



## **Government, Business, and The President's Management Agenda—How Skills Measurement Helps Organizations Address Key Service Issues**

Employee skills drive organizational success in business and government alike. They determine how quickly the organization meets changing marketplace demands. They determine the quality of service provided to customers and constituents. And ultimately, skills have a significant impact on bottom-line performance.

For federal agencies, the need to better manage skills assets is taking on a new emphasis under The President's Management Agenda. The Agenda is an aggressive 2002 strategy report issued by the Executive Office of The President and the Office of Management and Budget. It provides a focused plan for improving service efficiency, borrowing from lessons learned and refined by companies in the competitive world of the commercial sector.

What does the Agenda require of agencies? Track programs on their ability to meet specific goals. Impose budgeting consequences for underachieving programs. Demand performance data for continued funding. These are the same mandates for accountability businesses require from senior management. How can agencies leverage their skills to address the issues and fulfill the demands outlined in the Agenda? More importantly, how can agencies track and demonstrate progress? Skills measurement provides an answer.

### **Skills Measurement Fuels Performance Improvement**

Online skills measurement systems give federal agencies and leading companies the tools to maximize skills at individual and organizational levels. The implementation of a skills measurement program begins with communication. Employees and managers are included into the system, with clear outlines of schedules, advantages and program goals.

Employees receive online access to the skills measurement system. Each individual can then create a plan for improvement, measure select skills online using on-demand skills assessments, and receive objective feedback in the form of detailed scores. The skills measurement system also provides recommendations for learning and improvement, and employees can take repeat assessments to track learning progress.

The advantages of skills measurement are significant. The organization achieves a detailed picture of where skills meet specific needs and where they fall short. A skills baseline can be established. Accountability can be implemented for meeting baseline needs. Ultimately, performance improves with more informed skills management, including smarter hiring and faster deployment.

### **Key Initiatives Reveal Skills Improvement Opportunities**

The Agenda contains five "government-wide initiatives" for improvement across federal government: (1) strategic management of human capital, (2) competitive sourcing, (3) improved financial performance, (4) expanded e-government, and (5) budget and performance integration. Among these government-wide initiatives, the four below provide clear opportunities for meeting Agenda demands through skills measurement.

**Strategic Management of Human Capital**—This initiative emphasizes the need to "reduce the distance between citizens and decision-makers," and "redistribute... allotted staff from higher-level positions to front-line service delivery." Among recommended actions are IT strategies for capturing skills of retiring employees, correcting skills imbalances, improving recruiting effectiveness, and increasing retention.



How can skills measurement affect strategic management of human resources? Consider the challenge of identifying front-line service needs. By mapping the skill sets of top performers, agencies can model skills development programs to improve service delivery. A system for objectively measuring skills enables agencies to test employees and identify where skills exist within the organization. Most importantly, the system provides an objective baseline skill level against which employees can account for their skills.

**Competitive Sourcing**—According to the report, “Historically, the government has realized cost savings in a range of 20 to 50 percent when federal and private sector service providers compete to perform these functions.” While competitive sourcing has become a normal business practice in the private sector, federal agencies have continually struggled with processes and red tape that hinder competition.

Today, agencies increasingly find themselves competing with private sector companies or other agencies for project-based funding. The organization that proves that it has the specific skills to meet project objectives on time and on budget has an advantage in achieving funding success. That’s why companies and agencies are realizing the ability of objective skills metrics to prove value in a competitive environment.

The Defense Information Systems Agency (DISA) is one agency that is recognizing objective skills measurement as a tool for proving employee skills to prospective funding sources. Currently, DISA is verifying employee skills through online certifications, and for using those skills metrics as an added value differentiator.

**Expanded E-government**—As companies in the commercial sector have learned, the precise deployment of specific IT skills is crucial to the success of any technology-related initiative. Agencies need an objective system for identifying the right people with the right skills at the right level of competency to achieve business goals. Not only is online skills measurement an e-government tool in itself, it also provides an effective vehicle for managing the IT skills that drive the success of other e-government programs.

Leading knowledge companies, such as IBM and Wells Fargo, are deploying online skills measurement systems. They are giving employees the tools to objectively measure skills online and they are giving managers flexible and immediate access to skills data across the enterprise. By taking advantage of these tools, federal agencies can capture the same benefits that commercial organizations have achieved through skills measurement, including rapid skills deployment and continuous skills improvement to meet changing needs.

**Budget and Performance Integration**—Federal agencies continuously struggle to prove that their services are worth what they cost—especially those services that are fee-based. For agencies across the federal government, skills measurement can provide vital objective data for quantifying capabilities. Knowing exactly what skills they have on hand, managers can make better staffing assignments. They can also identify skills gaps and address them before projects are affected. Ultimately, skills measurement enables performance improvement, and gives agencies the data to prove project readiness and deployment efficiency to prospective customers.

As it addresses issues brought about by a more open competitive sourcing environment, the DISA organization is also addressing budget and performance integration issues. By measuring key employee skills through an online system of assessments and certifications, DISA is making a connection between performance and skills through a system proven in the commercial environment.

### **Federal Agencies Put Skills Measurement to Work**

A systematic strategy for quickly and objectively measuring skills has already begun to deliver results across government. Initially, the U.S. Office of Personnel Management (OPM) adopted an online assessment system to facilitate candidate screening in an online job fair. The fair attracted a large number of applicants, and it reduced the hiring cycle from months to weeks. One agency that achieved an unqualified success through the OPM job fair was the Department of State (DoS). The agency has since put its skills system to work, helping to fill multiple administrative positions in its own job fair initiative. Currently, DoS has expanded its skills measurement system to cover specialized IT skills.

As federal agencies seek strategies for meeting the goals of the Agenda, skills measurement solutions provide effective options for improving recruiting efficiency, establishing skills accountability, doing more with fewer employee resources, and maximizing performance results. In establishing skills accountability, managers and employees are finding new validation for the adage “what gets measured gets managed, and what gets managed gets better.”