



Strategic Use of Human Capital

Our human capital management (HCM) efforts have been focused on establishing a systematic and comprehensive process for improving the Department of Energy with the principle goal of meeting our mission objectives for American citizens. These efforts have resulted in an integrated approach that ensures human capital programs and policies are linked to the Department's missions, strategies and goals, while providing for continuous improvement in efficiency and effectiveness while reducing costs.

Within the Department, senior managers of the individual program and staff offices are responsible for successfully accomplishing their organization's missions. They are also responsible for creating a challenging and productive workplace environment and ensuring that they plan for a secure workforce that is capable of meeting current and future challenges. The Department's HCM efforts provide these senior managers with the flexibilities and tools necessary to ensure that their workforce can successfully meet the challenges of the future.

The Department's strategic HCM objectives are being accomplished through the use of varying approaches, including the strategic alignment of our organizations, the effective use of competitive sourcing, and the maximum utilization of efficient automated processes (e-government). Additionally, the HCM strategic goals are designed to ensure the current and continuing availability of a diverse and motivated workforce that represents America with the right skills needed to accomplish the Department's mission. At DOE, HCM programs and systems developed to attain these strategic goals are designed to be efficient, technically sound, and merit-based.

The successes achieved are the clear result of the focus by the Department's leadership at all levels and the integration of HCM activities into the Department's decision making processes. I would like to take this opportunity to again thank all who have been involved in helping the Department achieve and maintain its "green" score in the area of human capital management. Our efforts are beginning to yield lasting results – we want to be known as an Agency that values its workforce and is positioned to effectively accomplish our vital current and future missions.



Claudia Cross
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Highlights of What We've Accomplished

- *Developed and Began Implementing a Comprehensive Human Capital Plan.* DOE developed and has begun implementing a comprehensive human capital plan that addresses DOE's organizational structure, workforce size, skill gaps, performance systems and diversity.
- *Improved Organizational Structures.* DOE restructured three of its largest components to improve accountability, efficiency and performance. Since 2001, DOE has:
 - reduced its workforce by 6.6 percent (14,688 to 13,707);
 - cut the number of SES employees by 5.5 percent (432 to 408); and
 - reduced non-SES senior staff (GS-14/15s) by 6.8 percent (4,585 to 4,273).Reductions have taken place while management performance has improved as demonstrated through DOE's PMA ratings.
- *Reduced Skills Gaps in Mission Critical Areas.* DOE's principal business areas include contract management and project management. To close skills gaps in these areas, DOE instituted rigorous certification programs for project managers and acquisition managers. Ninety-seven percent of acquisition managers are certified. All project managers are on track to be certified by 2006. (Currently, 47 out of 150 are certified.)
- *Strengthened Performance Management System.* DOE's performance management and award systems have been strengthened by clearly linking performance with mission, holding employees accountable for results, and effectively distinguishing between various levels of performance.
- *Established Comprehensive Succession Planning Program.* DOE views the expected increase in retirements as an opportunity to reshape our workforce. To prepare, DOE has determined the kind of staff that will be needed to achieve our varied missions and has developed plans to recruit, retain, retrain and/or outsource to build the required skill mix. DOE has also instituted rigorous programs to identify and develop DOE's future leaders.
- *Reduced Under-Representation.* To increase representation among Hispanics, DOE launched a "Recruit America" campaign which has targeted thousands of potential Hispanic employees and established a scholarship fund to provide internships to Hispanic students. Representation of women in executive positions increased by 3 percent while representation of minority managers has increased by 2 percent.



FY 2005 Goals

- *Transition All DOE Employees to Multi-Level Performance Management System.* Currently, 38.5 percent of employees are on a pass-fail system. All employees will be on a multi-level system by the beginning of the next performance review cycle (October 1, 2005).
- *Obtain OPM Certification of DOE's SES Performance Management Program.* DOE recently received provisional certification for 2004. DOE will soon submit a request for provisional certification for 2005 and is working to obtain full certification by the end of FY 2005.
- *Identify Critical Skills Gaps Specific to DOE Components and Develop Strategies to Close Gaps.* Previously, DOE identified skills gaps in DOE's principal business areas and instituted strategies to close the gaps. DOE will now focus on identifying skills gaps that are unique to each component and develop strategies to close those gaps.
- *Transition to the Government-wide E-Learning System.* In 2004, DOE began to transition its e-learning activities to the government-wide "Go-Learn" system. DOE will complete the transition by June 2005.
- *Improve Representation of Women, Hispanics and Persons with Disabilities.* DOE will continue to implement strategies to recruit and retain women, Hispanics and persons with disabilities.