

U.S. DEPARTMENT OF ENERGY

**OFFICE OF ENERGY EFFICIENCY AND RENEWABLE
ENERGY**

**HUMAN CAPITAL MANAGEMENT PLAN
FY 2006**

September 2005

Background: The Deputy Secretary has requested that each EERE Office designate a Departmental President's Management Agenda (PMA) Point-of-Contact and develop a Human Capital Management Strategy and a Workforce Plan to comply with the PMA initiative on the Strategic Management of Human Capital. To this end, DOE has established a PMA Internal Scorecard for Human Capital Management and tracks related performance measures on a quarterly basis.

Purpose: The purpose of this plan is to ensure that EERE's future workforce has the needed skills and competencies, and the right people in the right place in the right numbers to achieve its mission.

Scope: This plan covers the period from the present to 10 years in the future (2013) and the entire EERE workforce in the Headquarters and the field. The plan is strategically focused and provides for continuous human capital improvement activity based on periodic workforce analyses. The EERE Business Vision is the ultimate goal. This goal is attained through implementation of the EERE Human Resource Strategies, the centerpiece of which is the EERE Workforce Analysis (WFA) process. Many of the plan's elements are mutually reinforcing e.g., the EERE Leadership Succession Planning is supported significantly by the EERE Senior Management Development Program which, in turn, is supported by EERE Program Management Training. Progress toward goal attainment and strategy implementation will be assessed regularly through the EERE Strategic Performance Measurement System. This is represented schematically in the accompanying chart.

I. EERE Human Capital Strategy

EERE's Human Capital Strategy is to align human resources with the EERE Mission and Business Vision in terms of numbers, levels, and characteristics (knowledge, skills, and abilities) of federal professional employees and supporting personnel. To achieve and maintain this alignment, we will:

- continue to compile and update our core set of requisite organizational and individual work activities and competencies, which are aligned to and essential for accomplishing the EERE mission;
- continue to develop, update, and deliver tailored and targeted program management, project management, and other pertinent skills training;
- update and continue to implement the EERE PMVU, an automated skills self-assessment and training selection tool for use in preparing Individual Development Plans (IDP) which address skills gaps and needs for training to enable employees to achieve their performance objectives;
- maintain and periodically update comprehensive workforce data from the EERE WFA process to identify and close near-, mid-, and long-term gaps and misalignments of human resources;
- continue to improve and update EERE's Senior Management Development Program a leadership succession program;
- continue to assess the implementation of the 2002 EERE reorganization to reduce the number of managers, organizational layers, and decision-making time; to

change the span of control; and to increase the number of employees performing direct work in planning and implementing EERE's programs; and

- continue defining the EERE "one-way" of doing business and establishing state-of-the-art automated systems to assist employees in preparing and processing work. These systems will feature embedded knowledge and standard data structures, input templates, interfaces, and algorithms. Organizing, structuring, and defining our work (as described under EERE Business Vision, below) is integral and essential to our Human Capital Strategy. The resultant stability and consistency in how we approach our work will facilitate employee development. The end state EERE "one-way" of doing business will enhance quality, empowerment, cooperation, efficiency, and worker productivity.

II. EERE Business Vision

EERE's Business Vision is to achieve and continuously demonstrate managerial and operational excellence, be recognized as the model in Government for effective and efficient program management, and be sought out by other organizations interested in improving their program management performance.

Excellence in business management is essential to accomplishing the EERE mission and goals. Clear guidance has been provided by the National Academy of Public Administration, EERE's Strategic Program Review, and the President's Management Agenda. EERE's management challenges include successful restructuring, the strategic management of human capital, improving operational effectiveness and financial performance, budget and performance integration, and program management training and development.

Business Strategies:

- Full implementation of EERE's Strategic Management System (SMS), which provides an integrated corporate approach toward planning, budget formulation, program implementation, and program evaluation across the entire organization;
- Implementation of the EERE Program Management Initiative (PMI), which is a management curriculum that provides knowledge-based systems for all Program Managers, resulting in a fully certified and trained program management corps;
- Implementation of a comprehensive reorganization that focuses on performance, reduces organizational layers, and eliminates inefficient operational redundancies; and
- Implementation of OMB's Applied R&D Investment Criteria, a set of objective, performance-based metrics that will help ensure that EERE program dollars are used effectively and efficiently with clear program "off-ramp" or termination points.

III. EERE Workforce Restructuring

A. EERE Reorganization

EERE reorganized in July 2002 to more effectively and efficiently implement its business model by:

- consolidating and integrating business management and providing a greater focus on program management;
- elevating corporate communications and outreach by directly reporting to the Assistant Secretary;
- relieving Program Managers and Technology Managers from excessive business management and “roving Ambassador” burdens;
- reducing the number of managers, reducing the number of organizational layers, reducing the time it takes to make decisions, widening spans of control, and increasing the number of employees directly performing core, value-added functions; and
- increasing interdependence and aligning functions to achieve greater cooperation efficiencies from achieving process standardization.

The final phase of EERE’s restructuring effort was achieved on June 30, 2006, when EERE consolidated the activities of its six Regional Offices into EERE’s Project Management Center located at the Golden Field Office and the National Energy Technology Laboratory.

B. EERE Workforce Analysis (WFA)

EERE’s initial comprehensive WFA has been completed for all of EERE. The WFA approach calls for a complete assessment of EERE’s current workload demand, comparison of demand against our existing workforce supply, identification of staffing and workload gaps and/or overlaps, and determination of a corrective future course of action that reshapes the workforce and achieves the correct skills mix across EERE to meet short-, mid-, and long-term needs of the organization. The results of this effort will become the foundation for future EERE workforce management and succession planning efforts.

EERE has continuously monitored its workforce over the past several years and has made continuous changes across the EERE organization to reflect changing Administration and Departmental priorities and mission needs.

C. Voluntary Separation Incentive Authority Requests

Use of VSIPs in Headquarters

EERE is continuing its efforts to restructure and eliminate positions that has been identified in its final workforce analysis completed in April 2006. Use of VSIPs in Headquarters will target positions for restructuring and succession planning purposes to address an aging workforce in its current project management, technical and business

administration employee pool. Restructuring those positions to lower grade levels for succession planning purpose will greatly assist Headquarters in attracting and retaining the skills and expertise needed. Therefore, VSIPs will greatly assist in succession planning to address an aging workforce in needed skills and expertise.

The surplus clerical and administrative positions identified in Headquarters will be eliminated. EERE's reorganization in July 2002 created a Business Administration Office to centralize and support the business affairs of EERE programs. In addition, the reorganization reduced organizational layers which reduced the need for clerical support. This resulted in surplus clerical and administrative functions in the new EERE business model. Therefore, VSIPs will greatly assist EERE in eliminating obsolete positions in the clerical and administrative fields and avoid involuntary actions.

Use of VSIPs in the Golden Field Office

The Golden Field Office (GO) will target positions that will assist its efforts in succession planning and an anticipated skills imbalance. Succession planning efforts are intended to address an aging workforce in its current project management, technical and business administration employee pool. The targeted positions include managerial, supervisory, team lead and senior specialist positions. The anticipated skills imbalance arises from the requirement for GO to take on some new project management responsibilities under the Project Management Center concept, while ceding other project management responsibilities to NETL and Headquarters. Backfills and restructuring of the resultant vacancies should greatly assist GO in attracting and retaining the skills and expertise needed to take on these new challenges.

EERE will use its VSIP authority for the 1st quarter of FY07 for Headquarter and Golden Field Office employees. In addition, EERE will use its Voluntary Early Retirement Authority (VERA) up to September 30, 2007 for those eligible employees who wish to retire early without a buyout. EERE does not anticipate requesting VSIP or VERA authority for FY 2008.

IV. EERE Program Management Professional Development

EERE Senior Management Development Program (SMDP)

The EERE SMDP provides high-level targeted executive leadership developmental activities coupled with supplemental self-study to enhance individual executive competencies and to increase awareness and understanding of public policy, programs, and issues with an EERE emphasis. Candidates who successfully complete the program will enhance their qualifications and competitive standing for leadership and senior management positions in EERE.

SMDP is a 9-14 month part-time program in which participants attend one Executive Leadership Program at a major academic institution and perform one developmental assignment, generally 90-120 days, inside and/or outside the Office of Efficiency and Renewable Energy. Applicants must be in the Federal civilian workforce in a permanent position at the GS-14/15 or equivalent level in the Office of Energy Efficiency and Renewable Energy.

As of August 2006, the first SMDP class is in full operation and on schedule. The applicants are participating in rotational assignments and are taking executive development training. Participants are expected to complete the SMDP program no later than the end of the 2nd quarter of FY 2007 (December 31, 2006).

V. EERE Program Management and Project Management Training

A. EERE Tailored and Targeted Courses

1. EERE Program Management Overview Course Implementation

The EERE Program Management Overview Course has been developed and is being offered on a semiannual basis to all EERE employees in Headquarters and the field. This three-day course introduces students to the why and what of EERE's mission, environment, program management policies and practices, organization, business model, Strategic Management System, and tools. Instructors are drawn from senior EERE management and staff.

2. EERE Project Management Course

The EERE Project Management Intermediate-level Course is being developed to introduce all EERE employees in Headquarters and the field to the principles and practices of EERE project management of R&D and Technology Deployment projects. The course will be presented quarterly. Instructors will be drawn from senior management in EERE's project management offices in Golden, CO and the National Energy Technology Laboratory (NETL).

B. EERE Program Management Virtual University

The EERE PMVU is an online tool kit that allows the EERE user to identify his/her program management training needs, to identify and select training opportunities to address those needs, and to use the information gathered to prepare a meaningful IDP using the DOE Automated IDP process.

The PMVU is a tool for all EERE employees. It provides general program and project management curricula for individuals with little experience who would like a structured pathway to developing program and project management skills. For the experienced practitioner, the PMVU provides training courses cataloged to specific Knowledge, Skills and Abilities (KSAs) to facilitate their continued education and professional development.

VI. EERE Performance Measures

EERE is planning and will develop a comprehensive, strategic measurement system with a balanced set of performance and improvement metrics. This system will identify performance drivers and their expected impact on EERE mission success. Since the EERE workforce is its primary operating asset, the measurement system will include workforce capability, motivation, flexibility, productivity, and other measures with which to determine the effectiveness of the

workforce. These measures will be used to support workforce analysis and management decision-making relative to recruitment, staffing, retention, morale, knowledge/skills/abilities, and other significant workforce parameters.

VII.EERE Knowledge Management

A. EERE Corporate Planning System

EERE has developed and is refining an automated management information and employee work aid system to help manage, monitor, and develop congressional budget requests, spend plans, budgets, project data, R&D portfolios, and other key work processes and products. It also supports the development of multi-year program planning, annual operations planning, and automated financial and work authorization document preparation and transmission. The system allows the user to create and manage portfolios in real time, tie projects and milestones to fiscal year budgets, and track contract information for the organizations and individuals; and allows field personnel to review and modify portfolio information. The system stores a range of necessary data and information, such as DOE investments, carryover, and cost-share; GPRA energy benefits; total project development time; and technical progress. Other information, such as quarterly and final reports, can be uploaded and addressed through the system. The goal is to provide a seamless operational and managerial link between all EERE program and project-level activities, and to define and manage operational roles and responsibilities among Program Managers, Technology Managers, Budget Analysts, and Project Managers in the field.

B. EERE Program and Project Management Guides

We have developed and issued a comprehensive Program Management Guide (PM Guide) to provide guidance and instruction to all EERE employees, including Program Managers, Program Planners, Budget and Evaluation Analysts, and other program support personnel. The PM Guide is intended as both a learning tool for those developing their program management knowledge and skills and a reference source for experienced practitioners. The PM Guide uses the structure of the EERE Business Model and Management System to ensure that programmatic and business activities throughout EERE are cohesive and coherent. As a “living” document, the Guide is updated frequently to incorporate policy, procedure, and instruction changes and enhanced to include additional guidance and instruction as the need becomes apparent.

As a complement to the EERE Program Management Guide, we have developed the EERE Project Management Guide. This document assists and instructs EERE Project Managers and support personnel in all phases of project management from inception through completion and close-out.

VIII. EERE Management Action Plan (MAP)

EERE continues to revise and expand its corporate-level Action Plan to facilitate implementation of the reorganization and establish change initiatives aimed at improving program efficiency and output. These results should translate to reduced need for Human Capital. Major improvement areas in FY2006 include:

1. Project Management Guide: Continued development of project management principles and training for all EERE staff becomes more critical since the consolidation of EERE's six regional offices into the Project Management Center at Golden, CO and the National Energy Technology Lab.
2. Project Management Center (PMC): the consolidation of the regional offices into the PMC became effective July 1, 2006. The PMC is currently integrating former regional office staff into the PMC.
3. PMC Financial Assistance and Acquisition planning process: The newly enlarged PMC continues to make progress in establishing an effective acquisition/assistance planning process and will continue this effort.

The full impact on EERE's Human Capital will be assessed once these action items are completed.

IX. EERE Strategic Diversity Planning

EERE Diversity Plan is shown below. It has been developed to ensure that, as EERE moves forward to implement the President's Management Agenda Initiative on Strategic Management of Human Capital, the number of women and minorities will progressively increase to ensure that underrepresentation is eliminated. The EERE Diversity Plan is aligned with and integral to the other provisions of the EERE Workforce Plan.

EERE Diversity Plan

Background

EERE's current workforce diversity statistics indicate that 27% of EERE's positions are occupied by minorities and 39% of EERE's positions are occupied by women. Of the 82 leadership positions (SES, Supervisory and Team Leaders) in EERE, minorities and women comprise 7 positions and 15 positions respectively. EERE management continues to support the development of minorities and women in its workforce and will focus its efforts in improving the representation of women and minorities in project/program management operations, science and engineering professions, and in its leadership positions.

Recruitment Strategies

GOAL: Increase the number of women and minorities for entry- to mid-level project management and science/engineering positions.

Action: Identify and use all available recruitment strategies to enhance diversity in EERE's workforce in entry- to mid-level positions:

- Establish listing for advertising to underrepresented groups through sending vacancy announcements to Historically Black Colleges & Universities, Hispanic Serving Institutions and Tribal Colleges and Universities;
- Participate in Departmental and external diversity recruitment activities;
- Participate in Departmental Special Emphasis Programs led by the Office of Economic Impact and Diversity and the Office of Management, Budget and Evaluation (e.g., Summer Diversity Program); and
- Participate in recruiting candidates under the President's Management Fellowship Program focusing on attracting underrepresented groups.

GOAL: Increase the number of women and minorities in high-level project/ program management, science and engineering, and in leadership positions.

Action: Formalize internal listing for advertising to underrepresented groups through sending vacancy announcements to professional associations and publication that would include venues specifically related to EERE energy technology programs, (e.g., Geothermal...). Continue using Department's recruitment source guide.

Employee Development and Succession Strategies

GOAL: Increase the number of eligible women and minorities represented in leadership pool through employee development and succession planning.

Action: Fully implement EEREs Program Management Development and Certification Program for developing current staff in order to increase the number of women and minorities eligible for leadership positions.

In order to retain and develop its current workforce, EERE has developed the Senior Management Development Program (see Section V, page 5). Out of the 10 participants, 4 were minority selections.

EERE has developed a Workforce Plan that evaluates workforce needs up through the year 2013. EERE recently completed the final phase their workforce analysis (see Section III B, page 4), which identifies mission-critical immediate and near-term workforce needs to be accomplished by the end of FY 2007. GOAL: Increase the number of eligible women and minorities for mid- to higher-level positions through career development planning.

Action: Use EEREs PMVU to offer opportunities for a structured career development pathway relating to EEREs project/program management operations.

EEREs Program PMVU is a component of EEREs management training. This online tool kit allows the EERE user to identify program management training needs, identify and select training opportunities to address those needs and to use the information gathered to prepare a meaningful IDP using the DOE automated IDP process. The PMVU is a tool for all EERE employees and provides general program and project management curricula for individuals with little experience who would like a structured pathway to develop program and project management skills. It also assists experienced practitioners to continue their education and professional development.

Action: Use EEREs "Employee Training and Development Policies' Standard Operating Procedures" to increase opportunities for career development in all categories.

EERE has developed an “Employee Training and Development Policies’ Standard Operating Procedures” in order to fund employee training and to assist in achieving EERE’s mission and performance goals by improving employee and organizational performance. The intent is to promote and assist EERE employees in finding internal and external training opportunities and assist in their career development planning. This training includes the PMVU, to determine program management learning needs, and identify and select appropriate training opportunities for incorporation into IDP. EERE Program Managers are directly responsible for training and development of employees and are required to develop program office annual training outlines and work closely with employees to develop IDPs.