



# *U.S. Army Audit Agency*

## **Human Capital Plan 2009-2012**



*Maximizing Our Ability to Deliver  
On Our Mission Through Our People*

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**Patrick J. Fitzgerald**  
**U.S. Army Auditor General**

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*“To address these challenges and improve our relevancy and credibility, we’re taking a truly strategic approach to human capital management.”*

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I’m extremely pleased to present the U.S. Army Audit Agency’s first comprehensive Human Capital Plan. This plan describes the strategies and initiatives that I believe we must accomplish during 2009-2012 to achieve our human capital goals.

Our Agency exists to help America’s Army and its Soldiers achieve their national security mission by providing objective and independent audit services. I’m consistently impressed and gratified by the professional skill and dedication our employees demonstrate every day. However, like many organizations, we currently face significant human capital challenges, including increased competition for talent, changing employee expectations, and demand for better work-life balance. Furthermore, to support our Army at war, we routinely confront complex issues that require an innovative workforce with a thorough understanding of the Army to develop viable solutions.

To address these challenges and improve our relevancy and credibility, we’re taking a truly strategic approach to human capital management. To have a workforce that provides timely, valued support to our Soldiers, we must provide an environment where everyone is valued, empowered, challenged, understood, and has the opportunity to contribute to the Agency’s accomplishments. Professionally developing everyone in our Agency to his or her fullest potential is our plan’s guiding principle and the foundation for reaching our ultimate goal of enhancing our ability to deliver on our mission not only today but into the future.

As with any new initiative, the success of this human capital plan relies on the support and commitment of people at every level of the organization. The Agency’s executives have pledged their support to implement the improvement strategies in this plan. I’m asking you to join us by studying the plan and letting me know your suggestions for making the plan better.

Maintaining a talented, proficient, and engaged workforce that’s mission-focused is my number-one priority. I look forward to working with you on continually improving our Agency.

Sincerely,

# TABLE OF CONTENTS

	<i>Page</i>
<b>Introduction</b>	1
<i>Section 1</i> <b>Building a Strategic Approach to Human Capital Management</b>	3
<i>Section 2</i> <b>Workforce Data</b>	9
<i>Section 3</i> <b>Human Capital Focus Areas</b>	14
<i>Acquire</i>	15
<i>Develop</i>	21
<i>Lead</i>	26
<i>Retain</i>	30
<i>Annex A</i> <b>Human Capital Assessment and Accountability Framework</b>	37
<i>Annex B</i> <b>Improvement Initiatives Table</b>	38

## INTRODUCTION

The U.S. Army Audit Agency's Strategic Plan for FYs 07-12 outlines the Agency's goals and strategies for providing timely, value-added products and services to our Army clients for the next several years. Our leadership recognizes that effective implementation of the Agency's Strategic Plan is contingent on the talent and dedication of our employees and that our people are our greatest asset. We've done a noteworthy job of addressing many human capital issues through various initiatives taken on by process action teams, the Employee Council, and the Policy and Operations Management Directorate. Our emphasis on building a professional workforce has put us in a favorable position, allowing us to provide valued audit service that often exceeds client expectations. To continue to meet the challenges of today and the future, we must sustain a talented, proficient, and engaged workforce that's mission-focused. To maximize the capabilities of our workforce, we must view human capital management as the critical element in the successful achievement of all of our strategic goals.

Despite our successes with many human capital initiatives, we recognize that some of the efforts were short-term, decentralized, and reactive to perceived issues. In addition, although we have a limited professional support staff, the use of experts in the field of human capital was rare. Rising retirement eligibility among our Agency leaders, increasing competition for talent, changing employee expectations, and increasingly complex audit requests will require us to take a more strategic, holistic approach to human capital management. If we don't continue to invest in our workforce, we risk not being able to execute our mission at the level the Army has come to expect from our Agency.

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The Auditor General demonstrated his commitment to our workforce by establishing a team to develop this Human Capital Plan. With leadership and workforce input and a thorough review of the Human Capital Accountability Assessment and Accountability Framework (HCAAF), the team developed human capital outcome goals – inclusiveness, leader excellence, talent management, engagement, and accountability – and identified strategies and improvement initiatives in four human capital process areas – acquire, develop, lead, and retain.

This human capital plan is a living document and will be regularly updated to support our strategic goals and core values and to accommodate circumstances not only as they are today but also as they unfold in the future.

Recognizing our limited resources and financial limitations, Agency leadership has committed to starting initiatives in FY 09, FY 10, and FYs 11-12. Each initiative has a different lifespan—some are short-term and designed to improve a current process or program; others are long-term with a more significant future impact.

The plan is divided into the following three broad sections:

- **Section 1 : Building a Strategic Approach to Human Capital Management.** This section provides Agency background, the current state of our human capital program, and the plan’s overall approach.
- **Section 2: Workforce Data.** This section contains an overview of our workforce, demographic comparisons, workforce trends, and assumptions about future expectations.
- **Section 3: Human Capital Focus Areas.** This section is the core of the plan and discusses the four main process areas related to human capital – acquire, develop, lead, and retain. Strategies include supporting initiatives and suggested performance metrics to help gauge success. Each initiative is prioritized based on its complexity, projected resource requirements, and potential impact on mission.

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## STRATEGIC GOALS

### Valued Service

*Be a highly sought after, integral part of the Army by providing timely, valued services that improve the Army by doing the right audits at the right time and achieving desired results.*

### Professional Workforce

*Foster a culture that recruits, develops, and maintains a highly professional and diverse workforce that's empowered to be entrepreneurial and accountable for delivering value-added services.*

### Organizational Effectiveness and Efficiency

*Operate a highly effective and efficient audit organization that continuously evaluates and improves audit and support processes to deliver timely, value-added services.*

## SECTION I: BUILDING A STRATEGIC APPROACH TO HUMAN CAPITAL MANAGEMENT

### Agency Makeup

The Army Audit Agency is an organization of more than 600 auditors and other professionals dedicated to helping the Army achieve its national security mission. The Agency is led by The Auditor General of the Army, the Principal Deputy Auditor General, and three Deputy Auditors General, each of whom leads specific areas of our operations: Acquisition and Logistics Audits, Forces and Financial Audits, and Policy and Operations Management. We accomplish our mission through a professional workforce organized into 17 functional audit teams and 6 smaller divisions. Staff is located at 24 field offices – 20 in CONUS and 4 outside of CONUS (Alaska, Germany, Hawaii, and the Republic of Korea). We also have presence in Southwest Asia with members of our workforce deployed to Afghanistan, Iraq, and Kuwait.

### Understanding our Mission

Founded in 1946, the Agency was initially tasked with maintaining appropriation and fund accounting, military property accountability, and auditing the accounts of the American Red Cross. Today, we provide a full spectrum of objective and independent auditing services.

We help the Army make informed decisions, resolve issues, use resources effectively and efficiently, and satisfy fiduciary responsibilities. To accomplish this mission, we identified three strategic goals – valued service, professional workforce, and organizational effectiveness and efficiency – and eight core values – quality service, independence, personal growth, teamwork, ethics, quality of life, progress, and professionalism. To emphasize the importance of our workforce, we have a specific professional workforce

strategic goal focused on human capital issues. However, Agency leadership recognizes that human capital management is a necessary element in successfully achieving all of our strategic goals. We acknowledge that we cannot separate workforce issues from audit operations, and our leaders are committed to remaining actively involved in developing and continuously improving human capital programs, processes, and policies.

The human capital outcome goals below draw from our Agency's strategic goals and core values.

**Inclusiveness:** An environment where all can grow to their full potential, embracing the strength of differences, fostering a sense of belonging, and enhancing mission accomplishment through inspired contributions from each employee.

**Leader Excellence:** Improved leadership at all levels of the organization with effective strategic communications, demonstrated leadership attributes at all levels, support and recognition of effective leaders, and a succession management program designed to put the right people with the right skills into leadership positions.

**Talent Management:** Competencies required to accomplish our mission now and in the future are identified and critical knowledge and competency gaps are closed through recruitment, knowledge transfer, and effective training and development programs.

**Engagement:** A workforce that recognizes the work they do is important and feels valued for their contributions to the mission.

**Accountability:** Human capital policies, programs, and initiatives are monitored and evaluated for effectiveness. Leaders are held accountable for support and achievement of human capital goals.

## CORE VALUES

*Quality Service*

*Independence*

*Personal Growth*

*Teamwork*

*Ethics*

*Quality of Life*

*Progress*

*Professionalism*

## Human Capital Management

The Agency is committed to fostering a culture that recruits, develops, and maintains a highly professional and diverse workforce. To facilitate effective human resources servicing and employee development, we employ a small human resources and training support staff. This staff partners with the Army Civilian Human Resources Agency (CHRA) to develop and maintain Agency processes and policies concerning human resources and development issues in accordance with DA, DOD, and Office of Personnel Management (OPM) guidance.

In many human capital areas, we have well-established programs, policies, and processes that have helped us attain and maximize the capability of our workforce. For example:

- The Agency was one of the first Headquarters, Department of the Army activities to begin offering recruitment bonuses and student loan repayment incentives to attract and retain high-quality candidates in difficult-to-recruit areas. As a result, in 2005, we increased our new-hire acceptance rate in the National Capital Region from less than 50 percent to more than 90 percent, and we continue to experience a high acceptance rate in this area.
- We established an active Federal career intern program in 2003 to reduce the time it takes to fill vacancies and to target high-quality candidates. Our timelines for referrals decreased initially from 3 months to 10 days. We were modeled by other Army activities that wanted to reap similar benefits and we continue to use this program to hire approximately 70 college graduates each year.
- The Agency was one of the first Army activities to spiral into DOD's pay-for-performance National Security Personnel System (NSPS). Our proactive approach to implementing the new system – to include active involvement of leadership in training the workforce and early establishment of a compensation strategy – received accolades and was benchmarked by other agencies. We continued to educate staff on the new system by hosting lunch-and-learn sessions, posting frequently asked questions on the Agency's Intranet, and conducting a two-day seminar to help supervisors understand their role as raters under NSPS. We strive to continuously improve our NSPS processes and are currently participating in an academic study to formally evaluate our implementation of the new system.
- We invest more than \$1 million annually to maintain an auditor training program centered on eight courses developed and presented by Agency training specialists and instructors and two additional courses presented in conjunction with the U.S. Air Force

Audit Agency and the U.S. Army Criminal Investigation Command. While the training program ensures all auditors meet generally accepted government auditing standards for continuing professional education, the content is also designed to address key auditor competencies.

- The Agency has conducted annual employee surveys for more than 10 years. As depicted in the table below, 2008 survey results indicate we're at or near the top (as measured by the percentage of positive responses) for 10 of the 11 benchmark survey questions considered either "key engagement" items by the Gallup Organization or "key impact items" by the Office of Personnel Management (OPM). This underscores the relative strength of our organization and its generally positive working environment.

<b>Federal Human Capital Survey (FHCS) Questions 2006*</b>	<b>USAAA 2008</b>	<b>2006 FHCS Aver.</b>	<b>2006 FHCS Best</b>	<b>USAAA Rank</b>
I am given a real opportunity to improve my skills in my organization.	82.5	62.1	78.5	1st
I have sufficient resources to get my job done.	93.7	47.6	67.3	1st
My workload is reasonable.	71.1	59.0	76.0	4th
My talents are used well in the workplace.	77.0	61.5	68.2	1st
How satisfied are you with the recognition you receive for a job well done?	61.9	48.6	68.6	4th
How satisfied are you with the policies and practices of your senior leaders?	82.8	40.9	55.2	1st
How satisfied are you with your opportunity to get a better job in your organization?	64.8	36.5	48.7	1st
How satisfied are you with the training you receive for your present job?	74.6	53.7	69.4	1st
Considering everything, how satisfied are you with your job?	80.3	67.5	77.2	1st
Considering everything, how satisfied are you with your pay?	79.0	61.3	74.5	1st
The work that I do is important	80.7	90.1	94.2	45th

\*Note: Data based on results from the 2006 FHCS, which includes comparisons of 44 agencies (available at <http://www.fhcs2008.opm.gov>). 2008 FHCS results weren't available at the time the contractor did the analysis.

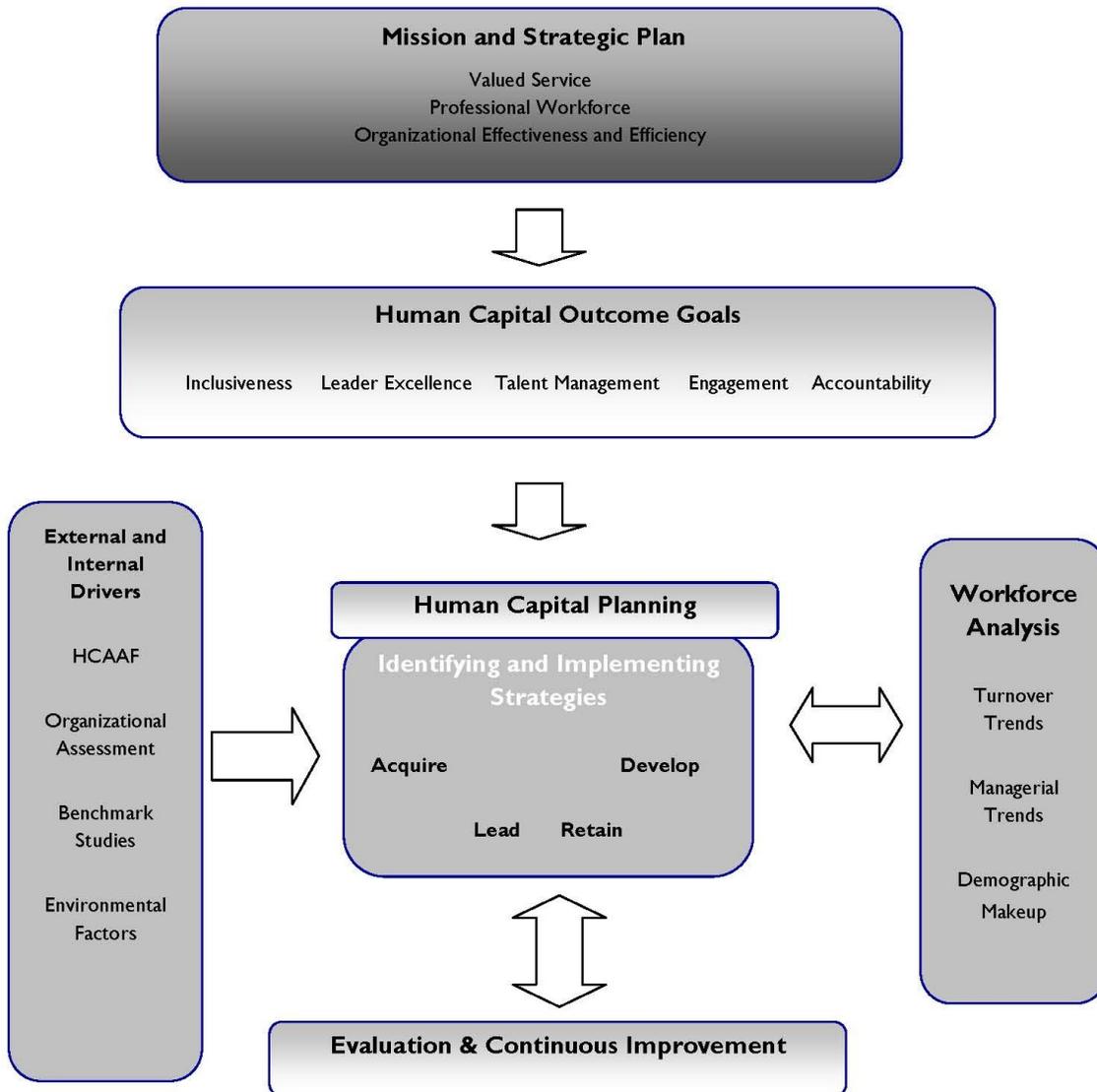
## Plan Approach

To maximize the use of our current human capital capabilities, a human capital planning team was tasked with developing a more strategic, holistic approach to human capital management. The team, led by the Agency's Human Capital Manager and composed of auditors and other professional staff, identified human capital challenges facing the Agency and their potential impact on our mission if not addressed. Agency leaders were engaged at every stage of the plan's development – first through interviews targeted at getting their perspectives on key issues and then through regular updates on plan progress. The workforce was regularly updated through a shared Intranet site, frequent Staff Notes, and marketing flyers. The team also established a human capital forum for the workforce to share suggestions and to provide feedback online.

In assessing current human capital programs and processes and identifying the improvement strategies in Section 3 of this plan, the team considered the following:

- A review and analysis of OPM's Human Capital Assessment and Accountability Framework. (Key components of this framework are listed in Annex A.)
- Expert analysis of employee survey data and organizational assessment by a professional consulting company (contractor).
- Findings from benchmark studies of success models/best practices in both private and public sectors.
- A review of Agency workforce data, including demographic composition, turnover trends, and leadership trends.
- An examination of environmental factors impacting the workplace, such as declining number of accounting students, changing worker values, and the baby boomer retirement wave.

# Human Capital Planning Framework



## SECTION 2: WORKFORCE DATA

The data in this section reflects our workforce as of 30 September 2008. The information was derived from the Army's Modern Defense Civilian Personnel Data System and the results of an organizational assessment conducted by a professional consulting company (contractor).

In September 2008, the contractor conducted an organizational assessment as part of an effort to review annual workforce survey results, improve the survey instrument, and assist in developing strategies to address workforce issues raised in the survey.

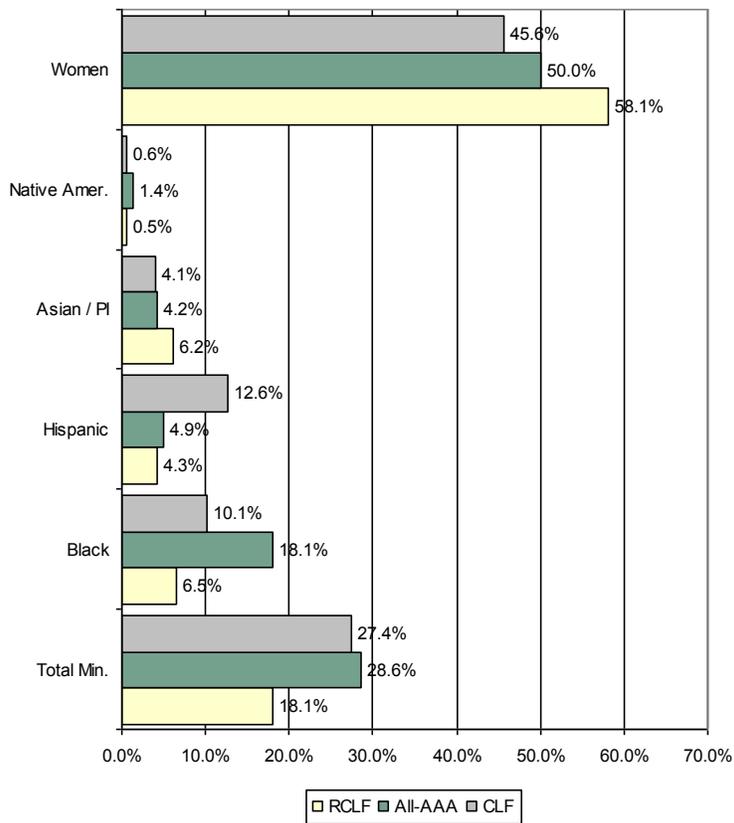
Results of the contractor's analysis are presented in this section and were used in developing the improvement initiatives identified throughout the plan.

Snapshot of the Agency's Workforce	
Total Staff	610
Type of Appointment	Permanent (96%) Temporary (4%)
Job Series	Auditor (91%) Support Staff (9%)
Gender	Female (49.8%) Male (50.2%)
Racial Diversity	American Indian/Native Alaskan (1.4%) Asian/Native Hawaiian/Pacific Islander (4.2%) Black (18.1%) Hispanic (4.9%) White (71.4%)
Average Age	43 years
Average Years of Service	15 years
Retirement Eligible	15%
Supervisor Status	Supervisory (19%) Nonsupervisory (81%)
Location	In DC Area (33%) Other (67%)
Average Annual Salary	\$90,756 (DC Area) \$79,471 (Outside DC Area)
Disabled	10%
Veteran's Preference	20%

## Diversity Benchmark Data

The contractor conducted a benchmark comparison of our workforce with the Civilian Labor Force (CLF) and Relevant Civilian Labor Force (RCLF). The CLF represents the entire labor force as defined by the Bureau of Labor Statistics and doesn't consider the mix of occupations and the demographics of the workforce within each occupation. The RCLF, on the other hand, is CLF data directly comparable (or relevant) to the occupational population of the Agency. For example, the percentage of Black auditors in the Agency was compared with the percentage of Black auditors in the RCLF. (RCLF is considered a better benchmark for our Agency because auditors make up 90 percent of our workforce and the occupation mix is related to the graduates produced by colleges.)

As illustrated in the bar graph, the contractor concluded that our workforce is more diverse than both the CLF and RCLF in total minorities, Blacks, and Native Americans. We're less diverse than the CLF for Hispanics, who represent only 4.9 percent of the Agency and 12.6 percent of the CLF. Compared to the RCLF, we're also less diverse for women and for Asians. Women represent approximately 50 percent of the Agency's workforce compared with 58.1 percent of the RCLF population – a difference of 8.1 percent. Asians represent 4.2 percent of our workforce compared with 6.2 percent of the RCLF population – a difference of 2 percent.



Note: CLF percentages for each minority group presented in the figure are derived from the Bureau of Labor Statistics' Annual Current Population Survey. The survey data covers noninstitutionalized individuals 16 years of age or older, employed or unemployed, U.S. citizens and non-U.S. citizens. Data for the RCLF is pulled from a data tool available at <http://www.census.gov/eo2000/>.

## Turnover Trends

The following results are derived from the contractor's analysis of our retention rates for auditors. Root causes haven't yet been identified for the results presented in this section.

## Trend Results

***Trend: Separation rates among auditors at USAAA are similar to most other DOD or military services “sister” organizations.***

- Annual separation rate at USAAA was 12.1 percent from FY 05 to FY 07, which is similar to (and in some cases better than) observed annual separation rates at several “sister” organizations, including:
  - ◆ U.S. Navy Audit—14.7 percent
  - ◆ DOD Inspector General—12.2 percent
  - ◆ Defense Contract Audit Agency—10.8 percent
- U.S. Air Force Audit Agency separation rates are lower (8.1 percent) than our Agency and other DOD or “sister” organizations. Auditor positions at this agency vary significantly in conditions of employment, such as travel.

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***Trend: Separation rates among auditors at USAAA are much higher than observed separation rates at Federal civilian organizations with large auditor populations.***

- The annual separation rate at USAAA was 12.1 percent from FY 05 to FY 07, which is significantly higher than observed annual separation rates during this same period for Federal civilian agencies with auditor populations of 300 or more, including:
  - ◆ U.S. Department of Agriculture—9.1 percent
  - ◆ U.S. Department of Health and Human Services—6.1 percent
  - ◆ U.S. Department of Treasury—7.7 percent
  - ◆ U.S. Department of Justice—7.1 percent
  - ◆ U.S. Department of Housing and Urban Development—7.0 percent

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***Trend: USAAA separation rates for auditors are higher than rest of government (ROG) auditors for FY 05 to FY 07.***

- In FY 07, 13.4 percent of USAAA auditors left the organization compared to an ROG average of 9.3 percent.

***Trend: From FY 05 to FY 07, separation rates for new hires were approximately 30 percent higher than observed rates in the ROG.***

- Overall, 14.5 percent of Series 511 (Auditors) brought on board from FY 05 to FY 07 separated from USAAA within one year compared to 11.5 percent in the ROG.
- 15.9 percent of male auditors brought on board from FY 05 to FY 07 separated from USAAA within one year compared to 11.6 percent in the ROG.
- 13.2 percent of female auditors brought on board from FY 05 to FY 07 separated from USAAA within one year compared to 11.6 percent in the ROG.

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***Trend: USAAA has difficulty retaining mid-career auditors, especially women, with between 3 years and 20 years of experience and auditors between the ages of 30 and 49. Overall, separation rates among these populations are nearly double that of their peers in the ROG, and nearly triple that of their female peers in the ROG.***

- Overall, 12.8 percent of Series 511 (Auditors) with between 15 years and 19 years of experience separated from USAAA compared to 4.9 percent in the ROG.
- Overall, 10.7 percent of auditors between the ages of 40 and 44 and 10.3 percent of auditors between the ages of 45 and 49 separated from USAAA from FY 05 to FY 07 compared to ROG-observed separation rates of 5.7 percent and 5.3 percent, respectively.
- Among the female population, 13.1 percent of auditors between the ages of 40 and 44 and 16.0 percent of auditors between the ages of 45 and 49 separated from USAAA from FY 05 to FY 07, compared to ROG-observed separation rates of 6.3 percent and 4.8 percent, respectively.

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***Trend: Employees who separate from USAAA are nearly twice as likely to transfer to another Federal agency as employees who separate from other Federal agencies.***

- From FY 05 to FY 07, nearly 56 percent of USAAA separations went to another Federal or DOD agency compared with 28 percent of separations in ROG.
- This trend appears for both men and women, though women, in general, are more likely to transfer to another agency. This trend appears across most years of experience and age groups for both men and women.

Note: Benchmark comparison of retention rates was conducted by the contractor and based on data provided by USAAA and governmentwide statistics available on the OPM website (<http://www.fedscope.opm.gov/>). Only full-time employees in the GS-511 (Auditor) series under a permanent appointment were considered for the comparison. Organizations selected for the benchmark included "sister" agencies in DOD and the military services as well as cabinet-level Inspector General functions with a minimum of 300 onboard employees in the GS-511 (Auditor) series. Rates for other agencies provided above and on the following pages are based on data available on [http://www.fedscope.opm.gov](http://www.fedscope.opm.gov/). Separation rates are calculated as the number of losses in a fiscal year divided by the onboard population for that organization at the beginning of the fiscal year. Only full-time employees under a permanent appointment were considered for this analysis.

## Leader Trends

The Agency has experienced a 40-percent turnover in leaders at the Program Director and above levels during the past 4 years. As a result, the average years of experience at this level declined. In the next 5 years, 60 percent of our Senior Executive Service members, 49 percent of our Program Directors, and 24 percent of our Audit Managers will be eligible to retire. \*

## Assumptions

- We will continue to recruit and maintain a diverse workforce. We need an effective diversity management program to:
  - ◆ Encourage a culture of inclusiveness that facilitates varied ideas, perspectives, and interactions.
  - ◆ Grow leaders who possess cross-cultural awareness and can manage a workforce with varied diversity traits (race, ethnicity, religion, age, gender, disability, education level, thinking style, family status, speed of learning, and so forth).
- The Agency would benefit from a formal onboarding program designed to integrate and acculturate new employees into the Agency and provide them with the tools, resources, and knowledge to become successful and productive employees. This program may also help minimize attrition among new hires.
- We'll likely continue to experience higher-than-average attrition compared to the ROG consistent with our historical rates. We'll continue to successfully fill vacancies left behind with entry-level recruitment efforts. However, the midcareer losses are expected to continue, partly due to work-life balance challenges of the nature of our positions (most with high travel requirements). These losses may even increase in the future due to additional job opportunities at other Army activities as a result of base realignments and closures. We need to expand formal recruitment efforts to include hiring at the journey level and continue to improve our employee training and development program to equip our workforce with the competencies needed to support the mission.
- Turnover among Agency senior executives and managers will be significant. We need effective succession planning and knowledge management programs, including a system to identify and close skill gaps in the workforce through training and development efforts.



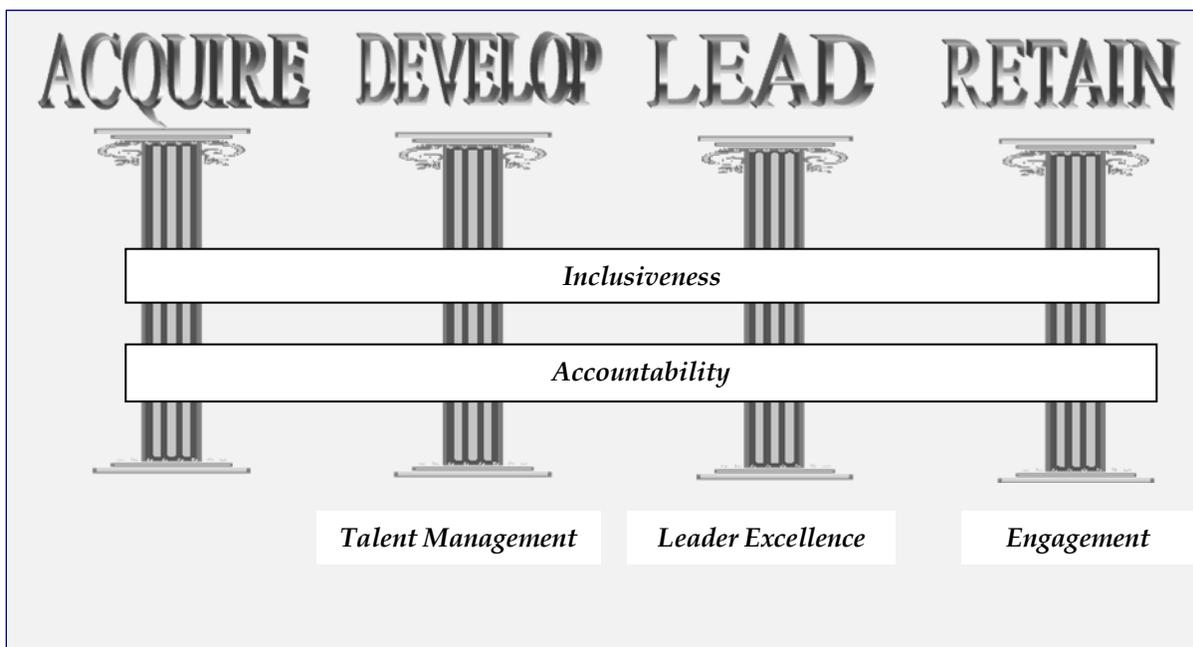
\*Statistics as of 30 September 2008.

## SECTION 3: HUMAN CAPITAL FOCUS AREAS

The Agency views human capital management as a continuous process that begins well before employees start working for the Agency and continues throughout their careers. With that construct in mind, our human capital plan follows a similar path. The four human capital process areas described in this section are sequentially ordered, starting with efforts to attract and acquire quality personnel. This is followed by plans and programs to develop employee skills and competencies, continues into leadership development efforts, and culminates with strategies to retain a competent, mission-focused workforce.

In developing the improvement strategies for each process, the team provided a fairly detailed approach and proposed solutions for some areas, while others only offer an overall strategy that requires more research and analysis. The team also identified when strategies or initiatives would benefit from the support of external experts and when more detailed review would be needed to identify root causes and develop meaningful solutions.

### The Four Human Capital Process Areas



# ACQUIRE

Increased global competition, declining enrollment in the field of accounting, and changing worker values and expectations are all challenges in today's job market. There are fewer qualified candidates and they're no longer content to just earn a good salary. Most are looking for ways to balance work-life issues while still finding personal satisfaction and meaning in their work. Today's workers expect to receive opportunities for lifelong learning to equip them with skills necessary to keep up with rapid changes and to help them prepare for the potential of multiple career changes. In this highly competitive environment of uncertainty, it's essential that recruitment isn't limited to filling vacancies, but is instead an ongoing Agencywide effort to draw quality candidates. With our historically higher-than-average attrition (40 percent at the auditor journey level) and 15 percent of our workforce eligible to retire, our recruitment strategies should be multifaceted and aimed at closing competency gaps that exist as a result of this pattern.

To retain our competitive edge in today's market and to attract the right people with the right skills, we need to continue efforts to maximize compensation flexibilities and recruitment incentives available under NSPS while remaining within our payroll budget. Our marketing efforts should include attractive, informative recruiting materials that appeal to diverse groups, including both the next generation of new workers and mid-careerists. To achieve an environment of inclusiveness, we'll need to continue to participate in recruitment events that draw a diverse pool of applicants and provide work-life flexibilities and programs that appeal to all segments of society.

A process to measure the effectiveness of our recruiting operations, to include assessing the quality of our candidates, is needed to determine our return on investment. Adequate

## **Challenges**

**Fewer qualified candidates**

**Demand for work-life balance**

**Fifteen percent of workforce eligible to retire**

**Higher-than-average separation rates at midcareer level and among new hires**

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## **Improvement Initiatives**

**Midcareer hiring**

**Branding the Agency**

**Process for evaluating recruiting operations**

**Formal recruitment strategy**

**Onboarding program**

resources should remain allocated for recruitment operations. This includes staffing positions that involve recruiting responsibilities with people who have the right skills.

Senior leaders and managers should stay involved in and support recruiting operations by encouraging staff participation. They also need to recognize the accomplishments of those who contribute to our Agency's recruiting goals.

To achieve employee engagement early and to educate managers on their roles in a new employee's first year, the Agency would benefit from a formal onboarding program. This program may also help minimize our attrition rates among new hires.

### ***Current Agency Initiatives: Recruiting Operations***

- The Agency has a robust entry-level recruiting program that has proven successful in filling more than 95 percent of our identified requirements in the last two fiscal years. The program is resourced with a full-time recruiting coordinator, and more than 35 Agency recruiters and greeters.
- Annual workshops are held for selecting officials and recruiters to provide training and lessons learned in recruiting and selecting high-quality candidates. Annual awards are sometimes used to recognize top-performing recruiters and the Agency's performance management system allows recruiting contributions to be addressed in the context of overall performance.



- Management, largely through Chiefs of Staff, develops entry-level staffing requirements on an annual basis. Requirements are adjusted periodically throughout the year and communicated to management and recruiters in a formal staffing plan document. The staffing plan is updated biweekly to track progress toward achieving recruitment goals. Recruiters submit annual recruiting plans that are reviewed by the recruiting coordinator to help ensure our recruitment efforts are multifaceted (such as job fairs, information sessions, and Web fairs) and inclusive of underrepresented groups.
- The Agency uses its Federal Career Intern Program appointment authority to fill positions, and it employs a structured, competency-based interview process and writing exercise to select candidates. The Agency has established competitive hiring salaries within the developmental pay band with a steady career and income progression until the journey level is reached. When necessary, we use both student loan repayments and recruitment bonuses for entry-level personnel at select field offices. We also offer work-life balance tools, including flexible work schedules, telework, and business-casual dress. Additionally, the Army offers employee assistance programs that provide free confidential counseling services during duty hours to help employees with personal issues, such as behavioral, emotional, stress, marital, family, alcohol/drug abuse, and other problems that may be affecting their work. Human resources staff and supervisors advise employees of the availability of such programs and provide points of contact and procedures for obtaining services.
 

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*The Agency has established competitive hiring salaries within the developmental pay band with a steady career and income progression until the journey level is reached.*

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- The Agency uses a variety of recruitment materials, such as brochures, information handouts, recruiting displays, and giveaways, to market the Agency and to attract candidates. Recruitment brochures were developed with the assistance of a contractor more than 10 years ago and need updating. Though professional and attractive in appearance, the materials have outdated information. Recruitment displays were recently updated and provided to each field office for use at recruitment events. Giveaways are purchased on a regular basis and are appealing to college students.
- Senior leaders have demonstrated support for recruitment initiatives by resourcing the program with more than 35 participants and tracking the progress of attaining recruitment goals during monthly leadership meetings. Several also have ongoing relationships with professional organizations and colleges/universities and participate in information sessions at local accounting clubs, classes, and so forth.

These formal recruitment efforts are primarily focused on filling entry-level, developmental auditor positions with the exception of a recently developed program to hire editors into developmental positions under the Federal Career Intern Program. Agency positions at other levels or in other career fields are filled as vacancies occur through either an internal solicitation of candidates or via an external job announcement.

### **Current Agency Initiatives: Onboarding New Employees**

- The Agency has a formal in-processing procedure for new employees. It lays out the responsibilities of the human resources office, the field office managing auditor, and the employee’s supervisor and team.

It includes template welcome and sponsor letters. However, it’s very transaction-oriented, focusing mainly on the myriad paperwork that must be submitted in the new hire’s first days. A team checklist developed by the Agency’s Employee Council was recently incorporated into the procedures, which outlines the roles of team members in educating new hires on the Agency, mission and other team-specific processes.



- A new employee Website was deployed in April 2009. The site provides a mechanism for new employees to immediately get engaged in the Agency’s mission from the date they accept the job offer. It includes a welcome letter from The Auditor General and links to important documents, such as our strategic plan, organizational charts, and leader biographies. Through this site, new employees can access various resources, such as preemployment forms, benefits information, and online training – even before they come on board. This online resource allows new staff to complete much of the transactional portion of in-processing prior to their first day on the job.

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## IMPROVEMENT STRATEGIES

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***Strategy 1: Develop a recruitment strategy aimed at closing current and future competency gaps.***

### ***Performance Metrics***

- Increase acceptance rates among our “first choice” candidates.
- Positive feedback from candidates on recruitment materials (survey).
- Smaller difference between competencies needed and competencies possessed after implementation of strategy.

### ***FY 09 Initiatives***

- 1a. Look to subject matter experts to help develop and market a strong employment brand that addresses the needs of prospective hires better than our competition and positions us as the “employer of choice.” Apply this brand to Agency products, such as recruiting materials, Agency websites, and so forth.
- 1b. Expand formal recruitment efforts to include midcareer (journey-level) hiring to mitigate auditor attrition rates and increase the depth and breadth of experience at the Auditor-in-Charge (AIC) level. Build requirements for non-entry-level personnel into staffing plans and pursue candidates (public and private sector) who are in midcareer, beginning with an active rehire program and posting auditor vacancies on USAJobs (at select locations). Evaluate the success of midcareer recruitment efforts and examine alternate forums (for example, monster.com and military spouse.com) for advertising, if necessary.

### ***FY 10 Initiative***

- 1c. Develop and implement a process for regularly assessing the effectiveness and efficiency of recruiting operations, including adequate resourcing of the program (both staffing and dollars) and return on investment of recruitment activities, including quality, quantity, and diversity of applicants. Leverage internal resources (Quality Assurance Team, Lean Six Sigma, or Human Capital Audits Team) to periodically review key components of the program.

### **FYs 11-12 Initiative**

- 1d. Use results of analysis of recruiting operations and competency gap analysis (discussed in the Develop section) to identify and forecast skill gaps and to document a formal, competency-based recruitment strategy that encompasses all positions (auditor and professional support staff) to help close gaps.

**Strategy 2: Implement an effective onboarding program aimed at engaging new employees, retaining them, and accelerating their path to productivity.**

### **Performance Metrics**

- New hires report positive experiences in their first 90 days.
- Feedback (through employee and supervisory surveys) indicate new hires are engaged and productive.
- Retention rates among new hires increased after implementation of strategy.

### **FY 09 Initiative**

- 2a. Develop and implement a formal onboarding program that follows the model provided in Booz Allen Hamilton's *Getting on Board – A Model for Integrating and Engaging New Employees*. The program should identify key stakeholders and clarify their roles in a new employee's first year . It should also include performance measures to assess program effectiveness.

### **FY 10 Initiative**

- 2b. Evaluate, revise, and document the process used to make new hire job assignments. The evaluation should consider the appropriateness, timing, and audit staffing to maximize the new hire's utilization and ensure proper on-the-job training and development in the first year.



# DEVELOP

Once we've attracted, recruited, and onboarded staff, we should strive to achieve a culture of continuous learning and encourage professional development to optimize workforce capability. With the Army's continued global deployments and major transformation of its units while at war, continuing to build the workforce capacity to accommodate high-priority requests is essential. The National Defense Authorization Act for Fiscal Year 2006 and Quadrennial Defense Review mandates that DOD and its components assess existing and future competencies needed within the civilian workforce. This requirement stems from the need to further identify and address any competency gaps that may occur to be able to meet DOD's challenges in an environment of national security. To meet these expectations, the Army has initiated an effort to identify and validate employee competency proficiency levels for selected critical occupations.

In line with DOD's mandate and the Army's initiative, our employee development programs should be competency-based so the workforce is trained in specific, job-related skills and has the knowledge necessary to achieve our strategic goals. Training initiatives should be based on the results of a formal needs assessment linked to mission-critical competencies. To ensure maximum effectiveness, we should use a wide variety of methods, including classroom training, distance learning, alternative-learning strategies, mentoring, and developmental opportunities. Training should be adequately funded to allow staff to attain the full spectrum of competencies required – not just those that are technical in nature or necessary to fulfill continuing professional education requirements. The program should be evaluated and administered fairly, ensuring inclusiveness.

## **Challenges**

**Continued global deployments**

**High-priority audit requests**

**Continuing professional, education-driven training program**

**No formal evaluation mechanisms**

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## **Improvement Initiatives**

**Marketing training for professional support staff**

**Competency management program**

## **Current Agency Initiatives**

- The Agency currently manages workforce training needs on an individual basis through a mandatory annual individual development plan process that's the shared responsibility of employees and managers. Each year, the training branch provides guidance on the plan process, including a training matrix for auditors that provides direction on which courses should be taken at all levels of their career. Other professionals aren't provided suggested training specific to their career fields. Employees and managers share the responsibility for completing individual development plans with courses to most benefit the employee. Accountability for employee training and development is articulated in an employee's and manager's annual performance plans.
- In 2002, the Agency participated in an effort, with the assistance of OPM, to identify competencies required for its auditor positions. We identified and aligned competencies needed at various auditor levels with competencies trained in certain matrix courses. The existing training matrix includes 10 audit courses for auditors from entry level through Audit Manager. Original course content was aimed at developing identified competencies for each level. It has since been adjusted based on input received from Agency leadership, instructors, course attendees, and training specialists.
- The training program is funded and resourced largely based on the need for auditors to satisfy continuing professional education requirements in accordance with generally accepted government auditing standards and not necessarily the need to close gaps in mission-critical competencies.
- Employees are issued an on-the-job training book when they're hired to help track their attainment of certain competencies required to progress to the next level in the auditor career path from entry level through AIC. However, there's no formal mechanism to hold supervisors and employees accountable for maintaining this book. Indication from workforce interviews and general experience is that employees and supervisors aren't maintaining these books as expected.
- Alternative learning technologies, such as SkillPort and Books 24/7, are available, but they're referenced only briefly in Agency training plans. The training branch encourages distance learning when needed to satisfy continuing professional education requirements. Web conferencing is being used effectively, but only for administrative subjects.

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*Employees and managers share the responsibility for completing individual development plans with courses that would most benefit the employee.*

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- The Agency has a rotation program for entry-level auditors that requires new hires to rotate between functional teams at least once during their first three years. Implementation is tracked by Chiefs of Staff.



- Training effectiveness is measured through three evaluations for each training class – immediate student evaluations submitted at the end of the class, student evaluations completed 30 days later, and supervisor evaluations completed 90 days after the class. However, these tools aren't used widely and are currently of limited value.
- The content of the Agency's training courses are the responsibility of instructors and the training branch. During a training season, instructors may incorporate minor changes into the presentation of the content. Major content updates are usually made during course curriculum meetings in which instructors and the training branch meet for two to four days to discuss courses and to plan changes. Changes can be driven by policy or process changes, comments from attendees, observations from the instructors or training branch, or leadership interest. Course curriculum meetings are held once a year for basic, intermediate, and advanced courses; they may be held less often for other courses.
- The Agency is developing a formal mentoring program to provide additional career guidance to new employees. The program, which was recommended by the Employee Council, will include mechanisms to measure program success.
- The Agency's annual workforce survey includes questions related to satisfaction with training and development. Survey results from 2008 showed 75 percent of the workforce is satisfied with the training they receive to meet/exceed their job objectives and 77 percent feel they have the job-relevant knowledge and skills necessary to accomplish organizational goals. However, during the contractor's assessment of our organization, a common focus group theme among supervisors was that training may not be contributing to their professional development or effectiveness.
- Senior leadership disseminated an Agencywide e-mail on 21 November 2008 encouraging total workforce participation in the Army's Competency Management System effort.

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## IMPROVEMENT STRATEGIES

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***Strategy 3: Identify and market training resources and Army career paths available to professional support staff.***

### ***Performance Metrics***

- Training data shows increase in career-enhancing courses taken by professional support staff.
- Employee and supervisory feedback (survey) indicates resources are useful.

### ***FY 09 Initiative***

- 3a. Identify career programs for all professional support staff in the Agency and their associated Army Career Training and Education System (ACTEDS) master training plans and career paths.

### ***FY 10 Initiative***

- 3b. Educate both supervisors and employees on using ACTEDS master training plans and other Army programs and incorporate into the annual individual development plan process for other professional support staff. Establish minimum annual training requirements for other professionals.

***Strategy 4: Implement a competency-based management program that identifies mission-critical competencies for all positions (both behavioral and technical), tracks individual competency levels, identifies gaps, and links to the Agency's individual development plan process and training and development programs.***

### ***Performance Metrics***

- Competencies are identified, measured, and tracked by each employee.
- Training programs are effective in closing identified gaps as measured by competency levels prior to, and upon completion of, training.
- Employees think the Agency has the talent necessary to achieve goals (survey).

### ***FY 10 Initiatives***

- 4a. Prepare for implementation of the Army's Competency Management System (CMS) by conducting an in-depth study of the system, its capabilities, and how other Army activities are using it. Use information to develop a strategy for implementation.

- 4b. Market CMS, to include how the Agency intends to use the results. Educate the workforce (both supervisors and employees) on how to use it and begin using the system to track competency levels and identify gaps.

***FYs 11-12 Initiative***

- 4c. Design a training and education program to close competency gaps. Ensure program combines classroom training, on-the-job training, and work assignments/opportunities conducive to learning. Incorporate evaluation measures to ensure identified sources are successful in closing gaps.



# LEAD

The Agency's success in recruiting, onboarding, and developing employees to maintain a workforce that's able to accomplish our mission today and in the future relies heavily on how effective our leaders are at all levels of the organization.

The Agency has an experience gap at our first line of supervisors, that is, the AIC level. Newly assigned AICs have an average of only six years of Federal experience. This trend is expected to continue due to the scarce applicant pool in some locations. We rely heavily on these first-line leaders to develop and mentor our workforce, and we'll continue to select individuals who have demonstrated the potential to be effective team leaders. However, it's important to recognize that many new AICs will only have limited experiences to draw on as they fill this vital role. Continued leadership development will be essential to ensure success.

The managerial trends discussed in Section 2 also indicate significant leadership turnover in the next five years due to retirement eligibility among senior managers. As we try to fill vacancies at these levels with scarce applicant pools, we'll likely experience a similar trend in which our new Audit Managers and Program Directors will have less experience and institutional knowledge than their predecessors. These leadership turnover issues and reduced skill levels could contribute to continued retention problems.

We need a leadership development strategy that clearly defines the characteristics of leaders at all levels, encourages and develops leadership skills throughout every employee's career, and incorporates a succession management program to ensure continuity of leadership throughout the Agency.

As the leadership development strategy evolves and the Agency adopts policies and programs to support effective leaders, the right people with the right skills will be placed in leadership positions.

## **Challenges**

**Significant potential turnover in leadership**

**Experience gap at the AIC level**

**Scarce applicant pools**

**Declining institutional knowledge**

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## **Improvement Initiatives**

**Exposing all employees to formal leadership training**

**Leadership development strategy**

**Succession management program**

## **Current Army and Agency Initiatives**

- We have established supervisory career paths for auditors and most leader positions are filled from within the Agency. However, there's no formal program to develop the workforce's leadership capabilities to grow into these positions.
- The Agency provides ad-hoc training opportunities for other professionals to develop specific skills and capabilities. However, the other professional positions don't have a specified career track and there are no Agency programs to develop leadership capabilities.
- The Army is planning to centrally manage career development for all of its civilians (all job series and levels). As part of this effort, it will establish eight broad career tracks that will provide all employees with a clear path for promotion and give them more visibility of opportunities elsewhere in the Army.
- The Army offers several leadership training and development programs and the Agency participates in some of them. In FY 08, the training branch developed a leadership training matrix that incorporated the Army's Civilian Education System leadership courses into the Agency's training program. However, participation and enrollment has been limited and is often offered only to those already in managerial positions. Agency-sponsored schools for AICs and supervisory auditors include minimal content on the behavioral aspects of leadership.
- The Army has established a Civilian Talent Management Program – a leader-enrichment program that will provide our Pay Band 3-level personnel the chance for assignments with multiple commands and educational opportunities. The program promotes talent exchange and will provide greater visibility of vacancies and the talent pool. The Agency is currently identifying positions to participate in this program.
- The Army emphasizes leadership as a key element of success for its managers. Its mandatory use of leadership as a contributing factor in the supervisory job objective is indicative of the importance of leader behaviors in executing the Army's mission. Further, the Executive Core Qualification standards established for Senior Executive Service positions place significant emphasis on leadership – leading change and leading people.

- Agency leaders are held accountable for human capital management through a job objective that focuses on supervising and developing our workforce. This objective is 40 percent of the overall rating for supervisory auditors and Program Directors, reflecting the importance we place on workforce issues. Additionally, expectations for these positions further clarify and emphasize behaviors expected of our leaders. We want leaders who develop and motivate a productive staff, including modeling a high standard of performance and professional conduct for others.
- We use annual workforce survey questions to help gauge how effective our leaders are. Program Directors are held accountable for achieving a certain percentage of favorable scores, which impacts their overall performance ratings. Survey results from 2008 showed 75 percent favorable responses to leadership and management questions.

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## **IMPROVEMENT STRATEGY**

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***Strategy 5: Create a leadership development strategy that includes an effective succession management program.***

### ***Performance Metrics***

- Pipeline exists for future leaders.
- Competency gaps closed for leadership and management.
- Employees hold their leadership in high regard, both overall and on specific facets of leadership performance (survey).

### ***FY 09 Initiative***

- 5a. Strengthen behavioral leadership capabilities (that is, developing others, performance management, building relationships, listening, and so forth) of the workforce at all levels through a balance of classroom training, opportunities to observe effective leaders in action, and direct involvement in leadership activities. Begin with a review of affordable and appropriate leadership classes for all levels of employees available through the Army or other sources. Incorporate these courses into the annual individual development plan process for individual employees. Encourage informal shadowing opportunities and mentorships with leaders who have demonstrated competencies, such as developing employees, managing performance, and communicating effectively. Promote an environment conducive to involving staff in leadership activities, such as contributing to policymaking, providing performance feedback to junior team members, and leading specific aspects of a project.

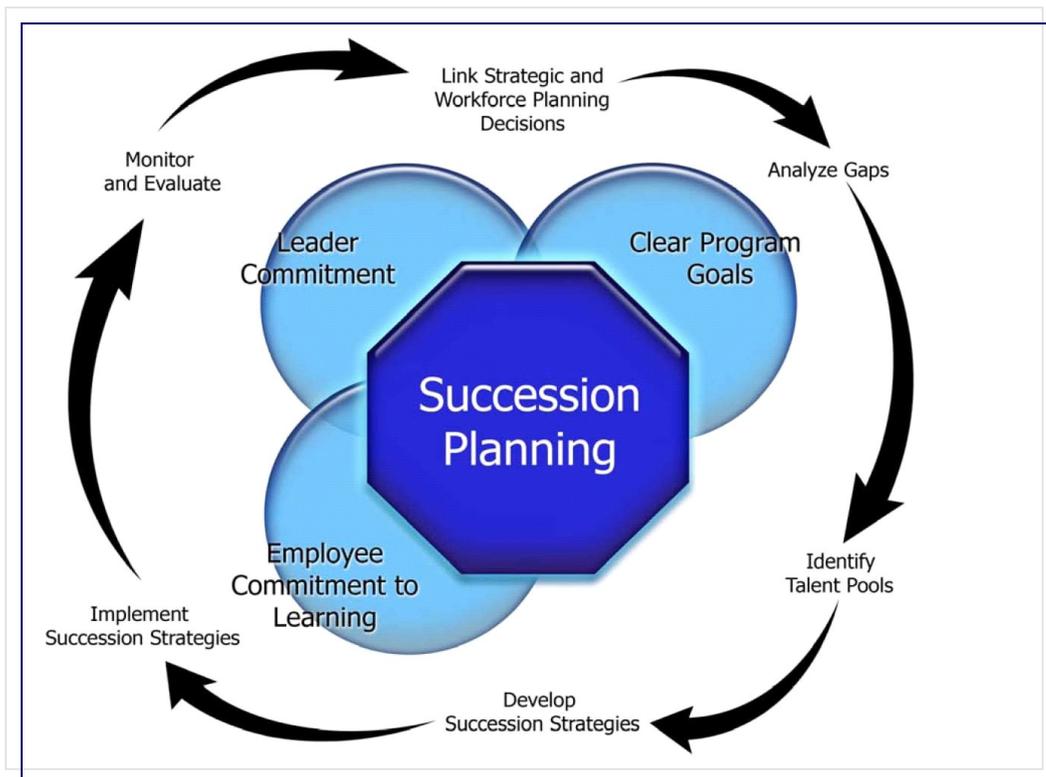
### **FYs 10 Initiatives**

- 5b. Identify and develop Agency succession planning requirements. Link succession management goals to strategic and workforce planning decisions. Analyze Agency data and trends to identify key continuity issues. Develop succession strategies and a business plan.
- 5c. As part of the competency management effort described earlier in the Develop section, identify key competencies associated with leadership expectations, identify skill gaps, and evaluate training, development, and work assignment opportunities that will help close those gaps.

### **FYs 11-12 Initiative**

- 5d. Using OPM’s federally recognized six-step succession planning process (see illustration below), develop and implement a leadership succession management program with the assistance of subject matter experts. The program must adhere to merit principles and should ensure continuous, accurate assessments of current and future leadership needs. It should also include a formal process to address management potential for employees.

### **OPM’s Six-Step Succession Planning Process**



# RETAIN

Ultimately, to successfully accomplish our mission, the Agency should retain the high-quality workforce we've recruited and developed into talented leaders of the future.

The Agency's retention trends described in Section 2 indicate that our separation rates among auditors are similar to most other DOD or military services "sister" organizations. However, our attrition was 4.1 percent higher than the ROG for FY 05 through FY 07. Trends also revealed that we experience difficulty retaining midcareer employees, especially women, with between 3 years and 20 years of experience, and auditors between the ages of 30 and 49. Overall, separation rates among these populations are nearly double that of their peers in the ROG and nearly triple that of their female peers in the ROG.

Although our turnover rate in our other professional positions doesn't match the auditor population, we face significant challenges when those positions are vacated since the majority of them are one deep. Thus, a vacancy often creates inefficiencies in critical processes due to loss of historical knowledge.

If left unmanaged, these retention trends may lead to organizational issues, such as loss of technical knowledge, overworked staff, and costly recruitment and retraining efforts.

The contractor's organizational assessment identified some factors that may be leading to the Agency's retention issues:

- Various aspects of NSPS.
- Work-life balance issues related to the frequent travel requirement of our positions.
- A lack of trust toward management and immediate supervisors.
- Poor communications.
- A perception among some that the work they do isn't important.

## **Challenges**

**Baby boomer retirement wave**

**Higher-than-average attrition**

**Difficulty retaining midcareer employees**

**One-deep professional support staff**

**NSPS**

**Lack of trust**

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## **Improvement Initiatives**

**Strategic communications plan**

**100 percent review of human capital policies/ programs**

**Focal point for NSPS**

**Formal workforce planning process**

**Retention strategy**

**Diversity management program**

The Agency should continue to track and analyze retention trends and identify potential reasons for high turnover.

We must recognize the need to aggressively use certain human capital flexibilities to retain valuable employees who seek to find a balance between work and family life. With an increase in the number of single working parents, baby boomers (who simultaneously care for aging parents and dependent children), and young members of the workforce (often juggling work and school obligations), work-life balance is a necessity for retaining an inclusive workforce.

We need a retention strategy that considers the use of retention bonuses and flexible compensation under NSPS and focuses on building trust through improved communications as well as clear human capital policies that are applied consistently. Leaders at all levels should inspire employee commitment, ensuring that each employee, regardless of level or job type, understands the importance of the Agency's mission and his or her individual contribution to that mission and to the Army and its Soldiers.

### ***Current Agency Initiatives***

- We've conducted an annual workforce survey since 1997 to gauge satisfaction of employees in numerous areas. We use survey results to assess progress toward achieving our professional workforce strategic goal. In the Agency's 2007-2012 Strategic Plan, our Level I goal for overall employee satisfaction is an 80 percent favorable response rate; the Level II goal is 70 percent. In 2008, we achieved a 74 percent favorable response rate for overall employee satisfaction, exceeding our Level II goal, but falling short of our Level I goal.
- Leaders communicate policies, programs, and key workforce issues through Agency leadership meetings, e-mails, Staff Notes, and town hall meetings. The contractor's organizational assessment revealed that the workforce generally feels Staff Notes aren't an effective way to communicate and staff doesn't fully understand certain human capital policies and programs, to include NSPS.
- The Agency manages NSPS through multiple resources within the Agency. We have a designated NSPS transition manager who performs this function as a collateral duty. Information on NSPS is disseminated by various sources within the Agency (Human Resources, Performance Review Authority, Pay Pool Administrators, Agency Transition Manager, Program Director for Policy and Resource Management) and outside the Agency (the Army's NSPS Program Executive Office) often causing confusion. Information and

guidance on NSPS are available to the workforce on the Intranet and includes frequently asked questions. Workforce survey questions related to the effectiveness of NSPS in regard to motivating employees received a noticeably low number of favorable responses (34 percent).

- The Agency is participating in a research project of NSPS with a group of professors from the College of William and Mary, Harvard Business School, and Michigan State University to evaluate our implementation of NSPS and to draw conclusions about its effectiveness in motivating and directing employee efforts toward organizational goals. A survey was administered to our workforce in February 2009 and final results of the analysis will be available around August 2009. Results will be published in an academic journal and will be used to improve how the Agency administers NSPS.
- In 2007, Agency leaders reestablished the Employee Council, which was created to identify and respond to employee issues. The council was tasked with providing Agency leadership with recommendations to improve the effectiveness of the workforce, to help ensure employee productivity, and to increase morale. Successful initiatives include developing a mentoring program, creating a new hire folder on Agency notebook computers with valuable resources and information, and initiating a centralized source of benefits information for deployed civilians on the Agency's Intranet.
- The Agency uses a number of performance recognition tools to include total NSPS compensation, The Auditor General Award, special act awards, time-off awards, on-the-spot awards, and honorary awards (such as certificates of appreciation and the Achievement Medal for Civilian Service). The annual workforce survey has questions about employee confidence that awards are based on contribution to mission accomplishment. Results from the 2008 survey show 61 percent of the workforce is satisfied with the distribution of recognition and awards.



The 2008 Auditor General TAG Awards Ceremony  
14 April 2009  
Fort Belvoir, VA

- We encourage and offer developmental assignments in areas such as recruiting, downrange audits, Employee Council, liaison, and Agency process action teams. These opportunities allow staff to help manage resources, participate in planning, and assist Human Resources in implementing recruitment and retention initiatives.

- The Agency uses flexible compensation tools and working arrangements to retain quality employees. These tools include telework, alternative work schedules, business-casual dress, permanent change of station entitlements, student loan repayments, and financial support for advanced degrees and certifications. These tools are documented in Agency policies and procedures that describe the guidelines for their use. The Agency's annual workforce survey includes questions related to using these flexibilities. Results from the 2008 survey indicated 92 percent of the workforce is satisfied with alternative work schedule options and 76 percent of the workforce is satisfied with their opportunity to telework. There was a marked improvement in satisfaction with telework opportunities as 2007 results showed 60 percent positive responses to this question.

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***Results from the 2008 survey indicated 92 percent of the workforce is satisfied with alternative work schedule options and 76 percent of the workforce is satisfied with their opportunity to telework.***

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- A process action team developed job expectations in 2008 to assist raters in communicating employee roles in achieving strategic goals at various levels (Staff Auditor I through Program Director). These job expectations are directly aligned to the Agency's mission and strategic goals.
- Agency leadership approved the implementation of a formal mentor program in 2009 to further help employees understand the Agency's mission and goals and to provide additional support to enhance their professional success.
- During outprocessing of departing employees, Human Resources staff conduct an exit interview to determine reasons why an employee has decided to leave the Agency. These results are summarized, provided to Agency leadership, and used by the Employee Council as lessons learned to develop retention strategies.
- Currently, the Agency is tracking employees hired during 2007 and 2008 to identify strategies that contributed to successfully recruiting, developing, and retaining employees.
- We've successfully adopted the Lean Six Sigma methodology as a means for improving our core business processes and to reduce unnecessary workload. The Lean aspect focuses on eliminating non-value-added steps in a process; the Six Sigma aspect focuses on reducing variation from the remaining value-added steps. We have completed two audit-related projects – one resulted in creating an Audit Research Center and the other revised the process for preparing and issuing draft audit reports. We also completed a project that improved the process to develop an employee's individual development plan and recently began a project to improve our automated working paper process.

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## IMPROVEMENT STRATEGIES

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**Strategy 6: Address key factors (identified in the contractor's organizational assessment) that may be leading to employee turnover.**

### **Performance Metrics**

- Positive employee feedback on effectiveness of communications (survey).
- Increased level of trust as reported by employees (survey).
- Increase in favorable responses on NSPS (survey).
- Human capital policies/programs are perceived as clear, fair, and effective (survey) and are used by management (such as data on telework and alternate work schedules).
- Overall decrease in voluntary separations.
- Workforce planning process exists and is used to make compensation/work structure decisions.

### **FY 09 Initiative**

- 6a. To maximize the effectiveness of NSPS, assign a focal point responsible for supporting the Agency's performance review authority in the overall administration and communication of information regarding the pay-for-performance aspect of NSPS. Tasks would include educating the workforce, fielding NSPS questions, publishing guidance, and staying current with program changes and flexibilities and incorporating these into Agency policy and programs. Allow this resource adequate time to dedicate to this function.
- 6b. To address the issue of one-deep positions and the challenges associated with appropriately staffing and managing professional support positions, conduct a formal assessment of current workflow processes and organizational structure and develop an improvement strategy. Specifically review:
  - ◆ How we organize support functions within the Agency.
  - ◆ How work is done.
  - ◆ How business processes are documented.
  - ◆ How we structure and band professional support positions under NSPS.
  - ◆ How we compensate these positions within the established pay band for recruitment and retention purposes.

### ***FY 10 Initiatives***

- 6c. To improve communications, develop a strategic communications plan, using varying methods of delivery (such as face-to-face, video teleconferencing, Webcasting, team meetings, chat rooms, and organizational networking techniques) to identify and address key agency issues identified by leadership. Incorporate a mechanism to regularly evaluate the effectiveness of the communications (to include soliciting employee feedback) and adjust accordingly. In developing the plan, look to the Army's Strategic Communications Office for expert assistance and seek external contractor assistance if necessary.
- 6d. Conduct a complete review of human capital policies, procedures, and programs for comprehension, relevance, ease of administration, and effectiveness. During the review, build in processes to regularly monitor and evaluate human capital policies, procedures, and programs. Communicate mandatory elements that must be implemented.

### ***FYs 11-12 Initiative***

- 6e. Conduct a formal review of auditor positions in the YA-511-02 and YC-511-02, 03 to determine if they're accurately classified in accordance with DOD's classification criteria for the established duties. Determine if reclassification is appropriate and evaluate long-term budgetary impacts on the Agency.

## **Strategy 7: Develop a retention strategy aimed at closing current and future competency gaps.**

### ***Performance Metrics***

- Decrease in loss rates and increase in retention period of employees at identified locations prior to and after implementing retention tools.
- Improved retention rates of employees with targeted competencies.

### ***FY 09 Initiative***

- 7a. Analyze retention/loss rates by position type and location and identify locations where competition is high and retention is an issue. Develop a mechanism to regularly track and analyze retention trends and continue to identify potential reasons for high turnover.

**FY 10 Initiative**

- 7b. Examine available monetary and nonmonetary retention tools and their potential impact. Implement identified retention tools at locations where it's determined incentives are necessary. Evaluate the effectiveness of retention tools utilized.

**FYs 11-12 Initiative**

- 7c. Develop a strategy to retain targeted competencies using results of regular analyses of retention trends and competency levels of the workforce (obtained through competency management tool).

**Strategy 8: Establish a diversity management program to encourage a culture of inclusiveness that facilitates varied ideas, perspectives, and interactions, and to grow leaders who possess cross-cultural awareness and can manage a workforce with varied diversity traits (race, ethnicity, religion, age, gender, disability, education level, thinking style, family status, speed of learning, and so forth).**

**Performance Metrics**

- Employees feel their varied ideas and perspectives are valued (survey).
- Decrease in employee reports/complaints/grievances regarding disparate treatment, discrimination, sexual harassment.

**FY 09 Initiative**

- 8a. Identify diversity awareness training offered through the Army and other sources and incorporate into the Agency's annual training program.

**FYs 10 Initiative**

- 8b. Work with Army diversity experts to establish and implement an effective diversity management program.



## **ANNEX A:**

### **HUMAN CAPITAL ASSESSMENT AND ACCOUNTABILITY FRAMEWORK\***

OPM, Office of Management and Budget, and the U.S. Government Accountability Office have jointly outlined essential building blocks for effectively recruiting, developing, motivating, and retaining employees needed to achieve an agency's mission and strategic goals in the Human Capital Assessment and Accountability Framework, or HCAAF.

The framework includes these five key systems:

- ***Strategic Alignment***  
Agency human capital strategy is aligned with mission, goals, and organizational objectives and integrated into its strategic plans, performance plans, and budgets.
- ***Leadership and Knowledge Management***  
Agency leaders and managers effectively manage people, ensure continuity of leadership, and sustain a learning environment that drives continuous improvement in performance.
- ***Results-Oriented Performance Culture***  
Agency has a diverse, results-oriented, high-performance workforce, and has a performance management system that effectively differentiates between high and low performance and links individuals/team/unit performance to organizational goals and desired results.
- ***Talent Management***  
Agency has closed most mission-critical skills, knowledge, and competency gaps and has made meaningful progress toward closing all gaps.
- ***Accountability***  
Agency human capital decisions are guided by a data-driven, results-oriented planning and accountability system.

\* An overview of the HCAAF is available on OPM's Website at: <http://apps.opm.gov/HumanCapital/standards/index.cfm>.

## **ANNEX B: IMPROVEMENT INITIATIVES TABLE**

### **FY 09 Initiatives**

#### **ACQUIRE**

- Look to subject matter experts to help develop and market a strong employment brand that addresses the needs of prospective hires better than our competition and positions us as the “employer of choice.” Apply this brand to Agency products, such as recruiting materials, Agency Websites, and so forth. [1a]
  
- Expand formal recruitment efforts to include midcareer (journey-level) hiring to mitigate auditor attrition rates and increase the depth and breadth of experience at the Auditor-in-Charge (AIC) level. Build requirements for non-entry-level personnel into staffing plans and pursue candidates (public and private sector) who are in midcareer, beginning with an active rehire program and posting auditor vacancies on USAJobs (at select locations). Evaluate the success of midcareer recruitment efforts and examine alternate forums (for example, monster.com and military spouse.com) for advertising, if necessary. [1b]
  
- Develop and implement a formal onboarding program which follows the model provided in Booz Allen Hamilton’s, *Getting on Board – A Model for Integrating and Engaging New Employees*. The program should identify key stakeholders and clarify their roles in a new employee’s first year. It should also include performance measures to assess program effectiveness. [2a]

#### **DEVELOP**

- Identify career programs for all professional support staff in the Agency and their associated Army Career Training and Education System (ACTEDS) master training plans and career paths. [3a]

## **LEAD**

- Strengthen behavioral leadership capabilities (that is, developing others, performance management, building relationships, listening, and so forth) of the workforce at all levels through a balance of classroom training, opportunities to observe effective leaders in action, and direct involvement in leadership activities. Begin with a review of affordable and appropriate leadership classes for all levels of employees available through the Army or other sources. Incorporate these courses into the annual individual development plan process for individual employees. Encourage informal shadowing opportunities and mentorships with leaders who have demonstrated competencies such as developing employees, managing performance, and communicating effectively. Promote an environment conducive to involving staff in leadership activities, such as contributing to policymaking, providing performance feedback to junior team members, and leading specific aspects of a project. [5a]

## **RETAIN**

- To maximize the effectiveness of NSPS, assign a focal point responsible for supporting the Agency's performance review authority in the overall administration and communication of information regarding the pay for performance aspect of NSPS. Tasks would include educating the workforce, fielding NSPS questions, publishing guidance, and staying current with program changes and flexibilities and incorporating these into Agency policy and programs. Allow this resource adequate time to dedicate to this function. [6a]
- To address the issue of one-deep positions and the challenges associated with appropriately staffing and managing professional support positions, conduct a formal assessment of current workflow processes and organizational structure and develop an improvement strategy. Specifically review:
  - ◆ How we organize support functions within the Agency.
  - ◆ How work is done.
  - ◆ How business processes are documented.
  - ◆ How we structure and band professional support positions under NSPS.
  - ◆ How we compensate these positions within the established pay band for recruitment and retention purposes. [6b]
- Analyze retention/loss rates by position type and location and identify locations where competition is high and retention is an issue. Develop a mechanism to regularly track and analyze retention trends and continue to identify potential reasons for high turnover. [7a]
- Identify diversity awareness training offered through the Army and other sources and incorporate into the Agency's annual training program. [8a]

## FY 10 Initiatives

### **ACQUIRE**

- Develop and implement a process for regularly assessing the effectiveness and efficiency of recruiting operations, including adequate resourcing of the program (both staffing and dollars) and return on investment of recruitment activities, including quality, quantity, and diversity of applicants. Leverage internal resources (Quality Assurance Team, Lean Six Sigma, or Human Capital Audits Team) to periodically review key components of the program. [1c]
- Evaluate, revise, and document the process used to make new hire job assignments. The evaluation should consider the appropriateness, timing, and audit staffing to maximize the new hire's utilization and ensure proper on-the-job training and development in the first year. [2b]

### **DEVELOP**

- Educate both supervisors and employees on using ACTEDS master training plans and other Army programs and incorporate into the annual individual development plan process for other professional support staff. Establish minimum annual training requirements for other professionals. [3b]
- Prepare for implementation of the Army's Competency Management System (CMS) by conducting an in-depth study of the system, its capabilities, and how other Army activities are using it. Use information to develop a strategy for implementation. [4a]
- Market CMS, to include how the Agency intends to use results. Educate the workforce (both supervisors and employees) on how to use it and begin using the system to track competency levels and identify gaps. [4b]

## **LEAD**

- Identify and develop Agency succession planning requirements. Link succession management goals to strategic and workforce planning decisions. Analyze Agency data and trends to identify key continuity issues. Develop succession strategies and a business plan. [5b]
- As part of the competency management effort described in the Develop section, identify key competencies associated with leadership expectations, identify skill gaps, and evaluate training, development, or work assignment opportunities that will help close those gaps. [5c]

## **RETAIN**

- To improve communications, develop a strategic communications plan, using varying methods of delivery (such as face-to-face, video teleconferencing, Webcasting, team meetings, chat rooms, and organizational networking techniques) to identify and address key agency issues identified by leadership. Incorporate a mechanism to regularly evaluate the effectiveness of the communications (to include soliciting employee feedback) and adjust accordingly. In developing the plan, look to the Army's Strategic Communications Office for expert assistance and seek external contractor assistance if necessary. [6c]
- Conduct a complete review of human capital policies, procedures, and programs for comprehension, relevance, ease of administration, and effectiveness. During the review, build in processes to regularly monitor and evaluate human capital policies, procedures, and programs. Communicate mandatory elements that must be implemented. [6d]
- Examine available monetary and nonmonetary retention tools and their potential impact. Implement identified retention tools at locations where it's determined incentives are necessary. Evaluate the effectiveness of retention tools utilized. [7b]
- Work with Army diversity experts to establish and implement an effective diversity management program. [8b]

## FYs 11-12 Initiatives

### **ACQUIRE**

- Use results of analysis of recruiting operations and competency gap analysis (discussed in the Develop section) to identify and forecast skill gaps and to document a formal, competency-based recruitment strategy that encompasses all positions (auditor and professional support staff) to help close gaps. [1d]

### **DEVELOP**

- Design a training and education program to close competency gaps. Ensure program combines classroom training, on-the-job training, and work assignments/opportunities conducive to learning. Incorporate evaluation measures to ensure identified sources are successful in closing gaps. [4c]

### **LEAD**

- Using OPM's federally recognized six-step succession planning process, develop and implement a leadership succession management program with the assistance of subject matter experts. The program must adhere to merit principles and should ensure continuous, accurate assessments of current and future leadership needs. It should also include a formal process to address management potential for employees. [5d]

### **RETAIN**

- Conduct a formal review of auditor positions in the YA-511-02 and YC-511-02, 03 to determine if they're accurately classified in accordance with DOD's classification criteria for the established duties. Determine if reclassification is appropriate and evaluate long-term budgetary impacts on the Agency. [6e]
- Develop a strategy to retain targeted competencies using results of regular analyses of retention trends and competency levels of the workforce (obtained through competency management tool). [7c]

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