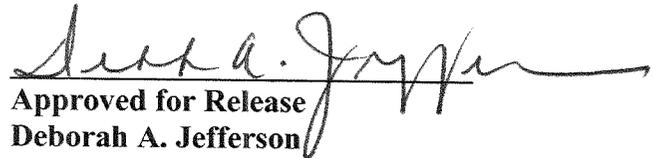



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Aug. 4, 2006
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**DEPARTMENT OF COMMERCE
OFFICE OF HUMAN RESOURCES MANAGEMENT**

HUMAN RESOURCES (HR) BULLETIN # 036, FY06

SUBJECT: Human Resources Management (HRM) Accountability System

EFFECTIVE DATE: Upon release of this HR Bulletin

EXPIRATION DATE: Effective until canceled or superseded

PURPOSE: The purpose of this HR bulletin is to provide guidance to ensure the overall effectiveness of human resources management in the Department of Commerce. HRM accountability is the responsibility shared by top agency management, line managers, and HR officials for ensuring that people are managed efficiently and effectively in support of Department mission accomplishment in accordance with the merit system principles. Implementation of the HRM Accountability System will promote effective HRM and identify and resolve significant problems.

CONTENT: This bulletin contains implementing guidance and reporting instructions to implement HRM Accountability Systems for the Department and in bureaus.

REFERENCES: Executive Order 13197 and Civil Service Rule X; 5 CFR Part 10; 5 CFR Part 250; 5 USC § 1103, 1104; 5 CFR Part 294; 5 CFR Part 297; 5 USC § 552; Public Law 104-52; 5 CFR Part 731; 5 CFR 339.306; 5 CFR Part 300, subpart A; 5 USC § 3305, 3309, 3311, 3313-3315 & 3317-3318; 5 CFR 300.603; 5 CFR 330.501; 5 CFR Part 1320; 5 USC § 1304; 5 USC § 1535; 5 USC § 2301 & 2302; 5 CFR Part 332, Subpart C; Section 1128 of the National Defense Authorization Act for Fiscal Year 2004 (Public Law 108-136, 5 U.S.C. 7101 note); Public Law 106-113, the American Independent Inventor's Protection Act of 1999 established the U.S. Patent and Trademark Office as a performance-based organization; HR Bulletin #034, Subject: Delegated Examining Unit Oversight Program dated May 2, 2006; HR Bulletin #015, Department of Commerce memorandum dated September 20, 2005, Subject: Vacancy

Announcements; HR Bulletin #033, Subject: Job Analysis—Roles and Responsibilities dated April 6, 2006; HR Bulletin #001, Process for Adjudicating Cases Involving Preference Eligibles dated March 10, 2005.

ATTACHMENT: HRM Accountability System Description

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HUMAN RESOURCES MANAGEMENT ACCOUNTABILITY SYSTEM

Introduction. The U.S. Department of Commerce (DOC) is committed to continuous improvement. Developing and using the capacity of our workforce in effective and productive ways, and assessing the results of our human capital management activities are priorities. The Department's Human Resources Management Accountability System is linked to its human capital strategic plan and monitors the Human Capital (HC) performance goals, identifies how progress will be assessed, and describes an evaluation process for continuous improvement.

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Section 1. Purpose and Scope

The purpose of this bulletin is to establish a Department-wide Human Resources Management Accountability System to ensure the overall effectiveness of human resources management in the Department. This centralized program has oversight responsibility for the full range of HRM throughout the Department. Further program responsibility will focus on the implementation of new and high profile initiatives, and the quality of management advice and technical assistance provided by HR offices.

The Department of Commerce administers most of its human resources management programs in accordance with Title 5 of the United States Code and Title 5, Code of Federal Regulations (CFR), however, coverage extends also to non-Title 5 programs such as the Alternative Personnel System at the National Institute of Standards and Technology (NIST), the Department's Demonstration Project, the Foreign Commercial Service and any other program subject to the merit principles.

This program defines the Department's role in HRM accountability, but does not replace either the Human Resources Officer's or line manager's accountability in assuring merit-based HRM activities. Each Human Resources Office (HRO) should perform recurring internal self-assessments to ensure that its practices are consistent with merit system principles, statutory and regulatory requirements, DOC policies, and negotiated agreements. Line managers should understand which practices and procedures are critical to a merit-based HRM system.

Section 2. Authority

Executive Order 13197, Government Accountability for Merit System Principles: Workforce Information, dated January 18, 2001, established Civil Service Rule X, giving OPM authority to require agencies to establish and maintain a system of accountability for merit system principles that (1) sets standards for applying merit system principles, (2) measures the agency's effectiveness in meeting these standards, and (3) corrects any deficiencies in meeting these standards. In response, DOC has established a Human Resources Management Accountability System to improve human resources management practices and create a high performing workplace. This system also supports the Homeland Security Act of 2002 (P.L. 107-296), that requires every agency to appoint a Chief Human Capital Officer with the responsibility to assess agency human capital management, and Section 1128 of the National Defense Authorization Act for Fiscal Year 2004 (Public Law 108-136, 5 U.S.C. 7101 note) that requires agencies to conduct annual employee surveys. As specified herein, the Department of Commerce will adhere to 5 CFR Part 250 when it is finalized by the U.S. Office of Personnel Management (OPM).

Section 3. Human Capital Accountability at Commerce

The "Department of Commerce Workforce Restructuring Plan Aggregate Submission for FY 2003- FY 2007" articulated the strategic direction and measurable workforce goals. The Plan identified the actions DOC will take to ensure the people who carry out the mission are in the right place, at the right time, with the right skills. The Plan identified human capital initiatives and actions necessary to achieve DOC's performance goals. The Department-wide strategic human capital plan and related information are available at http://www.ohrm.os.doc.gov/Strategic/PROD01_000889.

As human capital plans are updated annually, the metrics and areas of focus for the HRM Accountability System will be updated to reflect the changes.

Through this Department-wide strategic human capital plan, individual bureau strategic human capital plans, independent HRM Accountability Audits and a common metrics system, DOC will maintain accountability for all HR programs. Government-wide standards for HRM accountability systems will continue to evolve, and the Department will provide updates as necessary. For example, OPM is identifying a set of survey questions that must be used for measuring the employee perspective related to Leadership and Knowledge Management, Results-Oriented Performance Culture and Talent Management. These survey questions were listed in a Federal Register Notice of proposed regulations dated September 16, 2005, but the regulations have not been finalized at this time. OPM guidance also requires an assessment of the quality of strategic human capital plans and an annual accountability system report. Below is a summary of the metrics and indicators that will be included in the 2006 DOC annual report:

Strategic Alignment and HRM Accountability: HR Performance Measurement Survey and Federal Human Capital Survey results. Government Performance and Results Act goals and results related to human capital.

Talent Management: Competency gaps closed for mission-critical occupations, Federal Human Capital Survey results related to Talent Management, manager satisfaction with hiring results, time-to-hire using the OPM model and information from the Staffing Timeliness Measures (STM) system, and proper use of hiring authorities as determined by audits.

Results-Oriented Performance Culture: Performance Appraisal Assessment Tool (PAAT) results including Federal Human Capital Survey results related to Performance Culture, timely completion and quality of performance plans, mid-year reviews and summary reviews as determined by audits and certification through the Department's Performance Management Tracking System, and compliance with SES Certification requirements.

Leadership and Knowledge Management: Human Capital Scorecard deliverables from closing skill gaps and gaps in succession plans. In 2006, compliance coverage will be determined by the Commerce training needs assessment that is required by the Workforce Flexibility Act.

Accountability: The annual report for 2006 and subsequent years will include a section discussing improvements to the accountability system.

DOC will conduct regular accountability audits of bureau human resources programs on a 3-year cycle to evaluate each bureau against the objectives of the Department's human capital strategies and requirements. In addition, each bureau is responsible for conducting an annual assessment of their programs, including Delegated Examining Units (DEU), and reporting to the Office of Human Resources Management as described in HR Bulletin #34.

All bureaus must develop a description of their HRM Accountability System that includes how the bureau will measure and monitor efficiency, effectiveness and compliance in each of the following areas: Talent Management, Results-Oriented Performance Culture, and Leadership and Knowledge Management. The description will include an introductory section that links the system to Department and bureau goals and strategies. In 2006, the descriptions of bureau-level accountability systems are due August 15 from all bureaus.

The Bureau of the Census, International Trade Administration (ITA), National Institute of Standards and Technology (NIST), and National Oceanic and Atmospheric Administration (NOAA) must each develop an annual report that summarizes progress in each of the areas listed above and discusses improvements to the bureau-level accountability system. Annual bureau reports covering the previous fiscal year from Census, ITA, NIST, and NOAA on their accountability systems are due November 15, 2006.

Section 4. Authorities and Responsibilities

Human capital accountability at the Department begins with the support of top-level management and includes managers at all levels. The Department's leadership establishes human capital goals and objectives, determines measures, establishes budgets, and modifies initiatives based on results. The continuous process of monitoring and adjusting goals, measures, budgets and initiatives ensures a systemic approach to accountability. Top leadership support and accountability is ensured through the Department's Senior Executive Service (SES) Performance Management System linking performance plans to organizational performance goals and strategic management initiatives. In this way, standards for human capital management are cascaded through all levels of management.

The Office of Human Resources Management (OHRM) in the Office of the Secretary provides leadership, coordination, guidance, and technical expertise related to management of the Department's human resources. OHRM staff works collaboratively with management and with the human resources offices in the bureaus. This arrangement helps Commerce implement its human capital initiatives, practices and policies Department-wide while performing appropriate human resources functions in the bureaus where employees work.

a. Chief Human Capital Officer Responsibilities:

- (1) Oversees, directs, and executes all authorities related to human resources that are otherwise vested in the Secretary by statute;
- (2) Oversees, directs and executes all authorities included in the Chief Human Capital Officer Act;

(3) Reviews the Department's budget requests to ensure that they include resources to implement the strategic human capital plan, and to ensure that initiatives are consistent and coordinated Department-wide and support the Administration's and Secretary's priorities.

b. The Director for Human Resources Management and Deputy Chief Human Capital Officer Responsibilities:

- (1) Develops, implements, and manages an HRM Accountability System which will help DOC bureaus meet mission goals through effective recruitment, development, and utilization of employees;
- (2) Determines the targeted area of emphasis for each accountability audit cycle, conducts data analysis, and prepares objective standards;
- (3) Plans an HRM accountability audit schedule, in conjunction with the bureaus, on a cyclical basis;
- (4) Reviews Departmental policies and procedures in light of findings from accountability audits, and makes necessary modifications to update or improve those policies and procedures;
- (5) Communicates findings from accountability audits to Principal Human Resources Managers and bureau management, which include recommendations to strengthen or improve HRM activities; and requires follow-up actions to ensure any violations are corrected; and
- (6) Shares lessons learned and innovative ideas with the human resources community and line managers.

c. Bureau Human Resources Officer Responsibilities:

- (1) Support the HRM Accountability System by participating in on-site audits; providing staff, as needed, to assist the accountability audit team; and taking action, when required, to rectify problematic practices;
- (2) Provide periodic updates and reports as requested to the Office of Human Resources Management about bureau activities related to human capital;
- (3) Conduct recurring internal self-assessments, including DEU audits, and providing feedback to the Director for Human Resources Management, in support of the HRM Accountability System; and

(4) Educate line managers about their mutual accountability for merit system principles and human capital management, and share HRM systemic issues with managers as appropriate.

d. Supervisor and Manager Responsibilities:

- (1) Make data-driven human capital decisions that are compliant with merit system principles and applicable laws, regulations, and policies;
- (2) Implement human capital initiatives and participate in their evaluation.

e. Oversight and Accountability Officer Responsibilities:

- (1) Develop and monitor the Commerce HRM Accountability System, and evaluate the effectiveness and efficiency of human resources management in the Department;
- (2) Conduct periodic formal reviews of HR practices and procedures and document findings;
- (3) Systematically review HR data to assess consistency of actions, and determine impact/results of HR policy;
- (4) In concert with the Office of Policy and Programs, provide policy guidance to HR offices related to HRM accountability and update policy when necessary;
- (5) Follow up on all issues or problems resulting from OPM/DOC audits or when discovered by other means;
- (6) Monitor reports that HR Offices are required to submit to OPM; and
- (7) Assist bureaus in developing and improving HRM Accountability Systems at the bureau level.

Section 5. Accountability System Objectives

The accountability system ensures the integrity of merit system principles by focusing on systemic HRM issues across the Department. Its emphasis is on providing assistance to human resources offices, finding the causes of problems, and recommending solutions to achieve exemplary customer service and to support mission accomplishment. While this program is cyclical in nature, the Department maintains the authority to conduct "As Needed" reviews. Program objectives include:

1. Improve the effectiveness and efficiency of HR programs and processes.

2. Reduce the risks of non-compliance with Merit System Principles and other HR related legal requirements.

Each year, the Department will identify areas of focus for the accountability system in the first quarter of the Fiscal Year (FY), based on the findings of the prior year. The Commerce Human Capital Management and Accountability Council will assist in identifying and communicating the updated areas of focus each year. Areas of focus for FY 2006 include:

- Required and recommended actions generated by the OPM audit in FY 2005;
- Assessment of performance appraisal systems across the Department and implementation of the new multi-tier appraisal system;
- Human Capital Scorecard deliverables in Strategic Alignment, Talent Management, Performance Culture, Leadership and Knowledge Management, and “Proud to Be” commitments;
- Accountability – improve the system and management by utilizing measures from employee and HR Performance Measurement surveys;
- HR Operations – maintain delegated examining unit certifications and effectiveness, improve the automated hiring system and usage of appointing authorities such as Veterans’ Recruitment Appointment (VRA) and outstanding scholar; improve hiring timeliness.

Section 6. Accountability Evaluation Methods

- Records Review is the process of examining actions, records, and files (e.g., Official Personnel Folders, Employee Performance Folders, demographic data, merit promotion files, applicant supply files, training records, disciplinary and performance based action case files) to determine legal and regulatory compliance, observe trends, and assess overall HRM effectiveness.
- Structured Interviews with Managers, Supervisors, HR Staff, and selected employees are conducted to help clarify HRM issues and learn about the HR procedures of a particular organization.
- Focus Group Interviews are carefully designed to obtain perceptions on HR programs and processes from a homogeneous group of people outside of the HR office. The focus group usually includes five to ten people and is led by a moderator. The qualitative data gathered from these kinds of interviews is useful in identifying and explaining trends and patterns in perceptions.
- HRM Accountability Audits are regularly recurring in accordance with statutory authority and responsibility under 5 U.S. C. 1104 and Executive Order 13197. Audits will employ various evaluation methods.

- HR Performance Measurement Surveys are conducted periodically to find out if managers, supervisors, and employees are satisfied with the quality, timeliness and accuracy of human resources services.
- Employee Surveys, such as the Federal Human Capital Survey, provide information about organization climate, culture and management practices.

Section 7. Human Resources Management Accountability Audits

a. Selection of Targeted Area(s) of Emphasis. The targeted area(s) of emphasis for each review cycle will be determined by numerous catalysts, to include the Department's strategic and annual performance plans, human capital strategies, changes in bureau structure, amendments in law, regulation and policy, concerns raised by such bodies as the Office of Personnel Management, the Merit Systems Protection Board, the Department's Office of the Inspector General, high profile issues, previous systemic problems, trends in EEO complaints or grievances, or patterns in customer feedback.

b. Composition of Accountability Audit Teams. The composition of teams will vary, based upon the expert knowledge required for the HRM issue(s) being evaluated. While Departmental staff will lead the audits, bureau staff will assist in organizing, coordinating, conducting and reporting activities.

c. Data Collection and Analysis. The accountability audit team will conduct an analysis of pertinent statistical data regarding the bureau or office's serviced population, and personnel actions taken pertaining to the targeted area(s) of emphasis. An Advance Information Request will normally accompany the scheduling letter for audits.

d. Development of Evaluation Guides. The accountability audit team will develop guides and checklists, which contain objective standards germane to the targeted area(s) of emphasis. Wherever possible, standards will measure program success through results rather than process, recognizing that some legal requirements are process-driven. Guides will be forwarded to the HROs in advance of the on-site audit, and used consistently throughout the review cycle.

e. Components of On-Site Accountability Audits. Each visit to a human resources office is anticipated to last 3-5 days in duration, depending on the extent of coverage. The specific nature of the visit will depend upon the targeted area(s) of emphasis and results of preliminary data analysis. Generally, the visit will consist of:

1. Entrance Briefing. The accountability team leader will provide an entrance briefing to the HR Officer and other stakeholders, as appropriate.

2. Examination of Documentation and Files. Selected documentation and files will be reviewed by the audit team. Such files will be pertinent to the targeted area(s) of emphasis and, if possible, any special issues or concerns identified with the bureau before the audit or during the entrance briefing. If deficient actions are found, the HRO will be

given the opportunity to correct them while the accountability team is on-site. These individual deficiencies will not be addressed in the formal report unless they indicate systemic HRM issues.

3. Interviews or Focus Groups. As needed, the accountability team will conduct individual interviews or lead a focus group with managers, employees, HRO staff, or other appropriate personnel, to collect additional or clarifying information, capture perceptions, and/or track consensus issues, and will, to the maximum extent possible, be kept anonymous.

4. Close-Out Briefing. Based on findings during the on-site assistance visit, the accountability team leader will provide an exit briefing to the same personnel described in the entrance briefing above. They will be apprised of preliminary findings regarding the overall effectiveness of the HRM program.

Section 8. Reporting and Post-Audit Responses

a. Reporting Requirements. Following the on-site accountability audit, the accountability team leader or senior evaluator will provide a draft report to the respective Human Resources Officer for their review and comments. When there are required and/or recommended actions, the HR Officer must develop a plan and submit it to the Office of Human Resources Management (OHRM), attn. Oversight and Accountability Officer, and a copy to the audit team senior evaluator within 15 workdays from the issuance of the draft report. Systemic problems and/or Merit System violations not satisfactorily resolved within 60 calendar days after the audit will be reported to the Director of Human Resources for further action.

The final report will include evaluation findings; required actions, a description of the steps taken to address any violations of law, regulations, or policies; and recommendations to strengthen or improve HRM activities. The final report will be provided to the Director for Human Resources Management, and senior bureau management as requested. The Oversight and Accountability Officer will maintain records that document what action(s) were taken to address issues identified in the audit.

b. Follow-Up Action. Where follow-up is required, the accountability team will work closely with the Human Resources Officer and staff to ensure that any necessary actions have been taken to correct violations of laws, regulations, or policies. All required actions resulting from an audit must be resolved within 60 calendar days from the issuance of the final report. Bureaus will provide a written response to the final report that documents responses to both required and recommended actions.

Repeat violations of merit system principles or egregious problems in management or human resources operations may result in disciplinary action or reassignment of individuals. Delegations of authority may also be rescinded at the discretion of the Director for Human Resources Management in certain cases.

c. Annual Report and Review of Departmental Policies. If systemic HRM issues are discovered during the review cycle, it may be necessary to issue new or revised Departmental policies. The annual report on HRM accountability will include a section evaluating how the system can be improved.

d. Recognition of HRM Best Practices. When innovative or excellent HRM practices have been identified, the Director for Human Resources Management will share those lessons learned and accomplishments of HROs with the Commerce HR community.