

## Departmental Management

### *Maintaining a Strategic Management Focus*

The President's Management Agenda (PMA), announced in 2001, consists of reforms aimed at achieving a Government that is citizen-centered, results-oriented, and market-based. The five government-wide initiatives included in the agenda are Strategic Management of Human Capital, Competitive Sourcing, Improved Financial Performance, Expanded Electronic Government, and Budget and Performance Integration. DOL's four Departmental Management outcome goals correspond to the first four initiatives (see table below). Two DOL agencies provide leadership for accomplishing these goals: the Office of the Chief Financial Officer (OCFO) and the Office of the Assistant Secretary for Administration and Management (OASAM). However, all DOL agencies contribute to overall management performance.

In FY 2004, the Department achieved eight, substantially achieved three, and did not achieve one of its management performance goals. Human Resources and Procurement functions stood out by achieving or substantially achieving all goals for the year; highlights were an injury and illness case rate less than half of that experienced in FY 2000-2001, and use of performance-based service contracting at a rate more than 50 percent above target. OCFO launched its managerial cost accounting project on a very ambitious schedule and made commendable progress toward its goal while maintaining high standards in its traditional roles. In the information technology arena, DOL missed its target for paperwork reduction but implemented a new e-procurement system, enhanced security, and made significant improvements in its management of capital investments.

<b>Outcome Goal HR – Establish DOL as a Model Workplace</b>	
OASAM quality workforce (HR1) – substantially achieved	DOL completed competency models for all 27 mission-critical occupations and a skills inventory tool is in place for assessing skill gaps.
OASAM lost workdays (HR2) – achieved	As of third quarter FY 2004, the Department was achieving this goal with a rate of 37.3 days lost per 100 employees (target 40.5).
OASAM health case rate (HR3) – achieved	As of third quarter FY 2004, DOL was achieving this goal with a rate of 1.72 total injury and illness cases per 100 employees (target 2.43).
OASAM health lost time (HR4) – achieved	As of third quarter FY 2004, DOL was achieving the goal of 1.19 lost time cases per 100 employees with rate of 1.11.
OASAM workers' compensation (HR5) – achieved	As of third quarter FY 2004, the average is 88.1% of claims filed on time, against at target of 88%.
<b>Outcome Goal PR – Improve Procurement Management</b>	
OASAM FAIR competitions (PR1) – substantially achieved	DOL held competitions for almost 14% of the FTE listed in DOL's 2000 FAIR Act inventory.
OASAM performance-based contracting (PR2) – achieved	DOL used PBSC techniques for 67% of total eligible service contracting dollars.
<b>Outcome Goal FM – Enhance Financial Performance through Improved Accountability</b>	
OCFO accurate and timely (FM1) – substantially achieved	DOL received its eighth consecutive unqualified audit opinion on its consolidated financial statements and substantially complied with applicable federal financial management standards.
OCFO integrated management (FM2) – achieved	OCFO developed a DOL-wide managerial cost accounting capability and completed cost models for 15 DOL agencies.

<b>Outcome Goal IT – Provide Improved, Secure IT Service to Citizens, Businesses, Government and DOL Employees to Improve Mission Performance</b>	
OASAM e-government (IT1) – not achieved	The e-procurement system was implemented in both the National and Regional Offices for 14 DOL component agencies, but DOL did not reach its paperwork elimination target of automating 100 percent of designated manual processes.
OASAM cyber security (IT2) - achieved	DOL reached targets regarding Cyber Security System tests and evaluations and internal computer security incident response reporting.
OASAM capital planning (IT3) - achieved	All targets were reached. Rollout and migration of DOL’s new tool for electronic capital planning and investment management was achieved in the 2 <sup>nd</sup> quarter of FY 2004. DOL also reached its target of IT initiatives operating within 10% of cost, schedule, and technical performance parameters.

The Administration’s Executive Branch Management scorecard, a quarterly assessment of Federal agencies’ implementation of the President’s Management Agenda (PMA), is another measure of the Department’s progress in these areas. In the June 2004 update, DOL’s status scores were elevated to “green” in Budget and Performance Integration and “yellow” in Competitive Sourcing. Human Capital had achieved “green” status earlier in the year. Financial Performance and E-Government scores remained at “yellow.” This result is consistent with our record of goal achievement in qualitatively indicating progress in management practices at DOL for FY 2004. For more information about accomplishments with respect to the PMA, see the section devoted to that topic in the Executive Summary of this report.

Results for the outcome goals listed above are discussed in more detail on the following pages.