

HUMAN CAPITAL MANAGEMENT ACCOUNTABILITY SYSTEMS

1. **REASON FOR ISSUE.** To issue Department of Veterans Affairs (VA) policies for human resources management (HRM) program evaluation in support of overall human capital accountability.
2. **SUMMARY OF CONTENTS/MAJOR CHANGES.** This directive revises the policies and responsibilities for VA's Human Capital Accountability Program:
 - a. Establishes alignment of the Human Capital Evaluation system with the agency strategic plan and Annual Performance Plan.
 - b. Inaugurates the Human Capital Framework (HCF), which describes four human capital systems with definitions and standards that replace the Human Capital Assessment and Accountability Framework (HCAAF).
 - c. Launches the Human Capital Operating Plan (HCOP) and quarterly data-driven review process (HRStat) to identify and monitor human capital measures and targets that inform the progress VA is making towards meeting agency specific goals.
 - d. Institutes a Human Capital Review with the Office of Personnel Management. A moderate number of changes have been made to the previous directive.

Revisions to the related handbook are issued separately. The electronic version of this directive is maintained on the [Office of the Chief Human Capital Officer website](#) and the [VA Publications website](#).

3. **RESPONSIBLE OFFICE.** Oversight and Effectiveness Service (054), Office of the Chief Human Capital Officer
4. **RELATED HANDBOOK.** VA Handbook 5024, Human Resources Management Accountability Systems.
5. **RESCISSION.** VA Directive 5024, Human Resources Management Program Evaluation, dated January 23, 2012.

CERTIFIED BY:

/s/
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**BY DIRECTION OF THE SECRETARY
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HUMAN CAPITAL MANAGEMENT ACCOUNTABILITY SYSTEMS

1. **PURPOSE.** This directive establishes VA policies for human capital management (HCM) accountability systems. It describes how the evaluation system is a mechanism for monitoring and evaluating outcomes of human capital management strategies, policies, programs and activities. It also outlines responsibilities for the conduct and review of Human Resources Management (HRM) program assessments. The provisions of this directive do not apply to the Office of Inspector General.
2. **POLICY.**
 - a. Under Secretaries, Assistant Secretaries, line managers and human resources (HR) officials are responsible for the VA's HCM accountability system. They work together to ensure Federal and VA's HRM programs, policies and delegated HR authorities are carried out in accordance with merit systems principles, title 5 and title 38 provisions, or other applicable laws, rules and regulations related to human resources management.
 - b. 5 Code of Federal Regulation 250 § 250.203 required all VA Administrations and staff offices to maintain an effective internal Human Capital Management (HCM) accountability system for monitoring and evaluating HRM programs, results and accountability. An effective VA HCM system depends on attracting, developing and retaining quality employees from diverse backgrounds and ensuring that they perform at high levels. Sound investment in human capital (HC) is essential if VA Administrations and staff offices are to achieve their missions. VA's HCM accountability system also ensures that there is an assessment of VA's use of HC processes. These processes should enable organizations to achieve program goals and objectives that accomplish VA's mission.
 - c. This directive establishes the Human Capital Framework (HCF), which describes four human capital systems with definitions and standards that replace the Human Capital Assessment and Accountability Framework (HCAAF). It also institutes the Human Capital Operating Plan which aligns human capital strategies with the VA strategic plan. The directive establishes a requirement for a quarterly data-driven review (HRStat) and participation in the Human Capital Review with the Office of Personnel Management.
 - d. The VA's HC evaluation objectives put systems and measures in place to assure that:
 - (1) Through VA's strategic plan and annual performance plan, HC programs are responsive in carrying out VA's mission;
 - (2) The spirit and intent of Federal HRM programs including laws, executive orders, rules and regulations are being adhered to;

- (3) Major HRM objectives contained in [5 U.S.C. Chapter 23](#), Merit System Principles and [38 U.S.C. Chapter 74](#), Veterans Health Administration-Personnel, are being achieved;
 - (4) Management's HC goals and objectives are established through the Human Capital Operating Plan (HCOP) and tracked through metrics that are reviewed quarterly in HRStat reviews; and
 - (5) Action plans are developed and implemented as necessary to improve programs.
- e. To meet these objectives:
- (1) The VA-wide HC program's effectiveness will be reviewed and evaluated on a continuing basis;
 - (2) HRM Analysis and evaluation will be accomplished annually at each management level with HRM authority. Findings will be coordinated with appropriate line and staff officials at field stations and in VA Central Office (VACO);
 - (3) The Office of Chief Human Capital Officer (OCHCO) will report annually to the Office of Personnel Management (OPM), the Secretary, Assistant Secretaries and Under Secretaries on the HRM program evaluations so that the findings can be considered in formulating management decisions; and
 - (4) Each HR office will conduct an annual HC self-evaluation as an integral part of local management's systematic internal review system, to include the separate Delegated Examining Unit (DEU) assessment at facilities where such units exist. Documentation used to prepare the self-evaluation will be maintained for review during reviews. The self-evaluations will be conducted within an allotted timeframe using the OCHCO self-evaluation questionnaire during the beginning of each new fiscal year and posted to a designated SharePoint site.

3. RESPONSIBILITIES.

- a. **The Assistant Secretary for Human Resources and Administration/Operations, Security and Preparedness (ASHRA/OSP)** has overall program responsibility for HC Program assessments and evaluations, results and accountability within VA. As an integral part of senior leadership, the ASHRA/OSP advises and assists the Secretary, the Under Secretaries and other Staff Office heads in carrying out VA's responsibilities for selecting, developing, training and managing a high quality, productive workforce in accordance with merit system principles. As part of this responsibility, the ASHRA/OSP advises the VA Executive Board and VA Operations Board on the

strategic alignment of VA's workforce to its mission and serves as principal advisor to the Secretary on VA workforce succession planning and achieving and sustaining a diverse workforce. The ASHRA/OSP has overall responsibility for developing the HC Operating Plan (HCOP); oversees the quarterly HRStat reviews and the operation of VA's Human Capital accountability system; participates in the Human Capital Review (HCR) with the Office of Personnel Management (OPM); and ensures compliance with merit system principles, other regulations and VA human resources policies. The ASHRA/OSP has overall program responsibility for VA HRM Program assessments, evaluations, results and accountability.

- b. **The VA Chief Human Capital Officer (CHCO)** is responsible for the design and operation of VA's HRM assessment system consistent with this directive and 38 U.S.C. § 527, Evaluation and data collection, as it pertains to human resources management. The VA CHCO provides leadership in the following:
- (1) Planning and development of human resources management policies and programs that support and enhance VA's mission;
 - (2) Formulating VA policies, in coordination with the Administrations and Staff Offices pertaining to workforce planning, employment, compensation and classification, performance management and recognition, work-life and benefits and oversight;
 - (3) Providing technical assistance to the Administrations and Staff Offices in proper application of Federal personnel laws, regulations, policies; and
 - (4) Coordinating the VA's Workforce development and Succession Plan and monitoring overall progress in meeting workforce planning goals.
- c. **In carrying out these responsibilities, the CHCO oversees** accountability for Departmental results in overall Talent Management, Performance Culture and Evaluation and shall:
- (1) Assess internal VA HRM activities through on-site and virtual surveys, assistance visits, records reviews and analysis of HRM information systems reports;
 - (2) Develop methods to use evaluation information to improve and strengthen VA's HRM;
 - (3) Identify program activities that should be given additional attention department-wide, publicize these needs to all field stations and measure established goals and objectives where needed. (The authority to evaluate HRM objectives is found in VA Handbook 5001, Part II, paragraph 7a. This includes HRM objectives found in VA Handbook 5001, Part II, paragraph 4 and specific objectives described in individual directives and handbooks.);

- (4) Establish appropriate procedures and provide follow-up action to overcome identified HRM deficiencies and recommend needed improvements;
- (5) Coordinate evaluation findings with appropriate management levels and annually provide necessary reports to VA Assistant Secretaries and Under Secretaries;
- (6) Ensure appropriate collection, maintenance and dissemination of information needed to accomplish the purpose of this directive and the requirements of 38 U.S.C. § 527;
- (7) Coordinate HRM assessment activities with the Administrations and with OPM, to maximize program coverage and strive toward consistency in program assessment; and
- (8) Use appropriate procedures during on-site reviews to observe the rights of labor organizations are honored.

d. **Under Secretaries, Assistant Secretaries and Other Key Officials**, shall:

- (1) Ensure that self-assessment of HC is performed in their respective organizations and that methods used are sufficient to support viable assessment and evaluation of HC within their organizations;
- (2) At the CHCO's request, report the adequacy of HRM within their organizations and offices;
- (3) Respond to requests for information or action from the CHCO and ensure that subordinate activities comply with required actions within specified timeframes; and
- (4) Use assessment and evaluation information to improve HRM practices.

e. **Veterans Integrated Service Network Directors**, shall:

- (1) Perform annual HC self-assessments -per paragraph 3b (4) of this directive;
- (2) Provide CHCO requested information;
- (3) Host on-site or virtual verification of HRM results by OCHCO staff or other designated officials;
- (4) Furnish necessary support to CHCO representatives in support of assessment requirements;
- (5) Use self-assessment results to improve HRM within their chain of command; and
- (6) Actively cooperate in supporting HRM accountability within their organizational scope of authority.

f. **Human Resources Management Officers**, shall cooperate fully with OCHO on-site or virtual evaluation representatives and assist organizations in carrying out HC self-assessment programs that:

- (1) Are consistent with facility size and mission;
- (2) Ensure HRM services provided are most effective, efficient and compliant;
- (3) Comply with technical and legal requirements while being responsive to customer concerns.

g. **Director, HRA Oversight and Effectiveness Service (OES)**, shall plan, coordinate and monitor the HRM effectiveness, efficiency and merit system compliance. In carrying out these responsibilities, OES ensures effective implementation of VA's HC Accountability System, including the conduct, reporting and follow-up of VA's evaluation activities. The Director of OE serves as the Accountability Program Manager for the Department and coordinates the program with the Office of Personnel Management.

4. ASSESSMENT. Through Human Capital Reviews with the Office of Personnel Management, the effectiveness of this policy will be assessed.

5. REFERENCES.

- a. [VA Directive 5001](#), System of VA Human Resources Management Directives and Handbooks, General Introduction and Administration
- b. [5 U.S.C. § 2301](#) (Merit Systems Principles)

- c. [5 Code of Federal Regulations \(C.F.R.\) § 250.203](#)
- d. [5 Code of Federal Regulations \(C.F.R.\)](#)
- e. [38 Code of Federal Regulations \(C.F.R.\)](#)
- f. [38 U.S.C. Chapters 3, 71, 73, 74](#) and [78](#)
- g. 38 U.S.C. Chapter 5, Subchapter II, Sections [501](#) and [527](#)