation has strongly affected roles and responsibilities for HRM accountability. With operating units often having direct access to personnel/payroll databases and “expert systems,” managers can exercise their delegated HRM authorities independently without the assistance of the HR Staff. Where this occurs, HRM

### SHARED ACCOUNTABILITY



actions can be effected without input or review from the HR Staff. *If the HR Staff has no review or approval role in the processing of the HRM action, the manager is directly accountable for the program impact AND regulatory compliance of the HRM action.*

However, *even where the HRM authority is delegated to the operating unit, the HR Staff has oversight (indirect) accountability for regulatory compliance*. This obligation is met when the HR Staff, which may partner with the Inspector General or other internal audit staff, conducts periodic reviews of manager-effected HRM actions. If the HR Staff finds that an action has been taken which does not meet regulatory compliance, it must ensure that corrective action is taken. *Failure of the operating unit to continually meet regulatory compliance should*



*result in adjustments in the delegation of HRM authorities to ensure future compliance.*

The HR Staff also has oversight accountability for managing human resources effectively, even where the authority is delegated to the operating unit. Where actions taken by the manager meet regulatory compliance but are not good management practices, the HR Staff should consult with the manager regarding options for future actions.

Even with the NPR emphasis on the delegation of HRM authorities to the lowest decisionmaking level possible, many of the most sensitive HRM authorities will not be delegated to the operating unit level due to legal and technical complexities of HRM and staffing resource considerations. Regulatory interpretations regarding many HRM programs and actions of a complex nature will continue to be made by dedicated HR staff, often in consultation with the legal office. Therefore, roles and responsibilities in the HRM process must emphasize the collaborative approach between managers and HR Staffs.

Where the HRM authority has been delegated to the operating unit level, the manager may make all HRM decisions within his/her delegated authority which are not contrary to the Merit System Principles and Prohibited Personnel Practices or in violation of laws and regulations. However, where the authority remains with the HR Staff, the HR Staff is responsible for advising the manager regarding the degree of discretion available (the legal options) and recommending the best course of action from the standpoint of HRM effectiveness. In this situation, the HR Staff is directly accountable for regulatory compliance. But, both the HR Staff and managers are accountable for program results — with the managers directly responsible for the decisions they make and the HR Staff more broadly responsible for program effectiveness.

## **Transitioning to Shared HRM Accountability**

To facilitate a successful transition to this more collaborative approach, HR Staffs, managers, and top management need to redirect their efforts in several different areas.

*HR Staffs must:*

- Focus more on creating value than running programs.
- Become actively involved in the development of HRM goals and strategies in support of mission accomplishment and the effective communication of those policies to managers.
- Act as consultants to managers on HRM issues, helping and encouraging them to consider the people aspect of their business decisions.
- Simplify, streamline, or automate existing HRM processes such as staffing and classification.
- Provide managers with accessible on-line HRM information.

*Managers must:*

- Increase their knowledge of Merit System Principles, Prohibited Personnel Practices, and HRM laws and regulations.
- Develop a clear understanding of how HRM decisions affect mission accomplishment and how business decisions impact people.
- Ensure the proper exercise of HRM authorities.

*Agency top management must:*

- Recognize and communicate that people in an organization are the single most valuable and irreplaceable resource.

## **Accountability Roles and Responsibilities: Who is Accountable?**



## Accountability Roles and Responsibilities: Who is Accountable?

- Demonstrate a strong commitment to HRM accountability and the shared roles between managers and HR Staffs.
- Require management training and education to enable managers to make informed HRM decisions compliant with law and regulation, and require HR staffs to understand the programs they support.

The HRM decision-making process described here will begin to pay dividends for those agencies which have adopted the strategies described above in a variety of ways, including faster processing times for HRM actions, ownership of the HRM program by line managers, better consultative service from agency HR Staffs, and a clear connection between the HRM decision-making process and mission accomplishment. As an essential component of the new HRM decision-making process, HRM accountability assumes an ever-strengthening connection between HRM and mission accomplishment.



# The HRM Accountability System

**T**he roles and responsibilities of line managers and the HR staff are obviously not the only pieces of the HRM accountability puzzle. HRM accountability should be seen as a continuous cycle, or system. A systemic approach enables an agency to identify, collect, and use the information or data on which accountability is ultimately based. It overcomes the common problem of fragmented, disjointed efforts that don't add up to the sum of their parts.

The remainder of this Guide is an elaboration of portions of the HRM Accountability System Model, with special emphasis on the timely and critical topics of HRM goals and measures. On the next page is a graphic depiction of this Model. As the graphic shows, HRM accountability starts with identifying the agency strategic goals. Following that, agency HR goals in support of the strategic goals are defined. Then, performance measures are developed and a baseline established to assess whether the goals are being met.

But the process does not stop there. HR goals must be widely communicated. HR measures must be collected, tracked, and evaluated, and the findings communicated throughout the agency. Then, the agency must use this information to make improvements where necessary. Periodically, the HRM accountability process itself needs to be evaluated to ensure that it accomplished what was

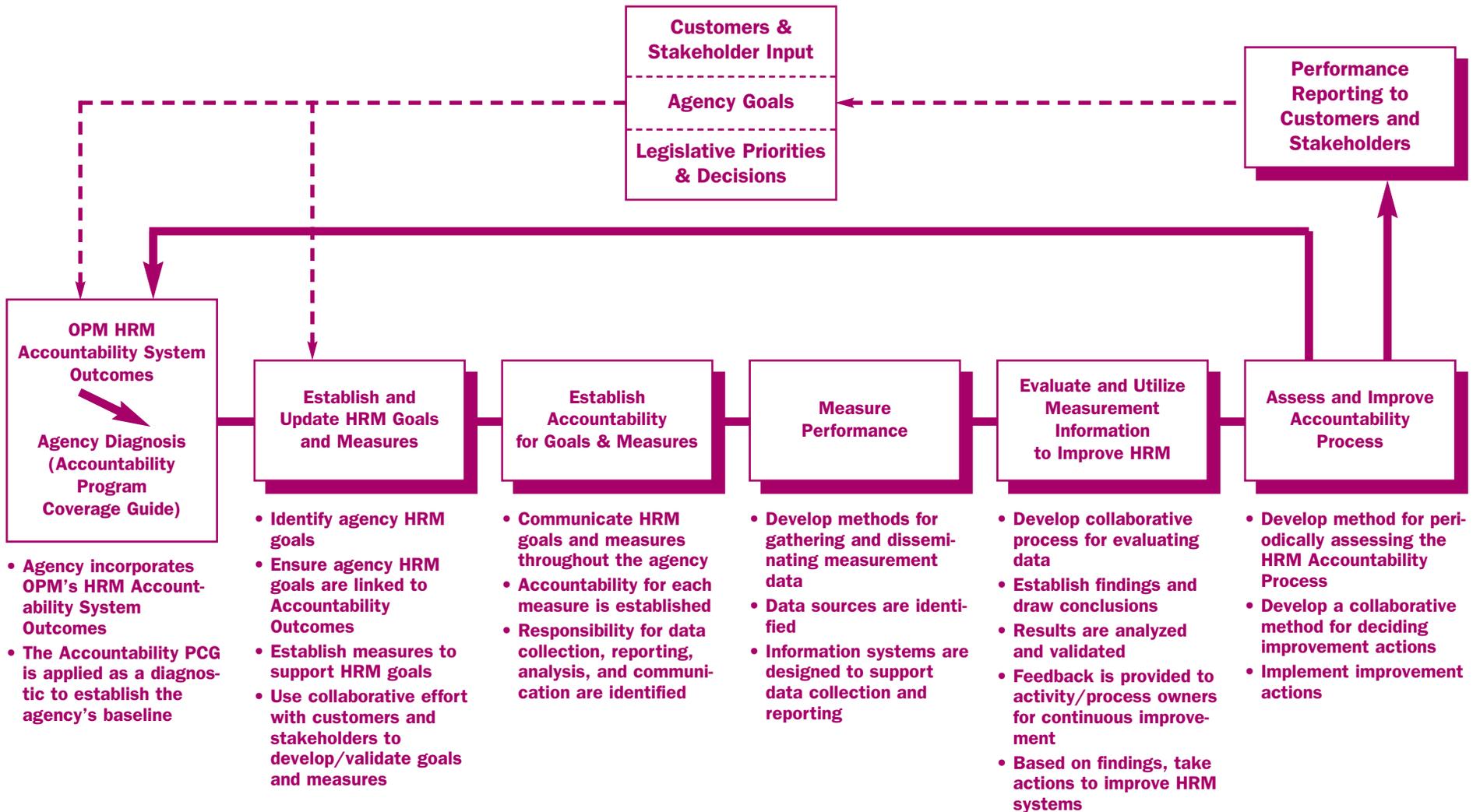
needed in the most efficient and effective way. If not, improvements should be made to the system. A general assessment should also be made of overall HRM effectiveness. Finally, the process starts over at the beginning, with goals changing as necessary based on the information gathered from the review and the changing needs of the organization and its customers.

Most agencies already have pieces of an accountability system that they can build around. For instance, many agencies have already developed an HR strategic plan or conducted customer service surveys. We are not advocating “reinventing the wheel.” In this time of downsizing, streamlining, and cutting costs, agencies have limited resources to devote to the development of an accountability system. Therefore, the most efficient manner to start the process is to use what you already have and build up from there. In the end, this effort will be worth the investment of time and resources, because creating a system out of what may now be a set of loosely related pieces will maximize their effect and their value in support of effective human resource management.

- ✓ **Establish HRM goals and measures.**
- ✓ **Establish accountability for goals and measures.**
- ✓ **Measure performance.**
- ✓ **Evaluate and utilize measurement information.**
- ✓ **Assess and improve accountability process.**



## HRM ACCOUNTABILITY SYSTEM





# HRM Goals: What We're Accountable For

**S**o far, we have discussed why accountability is important and who should be held accountable. We have also introduced an Accountability System model that describes a continuous process for ensuring HRM accountability. We now need to zero in on perhaps the most critical box in the model: “Establish and Update HRM Goals and Measures.” Identifying goals and measures is how an agency says *what* it is willing to hold itself accountable for as far as human resources management is concerned, and how it will determine whether it is meeting these goals.

The Government Performance and Results Act (GPRA) is a driving force behind the current emphasis on identifying goals and measures. Application of GPRA is pushing agencies in the direction of aligning all their activities, including HRM, toward achieving agency strategic goals and measuring progress toward those goals, in an effort to improve the confidence of the American people in the Federal Government. This process has many benefits. It can help an organization clarify future direction, establish priorities, initiate program performance improvement, increase effectiveness and accountability, help managers improve service delivery, and improve decision-making and internal management.

As we have seen, HRM is an essential element of management, and the Task Force believes strongly that

there is an important place for specific HRM goals in the GPRA process. The need for HRM accountability is inherent in the delegations that Department Heads receive from the President to hire staff, to compensate them, and to use this resource in accomplishing the organization's statutory mission. These delegated authorities are critical and potent, requiring judicious and informed use. They also must be tied in to agency mission-related goals.

Agencies establishing goals for using their human resources management authority in the Federal sector should be driven by the pursuit of excellence in our human resources programs and systems, along with respect for American cultural and political practices and traditions. These goals will have their greatest impact when they are clearly connected to our society's basic values as well as to sound management practice. Fortunately, Federal HRM has a set of guiding Principles that meet both of these criteria.

## The Merit System Principles

From among the several conceptual frameworks that have been developed for identifying HRM goals and measures, OPM has chosen the Merit System Principles as the preferred method for organizing Federal HRM goals and measures. These Principles express the

- ✓ **HRM goals define what is important to the viability and success of the organization.**
- ✓ **To define the goals, collaborate with stakeholders, tie HR goals to agency strategic goals, and make goals specific and measurable.**



## Hierarchy of Accountability

Understanding the hierarchy of accountability can be useful to identifying agency HRM goals. The hierarchy of accountability builds from the most basic level of ensuring compliance with Civil Service laws and regulations. All agencies must set and achieve goals that relate to this basic need for legality or face severe sanction. Once basic compliance has been met, efficiency is the next level at which goals can be set. Efficiency has two meanings in the accountability hierarchy. One meaning refers to the degree of efficiency of HRM service delivery. The other refers to efficiency of the utilization of human resources at the operating unit level to meet mission goals. Setting and achieving meaningful goals at this level is more difficult, but is necessary in order to ensure good use of budget dollars. The ultimate level of accountability is for effective HRM — HRM goals and measures that demonstrate a positive contribution to achieving agency mission goals and the strategic vision for how people should be managed.





values that govern the Civil Service and set appropriate parameters for the exercise of HRM authority. They are also fully in keeping with the special requirements imposed on the Federal Government as an employer and as manager of its human resources. They provide a uniquely appropriate framework for identifying HRM goals and measures in the Federal Government.

The Merit System Principles express the values of the Federal HRM system and are set forth in law. As described by managers, themselves, the Principles are sound management practices based on common sense that ensure Federal employees are treated fairly and equitably and that the Federal HRM system is based on merit. They cover key Federal HRM management goals, including diversity, open competition, efficiency and effectiveness, performance, and responsibility to the taxpayer (see Appendix A for full listing of the Principles). As such, they can provide a framework for evaluating the effectiveness of a Federal agency's HRM system.

In an August 1992 report, *Federal Workforce Quality: Measurement and Improvement*, a joint OPM and Merit Systems Protection Board Advisory Committee on Federal Workforce Quality Assessment, recommended using a model such as the "Assessment Model for Measuring Merit System Accountability." HRM measures are organized by Merit System Principle and assessed in an outcomes-focused model that:

- Provides a framework for evaluation
- Looks beyond traditional input/output measures
- Links agency planning to mission accomplishment
- Focuses attention on improved outcomes and results

Applying HRM data measures by Merit System Principle develops a profile of how well an agency is performing in implementing HRM consistent with the Principles. OPM has developed a model that can take data indica-

tors for the agency, sort them by Merit Principle, and compare them to Governmentwide data. This comparison can help an agency identify key issues and trends that need attention.

Of course, the Merit Principles are no cure-all. They serve as an organizing framework and point the way toward meaningful and appropriate HR goals for an agency, but it is still necessary for the agency to identify specifically its goals and related measures, taking into account its own particular situation. In some cases, agency goals will not readily fall under a specific Principle, but could be said instead to derive from a composite of the separate Principles, for example, the goal of effective customer service from the HR Office. Other goals, such as compliance with veterans preference law and regulations, may not be inherent in a particular Principle itself but still relate to it topically. In the case of veterans preference it clearly relates directly to the whole range of staffing-related goals and measures that could be described under the first Merit Principle. So, as an organizing framework, the Merit Principles can encompass the entire gamut of HRM goals and measures.

There are of course other frameworks for organizing goals and measures, and they can be of interest, too, in that they provide a different perspective on HR goals. We have found that they can be particularly useful for identifying crosscutting goals — those not tied to a specific Merit Principle — and attendant measures. Examples of these other approaches include the balanced scorecard and the Baldrige quality criteria, to name just a couple of the better known ones, and both have been applied successfully by Federal agencies. Another example of a simple, intuitively appealing approach to goals and measures is the Hierarchy of Accountability. This approach was suggested by the Task Force itself, as an original idea, and is described briefly in the inset. Each of these frameworks has its

## HRM Goals: What We're Accountable For?

### *The Merit System Principles*



## **HRM Goals: What We're Accountable For?**

### ***The Goal-Setting Process***

strengths and weaknesses, its particular advantages and disadvantages, but like the Merit Principles all attempt to provide some kind of system and order to the bewildering, seemingly chaotic world of goals and measures.

#### **The Goal-Setting Process**

You will note that to this point we have been very careful to talk about goals and measures in the same breath, for the reason that it is a very common mistake in strategic planning to jump right into measures and measurement, without the focus provided by well-chosen goals. Goals define the purposes of the organization's programs and the results the organization hopes to achieve. They give direction. Without a good, clear vision of where the organization wants to go, measurement becomes an exercise in itself. How can an organization measure its success if it does not know what it wants to achieve?

Goal setting starts with defining what is truly important to the viability and success of the organization. This should be done collaboratively with all those involved in the mission of the organization, including customers and stakeholders. Goals convey program objectives and intended results, should be specific and detailed enough to be useful in developing measures and strategies, and should be expressed in a manner that allows a future assessment of whether they are being achieved. After goals have been determined, the organization

must develop strategies to achieve these goals, including identifying any changes in resources that will be required to achieve the goals and establishing who is accountable for achieving each goal.

Under GPRA, goals can be set at several levels. First are the overall agency goals. Then, each organization within the agency determines its own goals and how they support the agency strategic goals. Ultimately, this goal-setting process can, and should, trickle all the way down to individual performance standards, always being tied back to the overall agency goals.

Because each agency has its own challenges in the area of managing human resources to effectively achieve mission accomplishment, each agency will have its own HRM goals. These can vary from reorganizing its organizational components to educating its workforce to creating an environment of teamwork. These are going to be different for each agency depending on the agency's specific needs.

However, there are also common themes in Federal HRM, so that agencies can learn about possible goals from each other or from OPM. Certainly, the Merit System Principles framework is a potential source of goals. In addition, the Task Force identified examples of common or overarching goals that all agencies should consider addressing as they develop an HRM accountability system. These examples are discussed in some detail beginning on page 29.



# HRM Measures: How Are We Held Accountable?

**S**o far, we have covered the why, who, and what of HRM accountability, and introduced the HRM Accountability System Model. The next step is determining how effective HRM is, which is the most meaningful way to hold people accountable for HR decisions. Performance measurement is an essential tool for this purpose, especially since GPRA already requires agencies to establish performance indicators to be used in measuring or assessing the relevant outputs, service levels, and outcomes of each program activity. But there are many advantages to measurement outside of the mandate by GPRA, including the area of Human Resources Management.

The payoffs from HRM measures are well articulated by Jack Phillips in his book *Accountability in Human Resource Management*. Some of his top reasons for measuring the HR function are:

- To identify HRM's contribution to organizational effectiveness
- To determine whether HRM is accomplishing its objectives
- To identify the strengths and weaknesses of HRM processes
- To calculate the return on investment in an HRM program

- To determine if an HRM program or policy justifies investment of resources
- To establish a database that can assist management in making decisions about HRM

Measurement is a topic that HR offices are struggling with. As the MSPB found in its report *Federal Personnel Offices: Time for a Change?*, HR offices have historically been evaluated on their compliance with laws, rules, and regulations, not on service delivery and contribution to organizational effectiveness. Now, with the implementation of GPRA and the move toward downsizing, HR has had to look toward measurement to prove its contribution to agency mission accomplishment.

Performance measurement has grown into a booming industry, and there are numerous measurement models circulating around the Federal Government. But downsizing has made it difficult for HR offices to spend tremendous amounts of time and money on this issue. Therefore, they are looking for *the* model, the half dozen measures that will tell them all they need to know.

Unfortunately, it's not that easy. This Guide does not provide a short list of definitive measures of HRM effectiveness that can be applied Governmentwide and it is doubtful that such a list exists anywhere. In addition, many agencies have not established any kind of base-

- ✓ **Performance measures reflect the effectiveness of HR and promote accountability for HR decisions.**
- ✓ **There is no “one size fits all” measurement model, but the Merit System Principles can be your guide.**
- ✓ **Measure what's important.**
- ✓ **USE the information.**



## HRM Measures: How Are We Held Accountable?

line for data comparison. They have not collected data in the past, and therefore have no documented history. Yet in order to measure improvement over time, a baseline must be established to compare against.

In this environment, the Merit Principles measurement framework — which we already introduced in the section on HRM goals — becomes even more valuable. Using this as an organizing framework, OPM has already collected Governmentwide and agency data that can serve as an agency's baseline in some areas. The CPDF and survey data at OPM's disposal provide a historical picture which can provide a good starting point for many agencies.

The Merit Principles framework was introduced in the section on HRM goals to reinforce the point that, to be useful, measures must flow out of an agency's goals. The framework is presented in detail following this section, to show how specific measures fall under the broad goal statements of the Merit System Principles.

The model defines inputs, organizational processes, outputs, and outcomes for each of the nine Merit Principles, preceded by a page showing measures of crosscutting inputs, processes, outputs and outcomes that can be used to assess effective HRM more generally or, to put it another way, to assess adherence to all the Merit Principles together. The crosscutting measures are of particular interest, because they deal with HR goals that cut across specific HR functions like staffing or performance management, and get at overall measures of HRM effectiveness. For example, the National Academy of Public Administration (NAPA) identified in its report, *Measuring Results: Successful Human Resources Management*, four major aspects of HR that should be measured: costs, customer satisfaction, workforce capacity, and process effectiveness. Establishing goals and measures in these four areas

will help an organization identify the contribution of HRM to mission accomplishment.

The list of Merit Principles-based measures presented here is by no means definitive — it is fluid and subject to change and improvement — nor are agencies in any sense required to organize their HRM measures in this fashion. But it does provide an excellent starting point for a Federal organization seeking to identify measures to track and assess its HRM effectiveness. It has the added advantage of distinguishing between different types of measures — input, process, output, outcome. While they all have their uses, result-focused Government, GPRA-oriented Government, inevitably favors output and, especially, outcome measures, for obvious reasons. Displaying measures in this way shows clearly the system by which these outcomes are ultimately achieved, in support of the various objectives expressed by the Merit Principles.

Before moving on to the Merit Principles measurement framework itself, some final cautions are in order. While the Merit Principles are a sound starting point, we must emphasize that there is no “one size fits all” HRM measurement system. Each agency is different, has a different mission and culture, and will therefore need to tailor its goals and its measures to its own organization and climate. Second, it is vital to measure what is important. It is often easier to identify what aspects of an organization *are already being or can be* measured than what *should* be measured. Also, just because data is available does not mean that it is a valid measure of HRM effectiveness. For instance, if agency performance ratings are perceived to be inflated, are they a valid measure of performance? Current limitations in data collection are in themselves no excuse for not measuring what should be measured. However, be sure that the value you get out of the measurement system is worth the cost and resources put into it.



Measures should ideally be quantifiable in order to avoid subjectivity and reduce the risk of misinterpretation. Use a collaborative approach when establishing measures. Involve employees and other stakeholders as much as possible. Further, remember that measures cannot determine causality. This is done through a more systematic, evaluative approach. But measures can point to possible problem areas, and are absolutely vital for monitoring the effectiveness of an organization's HRM.

Finally, remember that, while extremely important, measures aren't everything. Relating the approach to measurement identified here back to the broader HRM Accountability System model described earlier, the measurement approach largely fits within the leftmost box in

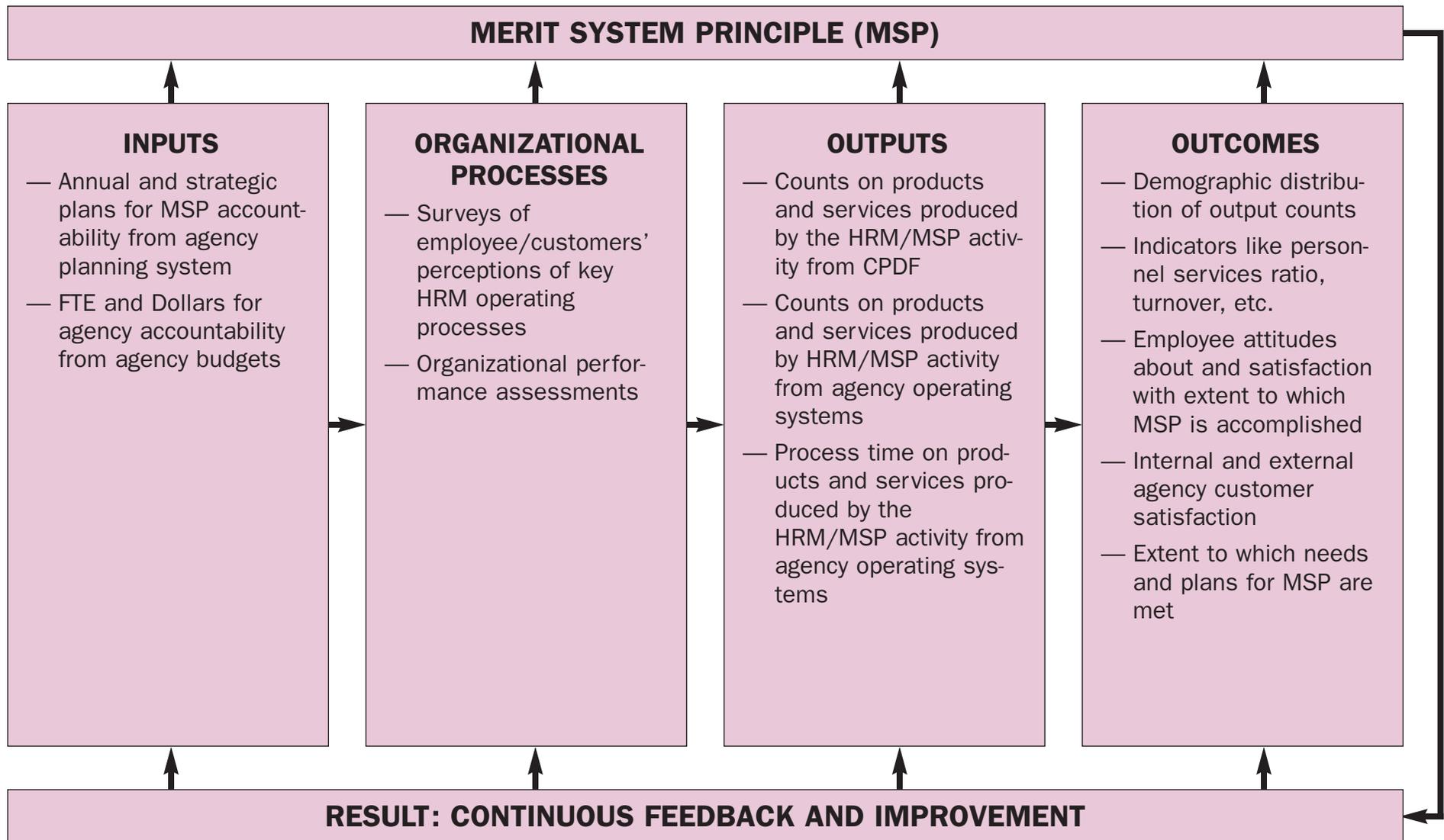
the System model. That all these potential measures, along with goal-setting, fit more or less into a single box serves as a potent reminder that selecting good measures is not all there is to HRM accountability. Measures should be derived from agreed-upon goals, and when selected they must be communicated, data collected and interpreted, and actions taken as a result. Otherwise, measurement becomes an empty exercise. Later in this document, we provide an example of how one set of measures — those for customer service — fit into the broader accountability system context.

So, be sure measures are tied to the HR goals you identified. Many organizations do not know what to measure, so they measure everything whether or not the measures have a direct application.

## **HRM Measures: How Are We Held Accountable?**

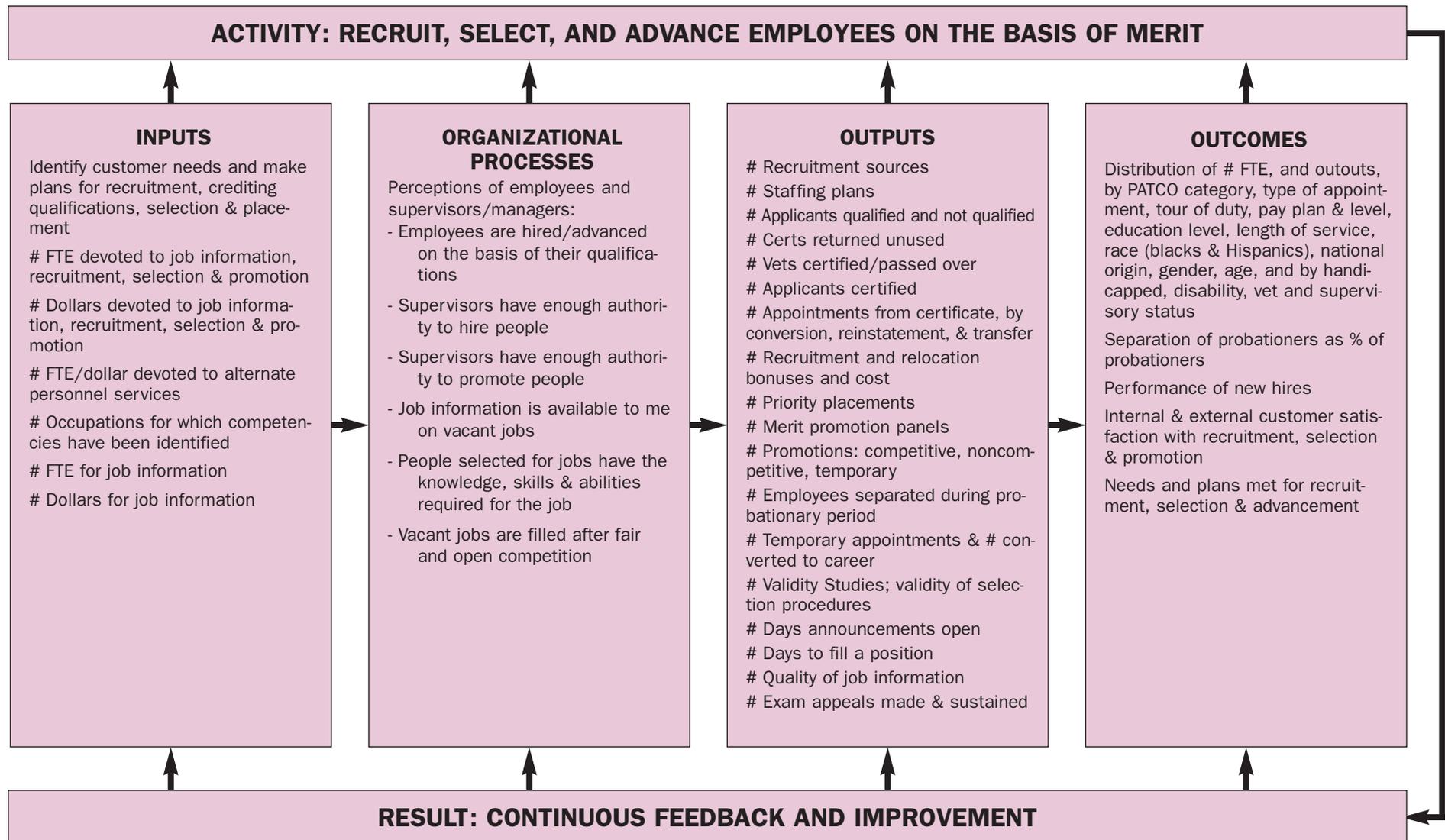


**MERIT SYSTEM PRINCIPLES FRAMEWORK**  
**ASSESSMENT MODEL FOR MEASURING MERIT SYSTEM ACCOUNTABILITY**



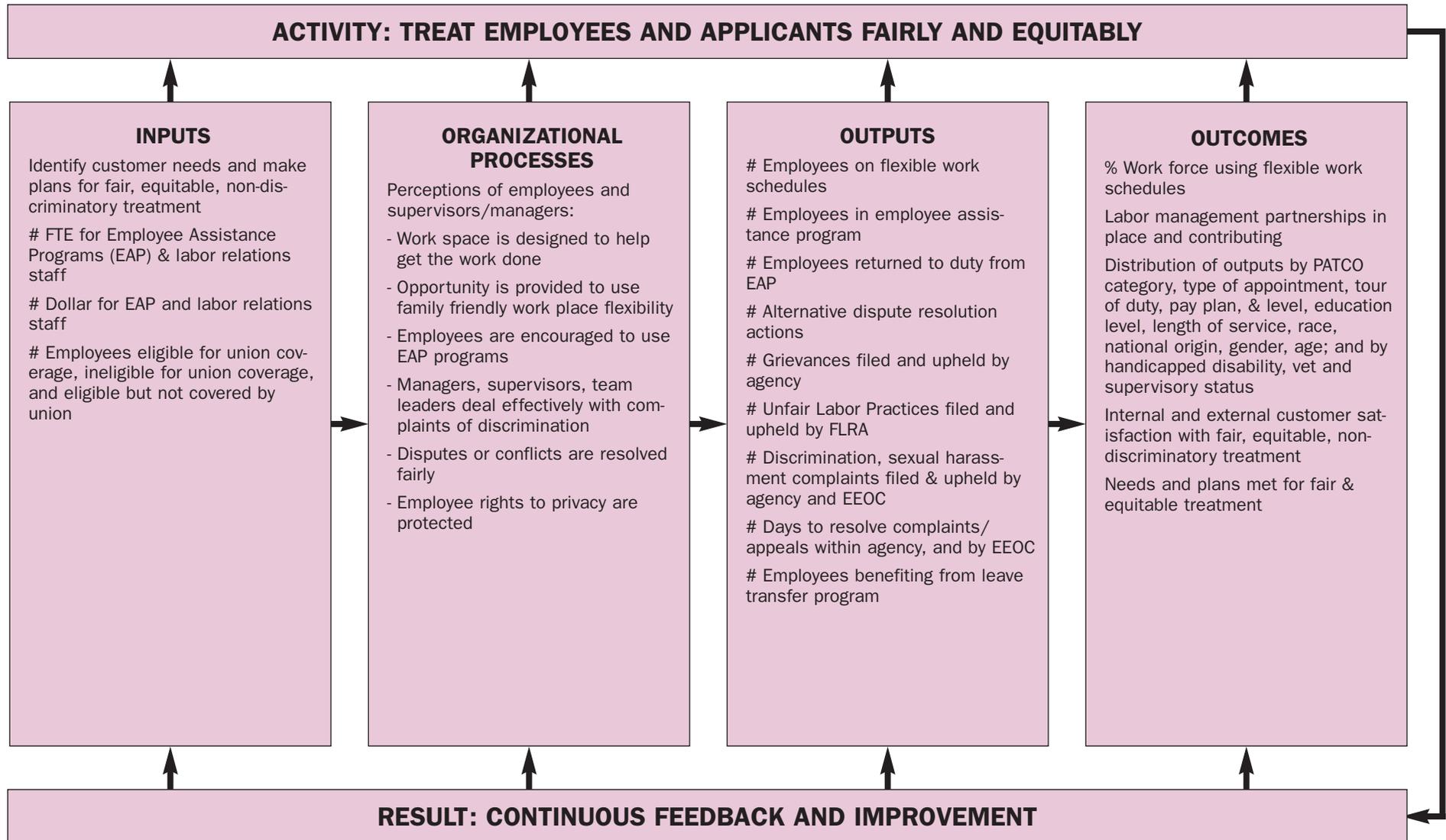


**MERIT SYSTEM PRINCIPLE #1: Recruitment should be from qualified individuals from appropriate sources in an endeavor to achieve a work force from all segments of society, and selection and advancement should be determined solely on the basis of relative ability, knowledge, and skills, after fair and open competition which assures that all receive equal opportunity.**



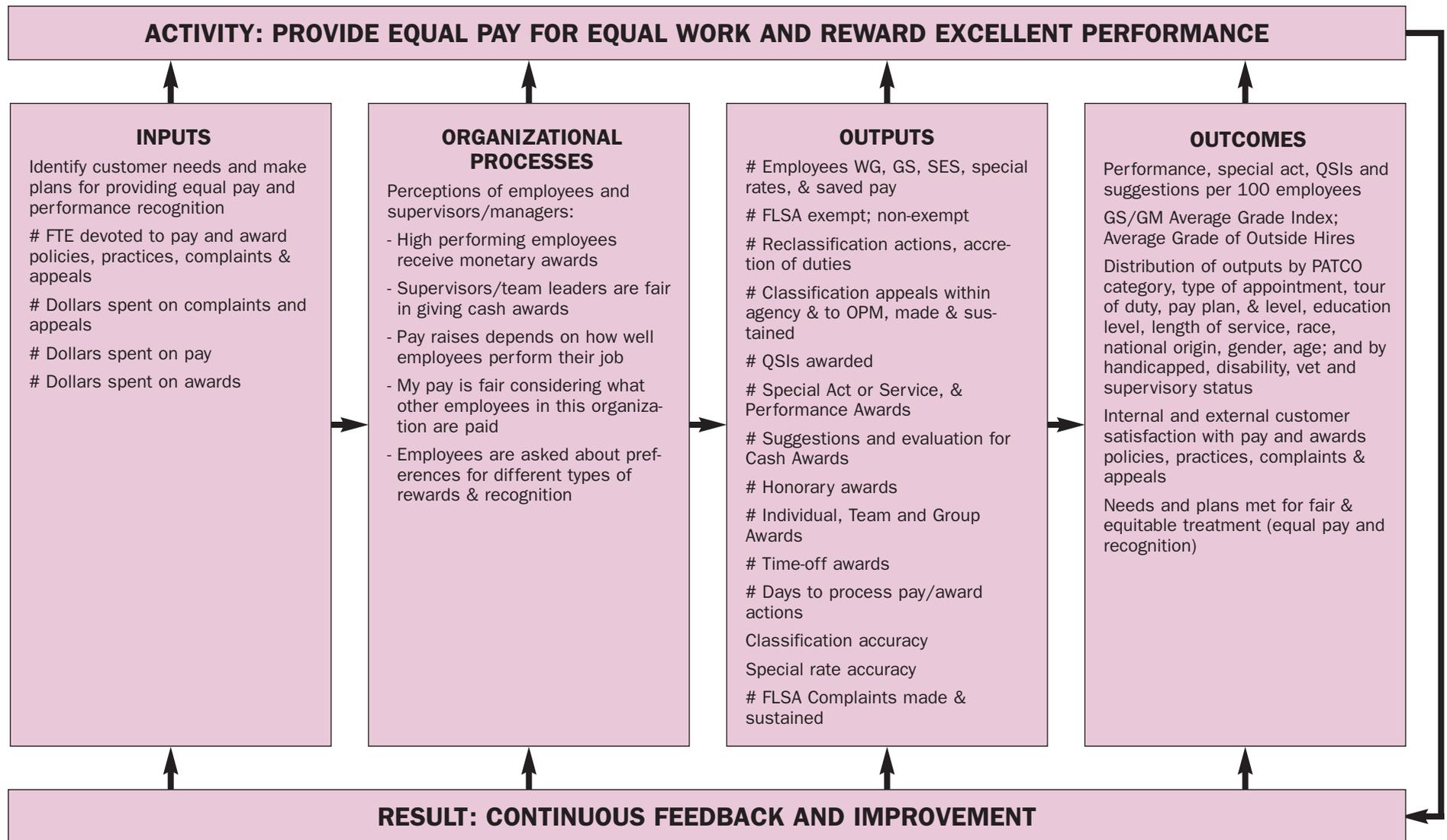


**MERIT SYSTEM PRINCIPLE #2: All employees and applicants for employment should receive fair and equitable treatment in all aspects of personnel management without regard to political affiliation, race, color, religion, national origin, sex, marital status, age, or handicapping condition, and with proper regard for their privacy and constitutional rights.**



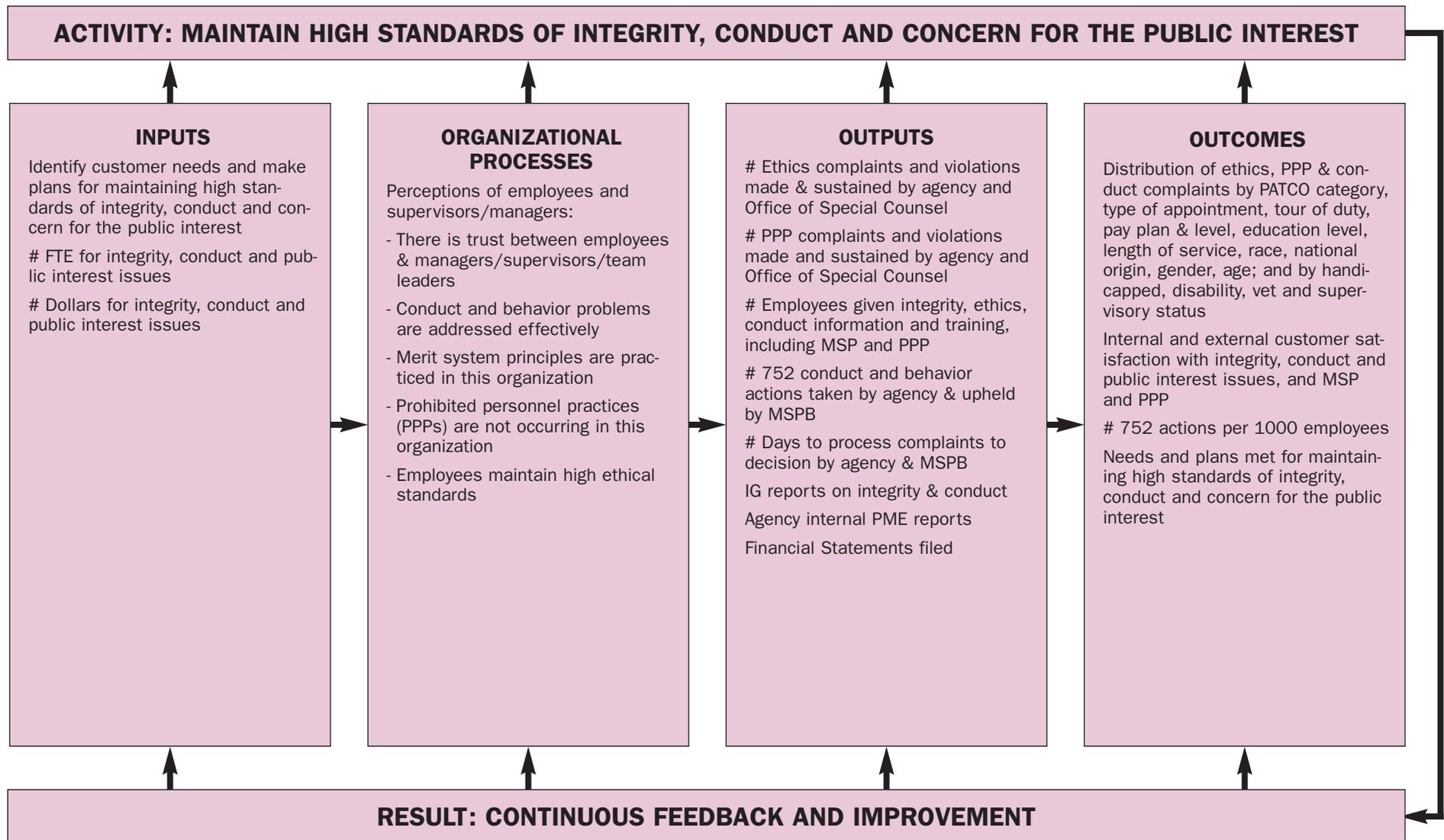


**MERIT SYSTEM PRINCIPLE #3: Equal pay should be provided for work of equal value, with appropriate consideration of both national and local rates paid by employers in the private sector, and appropriate incentives and recognition should be provided for excellence in performance.**



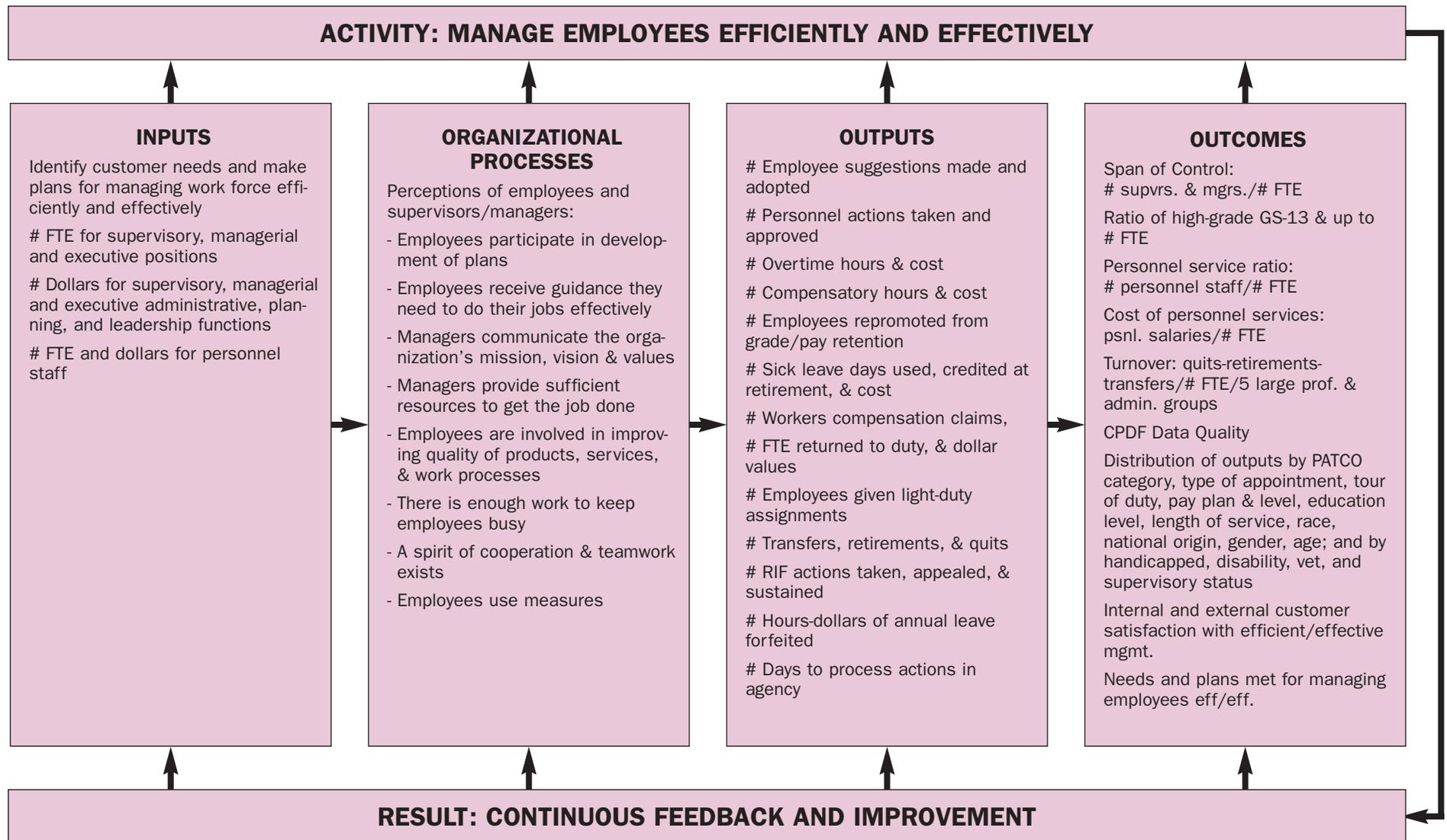


**MERIT SYSTEM PRINCIPLE #4: All employees should maintain high standards of integrity, conduct, and concern for the public interest.**



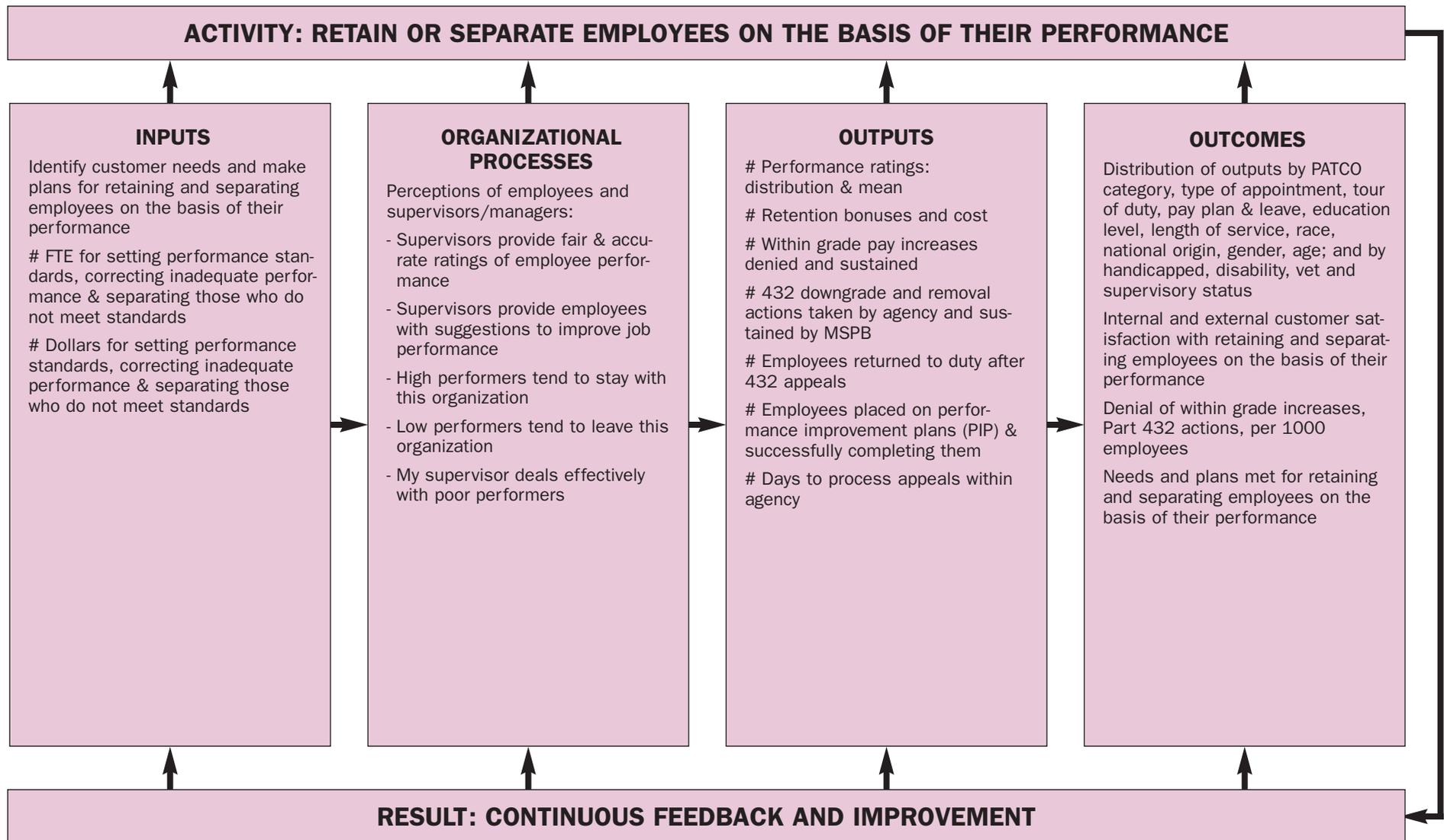


**MERIT SYSTEM PRINCIPLE #5: The Federal work force should be used efficiently and effectively.**



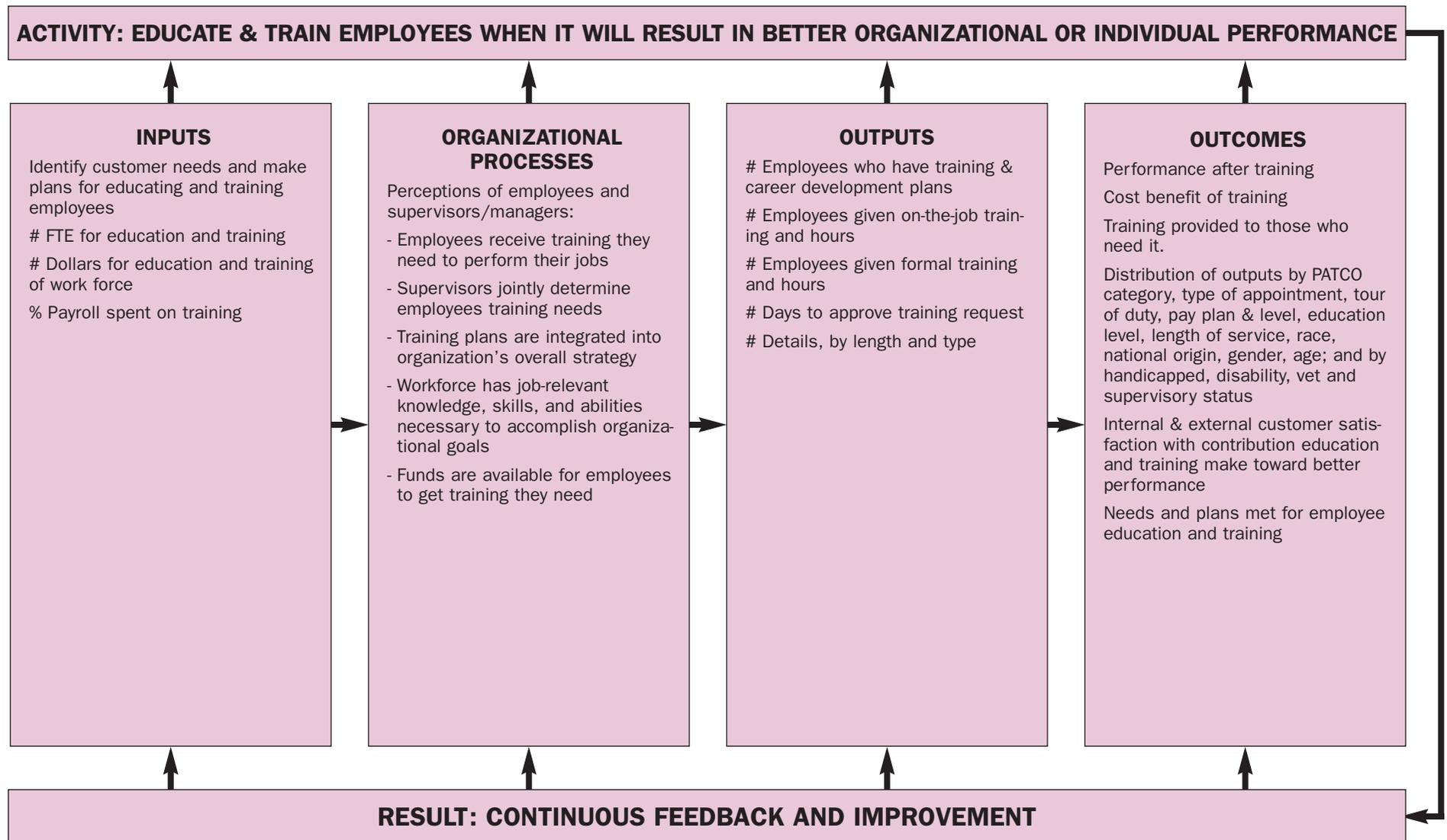


**MERIT SYSTEM PRINCIPLE #6: Employees should be retained on the basis of the adequacy of their performance, inadequate performance should be corrected, and employees should be separated who cannot or will not improve their performance to meet required standards.**



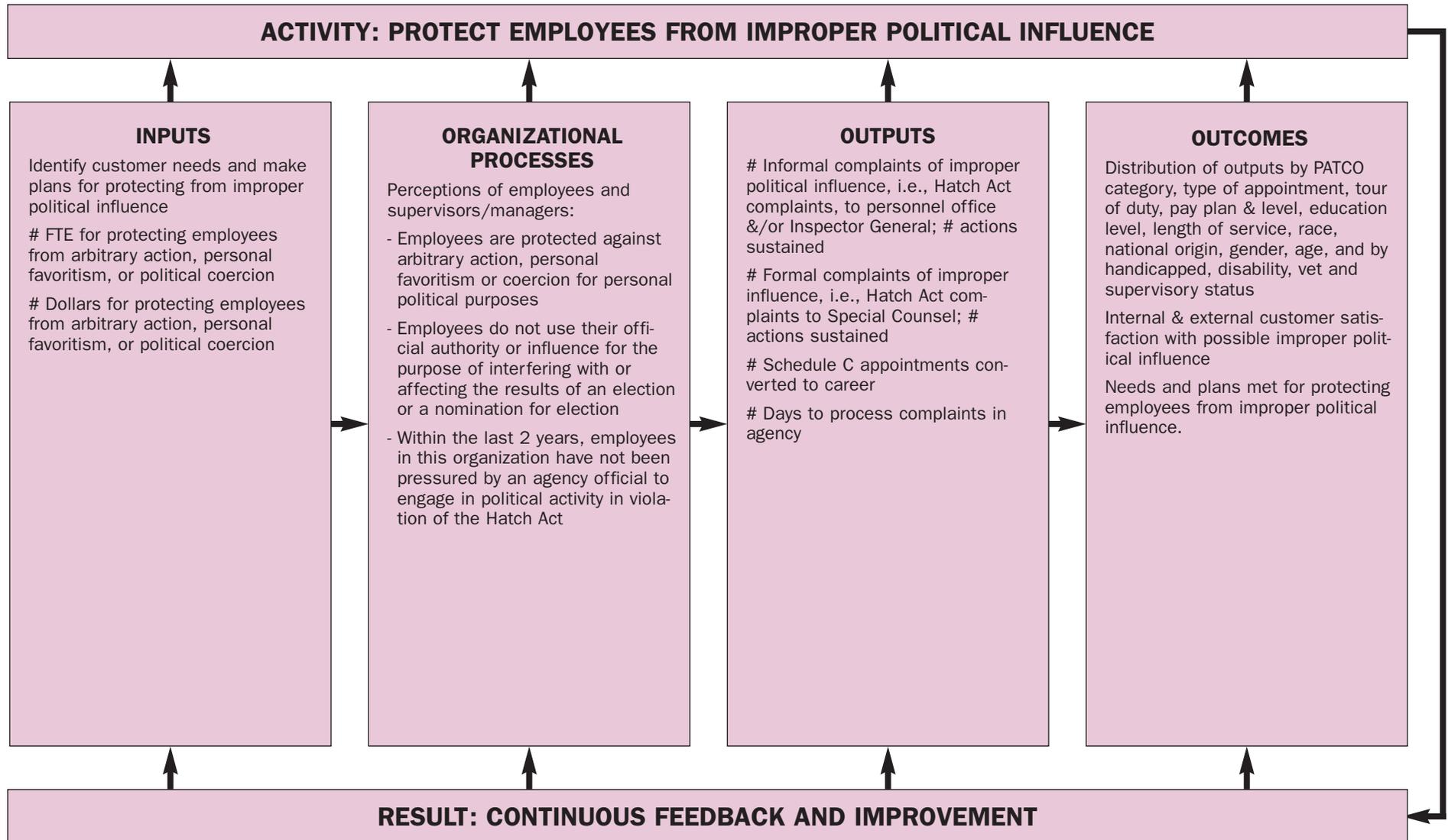


**MERIT SYSTEM PRINCIPLE #7: Employees should be provided effective education and training in cases in which such education and training would result in better organizational and individual performance.**



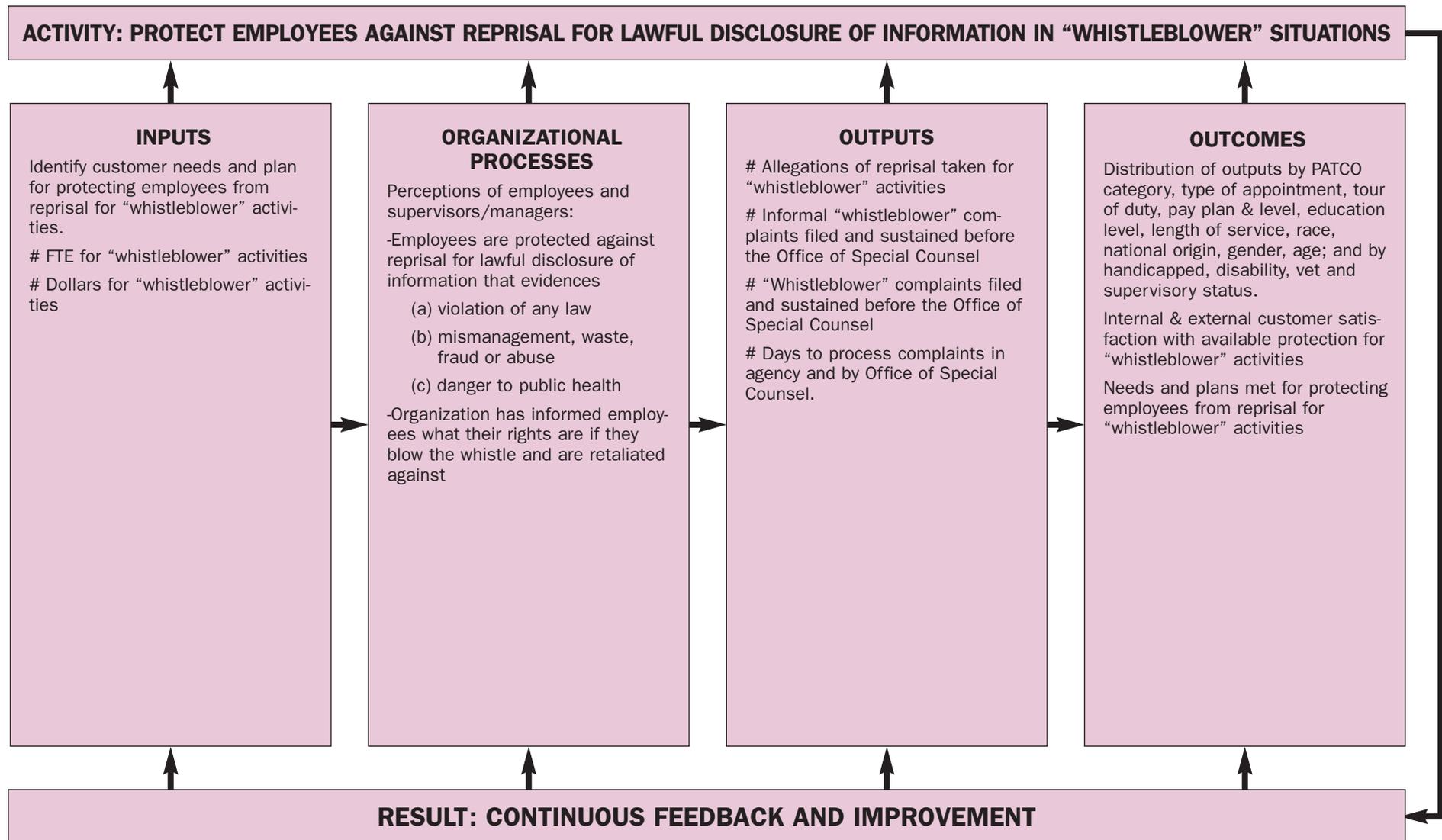


**MERIT SYSTEM PRINCIPLE #8: Employees should be (A) protected against arbitrary action, personal favoritism, or coercion for partisan political purposes, and (B) prohibited from using their official authority or influence for the purpose of interfering with or affecting the results of an election or a nomination for election.**





**MERIT SYSTEM PRINCIPLE #9: Employees should be protected against reprisal for the lawful disclosure of information which the employees reasonably believe evidences (A) a violation of any law, rule, or regulation, or (B) mismanagement, a gross waste of funds, an abuse of authority, or a substantial and specific danger to public health or safety.**







# Examples of Governmentwide HRM Goals and Possible Measures

**A**s mentioned in the previous chapters, HR measures are going to be specific to the particular goal established, and HR goals are going to vary among agencies depending on that agency's specific mission and strategies. Does this mean that there are no goals that have broad applicability across Government agencies and no measures that can be used generally to assess the achievement of these goals? We do not think so. In fact, the Task Force was interested in identifying a number of areas for setting goals and establishing measures that seem to apply across Government.

## Specific Government-wide HR Goals

We have already discussed at some length the Merit System Principles, which provide a broad framework for HRM goalsetting and identification of measures. We have also noted that the Principles themselves can be treated as goal statements, for example, "Recruit, select, and advance employees on the basis of merit" (Merit Principle # 1). Clearly, though, there are many other possible goals that an agency can and may wish to identify, some of which have such broad applicability across the Federal Government that they can be characterized as "Government-wide." Depending on the specific goal, they may support public policy initiatives, improve the efficiency and effectiveness of HR opera-

tions, or make positive contributions to overall agency performance and results. As noted, they all relate back to the Merit System Principles (individually or in the aggregate) or can at least be categorized under them, but the Task Force believes they have a particular importance to agencies in assessing their own performance, and should be highlighted for agency consideration.

In the end, the Task Force identified five examples of Government-wide HRM goals: customer service, efficiency, workforce quality, veterans preference, and quality of worklife. Because these are important, the Task Force has worked through each of these topics to show what exactly the goal should be, why they are considered to have Government-wide applicability, how an agency can assess accomplishment of the goal, and what measures could be used in the assessment. In the final section, one of these topics, customer service, has also been worked through to demonstrate application of all steps of the Government-wide HRM accountability model.

## Government-wide Standards?

Identifying Government-wide goals implies that there may also be Government-wide standards that can be established for these goals. After all, if all agencies should be striving to achieve these goals, shouldn't they

- ✓ Those that support public policy initiatives.
- ✓ Those that improve the efficiency and effectiveness of HR operations.
- ✓ Those that make positive contributions to overall agency performance.



## Examples of Governmentwide HRM Goals and Possible Measures

### Customer Service

all be held to a common standard? The Task Force discussed this topic in depth and concluded that it is not feasible to create Government-wide standards for these goals. Each agency is different and has different mission needs and capabilities. For instance, should an agency with 2,000 employees be expected to provide the same quality of worklife programs as an agency with 200,000 employees?

Standards can only have relevance if the variables present from all reporting organizations are identical, which is an impossibility. Agencies, however, can and should benchmark their performance against like organizations to gauge how they are doing in specific areas. These comparisons can also be very meaningful if the selection of comparable organizations is credible. Comparisons can also be made against Government-wide data. Much of this Government-wide data is available through the Central Personnel Data File (CPDF), and significant deviations from Government-wide norms may indicate a need for serious self-examination. Finally, agencies always have the option of setting internal standards for performance based on these goals and holding themselves accountable for meeting those standards.

## Customer Service

### What is the goal?

High quality, cost-effective HR services are provided to agency managers, employees, and job applicants.

### Why is this a Government-wide goal?

Spurred by recognition of increased global competition in the industrial sector, customer service has undergone a significant resurgence as a business strategy since the early 1980s. The preeminence of customer service as a fundamental management principle found its way into the mainstream through the works of Tom Peters (*In Search of Excellence* and *Thriving on Chaos*) and other management gurus. Finally, the NPR adopted these principles in an effort to restructure and/or reinvent the Federal Government. Consequently, customer service has become one of the cornerstones of management accountability in the Federal sector, and is an important aspect of many HRM accountability programs.

### How can we assess accomplishment of this goal?

Federal organizations have taken a traditional approach to the assessment of customer service, relying on a variety of feedback mechanisms, both internal and external. This distinction between internal and external customers is important, as it can impact the delivery of final goods and services. With respect to HRM Accountability, the challenge is to achieve an equitable balance between our internal customers (managers and employees) and our external customers (applicants and the general public). Through such vehicles as customer service surveys, comment/suggestion programs, appeals and grievances, entry or exit interviews, focus groups, and complaint processing, it is possible to identify



perceptions of strengths and weaknesses in customer service.

From such information, customer service standards may be established (e.g., timeliness or speed, courtesy, accuracy, professional competence, etc) in such a way that performance against them can be measured. Recognizing that increased efficiency is largely the result of discrete improvements over time, it is necessary to define standards in “measurable” terms. For instance, minimal timeliness measures can be established for individual HR processes (e.g., staffing - 45 days, classification - 30 days, awards - 20 days, action processing - 10 days, etc.). These measures will be different for each agency depending on the program emphasis and complexity.

Through consistent application of such instruments and analysis of the information they provide, a comprehensive picture of the customer service environment can be created. However, when it comes to customer service assessment, the greatest program in the world can end up being perceived by the customers as an abject failure if they are not engaged in the process. That means that every effort to communicate customer service standards and improvements must be made, customer feedback mechanisms continually strengthened.

Keys to successfully measuring customer service must include:

- **Frequent evaluation:** Customer service is constantly evolving. In order to really understand how effective it is in your organization it must be evaluated frequently.
- **Varied formats:** From formal survey questions to open ended discussions at all levels and functions, data sources may involve many formats. Experts advise that you vary the format to combine several different feedback mechanisms.

- **Quantifiable measures:** Specificity minimizes multiple interpretations and makes the measure objective.
- **Ingenuity of design:** Continual, systematic listening from as broad a range as possible is a must, but try to move beyond the obvious measures to the more difficult-to-articulate (e.g., quality of service, integrity, professional expertise, courtesy).
- **Involvement:** Include all functions and all levels of seniority within the HR Staff as well as outside customers.
- **Inclusiveness:** It is crucial to obtain data from all customers (direct and indirect). Just know who is in which group and understand the difference.
- **Communication:** Everyone in the organization should see the key customer measures.

### Where can we go for data?

Data must be collected from the customers, internal and external. Do not assume you know what the customer wants.

There are many tools for data collection that have already been designed and utilized by many agencies. OPM’s Merit System Principles Questionnaire (MSPQ) is but one example of a survey that can be adapted for use in agency HRM accountability programs and the historical data can provide a benchmark against which to measure improvement. Agencies can either modify or develop their own customer service surveys to make them fit with their customer service priorities and overall mission objectives.

### Getting started

- HRM components need to identify their customer base. From there it is a matter of reaching out to

## Examples of Governmentwide HRM Goals and Possible Measures

### Customer Service



## Examples of Governmentwide HRM Goals and Possible Measures

### *Efficiency of HRM Programs*

those groups to identify overall customer service perceptions.

- Establish a baseline. Once you understand customer perceptions, you can set about developing specific customer service standards. These standards should be distributed as widely as possible.
- Now that you have customer service standards, you are in a position to measure effectiveness. Remember to define your measures in quantifiable terms, even the intangibles. Be careful, though, to avoid excessive use of averages in reporting results: they do not get to the root of a problem. Instead, gear your measures to focus on what is worst, to help you identify the areas of greatest vulnerability. Remember that improving customer service is a process. The point of designing a quantifiable measure is to help you identify discrete improvements, and the measures themselves can be improved over time.

## Efficiency of HRM Programs

### What is the goal?

HRM programs are efficient.

### Why is this a Government-wide goal?

Efficiency is a common sense management principle in that it reduces costs and increases productivity. It has always been an important aspect of Federal management, but has become increasingly important in the recent years of downsizing and budget cuts. With fewer resources available to HR offices, it is critical to increase the efficiency of programs and processes to effectively meet customer needs. Efficiency is also mandated by 5 U.S.C. 305, the Merit System Principles, the Government Performance and Results Act, and the National Performance Review.

### How can we assess accomplishment of this goal?

The efficiency of HRM programs is actually a subset of an effectiveness analysis of HRM programs. An effectiveness analysis addresses the degree to which the HRM program contributes to the achievement of performance goals of the organization, public policy goals associated with HRM programs, and customer satisfaction. The actual costs of achieving that degree of effectiveness are then factored in to make the overall effectiveness determination. For the purposes of this Guide, the efficiency measures for HRM can be established at both the human resources office and operating unit levels as follows:

- a. HR Staff Measures: Measures which show the costs and timeliness of the HRM services provided by the HR Staff to the serviced organization, and



b. Organizational Measures: Measures which depict human resources costs at the operating unit level.

The following are examples of possible efficiency measures for HR Staffs:

- Servicing ratio
- HR costs per employee
- HR costs per new hire
- Average cost and/or time spent to process personnel/payroll action
- Average cost and/or time spent per classification action
- Percentage of employees receiving required performance appraisal for last fiscal year
- Accretion of duties promotions as a percentage of total promotions
- Effective use of automated systems
- Percentage of positions covered by automated position description system
- Percentage of recruitment actions filled through an automated staffing tool
- Percentage of personnel/payroll actions requiring corrections

The following are possible measures of efficient use of human resources by the operating manager. These organizational measures should also be applied to the HR Staff:

- Supervisory ratio
- Average grade by organization/core occupation/one grade and two grade interval positions
- Number of GS-14 and above positions over time

- Number of employees by organization over time
- Attrition rates by organization/occupation
- Awards

### Where can I go for data?

The data for most of the above measures is available from the CPDF or the payroll/personnel automated system of the organization, which may have slightly more recent data.

### Getting started

You need to clearly define the variables for each measure and develop a method to factor in customer service. You also need to develop valid comparisons with other agencies. For example, the benchmarks for a Federal regulatory commission should probably come from other regulatory commissions. Benchmarks can be as specific as for research and scientific organizations, administrative organizations, general counsels, etc. Valid cross-agency comparisons can then be made for both the efficiency of the organization and the servicing HR Staff.

## Examples of Governmentwide HRM Goals and Possible Measures

### *Efficiency of HRM Programs*



## Examples of Governmentwide HRM Goals and Possible Measures

### Workforce Quality

## Workforce Quality

### What is the goal?

Maintain a high quality agency workforce.

### Why is this a Government-wide goal?

The quality of an organization's workforce contributes directly to an organization's productivity and mission accomplishment. Without a workforce that is educated and trained, capable of performing the work, and motivated to do it, even the most efficient organization with the best strategic planning cannot accomplish its mission.

### How can we assess accomplishment of this goal?

The quality of the workforce can be measured using a variety of demographic and process measures, along with those that focus on broader systems. Demographic or transactional measures of workforce quality include:

- Education level of the workforce
- Employee length of service
- Age of the workforce
- Performance awards
- Number of incentive awards
- Diversity of workforce
- Rates of employees receiving disciplinary/adverse actions
- Union activity, employee grievances, and equal employment opportunity
- Employee absenteeism

More systemic measures of workforce quality include:

- Employee competencies, training, and retraining: review of current developmental and leadership programs and worker competencies, and establishing new employee developmental and leadership programs.
- Technology changes: retraining of employees to implement and maintain new technology and organizational restructuring.
- Recruitment and attrition: targeted recruitment efforts to avoid skill shortages; review of career programs and career paths (possible updating of job analysis); workforce shaping through the use of incentive programs to encourage early retirement and attrition.
- Workplace quality: safety of employees, employee wellness programs, worker's compensation cost reduction reviews, employee satisfaction.
- Policy issues: Executive initiatives and mandates, "Family Friendly" policies, identification of inherently non-governmental activities for possible contracting out.

### Where can I go for data?

Depending on the measures you are using, there are a variety of sources. Most of the transactional data can be obtained from the CPDF or the agency personnel/payroll system. Other sources of information are agency grievance and EEO files, review of current agency policies, and skills assessments. When using measures regarding employee satisfaction or other perceptual issues, attitude surveys and focus groups may be helpful. For example, OPM's Merit Systems Principles Questionnaire data would prove helpful in this regard.



## Veterans Preference

### What is the goal?

Appropriate employment preference is provided to qualified veterans.

### Why is this a Government-wide goal?

Through veterans preference, the Federal Government recognizes the sacrifices veterans of the United States military have made in order to serve and protect their country. The first law regarding the preference of veterans was passed by Congress in 1865 when it gave preference to veterans with service-incurred disabilities. Since then, the national policy has evolved and been strengthened by law, Executive Order, and regulation. In 1944, the various statutes, Presidential directives, and Federal regulations were unified into a single law, known as the Veterans Preference Act. Other laws have added provisions regarding veterans preference, including the Veterans Education and Employment Assistance Act of 1976 and the Civil Service Reform Act of 1978. Legal requirements for veterans preference include 5 U.S.C. 1302, 5 U.S.C. 2108, and 5 CFR 211.

### How can we assess accomplishment of this goal?

Veterans preference is law and must be adhered to by all agencies. To ensure that this is done, agencies should identify the most important systemic AND transactional measures of compliance or non-compliance with requirements. For each of these measures, agencies should then identify key measures of success, the method to be used for measurement, and the level of compliance that will be considered acceptable.

An example of an assessment method is to conduct audits of examining processes to determine whether the organization is performing at what the agency defines as an acceptable level. If everything looks good, document and finish the review. If problems appear to exist, perform root cause analysis; identify appropriate corrective action; implement the corrective action; and follow up to ensure that the action was taken, and the desired results achieved.

Examples of systemic measures might be percentage of veteran representation in the workforce, percentage of veteran representation by grade level in General Schedule positions, percentage of veteran representation by grade level in FWS positions, and percentage of veteran representation by geographic region.

Examples of transactional measures that can be applied through a delegated examining audit might include: number of veterans on certificates of eligibles versus number of veterans selected from these certificates, number of valid veteran passovers for selection, number of invalid veteran passovers for selection, number of complaints associated with veterans hiring, and the rate of veterans preference compliance in random review.

### Where can I go for data?

The HR Staff should be able to obtain the majority of needed data through agency HR data systems and/or the CPDF.

## Examples of Governmentwide HRM Goals and Possible Measures

### Veterans Preference



## Examples of Governmentwide HRM Goals and Possible Measures

### *Quality of Worklife Initiatives*

## **Quality of Worklife Initiatives**

### **What is the goal?**

Employees are able to balance the needs of work and family.

### **Why is this a Government-wide goal?**

Improving the quality of work life for employees enables them to balance the needs of work and family (social goals) and is an important benefit to assist in attracting and maintaining a quality workforce (HRM goal). There has been an ongoing emphasis on expanding these programs for the last decade or more. Some initiatives designed to achieve this goal include flexible work schedules, job sharing, working at home or telecommuting centers, using sick leave for adoption purposes or to care for family members, voluntary leave sharing programs and health promotion programs.

The effectiveness of the programs should be evaluated in regard to their impact on HRM goals. It is not enough simply to have the programs, they must be high quality programs that satisfy employees' needs. A day care center that is too expensive for employees to use will probably not have a positive impact on job decisions or family life.

### **How can we assess accomplishment of this goal?**

An agency can measure how many programs it has enacted and roughly how many employees are participating in the programs. However, those measures do not indicate the quality of these programs or whether the agency is meeting the goal of attracting and maintaining a quality workforce as a result of the programs.

It is hard to measure the impact of the programs (or their absence) given the many factors that influence employee job decisions. The most qualitative measure is employee input as to what effect the programs have on their decision to stay (or not stay) with the agency. This can be done through entry or exit interviews, focus groups, individual interviews, and/or surveys such as the Merit System Principles Questionnaire (MSPQ), which has baseline data on this topic.

### **Where can we go for data?**

The HR Office should be able to provide the hard data on turnover rates since the implementation of the programs, types of programs implemented, and number of employees covered.

The employee input must come directly from employees who both have and do not have access to the programs. Managers can also provide information on the quality of new hires, which together with other data may indicate whether the programs are attracting a high quality workforce.



# Applying the HRM Accountability System Model: An Example

The U.S. Office of Government Operations (OGO), a Federal agency, has decided to design and implement an HRM accountability system. This is a brief example of how the agency goes about doing this, using examples of how it defines its goals, objectives, and measurement systems. The example follows the HRM Accountability System Model step-by-step. It happens to focus on the goal of customer service, but could just as well be applied to other agency HRM goals.

## Step 1: Agency Diagnosis

The first step OGO takes in establishing its accountability system is to conduct a diagnosis of its existing accountability components. It chooses to make use of the Accountability Program Coverage Guide, which is available through the Office of Personnel Management and was developed by OPM and the Interagency Accountability Working Group. In this way, it is able to establish a baseline and determine if the accountability outcomes identified by the Guide — both accountability processes and HRM programs results — are currently being achieved in the agency.

The agency finds that it is currently meeting some of the outcomes, but was able to identify areas that can be improved. For instance, the diagnosis indicates that HR customers do not believe that the HR office has a proactive customer service orientation.

## Step 2: Establish Agency Strategic Goals

As part of implementing the Government Performance and Results Act (GPRA), OGO has already developed a strategic plan with the strategic goals it plans to accomplish within the next five years, so there is no need to develop them from scratch. Agency strategic goal number five reads, “Build an environment of trust, teamwork, mutual respect, and pride of ownership through more effective communication and leadership at all levels.” Strategies to accomplish this goal include identifying internal customer relationships within the agency, expanding the use of teams, and improving work environments in all offices to maximize operational effectiveness and the quality of employee worklife.

## Step 3: Establish HRM Goals that Support Agency Strategic Goals

The next step OGO takes in establishing its accountability system is to define HRM goals that align with agency strategic goals. This is done in collaboration with employees, customers, and stakeholders. OGO’s HR office begins the process by establishing a strategic planning task force. The task force is made up of staff (both management and employees) from each HR function, and agency managers are consulted frequently throughout the strategic planning process. The task

- ✓ **Step 1: Agency Diagnosis**
- ✓ **Step 2: Establish Agency Strategic Goals**
- ✓ **Step 3: Establish HRM Goals that Support Agency Strategic Goals**



## Applying the HRM Accountability System Model: An Example

- ✓ **Step 4: Establish HRM Measures Related to Goals**
- ✓ **Step 5: Communicate HRM Goals and Measures**

force begins by defining the HR office's mission, vision, and values. These define what is important to the office. In doing so, the task force finds it useful to refer to OPM's framework of goals and measures based on the Merit System Principles, as a way of rooting itself in overarching Civil Service values and practices. It looks at the agency strategic plan to determine how the HR office can support agency goals. Finally, it looks at the accountability diagnostic analysis to see where the office's strengths lie and what has been pinpointed as needing improvement.

After much brainstorming, discussion, and analysis, the task force defines the goals that the office wishes to achieve within the next year. One of these goals is improvement of customer service: "Improve HR services provided to Human Resources office customers." This supports the agency's strategic goal to identify internal customer relationships within the agency, links to the accountability outcome regarding a proactive customer service orientation, and is a challenge faced by the office as indicated by the diagnostic analysis.

In addition to the general goal of improving services provided to its customers, OGO HR also defines strategic objectives that show how it plans to achieve the goal. Using the diagnostic baseline, the task force defines areas of customer service that should be maintained at current levels or need improvement. These objectives include:

- Increase manager and employee knowledge of personnel programs and policies through training and technical assistance.
- Increase timeliness of HR services.
- Increase quality as perceived by customers.
- Maintain high level of compliance with HR laws and regulations.

In addition to these objectives, the task force designs an action plan that defines what improvements will be made to the processes and systems in order to achieve the objectives. For example, to increase customer knowledge of HR practices, HR will develop employee and supervisory handbooks, and provide additional training.

### **Step 4: Establish HRM Measures Related to Goals**

After identifying the goals for the year, OGO's HR office must now identify measures that will determine if the goals are being achieved. To facilitate this task, the task force focuses on the objectives identified under customer service during the previous phase: increased knowledge of HRM programs and policies, improved timeliness, improved quality of services, and maintaining a high level of legal compliance. Specific measures can then be readily identified that address each of the objectives. One source of such measures is the OPM Merit Principle Measurement Framework, but there are many other sources as well.

The problem then becomes choosing the right measures for OGO. The task force uses the Kepner-Tregoe problem solving and decision making approach to identify the most pertinent, quantifiable, and resource-efficient measures. For instance, the task force selects as a key measure of increased knowledge of personnel programs and policies the number of technical questions received by the HR Office. Given no decrease in legal compliance (for which there must also be a measure or measures), a decrease in questions probably indicates greater understanding of current programs and policies.

### **Step 5: Communicate HRM Goals and Measures**

After the goals and measures are identified, OGO HR communicates them to the rest of the agency through a



newsletter. This newsletter shows the results of the customer feedback gathered through the diagnostic, the goals HR plans to achieve and the improvements it plans to make based on the customer feedback, and a time line for those actions. Through this type of communication, the customers can see that their participation is making a difference regarding the quality of service they receive.

### **Step 6: Establish Accountability for Goals and Measures**

After identifying HRM goals and measures, OGO HR assigns accountability for the goals and measures through a Measurement Plan Framework, as shown on the next page. In this context, accountability has a dual meaning. In one sense, accountability means ownership of the goals and the results identified through measurement: who is accountable for achieving or failing to achieve the goal. In the case of HR customer service, the HR Director is primarily accountable. The other meaning of accountability has to do with responsibility for the measure itself: who is responsible for gathering the data for a particular measure and reporting it. In the example, this responsibility rests with various members of the HR Office staff.

### **Step 7: Measure Performance**

The next step in the accountability system is to actually develop methods for gathering and disseminating measurement data. This involves identifying data sources, and designing information systems needed to support data collection and reporting. OGO decides to continue its use of the Measurement Plan Framework. Each person or group assigned responsibility for a measure is also assigned with the development of the measurement tools or approaches that will be most efficient and effective, as well as determining the frequency of mea-

surement. All of this information is added to the framework. New data systems required to support data collection and reporting are developed.

### **Step 8: Evaluate and Utilize Measurement Information to Improve HRM**

After the measurement process has been completed, the OGO HR Office uses a collaborative process for evaluating data, which again includes a cross functional team of employees, including line managers. Such a process provides for a more comprehensive look at the data. The team establishes findings, draws conclusions, and analyzes the results. Feedback is provided to the HR Director as the owner of the objective in a systematic way. The team chooses to report its findings, conclusions, and recommendations for improvement through briefings at staff meetings. This way, the whole office can benefit from the information and participate as needed in developing plans of action to solve problems or make improvements. After the feedback is provided, the HR Director creates an action plan on how the process is going to be changed or improved and presents this to staff as well as to the Director of OGO, to whom she reports. Progress reports are made on a continuing basis. The action plan and progress reports are also communicated to the customers through the newsletter. This lets the customers know that actions are being taken in response to their feedback and, ultimately, that their involvement in the process is worthwhile.

### **Step 9: Assess and Improve Accountability Process**

The final step of the accountability system is assessing and improving the process itself, and the totality of HRM programs and policies. OPM has announced its intention to review OGO every 4 years. Rather than wait for this to happen, OGO's HR Director has decided to

## **Applying the HRM Accountability System Model: An Example**

- ✓ **Step 6: Establish Accountability for Goals and Measures**
- ✓ **Step 7: Measure Performance**
- ✓ **Step 8: Evaluate and Utilize Measurement Information to Improve HRM**
- ✓ **Step 9: Assess and Improve Accountability Process**



**Applying the HRM  
Accountability System  
Model: An Example**

**Example of Measurement  
Plan Framework**

stay a step ahead of OPM by conducting an internal review every other year. The review team’s charter is to review and assess the process described above — to see what has worked and what hasn’t — and to make recommendations for improvement. It is also to assess broad HRM program results, including overall progress toward HR customer service improvement.

The team uses various forms of data collection tools, such as focus groups, questionnaires, records review,

and policies review. The task force then analyzes the data, develops recommendations for improvements, and shares these with the staff and across the organization through a written report. Under the HR Director’s leadership, the information from the internal review is used to make improvements in any or all aspects of the process (Steps 1 through 8) — from identifying new goals and measures to establishing new HRM programs to finding more effective means of involving non-HR stakeholders in the process.

**EXAMPLE OF MEASUREMENT PLAN FRAMEWORK:**

The framework lists the strategic objective, the individual measures, who owns the process (who is accountable for it), and who will be responsible for developing, conducting, and reporting on the measurement and analysis.

**Agency Goal: Build an environment of trust, teamwork, mutual respect, and pride of ownership through more effective communication and leadership at all levels.**

**HR Goal: Improve HR services provided to OGO customers.**

**HR Goal Owner: HR Director**

Strategic Objective	Measure	Measurement Tool or Approach	How Often	Measurement Responsibility
Increase manager and employee knowledge of personnel policies through training and technical assistance.	Number of technical questions	Automated tracking system	qtrly	Training Staff - Suzie
Ensure legal accuracy of HR Office actions	Rate of compliance	Record reviews	yearly	Policy and Evaluation Div- Kelly
Increase timeliness of HR services.	Customer Service Standard	Automated tracking system	qtrly	Personnel Operations Div- Tom
Increase customer perceptions of quality.	Customer ratings	Focus groups, customer surveys	yearly	Policy and Evaluation Div- Bob



# Appendix A

## MERIT SYSTEM PRINCIPLES

As stated in Section 2301(b) of title 5, United States Code:

(b) Federal personnel management should be implemented consistent with the following merit system principles:

(1) Recruitment should be from qualified individuals from appropriate sources in an endeavor to achieve a work force from all segments of society, and selection and advancements should be determined solely on the basis of relative ability, knowledge, and skills, after fair and open competition which assures that all receive equal opportunity.

(2) All employees and applicants for employment should receive fair and equitable treatment in all aspects of personnel management without regard to political affiliation, race, color, religion, national origin, sex, marital status, age, or handicapping condition, and with proper regard for their privacy and constitutional rights.

(3) Equal pay should be provided for work of equal value, with appropriate consideration of both national and local rates paid by employers in the private sector, and appropriate incentives and recognition should be provided for excellence in performance.

(4) All employees should maintain high standards of integrity, conduct, and concern for the public interest.

(5) The Federal work force should be used efficiently and effectively.

(6) Employees should be retained on the basis of the adequacy of their performance, inadequate performance should be corrected, and employees should be separated who cannot or will not improve their performance to meet required standards.

(7) Employees should be provided effective education and training in cases in which such education and training would result in better organizational and individual performance.

(8) Employees should be -

(A) protected against arbitrary action, personal favoritism, or coercion for partisan political purposes, and

(B) prohibited from using their official authority or influence for the purpose of interfering with or affecting the result of an election or a nomination for election

(9) Employees should be protected against reprisal for the lawful disclosure of information which the employees reasonably believe evidences -

## Appendix A

### 5 U.S.C. 2301(b)



## Appendix A

### 5 U.S.C. 2301(b)

### 5 U.S.C. 2302(b)

(A) a violation of any law, rule, or regulation,  
or

(B) mismanagement, a gross waste of funds, an abuse of authority or a substantial and specific danger to public health or safety

### **PROHIBITED PERSONNEL PRACTICES**

As stated in Section 2302 (b) of title 5, United States Code:

(b) Any employee who has authority to take, direct others to take, recommend, or approve any personnel action, shall not, with respect to such authority -

(1) discriminate for or against any employee or applicant for employment -

(A) on the basis of race, color, religion, sex, or national origin, as prohibited under section 717 of the Civil Rights Act of 1964 (42 U.S.C. 2000e- 12);

(B) on the basis of age, as prohibited under section 12 and 15 of the Age Discrimination in Employment Act of 1967 (29 U.S.C. 631, 633 a);

(C) on the basis of sex, as prohibited under section 6(d) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(d) );

(D) on the basis of handicapping condition, as prohibited under section 501 of the Rehabilitation Act of 1973 (29 U.S.C. 791); or

(E) on the basis of marital status or political affiliation, as prohibited under any law, rule, or regulation;

(2) solicit or consider any recommendation or statement, oral or written, with respect to any individual who requests or is under consideration for any personnel action except as provided under section 3303(f);

(3) coerce the political activity of any person (including the providing of any political contribution or service), or take any action against any employee or applicant for employment as a reprisal for the refusal of any person to engage in such political activity;

(4) deceive or willfully obstruct any person with respect to such person's right to compete for employment;

(5) influence any person to withdraw from competition for any position for the purpose of improving or injuring the prospects of any other person for employment;

(6) grant any preference or advantage not authorized by law, rule, or regulation to any employee or applicant for employment (including defining the scope or manner of competition or the requirements for any position) for the purpose of improving or injuring the prospects of any particular person for employment;

(7) appoint, employ, promote, advance, or advocate for appointment, employment, promotion, or advancement, in or to a civilian position any individual who is a relative (as defined in section 3110(a)(3) of this title) of such employee if such position is in the agency in which such employee is serving as a public official (as defined in section 3110(a)(2) of this title) or over which such employee exercises jurisdiction or control as such an official;

(8) take or fail to take, or threaten to take or fail to take, a personnel action with respect to any employee or applicant for employment because of -

(A) any disclosure of information by an employee or applicant which the employee or applicant reasonably believes evidences -

(i) a violation of any law, rule, or regulation, or

(ii) gross mismanagement, a gross waste of funds, an abuse of authority, or a substantial



and specific danger to public health or safety if such a disclosure is not specifically prohibited by law and if such information is not specifically required by Executive order to be kept secret in the interest of national defense or the conduct of foreign affairs; or

(B) any disclosure to the Special Counsel, or to the Inspector General of an agency or another employee designated by the head of the agency to receive such disclosures, of information which the employee or applicant reasonably believes evidences -

(i) a violation of any law, rule, or regulation, or

(ii) gross mismanagement, a gross waste of funds, an abuse of authority, or a substantial and specific danger to public health or safety;

(9) take or fail to take, or threaten to take or fail to take, any personnel action against any employee or applicant for employment because of -

(A) the exercise of any appeal, complaint, or grievance right granted by any law, rule, or regulation;

(B) testifying for or otherwise lawfully assisting any individual in the exercise of any right referred to in subparagraph (A);

(C) cooperating with or disclosing information to the Inspector General of an agency, or the Special Counsel, in accordance with applicable provisions of law; or

(D) for refusing to obey an order that would require the individual to violate a law;

(10) discriminate for or against any employee or applicant for employment on the basis of conduct which does not adversely affect the performance of the employee or applicant or the performance of others; except that nothing in this paragraph shall prohibit an agency from taking into account in determining suitability or fitness any conviction of the employee or applicant

for any crime under the laws of any State, of the District of Columbia, or of the United States; or

(11) take or fail to take any other personnel action if the taking of or failure to take such action violates any law, rule, or regulation implementing, or directly concerning, the merit system principles contained in section 2301 of this title.

(12) knowingly take or fail to take a personnel action if that action or failure to act would violate a statutory or regulatory veterans' preference requirement.

## Appendix A

### 5 U.S.C. 2302(b)





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If you have any questions, comments, or suggestions regarding this Guide, please contact the Office of Personnel Management’s Office of Merit Systems Effectiveness at (202) 606-2820.





# Credits and References

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