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The Deputy Secretary of Energy
Washington, DC 20585

November 27, 2002

**MEMORANDUM FOR HEADS OF HEADQUARTERS ELEMENTS
OPERATIONS AND FIELD OFFICES**

FROM: KYLE E. McSLARROW *KEM*
SUBJECT: Accountability for Strategic Management of Human Capital

I have asked Dr. Bruce Carnes, Director, Office of Management, Budget and Evaluation (OMBE)/Chief Financial Officer, to champion a program to measure and improve the effectiveness of the Department of Energy's (DOE) actions toward the strategic management of our human capital, one of the five elements in the President's Management Agenda.

The new DOE program, entitled the Human Capital Management Improvement Program (HCMIP), will use the *Human Capital Management Improvement Standards for Success* measures, which were developed by the Office of Personnel Management, the Office of Management and Budget, and the General Accounting Office. The measures, when applied, will fulfill DOE's Federal requirement to measure the Department's effectiveness in the areas of: strategic alignment of human capital with mission, goals, and organizational objectives; work force planning and development; leadership and diversity; knowledge management; performance culture; and talent. The measures will also provide standards for evaluating the progress of departmental elements in improving human capital management, establish baselines for management improvement, serve as a conduit for sharing best practices between departmental elements and other agencies, and serve as the vehicle for departmental element and executive accountability.

Information and reports generated by the program will be provided to you and your key managers for use in devising human capital management improvement strategies. HCMIP will also provide supporting information for measuring the Department's success in meeting the human capital scorecard requirements of the Office of Personnel Management and the Office of Management and Budget.

Dr. Carnes will soon be inaugurating the new program by distributing the "Human Capital Management Improvement Standards for Success." Instructions for applying these standards will, in turn, be provided to you by the Office of Human Resources Management/OMBE. I wholeheartedly support this new effort to reinforce human capital management accountability in the Department, and I trust that you will fully cooperate with Dr. Carnes in this effort.