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# Federal Human Resources Management for the 21st Century

*Strategic Plan*

*FY1997 - FY2002*

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# INTRODUCTION

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## STRATEGIC PLAN

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This strategic plan describes the future direction of the United States Office of Personnel Management (OPM). It states our mission, vision, and values and defines our goals and objectives. Our plan starts with a summary of our recent history since strategic planning began at OPM four years ago.

Although this plan focuses on OPM's core functions, our human resources operations, services, oversight, and policy functions would not be possible without the integrated support of the OPM staff offices. These include the Offices of: the Chief Financial Officer, the General Counsel, Congressional Relations, Communications, Human Resources and EEO, Information Technology, and Contracting and Administrative Services. In addition, the Office of the Inspector General conducts independent audits, evaluations and investigations to determine the efficiency and effectiveness of OPM programs.

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## RELATIONSHIP OF STRATEGIC PLAN GOALS AND OBJECTIVES TO ANNUAL PERFORMANCE PLAN

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Each year as part of the President's annual budget submission, OPM will present its Annual Performance Plan, which will link specific yearly activities and initiatives to the long-term goals and objectives identified in the Strategic Plan. The Annual Performance Plan will also describe specific performance measures and incremental performance improvements expected for long-term objectives. Progress towards targets set in this Strategic Plan and described in the *How We Measure Our Success* section for each strategic goal will translate to appropriate annual performance goals and activity milestones in the Annual Performance Plan.

The *Program Evaluation* section of this Strategic Plan provides additional information regarding evaluation agendas, schedules, and program-specific measures that further link this Strategic Plan and the Annual Performance Plan.

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## **WHO WE ARE AND WHAT WE DO**

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The Office of Personnel Management (OPM) is the President's agent and advisor for operating and continuously improving the Government's system of human resource management.

The President leads a workforce of roughly 1.4 million uniformed military personnel, 0.8 million postal workers, and another 1.8 million civilian employees. Agency heads, officers, and line managers supervise these civil servants as they work to serve the public and accomplish missions that were established by law.

When managers want to recruit, examine, investigate, hire, fire, train, reward, promote, reassign, evaluate, or take any other personnel action, they must be able to rely on personnel professionals who have the knowledge and tools to get things done the best way. OPM, in turn, provides the needed information, tools, and advice to civilian personnel professionals. As a partner with agencies, OPM also works to keep managers better informed about developments in human resource management.

Managers need advice in human resource management to be sure they are doing the right thing and are complying with the Merit Principles. All employers are subject to certain employment laws and to their own company policies. In the Federal Government this is particularly true. Over the years many laws have adopted developments in private sector personnel practices and reflected a continuing public interest in fairness and efficiency for the civil service. Part of the responsibility of the President and of OPM is to administer a civil service merit system that ensures compliance with personnel laws and regulations. Merit principles ensure that Federal agencies invest taxpayers' money only in employees who are most likely to do a good job, and that they base hiring, pay, promotions, and reductions in force on a process that is objective, job-related, and fair.

In carrying out its functions, OPM relies heavily on its "critical mass" of expert staff, broadly applied cutting-edge technology, and unique Governmentwide information systems. It operates through a close partnership with agencies, particularly in considering and resolving issues through the Interagency Advisory Group of Federal Personnel Directors, and in consultation with the President's Management Council.

### **More Specifically, the Office of Personnel Management:**

**Helps Set Personnel Rules with Agencies' Involvement.** Personnel laws usually require OPM to issue implementing regulations. Where there is legal flexibility, OPM strives for an approach that best helps agencies accomplish their missions, relying heavily on advice from those agencies. One of OPM's objectives is to make sure that its regulations and oversight activity keep agencies in compliance with law, but also keep managers from bogging down in unnecessary and counterproductive red tape. OPM acts as a partner with the Office of Management and Budget in reviewing legislative proposals affecting human resource management and in proposing legislative and executive initiatives to the President after consulting with agencies. OPM participates in litigation before courts and administrative adjudicatory bodies on significant issues of civil service law.

**Protects the Merit System and Veterans' Rights through Oversight.** OPM assesses agencies' effectiveness in personnel management at the Governmentwide, agency, and installation levels. The information gathered is used for policy development, and for ensuring compliance with both the Merit Principles and personnel laws and regulations. Data gathered by OPM enhances agency capability for self-evaluation, and assists agencies in operating personnel programs that effectively support accomplishment of their primary missions. OPM also certifies agency delegated examining units and evaluates their compliance, and evaluates personnel systems outside the competitive service to determine whether their adherence to Merit Principles warrants an agreement to allow the interchange of employees between these systems and the competitive service without further examination. Veterans' rights are an integral part of the merit-based personnel system that OPM safeguards.

**Helps Agencies Recruit Instantly and Nationwide.** On behalf of all agencies, OPM administers a Governmentwide, computerized listing of all job vacancies in the competitive service currently open to outside applicants, plus many vacancies that are outside the competitive service. This allows agencies to quickly reach a wide range of potential employees and provides for open competition from all segments of society. Job seekers find it easy to learn about job openings 24 hours a day, 7 days a week, through the Internet, touch-screen kiosks in agencies, and by telephone.

**Supports Agencies in Merit-Based Examining and Hiring.** Roughly three-fourths of non-Postal civil servants are in the competitive service, which means their selection is guided by the Merit Principles and hiring and retention procedures administered by OPM. These procedures are based on the principle that use of valid, objective procedures will result in a more highly qualified workforce.

Civil rights laws and Federal personnel laws also require that selection methods be job-related and ensure that all receive equal opportunity. Personnel laws also give selection preference to certain veterans, based on their service. OPM's team of psychologists continues to develop a wide range of assessment instruments for agencies' use. OPM provides examining policy advice and assistance, as well as direct reimbursable services to agencies for examination development and processing.

**Supports Agencies in Workforce Restructuring.** The Federal Government is in a period of profound change, driven by the forces of improved management and reduced budgets. Agencies are responding through workforce restructuring, involving often significant organizational redesign as well as staff downsizing. OPM works closely with agencies to ensure they can effectively restructure while maintaining needed skills, quality, and diversity in the workforce. OPM's expert staff set policy, provide guidance, and administer the Federal programs for reductions in force (RIF), separation incentives, and early retirement, and provide advice on internal reorganization and career transition initiatives. OPM also provides direct reimbursable services in these areas.

**Provides for Personnel Investigations.** OPM sets Governmentwide investigations policy for the Federal personnel security program and carries out on-site inspections to make sure agencies are following established policies. OPM also provides, on a reimbursable basis, through a contractor, personnel investigations relating to suitability and security.

**Promotes Executive Leadership for a Results-Oriented Government.** OPM fosters the development, selection, and management of Federal executives and candidates who are strong leaders and change agents with the expertise and skills required to transform Government. This includes providing executive and management development programs and services through three interagency residential centers: the Federal Executive Institute in Charlottesville, VA, and Management Development Centers in Lancaster, PA (scheduled to relocate to Shepherdstown, WV in 1998), and Denver, CO.

**Operates the Nation's Largest Retirement Programs.** OPM administers the Civil Service Retirement System (CSRS) and the Federal Employees' Retirement System (FERS), which together cover more than 5 million active and retired Federal employees from all agencies and disburse more than \$40 billion each year in earned retirement benefits.

**Manages Employee Health and Life Insurance Programs.** OPM sets the standards for, contracts with, and oversees the performance of benefit providers under the Federal Employees Group Life Insurance and the Federal Employees Health Benefits (FEHB) programs. These highly regarded programs serve more than 10 million customers (active Federal employees, retirees, and covered family members) in all agencies.

**Provides the System for Setting Federal Compensation.** In setting compensation, the Government does what most other large employers do. Agencies look at the duties of a job to determine the right occupation and level (job classification); refer to documentation of what other employers pay for that work, the relative value of the work within the organization, and what the agency is able to pay (the pay scale); and then adjust pay over time, based on the employee's contribution. OPM does the research and sets the standards for classifying jobs; and participates with others in establishing the pay scales for a variety of pay systems, which are adjusted to account for labor markets and to address recruitment and retention problems. Similarly, to recruit and retain the best and the brightest, it develops benefits packages, including leave, insurance, and retirement that not only seek to match value with those of the non-Federal sector, but are also structured as national models for other employers.

**Provides Tools for Effective Employee Performance Management.** OPM has a leadership role in promoting effective performance management and ensuring that individual accountability is established and maintained throughout the Federal workforce. OPM sets guidelines for evaluating, developing, and rewarding employee performance that leaves agencies free to design and use appraisal, training, and awards approaches that suit them best. It also provides models and technical assistance for planning, measuring, developing, and rewarding performance at the individual, group, and organizational levels. In addition, OPM provides agencies and managers with guidance and assistance about how to identify and correct performance problems in accordance with requirements to assure that employees are treated fairly.

**Takes the Lead in Government Labor and Employee Relations.** OPM is an advisor and consultant to agency officials in developing effective labor-management relations, employee relations practices, and family-friendly workplaces to help agencies accomplish their missions and develop effective agency policies in these areas. OPM is the single clearinghouse for Governmentwide information on best practices, innovations, data trends and other information on Federal labor-management and employee relations. OPM leads the Government in improving operations by helping agencies work effectively with Federal labor organizations that represent 1.1 million Federal employees. OPM consults with labor organizations and agency managers and labor-relations officials on Governmentwide rules, regulations, and directives affecting conditions of employment. In cooperation with the National Partnership Council, OPM champions collaborative labor-management relationships that promote improved performance, results, and service to the public. In addition, OPM provides leadership for agency employee relations activities that cover employee discipline, employee assistance, employee health, and work and family programs.

**Takes the Lead in Governmentwide Automation of Human Resources Management Systems.** OPM has a leadership interest in ensuring that agencies are able to make the best and most cost-effective use of automation to achieve human resource management objectives. To fulfill this role, OPM leads the interagency Human Resources Technology Council, which is responsible for crafting a long-term strategic vision and goals for human resource management Governmentwide, particularly as it relies on automation to accomplish those goals. The Council promotes cooperatively developed systems and operations to solve common problems and prevent costly duplication of efforts, as encouraged by the Clinger-Cohen Act of 1996.

**Manages a Comprehensive Workforce Information System.** OPM sets the standards for information that goes into employees' Official Personnel Folders at agencies, retains ownership of those records, and provides instructions for release of personnel data under the Freedom of Information Act and the Privacy Act.

It also collects and electronically maintains employee data in a Central Personnel Data File to support and improve Federal personnel management decision making. In addition, OPM is required by law to gather, analyze, and maintain statistical data on the diversity of the Federal workforce, and to prepare evaluation reports to Congress.

**Seeks Improvement through Demonstration Projects.** OPM works with other Federal agencies on demonstration projects to explore potential improvements in personnel systems and better and simpler ways to manage Federal personnel. It also conducts studies and avails itself of others' research in human resource management.

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#### **WHERE WE GET OUR MISSION**

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The President has authority, provided by the Constitution and by specific laws, to oversee the personnel management functions of the Executive branch and of agencies outside the Executive branch that employ persons in the competitive service. By law (5 U.S.C. 1104), "the President may delegate, in whole or in part, authority for personnel management functions, including

authority for competitive examinations, to the Director of the Office of Personnel Management." That law also provides that the Director of OPM may delegate some or most of those functions to agencies and establish standards for their conduct. Other laws have given additional personnel management authority directly to the Director of OPM.

For nearly 100 years, the United States Civil Service Commission consistently evolved in a way that would strengthen its use as a tool for the President in improving the management of the Executive branch. In 1978, the Civil Service Reform Act of 1978 continued that evolution by transferring personnel management responsibilities to a new Office of Personnel Management that was more directly accountable to the President. Implementing that change were Executive Order 12107 of December 28, 1978, and Reorganization Plan No. 2 of 1978 (5 U.S.C. app.), effective January 1, 1979.

The immediate incentive for the Civil Service Act of 1883, which established the Civil Service Commission in the first place, was to end scandals over giving Government jobs (and taxpayers' money) as rewards for political service. But a major goal even back then was to improve the quality of the Nation's civil service. Other countries had already established high quality benchmarks by hiring civil servants on the basis of merit, often determined by education or a written test.

Following the Civil Service Act, many other laws embraced developments in private sector personnel practices and showed a continuing public interest in fairness and efficiency for the civil service. A partial listing of those laws gives some sense of the range of OPM's responsibilities: Retirement Act (1920), Classification Acts (1923, 1949), Veterans' Preference Act (1944, including procedures for reductions in force and adverse actions, and establishing a "rule of 3" to limit hiring only to top candidates), Annual and Sick Leave Act (1951), Incentive Awards Act (1954), Group Life Insurance Act (1954), Government Employee Training Act (1958), Health Benefits Act (1959), Federal Salary Reform Act (1962), Civil Rights Act (1964), Federal Employee Pay Comparability Acts (1970, 1990), Intergovernmental Personnel Act (1971), Equal Employment Opportunity Act (1972), Civil Service Reform Act (1978), Social Security Reform Act (1983), Federal Employees Retirement System Act (1986), Whistle Blower Protection Act (1989), Family and Medical Leave Act (1993), and continuing provisions placed in annual appropriations acts.

Presidents have also issued key Executive orders on personnel matters, such as those broadening the scope of the competitive service and establishing personnel offices in departments and agencies (E.O. 7916, 1938); permitting collective bargaining (E.O. 10988, 1962); setting out rights and responsibilities in collective bargaining (E.O. 11491, 1969); establishing labor-management partnerships (E.O. 12871, 1993); and establishing the personnel security program (E.O. 10450, 1953).

All of these laws and executive orders explicitly support the activities described earlier under "Who We Are and What We Do." In the aggregate, they give us responsibility to serve the public by providing human resource management leadership and high-quality services based on merit principles, in partnership with Federal agencies and employees.

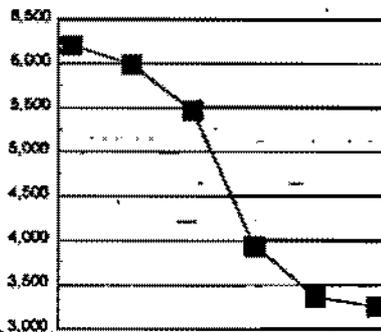
At the core of Federal personnel law are these merit system principles, found in 5 U.S.C. 2301(b):

- (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.*
- (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—*
  - (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.*

## WHERE WE'VE BEEN

Over the past four years OPM has crystallized its mission, completed a major redesign of the agency's functions and privatized two major programs, training and investigations. OPM has strengthened its oversight role as the custodian of the merit system and has successfully transformed a major part of employment information and staffing services to a reimbursable basis. Steady improvement has been achieved in customer service in employee earned benefit programs through investment in technology. These steps, along with more than commensurate reductions in administrative services, have allowed OPM to succeed with greatly reduced resources and to transform service delivery to its customers. In addition, OPM centralized agency administrative functions to make better use of technology and automation and eliminated all of its regional headquarters, while preserving nationwide service delivery.

Faced with dramatically reduced funding levels, OPM set an example for others by making the hard decisions that are necessary to operate within those levels, while continuing to successfully carry out its mission. As indicated in the chart below, we have reduced our FTE level from the FY 1993 baseline of 6,208 when we began our downsizing effort to 3,253 in FY 98, a cumulative reduction of 2,955 FTE. This 48% decrease is a far greater reduction than that of any other Federal agency. This strategic plan is our roadmap for continuing to move forward.



	FY93	FY94	FY95	FY96	FY97	FY98
FTE Ceiling	6,208	5,991	5,472	3,934	3,363	3,253
Cum FTE Reductions	0	217	736	2,274	2,845	2,955

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## **WHERE WE'RE GOING**

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Even as OPM maintains its historic commitment to the merit system and to veterans' preference, we must provide leadership and promote needed reforms as we confront the changes occurring in the Federal workforce. OPM's perspective will focus not only on the budget--the cost of Government--but on the urgent question of how we recruit--and sustain--the outstanding workforce that the taxpayers demand and that we must have to meet the challenges of the 21st century.

### **Our priorities are:**

- OPM is the guardian of the merit system. We created the new Office of Merit Systems Oversight and Effectiveness to provide merit system oversight in this era of change when both the increased delegation of hiring authority to the agencies and such management innovations as Performance-Based Organizations present new challenges. We will continue to protect and promote a merit-based civil service and help agencies improve their human resources management (HRM) programs.
- OPM is the Government's expert in compensation policy and administration. Pay policies must contribute to recruiting and retaining the best possible employees; they must be perceived as fair by employees and by the Nation at large; they must be linked to individual and organizational performance; and they must be flexible enough to accommodate and support innovations in workforce management. OPM will work with stakeholders to formulate a modern, performance-oriented system of total employee compensation to include basic pay, variable pay, and earned benefits.
- OPM is the administrator of the Civil Service and Federal Employees Retirement Systems. We have a number of significant initiatives underway that will ensure our continued leadership in the design and provision of employer-sponsored retirement programs. A few of these are: 1) the modernization of the retirement systems, particularly with regard to the Federal Employees Retirement System; 2) the prudent use of technology to improve the delivery of retirement program services to our customers; and 3) the development and implementation of an earned benefits vision designed to attract and retain the workforce of the next century.
- Continued strengthening of financial and other management controls will make the health benefit program more secure. OPM will take steps to ensure that enrollment records are handled properly by agencies and health carriers participating in the FEHBP.
- To improve Americans' opinion of Government, Federal human resources management must make performance the core of all we do. Every employee must understand and be prepared to make his or her contribution to agency performance and results. We must recognize and reward productive employees and managers who achieve organizational excellence through their individual and group performance. At the same time, however, OPM and agencies must maintain individual accountability and provide better training and

support to managers who need help in dealing with poor performers. We must streamline the process for taking action against poor performers, improve the adjudicatory process, and make maximum use of alternative dispute resolution.

- We take pride in the many programs that help Federal employees balance work and family, such as the Family and Medical Leave Act, sick leave programs, telecommuting and alternative work schedules. Family-friendly policies help us recruit and retain a well-qualified workforce and use them in ways that enhance productivity. OPM will continue to help agencies meet those goals.
- OPM will continue to champion strong and effective labor management relations that support Federal employees, managers, and their representatives and promote improved performance, results, and service to the public:
- A strong senior executive corps is essential to the continual transformation of Government. OPM will provide leadership for developing, selecting, and managing a corps of executives with solid leadership skills, a broad perspective of Government, and values that are grounded in the American Constitution, and ultimately contribute to a better results-oriented Government.
- To assure success in meeting our mission, we will fully exploit automation technology to provide continual improvement in human resources services and processes. This will enhance our service delivery to customers, allowing us to simplify and improve our processes, particularly the administration of our benefit programs, the provision of staffing services and employment information, and the conversion of documentation and recordkeeping from paper to electronic medium.

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## **WHO OUR STAKEHOLDERS ARE**

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OPM's work affects a wide range of stakeholders who represent many points of view. They include the U.S. taxpayer; Congress; agency heads, managers, and supervisors; the President's Management Council; agency personnel directors and their Interagency Advisory Group; the many Federal Executive Boards and Associations that coordinate Federal efforts in the field; current Federal employees; employee unions and the National Partnership Council; professional and management associations; Federal annuitants and their organizations; job-seekers; veterans and their service organizations; minorities, women, and persons with disabilities and their organizations; colleges and universities and their associations; displaced Federal employees; insurance carriers; charitable organizations who participate in the Combined Federal Campaign; a variety of interagency organizations; and our own talented employees, who strive to make the Government work better and cost less.

## OPM'S STRATEGIC MISSION STATEMENT

*As the leader in human resource management for the Executive branch of government, OPM develops policies, in cooperation with Federal agencies and other stakeholders, so that agencies can recruit, hire, and retain workforces best suited to their missions. OPM oversees the Governmentwide implementation of those policies so that agencies will uphold national values that are embodied in law -- including merit principles and veterans' preference. OPM manages Governmentwide systems that support agencies and their employees by administering retirement, insurance, and other benefit systems for Federal employees and annuitants. OPM also administers Governmentwide compensation systems and maintains automated information systems that are used to inform the public of Federal employment opportunities and are used to keep managers and the public informed about the nature and size of the current Federal workforce. OPM also provides high-quality, cost-efficient services to other agencies.*

## OPM'S VISION

The President, Congress, and agencies look to OPM for advice on human resources policy. OPM provides effective, merit-based, and family-friendly personnel systems for use Governmentwide and ensures that agencies are accountable for their appropriate use. OPM is the preferred source for system design and expert consultation concerning human resource operating systems, research and innovation, and education and training in human resources and management. Ultimately, OPM's efforts support a Federal workforce that achieves the results desired by the American public.

## OPM'S VALUES

Our core values are constant and they embody: respect for institutions of democracy, a civil service based on merit principles, the dignity of the individual employee and customer, and the ability to change and adapt. We are committed to maintaining an environment that fosters and nurtures:

- A work ethic that constantly strives for high quality and customer satisfaction through excellence, innovation, and creativity;
- Equity, integrity, fairness and loyalty in all aspects of our work relationships;
- Our greatest strength: the skills and knowledge of the OPM family;
- A workforce that reflects the high quality and diversity of our society;
- Leadership and empowerment at all levels through clear and open communications;
- Partnership at all levels with responsible and accountable participation;
- Improved services through cross-functional collaboration, teamwork, and recognition;
- Continuous development and learning at all levels; and
- A balance between work and family.

## OPM'S STRATEGIC GOALS

- GOAL I.** *PROVIDE POLICY DIRECTION AND LEADERSHIP TO RECRUIT AND RETAIN THE FEDERAL WORKFORCE REQUIRED FOR THE 21ST CENTURY.*
- GOAL II.** *PROTECT AND PROMOTE THE MERIT-BASED CIVIL SERVICE AND THE EMPLOYEE EARNED BENEFIT PROGRAMS THROUGH AN EFFECTIVE OVERSIGHT AND EVALUATION PROGRAM.*
- GOAL III.** *PROVIDE ADVICE AND ASSISTANCE TO HELP FEDERAL AGENCIES IMPROVE THEIR HUMAN RESOURCES MANAGEMENT PROGRAMS TO EFFECTIVELY OPERATE WITHIN THE ECONOMY, DEMOGRAPHICS AND ENVIRONMENT OF THE 21ST CENTURY.*
- GOAL IV.** *DELIVER HIGH-QUALITY, COST-EFFECTIVE HUMAN RESOURCES SERVICES TO FEDERAL AGENCIES, EMPLOYEES, ANNUITANTS AND THE PUBLIC.*
- GOAL V.** *ESTABLISH OPM AS A LEADER IN CREATING AND MAINTAINING A SOUND, DIVERSE AND COOPERATIVE WORK ENVIRONMENT.*

# GOALS AND OBJECTIVES

## GOAL 1

**PROVIDE POLICY DIRECTION AND LEADERSHIP TO RECRUIT AND RETAIN THE FEDERAL WORKFORCE REQUIRED FOR THE 21ST CENTURY.**

## OVERALL HUMAN RESOURCES MANAGEMENT

- By the year 2000, examine all significant Governmentwide human resources management policies and programs to identify changes needed to promote a merit-based and cost-effective Federal service and the optimum balance of Governmentwide uniformity and agency-specific flexibility across those policies and programs.
- By the year 2002, propose and implement clear, effective policies and programs wherever a need for change was identified in the Year 2000 review.
- By the year 2002, modernize the Central Personnel Data File (CPDF) to be the Governmentwide system for efficiently collecting, analyzing, and disseminating accurate, comprehensive, and timely workforce information on all Federal civilian employees (other than Postal Service) that supports policy research, development, and evaluation.

## STRATEGIES FOR ACHIEVING OBJECTIVES

- Incorporate the values of merit and equity in every policy and program.
- Monitor current and emerging issues, trends, and stakeholder interests.
- Use the CPDF and other questionnaire databases to systematically identify significant trends in Governmentwide human resources management practices.
- Develop policies and regulations in partnership with stakeholders.
- Identify and solve common problems and avoid duplication of effort by working cooperatively with consortia, agencies, and interagency groups, including the National Performance Review, President's Management Council, National Partnership Council, Interagency Council on Administrative Management, the Interagency Advisory Group of Federal Human Resources Directors and its component Networks and Working Groups, Federal Executive Boards and Associations, and other more program-specific groups.

- Use electronic media to disseminate information widely and cost-effectively.
- Research and evaluate state-of-the-art technology for application to the submission, accessing, maintenance, and presentation of workforce information.
- Provide human resources management leadership through presentations, conferences, training sessions, workshops, multi-media instructional materials, reports, and handbooks for agency actions.

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#### **HOW WE WILL MEASURE OUR SUCCESS**

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- Fewer findings of systemic problems found in oversight reviews of agency human resources management programs.
- Improvements in human resources operations found in oversight reviews and studies.
- Improvement in perception of overall human resources management as measured by a 10 percent increase, by the year 2002, in the percentage of favorable ratings in the annual Merit System Principles Questionnaire administered by OPM's Office of Merit Systems Oversight and Effectiveness (OMSOE).
- Improvement in organizational human resource management processes as measured by the National Performance Review/Performance America survey.
- Increased agency satisfaction with the policy setting process, as measured by agency customer survey data.

### **HUMAN RESOURCES SYSTEMS AUTOMATION**

- Provide Governmentwide leadership via the Human Resources Technology Council for cooperative business process redesign and system modernization efforts, in support of the Clinger-Cohen Act of 1996. (Continuing)
- Through the Human Resources Technology Council, fully exploit modern automated technologies to improve human resource management practice for examining, training, classification, performance management, benefits administration, and personnel documentation and recordkeeping, by achieving the following sub-objectives:

- By the year 1998, establish core requirements for human resources systems; set benchmarks; and evaluate existing and developing systems against requirements and benchmarks.
- By the year 1999, establish requirements and a model for an electronic official personnel folder (Digital OPF) to replace paper personnel records.
- Continue to increase the number of agencies using Employee Express each year, to enable more employees to make self-directed benefits changes.

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### **STRATEGIES FOR ACHIEVING OBJECTIVES**

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In addition to using the strategies for achieving overall human resources management objectives previously listed:

- Work cooperatively with records management organizations, such as the National Archives and Records Administration and the National Personnel Records Center, and other relevant groups.
- Revise and simplify Governmentwide record keeping policies and requirements to facilitate the use of an electronic OPF.
- Evaluate existing and new automation practices and processes and share findings.
- Establish consortia or other mechanisms to enable small agencies to benefit from automation advances.

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### **HOW WE WILL MEASURE OUR SUCCESS**

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- Governmentwide cost savings, as measured by agency reports of estimated savings due to the introduction of automation.
- Improved human resource management operations, measured by efficiency and quality indicators, e.g., number of employees with access to benefits self-selection, improved ratios of personnel operations staff to employees covered, and number of agencies introducing the electronic OPF each year.
- Increased agency automation of personnel documentation.

## COMPENSATION, CLASSIFICATION, AND BENEFITS

- By the year 2002, propose legislative changes to achieve a modernized performance-oriented system of total compensation including establishing the value of jobs/work/performance; setting and adjusting basic pay; designing and delivering variable pay; and establishing and ensuring appropriate earned benefits — that can adapt to a variety of missions, structures, labor markets, and work technologies and can keep total costs apparent to managers who are held accountable for managing those costs:
- Carry out the tasks required to ensure cost-effective implementation of existing and newly-enacted pay and leave provisions. (Continuing)
- By the year 2002, simplify and automate the current General Schedule position classification system, reducing the number of position classification standards from more than 400 to fewer than 100.
- By the year 1999, work with stakeholders to formulate a consensus regarding a credible annual pay adjustment process for the General Schedule and related pay systems.
- Become the acknowledged leader in the design and provision of cost-effective employee earned benefits programs.

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### STRATEGIES FOR ACHIEVING OBJECTIVES

In addition to using the strategies for achieving overall human resources management objectives previously-listed:

- Under the leadership of a Stakeholder Steering Committee, execute a multi-year agenda of research and outreach efforts to identify, formulate, evaluate, and share information about issues, options, and approaches concerning total compensation in the Federal Government.
- Work cooperatively with the Federal Salary Council, the President's Pay Agent, the Federal Prevailing Rate Advisory Committee, and other relevant groups.
- Complete a benefits vision study of earned benefits programs for the next century and develop a proposal for accomplishing this vision.
- Modernize the retirement program's service delivery systems and the earned benefit financial systems based on redesigned business processes and finite, tangible automated products.

- Strengthen existing, and establish new, relationships with industry and association representatives in the earned benefit field so that administrative and programmatic initiatives are developed and implemented smoothly and effectively, our customers benefit from these relationships, and we stay competitive with industry practices and views.
- Position OPM to be able to support other Government retirement systems (i.e. Foreign Service, CIA, DC Government) with the delivery of their services.

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### **HOW WE WILL MEASURE OUR SUCCESS**

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- Fewer findings of systemic problems found in oversight reviews of agency human resources management programs.
- Improvements in human resources management programs found in oversight reviews and studies.
- Improvement in perception of equity and merit base of classification and compensation decisions as measured by a 10 percent decrease, by the year 2002, in the percentage of unfavorable ratings in the annual Merit System Principles Questionnaire.
- Improvement in the retention of high-quality employees as measured by a 10 percent increase, by the year 2002, in the percentage of favorable ratings in the annual Merit System Principles Questionnaire.
- Increased agreement among stakeholders that the pay adjustment process is credible as indicated by reduced level of complaints.
- Proposals based on the benefits vision study describe earned benefits that are competitive with those offered by other large employers and are developed and supported by the Administration, the Congress, our customers, and stakeholders.
- Improvement in organizational human resource management processes as measured by the National Performance Review/Performance America survey.

## **STAFFING AND EXAMINING**

- Ensure that agencies are able to determine the lawful rights of employees and applicants, including veterans, during hiring, promotion, and restructuring. (Continuing)
- Increase the quality of the Federal workforce by continually encouraging the use of valid, fair, and merit-based examining procedures for selection and promotion. (Continuing)

- Encourage the use of targeted programs designed to attract highly qualified candidates for the Federal Government, such as the Presidential Management Intern Program. (Continuing)
- By the year 2002, using incremental targets established each year, raise the levels of underrepresented groups in Federal employment to be equivalent to their percentages in the relevant external labor market.

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### **STRATEGIES FOR ACHIEVING OBJECTIVES**

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In addition to using the strategies for achieving overall human resources management objectives previously listed:

- Work cooperatively with veterans' groups such as the Disabled American Veterans, The American Legion, Veterans of Foreign Wars, AMVETS; minority groups such as the Hispanic Association of Colleges and Universities (HACU), Historically Black Colleges and Universities (HBCU), Federal Asian Pacific American Council (FAPAC), Federally Employed Women (FEW), Blacks in Government (BIG), National IMAGE, Inc., the American Indian Higher Education Consortium; and other relevant groups such as the Equal Employment Opportunity Commission, the President's Committee on Employment of People with Disabilities, and the Presidential Management Intern Steering Committee.
- Evaluate validity and cost effectiveness of existing and new methods for selection and share with others.
- Provide agencies with clear, easy-to-understand, and timely diversity data and other information to support their own assessment of policy goals and objectives.

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### **HOW WE WILL MEASURE OUR SUCCESS**

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- Fewer findings of systemic problems found in oversight reviews of agency human resources management programs.
- Improvements in human resources management programs found in oversight reviews and studies.
- Improvement in perception of equity and merit base of agency staffing decisions as measured by a 10 percent increase, by the year 2002, in the percentage of favorable ratings in the annual Merit System Principles Questionnaire.

- Improvement in the perception of quality of the Federal workforce as measured by a 10 percent increase, by the year 2002, in the percentage of favorable ratings in the annual Merit Systems Principles Questionnaire and agency satisfaction surveys.
- Improvement in organizational human resources management processes as measured by the National Performance Review/Performance America survey.
- Increased hires (up to approved ceilings) for targeted hiring programs like the Presidential Management Intern Program.
- Increased minority hires and retention in occupations and at grade levels where underrepresentation has been shown.

## PERFORMANCE MANAGEMENT AND EMPLOYEE DEVELOPMENT

- Promote performance improvements by maintaining a flexible, decentralized policy framework for appraisal, awards, and human resource development within which agencies can establish results-oriented and merit-based programs for planning, measuring, developing, and rewarding employee performance at the individual, group, and organizational level that by 2002 are tailored to agency mission, structure, culture, workforce, and work technology. (Continuing)
- Promote credible, effective programs that provide monetary and nonmonetary incentives and recognition for individual, group, and organizational achievements. (Continuing)
- Promote programs for dealing with poor performers and improve the capacity of managers to identify and resolve performance problems effectively. (Continuing)
- By the year 2002, successfully support and promote cross-cutting efforts to streamline the adjudicatory system and make it understandable, timely, and less costly.
- Support the transformation of Federal training from a set of process-focused, event-based activities into an outcome-oriented, measurable performance improvement function that supports managers and employees in sustaining a consultative, learning environment.

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## **STRATEGIES FOR ACHIEVING OBJECTIVES**

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In addition to using the strategies for achieving overall human resources management objectives previously listed:

- Evaluate existing and new performance planning and appraisal, incentive awards and recognition, and human resource development practices and procedures and share with other agencies.
- By 1998, distribute multi-media instructional materials (including interactive CD-ROM) for Federal managers and supervisors about how to identify and resolve performance problems, including taking successful action to remove a poor performer.
- Work cooperatively with the Human Resource Development Council and other relevant groups.

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## **HOW WE WILL MEASURE OUR SUCCESS**

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- Fewer findings of systemic problems found in oversight reviews of agency human resources management programs.
- Improvements in human resources management programs found in oversight reviews and studies.
- Improvement in perception of equity and merit base of performance management and employee development decisions as measured by a 5 percent increase, by the year 2002, in the percentage of favorable ratings in the annual Merit System Principles Questionnaire.
- Reduction in the perception that poor performance is tolerated in the Federal Government as measured by a 10 percent decrease, by the year 2002, in the percentage of unfavorable ratings in the annual Merit System Principles Questionnaire.
- Improvement in the public's perception of the quality and competence of the Federal workforce as measured by public opinion surveys.
- Improvement in organizational human resource management processes as measured by the National Performance Review/Performance America survey.

## EMPLOYEE AND LABOR RELATIONS

- Advise and consult with Federal agencies on labor-management relations by providing timely, accurate and useful information so that agencies may effectively work with their labor organizations that represent 1.1 million Federal employees. (Continuing)
- In cooperation with the National Partnership Council, continue to champion strong and effective labor management partnerships that support Federal employees, managers, and their representatives and promote improved performance, results, and service to the public. (Continuing)
- By the year 2002, develop, promote, and increase the use and accessibility of alternative dispute resolution programs among employees Governmentwide.
- By the year 2002, increase the awareness and use by employees Governmentwide of Employee Assistance Programs, as well as other health promotion and disease prevention programs and practices.
- Develop and promote family-friendly programs and personnel flexibilities (e.g., alternative work schedules, leave flexibilities, telecommuting, dependent care services) so that they are available and used appropriately by employees Governmentwide to balance work and family needs successfully. (Continuing)

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### STRATEGIES FOR ACHIEVING OBJECTIVES

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In addition to using the strategies for achieving overall human resources management objectives previously listed:

- Develop and strengthen OPM's leadership role with Federal agencies by establishing a network of agency officials with whom OPM will share accurate and timely information on developing employee and labor relations case law, trends, and best practices in working with labor organizations and adjudicatory bodies.
- Serve as the source for Governmentwide information on Federal collective bargaining, including data and trends on union recognition, collective bargaining agreements, arbitration decisions, innovations and best practices in labor-management relations.
- Develop and maintain an automated information system on the Federal collective bargaining program with capacity to collect, analyze, and disseminate useful information and analysis on union recognition, collective bargaining agreements, and arbitration decisions.

- In cooperation with the National Partnership Council, develop and implement annual strategic plans for the Council designed to support and promote collaborative labor relations programs that gets results.
- Evaluate and share findings about existing and new practices and procedures in the areas of employee discipline, employee health promotion and disease prevention, and employee assistance programs.
- Continue to coordinate and consult with interagency and intergovernmental networks of employee relations, security, administrative, and other relevant officials to increase agencies' ability to plan for and deal with traumatic, violent, and otherwise disruptive incidents in the workplace.
- Continue to coordinate and consult with interagency, intergovernmental, and public and private sector networks to promote a family-friendly Federal workplace.

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#### **HOW WE WILL MEASURE OUR SUCCESS**

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- Reduction in the number of unfair labor practices, negotiability appeals, and other cases brought before the Federal Labor Relations Authority and the Federal Service Impasses Panel.
- Increased usefulness, timeliness and accuracy of publications and services, as measured regularly through formal surveys and recurring feedback to track improvements or needs for improvement.
- Improvement in the results and value of labor-management collaborative relationships as measured by periodic Governmentwide surveys.
- Improvement in the number of agency adverse actions that are sustained in appeal.
- Improvement in the availability and use of alternative dispute resolution procedures.
- Improvement in perception of equity and effectiveness of workforce relations as measured by a 5 percent increase, by the year 2002, in the percentage of favorable ratings in the annual Merit System Principles Questionnaire.
- Improvement in the availability and use of Employee Assistance Programs as measured by the Annual Survey of Employee Assistance Programs.
- Improvement in organizational human resource management processes as measured by the National Performance Review/Performance America survey.

## EXECUTIVE RESOURCES

- Achieve a Governmentwide senior executive corps of strong leaders with a national, corporate vision who can lead the continuing transformation of Government and provide for effective management of the Government's human resources.
- In allocating executive personnel resources, maintain the corporate goal of a smaller executive corps that is consistent with an overall smaller, more streamlined and delayered Federal workforce.
- By the year 2002, foster movement by senior executives as a means of broadening the executive's perspective and bringing fresh insight to agency programs.

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### STRATEGIES FOR ACHIEVING OBJECTIVES

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In addition to using the strategies for achieving overall human resources management objectives previously listed:

- Evaluate the structure of the Senior Executive Service to determine if high level technical specialists and technical program managers should continue to be included in the executive corps.
- Continue to improve/refine executive core qualification requirements to reflect developments in executive competencies.
- Address attitudinal and other barriers to mobility on the part of agency leadership and the senior executives.

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### HOW WE WILL MEASURE OUR SUCCESS

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- Improvements in the degree to which selections for executive positions have wide-ranging backgrounds based on interagency, intergovernmental, and/or interdisciplinary experiences.
- Increased recognition and support among executives and agency selecting officials for the value of executive skills and talent in addition to technical qualifications.
- Increased communication and networking among executives across agency and governmental lines.

## **PERSONNEL INVESTIGATIONS**

- Ensure the suitability of applicants for and appointees to Federal positions. (Continuing)
- Be an effective leader in the personnel security community by continuing to set Governmentwide investigative policy and serving as an active member of the Security Policy Board. (Continuing)

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### **STRATEGIES FOR ACHIEVING OBJECTIVES**

In addition to using the strategies for achieving overall human resources management objectives previously listed:

- Develop innovative investigative policy approaches that provide high quality and cost-effective personnel investigations services to customer agencies.
- Monitor agency actions in adjudicating investigations.
- Exercise jurisdiction over the application of suitability guidelines, independently or with agencies.

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### **HOW WE WILL MEASURE OUR SUCCESS**

- Increased timeliness and quality of investigations.
  - Reduction in the number and severity of problems found in audits of agencies' personnel security processes.
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**GOAL II: PROTECT AND PROMOTE THE MERIT-BASED CIVIL SERVICE AND THE EMPLOYEE EARNED BENEFIT PROGRAMS THROUGH AN EFFECTIVE OVERSIGHT AND EVALUATION PROGRAM.**

- By the year 2000, complete evaluations of agency-level human resources management effectiveness in all major Federal agencies.
- Promote agency development of internal accountability systems--including links to ongoing oversight reviews--for conducting human resources management in accordance with merit system principles.
- Ensure that delegated examining is conducted in accordance with merit system laws, regulations, and principles. (Continuing)
- Evaluate and, when necessary, seek judicial review of the decisions of adjudicatory agencies to ensure they are consistent with civil service laws, regulations, and policies. (Continuing)
- By the year 1999, resolve material weaknesses and improve financial systems and internal controls to maintain the integrity of the earned employee benefits trust funds totaling more than \$60 billion in annual benefit payments and OPM's appropriated and reimbursable funds.
- Ensure Federal Employees' Health Benefits and Federal Employees' Group Life Insurance contract compliance through financial and performance audits, and quality assurance standards. (Continuing)
- Ensure that agencies adhere to Executive orders and regulations by inspecting and evaluating agencies' personnel security programs. (Continuing)

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**STRATEGIES FOR ACHIEVING OBJECTIVES**

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- Evaluate each of the 24 major agencies at the rate of 6 per year over a 4-year cycle.
- Develop, test, and help implement model human resources management accountability systems that agencies can adapt to their operating needs.
- Audit the operations of delegated examining units nationwide and correct any violations of laws or regulations. Recertify and train the staffs at least once every three years.

- Ensure that the Central Personnel Data File provides the data needed to assess the state of human resources management in Government, whether by OPM assessment or internal agency review, based on well-defined workforce information needs.
- Identify and examine evolving human resources issues that are critical to public confidence in the Federal merit system.
- Secure agency top management support and increase awareness and understanding of the merit system principles among employees Governmentwide.
- Develop training and informational materials to secure agency support and increase understanding of the merit system principles among all Federal employees.
- Work cooperatively with the Interagency Advisory Group of Federal Personnel Directors and other relevant groups.
- Prioritize identified financial management control weaknesses among the Federal benefits programs and implement corrective measures, including the implementation of fully integrated and documented general ledger and receivables management systems.
- Continue working with participating FEHB carriers and agencies so that all can report valid and reliable information regarding performance against quality assurance standards and validate FEHB carrier compliance with contract provisions through regular financial and performance audits.
- Develop a central FEHB enrollment database that agencies and health carriers can use to reconcile enrollment records.
- Carry out a planned security appraisal agenda.

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#### **HOW WE WILL MEASURE OUR SUCCESS**

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- Improvements in human resources management operations found in oversight reviews and studies.
- Merit violations found, corrected and prevented from reoccurring.
- Improvement in perception of equity and merit base of human resources management as measured by a 10 percent increase, by the year 2002, in the percentage of favorable ratings in the annual Merit System Principles Questionnaire.
- Improvement in organizational human resources processes as measured by the National Performance Review/Performance America survey.

- Adherence to schedule of recertification and training for every agency delegated examining unit at least every three years, and more often when needed, with the first cycle completed by end of FY 1999.
- Agency merit system principles accountability systems established or improved.
- Faster and more responsive Central Personnel Data File information provided to Federal agencies.
- Increased agency satisfaction with the evaluation process, as measured by client feedback surveys.
- Audits of the FY 1998 financial statements for the Government's benefits programs are timely and unqualified.
- All FEHB carriers reporting against quality assurance standards.
- Financial and performance audits demonstrate that most FEHB carriers are in compliance with contract provisions.
- Improvements in agency personnel security programs as measured by security appraisals conducted each fiscal year.

**GOAL III: PROVIDE ADVICE AND ASSISTANCE TO HELP FEDERAL AGENCIES IMPROVE THEIR HUMAN RESOURCES MANAGEMENT PROGRAMS TO EFFECTIVELY OPERATE WITHIN THE ECONOMY, DEMOGRAPHICS AND ENVIRONMENT OF THE 21ST CENTURY.**

- Provide models, guidance, and technical assistance to promote agency use of existing personnel flexibilities and tools to help them achieve human resources management goals in support of their mission. (Continuing)
- By the year 2002, become the acknowledged leading source for effective, efficient technical assistance for a full range of flexible human resources management programs, as well as for those areas where uniform, Governmentwide systems are in place.
- Help agencies design, implement, manage, and evaluate personnel demonstration projects, as well as other alternative personnel approaches, such as those envisioned for performance-based organizations. (Continuing)
- By the year 2000, improve agency administration of the earned benefit programs so that (a) 80% of all retirement submissions are received within 30 days of employee retirement dates, (b) most retirement application packages are ready for processing upon receipt at OPM, and (c) employees receive from their agency complete and timely retirement counseling and services pertinent to the earned benefit programs.

**STRATEGIES FOR ACHIEVING OBJECTIVES**

- Monitor current and emerging issues, trends, and stakeholder interests.
- Evaluate existing and new human resources management practices and procedures and share findings.
- Support agency program development by providing accurate and timely workforce information from the Central Personnel Data File.
- Identify and solve common problems and avoid duplication of effort by working cooperatively with consortia, agencies, and interagency groups, including the National Performance Review, the President's Management Council, the National Partnership Council, the Interagency Council on Administrative Management, the Interagency Advisory Group of Federal Human Resources Directors and its component Networks and Working Groups, Federal Executive Boards and Associations, and other more program-specific groups.

- Use electronic media to disseminate information widely and cost-effectively.
- Provide human resources management leadership through presentations, conferences, training sessions, workshops, multi-media instructional materials, reports, and handbooks for agency actions.
- Identify opportunities for substantive human resources management change by promoting innovative demonstration projects.
- Provide agencies with feedback regarding their performance in submitting retirement records in a complete and timely manner.
- Incorporate agency feedback into the retirement system modernization and new benefit vision projects.

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#### **HOW WE WILL MEASURE OUR SUCCESS**

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- Improved adherence with merit system principles and improved human resources management effectiveness as measured by (a) personnel action data, (b) employee questionnaires, and (c) oversight reviews of agency personnel operations.
- Improvement in perception of equity and merit base of human resources management as measured by a 10 percent increase, by the year 2002, in the percentage of favorable ratings in the annual Merit System Principles Questionnaire.
  - Improvement in organizational human resources management processes as measured by the National Performance Review/Performance America survey.
  - Improved human resources management operations, measured by efficiency and quality indicators (timeliness, quality control review).
  - Improved customer satisfaction with the retirement process, particularly as it involves agencies' functions such as retirement counseling, assessing the timeliness and completeness of retirement packages as they are received from agencies.
  - Increased agency customer satisfaction with advisory services and technical assistance, as measured by agency customer survey data.

**GOAL IV: DELIVER HIGH QUALITY, COST-EFFECTIVE HUMAN RESOURCES SERVICES TO FEDERAL AGENCIES, EMPLOYEES, ANNUITANTS AND THE PUBLIC.**

- Provide information about Federal employment opportunities to the public and to Federal employees 24 hours a day, 7 days a week, through the use of a Governmentwide, comprehensive information system to ensure fair and open competition and to assist agencies in reaching diverse, well-qualified job applicants. (Continuing)
  - By the year 1999, expand coverage to include all excepted service job openings.
  - By the year 2000, improve access for disabled information-seekers of employment information by using new technology.
  - By the year 2000, integrate the automated Federal employment information system with other employment information systems, at the State, local and collegiate levels, to ensure comprehensive service to the public.
- By the year 2000, become the provider of choice for direct human resources management services including examining, test administration, downsizing, career transition, organizational assessment, and occupational analysis, on a reimbursable basis.
- Provide readily accessible primary source data for meeting the workforce information needs of OPM, the other central management agencies, the Congress, the White House, and the public through the Central Personnel Data File and other reporting systems. (Continuing)
- By the year 2002, earned benefit programs customers will (a) be paid the right amount on the day payment is due, and (b) receive responses to their inquiries and service requests that are accurate and that meet or exceed their expectations.
- By the year 2002, begin deploying a modern retirement system that fully automates a redesigned retirement process including retirement counseling, trust fund and financial management, and claims processing.
  - By the year 1998, validate business requirements of the retirement programs based on input from Federal agencies and other stakeholders.
  - By the year 1999, based on analysis of business requirements, develop alternative "Concepts of Operations" for modernized system and define system modules (i.e., retirement counseling, trust fund and financial management, claims processing, etc.).

- From 1999 through the year 2002, based on Concepts of Operation, develop and deploy technology solutions to defined modules consistent with OPM's Information Technology technical architecture.
- Strengthen the corporate identity and leadership effectiveness of Federal managers and executives through the training and development programs offered by the Federal Executive Institute and the Management Development Centers and through the Senior Executive Service Orientation programs.
- By the year 1999, increase the capacity of OPM's reimbursable Training and Management Assistance program to provide cost-effective services that enhance human resource effectiveness through a partnership between OPM, Federal agencies, and private sector firms to develop training materials, as well as other performance management, workforce productivity improvement, and business process reengineering applications.
- Continue to enhance and support the Presidential Management Intern program as a source of future Government leaders through effective assessment and development.
- Operate the Governmentwide personnel program for Administrative Law Judges, including examining candidates, classifying positions, and protecting employee rights, in a timely and quality manner. (Continuing)
- Provide a broad range of high-quality, cost-effective investigative products to Federal agencies.

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#### **STRATEGIES FOR ACHIEVING OBJECTIVES**

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- Work closely with the Interagency Work Group on Employment Information and other relevant parties (e.g., Department of Labor, Veterans' Service Organizations, etc.) to enhance the Governmentwide employment information systems.
- Develop new and improved products and services to meet agency customer needs.
  - Use automation (e.g., web sites, touch screens, telephone technology) to provide employment information to the fullest extent possible and to keep agency costs low.
  - Continuously improve customer service.
  - Ensure continued expertise in human resources management and automation to maintain OPM's position as a service provider of choice.

- Use ongoing assessment of results to continually review and update the executive and managerial training and development programs and curriculum to ensure they reflect current trends in Government, leadership competencies, and changes in policy direction.
- Continue to streamline current claims-related processes and expand use of telephone service and other new technologies to improve responsiveness, reduce processing times, and improve service delivery without increasing staff levels.
- Conduct business re-engineering study of retirement processes and use its results as a key ingredient of the retirement system modernization effort. Develop a system design that defines the system in modules, each of which can be developed and delivered independently while maintaining the necessary level of integration between modules.
- Work closely with specific stakeholders (e.g., Administrative Law Judges, Presidential Management Intern Steering Group) to improve operational human programs and resolve issues.

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#### **HOW WE WILL MEASURE OUR SUCCESS**

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- Improved public customer satisfaction with employment information as indicated by a 10 percent increase, by the year 2002, in the percentage of "satisfied" ratings obtained on user surveys (or as indicated by a continued satisfaction rating of 90 percent or higher, each year, once that level has been obtained).
- Improved agency (customer) satisfaction with the Governmentwide employment information system.
- Ongoing positive feedback from agency executives and managers that programs and services are high quality, timely, and customer-oriented and that they are relevant to individual and organizational performance improvement.
- Increased market share for reimbursable services offered.
- Increased requests for reimbursable services each year.
- Financial balance of costs and income realized from reimbursable services.
- Faster and more responsive Central Personnel Data File information provided to Federal agencies.
- Broadened impact of executive and managerial development through participation from all agencies and their components.

- End-of-course evaluations for executive and management development programs that assess overall program quality and effectiveness. Additional measures address how well courses improve participant's individual and organizational effectiveness back in the agency.
- Improved agency (customer) satisfaction with the training products and other services OPM develops using private sector firms.
- Improved ratio of income to contractor cost for the Training and Management Assistance program.
- Increase customer satisfaction with retirement counseling, claims processing, and delivery of other program services so that by the year 2002, customer surveys will indicate that:
  - 90 percent of customers are generally or very satisfied with the retirement counseling they received in preparing for retirement;
  - 95 percent of customers are generally or very satisfied with how their retirement/survivor benefit claims were processed; and
  - 90 percent of customers are generally or very satisfied with the delivery of other Retirement Program services including telephone and written inquiries and requests for specific services such as address and tax withholding changes.
- Timely delivery of modernized modules and positive feedback from agencies, other stakeholders, and program staff concerning the functionality of these modules.
- Ongoing positive feedback from agency and external stakeholders that relevant operational programs are of high quality, cost-effective and meet specific program needs.

**GOAL V. ESTABLISH OPM AS A LEADER IN CREATING AND MAINTAINING A SOUND, DIVERSE AND COOPERATIVE WORK ENVIRONMENT.**

- Develop and maintain a well trained and versatile OPM workforce to support our mission.
- Manage the OPM workforce as an effective team and communicate clearly and knowledgeably with our internal and external customers.
- Serve as the Governmentwide benchmark for partnership and create a work culture where all employees are valued.
- By the year 2000, following a multi-year plan, link all of OPM's individual employee performance plans to our agency strategic and performance goals.

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**STRATEGIES FOR ACHIEVING OBJECTIVES**

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- Fully implement the *OPM Core Competency Training and Development Model*.
- Use automation technology (LANs, WANs, etc.) to provide real time communication links to the OPM workforce throughout the country.
- Acquire the necessary resources and make prudent investments in ourselves, our suppliers, and technology.

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**HOW WE WILL MEASURE OUR SUCCESS**

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- Extent to which OPM meets its annual performance and strategic goals.
- Extent to which training goals established in the *OPM Core Competency Training and Development Model* are met.
- Improved employee job satisfaction as measured by periodic employee surveys.
- Improvement in the value of OPM labor-management partnership activities as measured by National Partnership Council surveys.
- Increased hires of women, minorities, disabled veterans, and persons with disabilities in occupations and at grade levels where underrepresentation has been identified.

# Key External Factors That Could Affect Achievement of OPM's Goals and Objectives

As we strive to accomplish our mission through the goals and objectives we have set, we recognize that a number of factors and influences may present management challenges and affect our ability to achieve them. This section describes the environment in which OPM must operate and outlines what may be inhibiting or limiting factors to the achievement of our goals and objectives.

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## GOVERNMENTWIDE ISSUES

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- Public perceptions of the Federal Government (inefficient, bureaucratic, too large) spur legislative and/or executive action to effect change. Such efforts may have positive or negative effects on achievement of OPM's goals, depending on their nature and extent.

**Strategic Goals Most Affected: I, II, and IV**

- Actions of any branch of the Government can affect the public's trust and confidence in the Government as a whole. That public perspective makes a difference in how attractive the Government is as an employer. In the past year, polls have shown a resumption of students' interests in public sector employment, independent of income considerations. OPM can join with agencies, when requested, to promote public service employment and will continue its compliance reviews to avoid employment scandals which could reduce public confidence.

**Strategic Goals Most Affected: I and II**

- We have designed our strategies for recruitment, selection, and management of the Federal workforce based on our understanding of expected changes. The labor force is becoming more educated, more diverse, and more interested in control over work place hours and locations. The percentage of the population that is disabled is growing dramatically. Simultaneously, unemployment rates are at an all time low.

We have been able to compete successfully in this labor market in recent years for several key reasons: 1) Government hiring has been lowered in recent years due to downsizing; 2) we have been successful in recruiting in the growing minority and disabled populations due to our commitment to fairness and equity in hiring; and 3) we have been in the forefront of introducing flexibilities in workplace hours and locations. However, if the unemployment rates remain at these all time lows, and at the same time the private sector becomes better able to compete with us

in our areas of strength, then we could face serious recruitment problems. The solutions may be costly; these could include improvements in our employment information systems to reach even more applicants, and increasing workplace flexibilities or additional benefits as part of the total compensation package offered to Federal employees.

**Strategic Goals Most Affected: I, III, and IV**

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#### **RELATIONSHIPS WITH OTHER FEDERAL AGENCIES**

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- ▶ Budget/resource availability (shifts or reductions in funding ) for OPM and other agencies may have significant effects on the achievement of OPM goals and objectives, particularly those achieved through reimbursable funding.

**Strategic Goals Most Affected: IV**

- ▶ The accelerated loss of experienced managers and personnelists throughout the Federal Government during major downsizing creates a need for increased oversight of adherence to the Merit System Principles. Such losses also must be compensated for through continuing emphasis on training. In addition, the overall loss of skills and expertise through downsizing and other forms of attrition throughout the Federal Government will likely result in an increased demand for OPM services.

**Strategic Goals Most Affected: II, III, and IV**

- ▶ With increased delegation of human resources management authorities to managers and the sunset of the Federal Personnel Manual, OPM relies heavily on agencies to ensure that a much broader audience receives notice of changes in personnel policies and procedures.

**Strategic Goals Most Affected: I, II, III, and IV**

- ▶ Decisions by the Equal Employment Opportunity Commission, the Federal Labor Relations Authority, the Merit Systems Protection Board, and the courts can have a significant impact on civil service law and regulation. At present, decisions of the Merit Systems Protection Board and the Federal Labor Relations Authority may be judicially reviewed in certain circumstances when the involved agency loses. (For example, the Director of OPM may seek judicial review of those Board decisions which erred in interpreting civil service law affecting personnel management and which have a substantial impact on the civil service. The court's review is discretionary.) Equal Employment Opportunity Commission decisions may not be judicially reviewed when the involved agency loses. Improvements in this system are needed to protect the core management rights of agencies to take appropriate action against employees who are truly performing poorly.

**Strategic Goals Most Affected: I, II, and III**

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## **THE PERSONNEL COMMUNITY**

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- ▶ The delegation of personnel authorities, alternative personnel systems, and agency restructuring increase the challenges Federal personnelists face. Yet, personnelists with the experience and abilities needed to meet these challenges will continue to be at a premium. Federal personnelists must continue to move away from the traditional regulatory and procedural approach to human resources management and become consultants to management, providing quality services to the programs they support.

### **Strategic Goals Most Affected: III, IV, and V**

- ▶ A widespread reorganization of agencies' personnel servicing arrangements has created new challenges. Relatively small teams of personnel staff need quick access to the text of personnel laws and regulations, which continually change. Considerable anecdotal information indicates that operating personnel offices do not always have these reference materials and that policy information received in some agency headquarters takes a long time to reach the field. This makes it difficult for agencies to take advantage of new tools and flexibilities, and also difficult to stay within current law. OPM is working to provide more policy information and resource material through the Internet and other means, but agencies must still make documents and Internet resources more widely available.

### **Strategic Goals Most Affected: I, II, III, and IV**

- ▶ Although there are many talented people working in agencies' personnel offices, the government's human resource management community needs improved professional development. Nearly three-quarters of personnel specialists in agencies who entered the occupation in the 1980's, did so from clerical positions and received little human resource management training beyond how to meet procedural requirements. Of that three-quarters, 15% hold college degrees; of others who were hired directly into personnel jobs, 88% have degrees, but there is no evidence that those with degrees have formal education in personnel management. Recent downsizing has also led to the retirement of many who had valuable experience. The role of today's personnel professional is that of a problem-solving partner with managers, and not just as a custodian of administrative personnel processes. Without the right skills, the professional is neither able to meet the agency's requirements or to adhere to the rules. Although OPM cannot directly make needed changes, we will work with agencies, employee representatives, and appropriate professional organizations to improve opportunities for professional development in human resource management.

### **Strategic Goals Most Affected: I, II, and III**

# PROGRAM EVALUATION

## PROGRAM ASSESSMENT AND EVALUATION

The Strategic Plan for the Office of Personnel Management is the culmination of consultation with customers and stakeholders through ongoing formal and informal interactions that have been a part of the OPM way of doing business since it was established in 1978. This plan also reflects the results of a formal mission and reorganization review project conducted internally by OPM over the past four years, as well as individual program evaluation efforts conducted by major components of the Office.

## USING FEEDBACK

Formal feedback on OPM programs is available from various studies of human resources management issues and challenges, as well as specific OPM programs, that are conducted periodically by the U.S. General Accounting Office, the Merit Systems Protection Board, the National Performance Review, and the National Academy of Public Administration.

In addition, OPM's Office of the Inspector General (OIG) conducts periodic evaluations, studies, and audits of OPM programs which provide a valuable source of internal feedback. OPM has asked the OIG to assist us in determining the quality and reliability of the performance measures contained in OPM's Annual Performance Plan.

Formal feedback also comes from our continuing interaction with the Interagency Advisory Group of Federal Human Resources Directors. In this forum, emerging human resources management problems are identified, consensus solutions are proposed, and new policies are thoroughly considered before they reach the formal comment stage.

Informal feedback occurs across the spectrum of human resources management issues as the OPM staff daily field hundreds of inquiries from agency personnel offices, managers, and employees seeking advice and guidance about specific problems or interpretations of existing laws and regulations. This feedback enables us to monitor the effectiveness of new policies and programs and make continual adjustments as needed.

## SETTING OUT OBJECTIVES AND MEASURES

In addition to this valuable, interactive process of continual feedback, OPM's strategic planning and annual performance process emphasizes the need for formal, quantifiable methods of evaluating the effectiveness of our leadership in human resources management. We have therefore proposed a significantly enhanced set of objectives and measures to assess our progress towards our overall goals. These objectives are long-term, outcome-related performance goals, to be achieved over the foreseeable future (roughly within a five-year period). For each objective, strategies have been identified that will enable us to reach the objectives. In most cases, the objectives establish specific measurable targets, including dates where appropriate. Once the objectives are established, specific

performance measures must be chosen. Our proposed measures were chosen based on the criteria of: 1) cost-effectiveness, 2) availability; 3) validity; and 4) meaningfulness to stakeholders.

Many of the measures outlined in this plan have been introduced in recent years -- particularly in the area of customer satisfaction measures -- due to the influence of the National Performance Review's commitment to improved service to customers. In some cases, particularly for broad policy leadership objectives, setting a target date or a quantifiable objective is, understandably, problematic. In fact, the Government Performance and Results Act specifically acknowledges that some policy areas are not easily quantifiable. However, OPM has proposed measures for every objective, including policy leadership. We propose measuring policy leadership, for example, by assessing stakeholder satisfaction with the policy setting process as well as effectiveness of human resources policies once they are implemented.

OPM is in the process of developing a customer service assessment survey focusing on the timeliness, clarity, accessibility, and helpfulness of our policy issuances and technical guidance. In addition, we regularly survey the users of our electronic information services to determine if the information we disseminate through the electronic media is timely, appropriate, and accessible to users. The feedback from these surveys helps determine how we expand and organize this data.

#### EXECUTING AN EVALUATION AGENDA

Currently, OPM's program evaluation is conducted on a decentralized basis. Major program offices have each created and are at various stages of implementing a series of program-specific measures. The results have been used internally and as part of the budget justification process. With the creation of this OPM-wide evaluation agenda under the strategic plan, the review and use of individual program measures will be coordinated.

The OPM Executive Board, consisting of the Director, Deputy Director, Associate Directors, Chief Financial Officer, Chief Information Technology Officer, Director of Human Resources and EEO, and the President of AEGE Local 32, will be responsible for this review. They will track and report on the goals and objectives, recommend necessary adjustments to them, and affirm or modify the measurements and resources being applied.

A critical step is to implement the comprehensive measurement plan. Where baseline data are available now, they will be reported in the first annual performance plan that is submitted with the FY 1999 budget. Where data are not yet available, specific plans will be created for introducing the new measures. A data tracking system will be established, so that the Executive Board will have access to the data on a timely basis for assessment of progress against the plan each year.

## **PROGRAM EVALUATION SCHEDULE**

OPM will establish an annual schedule for agency-wide evaluation of the Strategic Plan and Annual Performance Plans.

This review will take place at the beginning of the fourth quarter each fiscal year. Results will be used to establish the Annual Performance Plan to be submitted to the Congress and to the President as part of the annual budget process. At least every third year, as required by the Government Performance and Results Act, the Executive Board will reevaluate the overall Strategic Plan and make adjustments as needed.

## **APPLYING PROGRAM EVALUATION**

As a result of this new improved program evaluation plan, OPM will be able to more effectively use the results of our existing and enhanced measures in a systematic and comprehensive process to:

- formulate new and revised policy;
- improve the quality of products and services;
- plan and budget;
- establish program-level work plans;
- assess individual and organizational performance; and
- ensure accountability and control.

## **PROGRAM-SPECIFIC EVALUATION ACTIVITIES**

A description of key OPM program evaluation activities follows. These activities are significant because they provide baseline data for some of the new measures proposed for the annual assessment of progress against the OPM strategic plan.

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## **OFFICE OF MERIT SYSTEMS OVERSIGHT AND EFFECTIVENESS**

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**Program Evaluation Efforts.** Office of Merit Systems Oversight and Effectiveness (O&E) internal program evaluation efforts make use of performance measures established for each performance objective in the O&E Strategic Plan. These objectives span O&E's program responsibilities, including ensuring through onsite reviews and other means that agencies operate merit-based personnel programs; seeking improvements in Federal personnel programs and policies through demonstration projects and nationwide studies; helping agencies improve the effectiveness and efficiency of their personnel programs; and carrying out several appellate

functions required by statute. Special studies underway or planned include accuracy of agency position classification, return to duty practices of agency workers' compensation programs, effectiveness of agency programs such as accountability, training, awards, downsizing, and human resources management deregulation.

Collection of information on performance measures is built into O&E's ongoing activities. Performance information which is not available internally is obtained from our stakeholders through administration of structured questionnaires in those agencies we have had dealings with in the recent past. O&E employees nationwide also are surveyed periodically to obtain their feedback on our success in meeting internal management objectives. Also, O&E performance management and awards programs are linked to accomplishments in support of the O&E and OPM Strategic Plans.

**Program Performance Review.** The O&E Council plays a large role in our program evaluation efforts. The Council includes all O&E management officials nationwide and three non-supervisory staff members selected by the workforce at large. It meets each calendar quarter to assess O&E's success in meeting its goals and performance objectives and to either affirm or modify the methods and resource commitments being applied toward them. The Council's meeting each Spring is dedicated to fundamental program evaluation, planning for the coming fiscal year, and updating the O&E Strategic Plan.

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## **EMPLOYMENT SERVICE**

**Employment Service Performance Evaluation Program.** The Employment Service has developed and implemented a performance evaluation plan consisting chiefly of three components: program objectives, customer service standards, and performance tracking. Our program objectives are to provide leadership in the Governmentwide improvement of employment practices; to provide leadership in the automation of human resources management functions; to provide accurate, timely and accessible employment information to job-seekers, including displaced Federal employees and veterans; to provide high-quality, cost-effective staffing policy, assistance, and services; and to provide other specialized human resources management policy, assistance, and services, as requested by agencies.

We have identified four strategic outcomes that cross our program objectives: improved human resources management practices; Governmentwide cost-savings; better service to the public and to our agency customers; and continuous improvement of our business practices.

We measure improvement in human resources management practices through data collected in a series of Governmentwide surveys (conducted by other parts of OPM or other external organizations). These surveys assess the perceptions of fairness and equity in Federal staffing; the perceptions of quality of the Federal workforce; the quality and timeliness of personnel services provided by OPM and at the agency level; and the impact of organizational human resources management processes on the accomplishment of agency missions. Baseline data has been collected in FY 96 for some of these surveys; others will be introduced in FY 98. We also use the

results of OPM oversight reviews of agency personnel operations to determine the degree of compliance with good staffing practices.

We plan to measure Governmentwide cost savings based on cost-comparison analyses performed on data supplied by agencies who are members of consortia formed to solve shared human resources problems, and by agencies who choose to use our reimbursable products and services. These data will be collected in FY 98.

We will measure service to the public and agency customers through a two-step process of 1) establishing customer service standards, and 2) evaluating customer satisfaction against those standards. In addition to customer surveys, we also track timeliness and quality of services provided.

**Employment Information Customer Service Data.** In FY 95 we introduced on-line surveys on each of our electronic systems -- telephone, touch screen, web site, and electronic bulletin board -- to collect customer feedback on the quality of our service delivery. These systems also automatically record the number of inquiries and requests for information made from each system.

**Examining Services Customer Service Data.** We gathered customer satisfaction data for examining services via an annual agency survey until FY 96. When our new examining standards are in place in FY 97, we will assess our performance through a mix of customer focus groups, follow-up interviews, surveys distributed with delivered products and services, and timeliness and efficiency data.

We measure continuous improvement of our business practices through assessment of the financial health of our reimbursable business, our market share, and the numbers and value of requests for our services. We also measure cost-savings achieved in the delivery of our programs, and investments in our human and physical capital.

We have designed an internal, modular, management information system to track all of our financial, workload, and other performance data, across all programs in the Employment Service. The first modules, the financial tracking system and the examining certificate processing system, are already in place, and the remaining modules will be implemented in FY 98.

Our performance evaluation plan provides us with the data necessary for making program effectiveness judgments and improvements. We review the data at the sub-program level on a continuous basis, and in our Employment Service Business Council on a quarterly basis.

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## HUMAN RESOURCES SYSTEMS SERVICE

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**Customer Surveys.** Human Resources Systems Service (HRSS) conducts a regular series of conferences, seminars, and workshops on a wide variety of human resource topics. Prior to major conferences, we survey stakeholders to identify their principal areas of interest, and use that information to establish the agendas. Following each session, we obtain feedback through structured questionnaires to determine the strengths and weaknesses of each presentation, and revise the programs and briefing materials accordingly. At regular intervals, we conduct follow-up surveys of readers of our newsletters to insure that our customers are receiving consistently accurate and timely policy guidance.

**Program Effectiveness.** Ultimately, the effectiveness of HRSS's programs is reflected in the Government's ability to recruit and retain good employees. In order to measure this, we gather personnel data from the Central Personnel Data File and publish analyses on topics ranging from turnover to employee assistance program usage to the use of compensation flexibilities. These reports allow Congress, the General Accounting Office, and other interested parties to determine how effective our programs have been. In addition, we work closely with the Office of Merit Systems Oversight and Effectiveness to develop and assess the results of special studies affecting HRSS policy areas.

**Workforce Information Quality Assurance.** The Office of Workforce Information conducts regular reviews of the quality of data in the Central Personnel Data File compared against employee information maintained by the agencies. Systematic data problems and errors are carefully analyzed and documented.

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## OFFICE OF EXECUTIVE RESOURCES

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**Quality Assessment of Executive and Management Development Programs.** Ongoing program evaluation is an integral part of the programs at the Federal Executive Institute, the Management Development Centers, and the Senior Executive Service Orientation Program. Assessment focuses primarily on the relevancy of course content to individual and organizational performance, but also addresses instructor performance, staff responsiveness, facility quality, and customer service. These assessments provide an early warning system about problems that may develop but, more importantly, they help keep the curriculum on course over the long-term.

**Pilot Effort:** The Western Management Development Center is piloting a project to determine the impact of training on job performance through use of a post-course evaluation form and collection of comparison data on knowledge before and after the seminars.

**Senior Executive Service Programs.** Ongoing customer service assessment efforts through daily contacts and regularly scheduled meetings with agencies and other stakeholders provides continuing feedback about policies, program delivery, and customer service. Issue-specific focus groups and formal surveys are another means of obtaining feedback for program improvement. As systemic issues are identified, program or issue-specific evaluations are conducted.

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## RETIREMENT AND INSURANCE SERVICE

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**Customer Service Standards and Surveys.** For each of the three Federal employee benefit programs we administer, we have developed customer service standards that define a level of service necessary to meet our customers' needs. Each year we survey our customers to measure our success in meeting those standards.

**Retirement Surveys.** The Office of Retirement Programs administers surveys to determine the level of satisfaction with retirement services provided to employee and survivor annuitants who had a transaction performed on their accounts during the previous 12 months. The surveys cover all aspects of direct services to annuitants, from replies to correspondence and telephone inquiries to processing case transactions. The data enables us to measure the effectiveness of the programs and to identify specific areas requiring improvement.

**Federal Employees Health Benefits (FEHB) Surveys.** In 1996, the Office of Insurance Programs (OIP) contracted with the Gallup organization to conduct the third annual survey to measure customer satisfaction with the level of service they receive from their health plans. The survey results will be available to all customers during the FEHB open season for use in deciding which plans to select. In addition, Gallup conducted a survey in 1996 to determine enrollees' satisfaction with the FEHB prescription drug benefit as administered by the largest fee-for-service plans. During 1997, Gallup will conduct a survey to determine the importance of FEHB customer service standards to Federal employees and how well OPM has met those standards, as well as the usefulness, reliability, and readability of Open Season materials that OIP prepares and publishes for FEHB enrollees.

**Federal Employees' Group Life Insurance (FEGLI) Survey.** In conjunction with the Metropolitan Life Insurance Company, the underwriter that manages FEGLI, a survey was conducted of beneficiaries who had received life insurance benefits. The survey measured their satisfaction with the informational materials received with payment. We are currently developing a survey of enrollees to determine their satisfaction with the FEGLI benefit and coverage, informational materials, and services provided by OPM and Metropolitan Life. This survey is expected to be completed in calendar year 1997.

**Performance Measures.** The Retirement and Insurance Service (RIS) also has an established Management Information System that tracks data on a number of workload performance measures. The data is updated monthly and is made available on the RIS Local Area Network, to managers and employees alike. This system plays a critical role in efforts to improve and streamline RIS business practices and develop multi-year performance goals.

**Quality Assurance Reviews.** The RIS Quality Assurance Division conducts ongoing reviews of the financial and processing functions associated with the Federal employee benefit programs. In FY 96, 13 separate reviews were conducted to measure the effectiveness of retirement and insurance processing systems and the timeliness and quality of their outputs. These reviews produced recommendations resulting in improved program performance, cost savings, and tighter internal controls in accordance with the Federal Managers' Financial Integrity Act of 1982.

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## INVESTIGATIONS SERVICE

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**Mainframe and Data Base Integrity.** Findings and recommendations from a security assessment of the Personnel Investigations Processing System conducted by the National Security Agency are being used, as appropriate, to improve and finalize our system security plan.

**Quality Assurance Reviews.** As part of its contract management responsibilities, the Investigations Service monitors the performance of its contractor. The Investigations Service has approval authority over the contractor's quality assurance plan and samples completed products to ensure OPM's quality standards are being met.

**Performance Measures.** An automated Management Information System tracks key performance indicators for the investigations program. This tracking system assists in ensuring that the program continues to operate on a sound business footing.

**Customer Relations.** The Investigations Service meets customer information needs through periodic bulletins and frequent personal contact. Customer satisfaction is assessed through responses to periodic surveys to get input on customer experience in dealing with both OPM and representatives of the contractor, USIS, Inc.

**Financial Management.** The Investigations Service continuously monitors the status of its revolving fund and ensures that revenue is sufficient to cover all operating costs including payments to the contractor.

# INFORMATION TECHNOLOGY STRATEGY

## INTRODUCTION

Information technology (IT) will play a major role in OPM's accomplishment of the strategic business goals described elsewhere in this plan. In order to assure that its information technology processes and infrastructure are able to support the agency's strategic plan, OPM will take a number of actions to implement the Clinger-Cohen Act of 1996, and to address the Year 2000 and information security challenges of the coming years.

## CLINGER-COHEN ACT

The primary requirements of the Act are to: appoint a qualified senior-level Chief Information Officer; implement a sound and integrated information technology architecture; develop information technology capital planning and investment control processes; and implement performance-based information technology management systems.

OPM has already established a Chief Information Officer position, which reports directly to the head of the agency. This position was filled with a well-qualified senior level executive in 1996.

As of July 1997, OPM has nearly completed its overall plan for implementation of the Clinger-Cohen Act, and concrete actions are already under way in several areas:

- **IT Architecture:** An agency-wide architecture vision, created with the involvement of all of OPM's program groups, including their senior executives, is nearly complete. This will be followed by an action plan for evolving today's IT environment to the future state contemplated in the vision during FY 1998 and FY 1999. This integrated IT architecture vision includes agency-wide IT standards and uniform management of IT resources to achieve cost savings and efficiencies and to improve performance and meet OPM's strategic goals.
- **Capital Planning Process:** OPM expects to implement an IT Capital Investment Planning and Control program beginning in FY 1998, and to use it as part of the FY 1999 budget process. OPM's capital planning process will be based upon existing OMB and GAO guidance, including GAO's publication *Assessing Risks and Returns: A Guide for Evaluating Federal Agencies' IT Investment Decision-making*, and on lessons learned from experiences of other Federal agencies. This process will ensure that decisions on IT projects are based on assessments of mission benefits, risks, and costs.

Pending completion of this effort, OPM has implemented an interim planning and control process that incorporates features of a more formal process such as assessments of costs, benefits, mission support, and reengineering. This interim process has allowed the agency to differentiate among competing mission-critical initiatives and to assure allocation of scarce resources to the most important IT initiatives.

Also as part of this effort, OPM is developing a handbook on work process redesign. This handbook will be used in conjunction with the capital planning and investment control process and will provide the guidelines and screening criteria to ensure that OPM's work processes have been appropriately redesigned prior to the application of significant IT investments. Through this process, OPM will achieve improved return on IT investments.

A final phase of this effort is the development and implementation of performance-based IT management systems. Preliminary work on performance measurement is underway, and a framework for developing IT performance measures will be completed by the end of FY 1997.

## **YEAR 2000**

OPM has 94 mission-critical computer systems that are date-dependent, and are therefore subject to potential problems at the turn of the century. The agency has taken this potential problem quite seriously and has engaged in an aggressive strategy to assure that services to customers are not interrupted on and after January 1, 2000. OPM's approach includes:

- Establishment of an agency-wide Year 2000 Steering Committee to assure that all organizations are aware, provide a framework of standards, and coordinate the resources needed to deal with the issue.
- Creation of specific task teams for groups of key systems and for cross-cutting projects such as networks and testing standards. Task teams are working through the assessment (inventory and scoping), renovation, and testing and validation phases of this complex systems integration project.
- Detailed tracking of progress on renovation and testing of each mission-critical or mission-sensitive IT system, as well as for building-related systems such as elevators and fire alarms.
- Validation processes that will be carried out by a combination of persons knowledgeable of the data and business applications, together with experts in testing and software quality assurance.

As of May 1997, OPM had completed the assessment phase for 100 percent of its mission-critical systems and had determined that 18 percent were Year 2000 compliant. Of those not yet ready, 67 will be repaired, 9 will be replaced, and 1 will be retired. By September 1997, renovation will have been scheduled for all systems requiring repair. OPM will complete its testing and validation plans and intends to establish a Year 2000 compliant mainframe environment by the end of 1997. This aggressive schedule will ensure that OPM's systems are Year 2000 compliant well in advance of January 1, 2000. Continued personal attention from the Director and senior executives will assure that this momentum is maintained.

## INFORMATION SECURITY

OPM will continue to refine and enhance its information security program to ensure adequate security commensurate with the risk and magnitude of harm that could result from loss or compromise of mission-critical IT systems. Recent efforts have focused on developing and testing a disaster recovery plan for OPM's general support system and major financial, benefits, and workforce information application systems. OPM will continue to engage assistance from experts, e.g., National Security Agency, to review our security capabilities. Additionally, as part of the implementation of OPM's IT architecture and the related IT management improvement measures, OPM will be move toward a Software Engineering Institute Capability Maturity Model level 3, which includes a formally defined process for system development.

## **FINANCIAL MANAGEMENT SYSTEMS STRATEGY**

OPM operates two financial systems: the Financial Management System (FMS), which is the primary administrative accounting system, and the Employee Benefits System (EBS), which supports the Federal employee earned benefits programs totaling more than \$60 billion in annual benefit payments from the Trust Funds administered by OPM. These systems contain eleven applications that support the unique management and accounting functions of the agency or specific programs.

The FMS provides the foundation for administering OPM's financial management responsibilities over the next decade. It supports the full range of financial management activities and accounting requirements for the administrative funds and includes modules for general ledger, budget execution and funds control, accounts payable and disbursements, accounts receivable and collections, travel, management and external reports, and ad hoc query. The FMS uses a standard general ledger at the transaction level, and both proprietary and budgetary accounts are recorded. The FMS complies with OMB Circulars A-123, *Internal Controls*, and A-127, *Financial Management Systems*, as well as GAO and the Joint Financial Management Improvement Program (JFMIP) core financial systems requirements. The FMS has standard interfaces with administrative systems for personnel/payroll, work reporting and cost distribution, and property management. In addition, the system interfaces with the program system for personnel investigations processing.

The EBS has three major program applications: Retirement, Health Benefits, and Life Insurance. Each application has functions that support general ledger control, accounts receivable, accounts payable, budget execution and funds control, and budget formulation. Much of the system's software was developed in-house. Each application uses a standard general ledger, but requires some manual processes and cross-walks to accurately record proprietary and budgetary accounts. OPM's Retirement and Insurance Service (RIS) is coordinating several projects that will strengthen controls over the earned benefits programs; develop or improve financial systems; and comply with OMB Circulars A-123 and A-127, and JFMIP core financial systems requirements.

### **FINANCIAL MANAGEMENT GOAL**

**GOAL:** Resolve material weaknesses and improve the Financial Management System, the Employee Benefits System, and internal controls to maintain the integrity of the earned employee benefits trust funds totaling more than \$60 billion in annual benefit payments and OPM's appropriated and reimbursable funds.

#### **Success Measure:**

Beginning with the FY 1998 financial statements, get timely and unqualified audit opinions for all funds, publish audited financial statements within the time frames required by the CFO Act, and be a model for the administration and financial stewardship of earned employee benefits trust funds.

## **OBJECTIVES**

### **FINANCIAL MANAGEMENT SYSTEM (FMS)**

- Generate auditable financial statements, integrate several new subsystems, automate manual processes, and increase our ability to meet the information needs of program managers.
- By 1999, convert DOD billings to an On-line Payment and Collection (OPAC) system that integrates or interfaces with the FMS to record the cash collection.
- Implement new releases of the accounting and procurement systems over the next five years.
- Within the next two years, expand the electronic interchange of data with OPM program systems to increase the accuracy, timeliness, and accessibility of financial information.
- By 1998, provide a trial balance file for PC to mainframe transfer to the Treasury Department (to meet the requirements of Federal Agencies' Centralized Trial Balance System).
- Identify potential savings in systems/procedures implemented by other financial offices by participating in FINANCENET, which is a new user group for Federal, state, and local government and private sector finance personnel.
- By 1999, expand the use of electronic payments to improve the timeliness of payments to vendors and comply with the Debt Collection Improvement Act.
- Support the efforts of the Federal Joint Systems Solutions Team established by the CFO Council.

### **EMPLOYEE BENEFITS SYSTEM (EBS)**

- Generate financial statements that receive unqualified opinions.
- Resolve material weaknesses in internal controls and non-conformance with the financial management system requirements.
- Continue retirement systems modernization and business process reengineering efforts.
- By 1999, implement a new core financial management system which will comply with Federal financial management systems requirements, Federal accounting standards, and the standard general ledger at the transaction level.

- Improve management information and process documentation for users.
- By 1999, comply with the Debt Collection Improvement Act by requiring the mandatory use of electronic fund transfer for payments and to enhance our collection of monies erroneously paid.
- By 1999, link the Retirement and Insurance Service mainframe computer and the Local Area Network (LAN) into Enterprise Network.

#### **STRATEGIES FOR ACHIEVING OBJECTIVES**

Over the past few years, internal and external audits and reviews have identified internal and management control weaknesses. We have categorized the weaknesses that are most vital to mission success and which involve long-term fixes, and those that can be strengthened immediately. Corrective measures that involve extensive technological or other large procurement solutions (such as implementing a compliant general ledger for the Employee Benefits System) will be reflected in several consecutive annual performance plans. Other weaknesses will be resolved over the next two years (as in the case of our acquisition of a new receivables management system).

## SUMMARY

This is a time of profound change in the Federal Government. Because of recent downsizing, our Government is approximately 14% smaller than it was four years ago. OPM has led the Government in downsizing and set an example for others in making the hard decisions that are necessary to operate within dramatically reduced funding levels while continuing to successfully carry out its mission.

OPM must continue to provide leadership to confront the changes that are occurring in the Federal workforce and promote needed reforms. We must focus not only on the cost of Government but on the urgent question of how we recruit and sustain an outstanding workforce for the 21st century and beyond.

This strategic plan further defines the course OPM has set to meet these challenges. It documents our mission, vision, and values which serve as OPM's foundation for the future. As importantly, it documents the goals and objectives that will guide OPM's future actions. OPM is committed to providing--cost effectively--the highest quality of services to our customers and protecting the Merit System Principles on which Federal human resources management is based.