

## **United States Patent and Trademark Office**

### **2011-2015 Strategic Human Capital Plan**



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## Message from the Deputy Under Secretary of Commerce for Intellectual Property and Deputy Director of the United States Patent and Trademark Office (USPTO)

In September 2010, the USPTO released its *2010-2015 Strategic Plan* (here after referred to as the *Strategic Plan*). As Director Kappos stated, the *Strategic Plan* was “designed to strengthen the capacity of the USPTO to achieve its goals, improve the quality of patents and trademarks issues, and to shorten the time it takes to get a patent.” In support of the *Strategic Plan*, we are pleased to present the *USPTO 2011-2015 Strategic Human Capital Plan (SHCP)*. This document sets forth our human capital goals, objectives, and initiatives that will be implemented over the next several years to help achieve the goals identified in the *Strategic Plan*.



Sharon Barner, Deputy Director

As we implement the SHCP, we will continue to seek input from employees on a regular basis and to explore opportunities to improve our human capital strategies. Employee feedback is critical in strategic planning, especially in strategic human capital planning. As such, the objectives outlined in the SHCP were developed based on input from employee focus sessions, manager and employee meetings, and the results of the 2010 Federal Employee Viewpoint Survey (EVS).

The EVS was disseminated by the Office of Personnel Management (OPM) to all Federal personnel in February 2010, and the results of that survey were provided to the agency at the business unit (BUs) level in August 2010. The results of the survey enabled us to identify opportunities for improvements within specific BUs, as well as craft several of the objectives in the SHCP. Employee input is also the foundation for many of the initiatives being identified in the individual BU human capital plans. Thus, it is crucial that employees continue to participate in these annual surveys, and to provide us with feedback on this plan, so we can persist in strengthening our initiatives.

Director Kappos and I recognize that employees are the agency’s greatest asset, and we are thankful for any input you provide to help us improve the USPTO. We hope you will continue to submit ideas and suggestions on what we can do to enhance our workforce and workplace, and continue to make the USPTO the best place to work in the Federal government.

A handwritten signature in black ink, which appears to read "Sharon Barner".

Deputy Under Secretary and Deputy Director



# Introduction

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The USPTO *Strategic Plan* clearly establishes the agency's strategic goals, as well as the proposed objectives to meet those goals. The *Strategic Plan* was developed using input from the public advisory committees, stakeholders, the public, and employees and is driven by the agency's mission and vision.

## **USPTO Vision**

*Leading the Nation and the World in Intellectual Property Protection and Policy*

## **USPTO Mission**

*Fostering innovation, competitiveness and economic growth, domestically and abroad by delivering high quality and timely examination of patent and trademark applications, guiding domestic and international intellectual property policy, and delivering intellectual property information and education worldwide, with a highly skilled, diverse workforce.*

The *Strategic Plan* identifies three mission-focused strategic goals and one management-focused strategic goal:

- Goal I: Optimize Patent Quality and Timeliness
- Goal II: Optimize Trademark Quality and Timeliness
- Goal III: Provide Domestic and Global Leadership to Improve Intellectual Property Policy, Protection and Enforcement Worldwide
- Management Goal: Achieve Organizational Excellence

The *Strategic Plan* also identifies several challenges to accomplishing these goals, and lays out specific initiatives with targeted performance metrics, to overcome these challenges. Many of the initiatives of the *Strategic Plan* directly impact human capital management. As such, a fundamental component of the *Strategic Plan* is to ensure that human capital management practices align with the agency's overarching vision, mission and strategy.

Thus, from a human capital viewpoint, to fulfill the USPTO's vision of leading the nation and world in intellectual property protection and policy, it is first necessary to realize the agency's human capital vision, namely to *recruit, develop and retain a high-performing, highly skilled, diverse workforce necessary for mission success, and to foster the next generation of USPTO employees and leaders.*



To assist the agency in meeting its strategic goals, the USPTO developed the *2011-2015 Strategic Human Capital Plan (SHCP)* to address the future workforce demands and challenges facing the USPTO, and the agency's specific human capital management initiatives to meet them. While the agency's *Strategic Plan* outlines the agency-wide goals, objectives, and initiatives that impact the various programs and work processes throughout the organization, the *SHCP* specifically targets human capital strategic goals. The three human capital goals are:

- Talent Management (Goal I)
- Results-Oriented Performance Culture (Goal II)
- Leadership and Knowledge Management (Goal III)

These goals and their associated objectives and metrics constitute the agency's approach to human capital management. In some cases, there may be human capital issues that are agency-wide such as leadership development and telework. In these cases, cross-cutting plans and strategies will be developed.

The *SHCP* provides a context for agency-wide goals and specific BU goals, objectives, and action items. In support of the *SHCP*, each BU is required to develop a BU-specific human capital plan that will target the human capital issues specific to that area. The Office of Human Resources (OHR) collaborates with the BUs to craft these plans by providing consulting, analytical, and project implementation services to assist the BUs in achieving the objectives identified in the BU human capital plans. OHR also assists the BUs in analyzing and evaluating the results of the EVS and other employee satisfaction measurement tools (e.g., exit surveys, focus sessions) to identify areas of opportunity for improvement. (See Figure 1 for a graphical representation of this process.) Finally, OHR is also responsible for reporting BU progress on each initiative to senior management, as well as preparing summary reports for the Department of Commerce and the OPM on the USPTO's strategic human capital goals.

Similar to the *Strategic Plan*, the *SHCP* identifies detailed goals and objectives, as well as key performance measurements and timelines for completing specific initiatives. OHR will track the agency's performance in meeting its objectives and using meaningful metrics and standards to ensure its success. This tracking system, also referred to as the Balanced Scorecard, will be reported to senior management on a regular basis.

By combining input from employees, and working collaboratively throughout the BUs, the USPTO can ensure effective programs are identified and implemented and can achieve its strategic human capital goals as described in this *SHCP*.



**Figure 1: Diagram of Strategic Human Capital Planning Process**

The relationships among the strategic human capital planning steps are depicted in the chart below. Development of the agency-wide plan (the *Strategic Plan* and the *SHCP*) is Phase I; development of the individual BU implementation plans is Phase II; implementation, feedback and accountability represent Phase III.

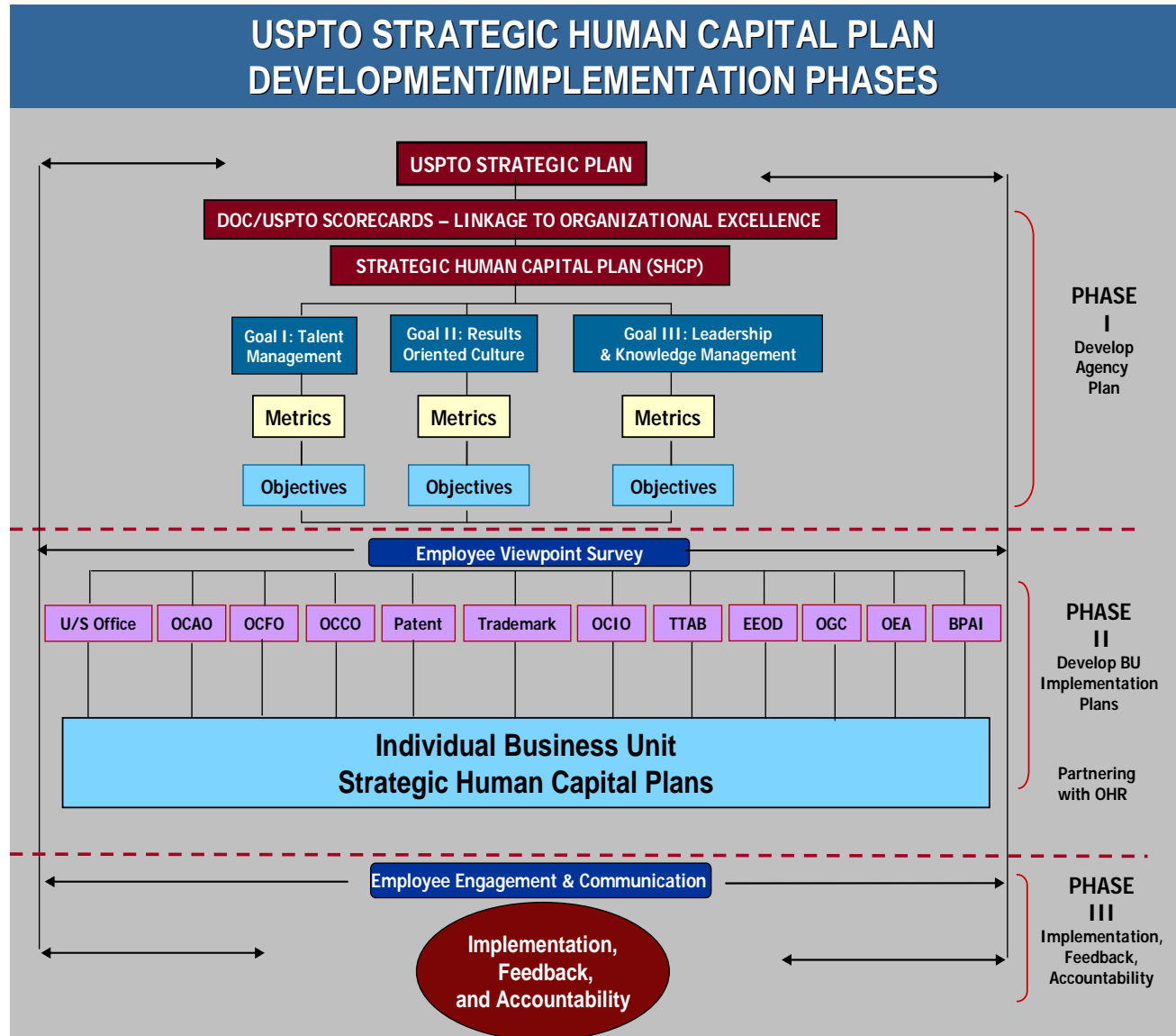


Figure 1 shows that the individual business unit human capital plans are derived using the goals from the agency's Strategic Human Capital Plan, which is developed based on the goals of the agency's Strategic Plan.



# Human Capital Environment

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The USPTO's human capital environment includes many components, all of which serve as key inputs into the development of this comprehensive, agency-wide *SHCP*, including:

- Employee communication and engagement
- Business and human capital challenges
- Human capital strengths
- Administrative and legislative context
- Workforce analysis

## **Employee Communication and Engagement**

The USPTO recognizes the importance of fostering an active communication culture as a vital part to achieving transparency, accountability and interactivity throughout the agency. As such, the USPTO continues to identify new and innovative ways to communicate and collaborate with employees and the intellectual property community. Through evolving communication avenues, the agency will share human capital programs and information, and will solicit employee feedback and recommendations regarding current and potential human capital activities.

The *SHCP* includes objectives that affect all USPTO employees, and are designed to create and provide a diverse, family-friendly, flexible work environment that addresses human capital programs of interest to the USPTO workforce. The success of the human capital objectives in this plan are, in part, dependent upon providing forums for USPTO employees to engage in the feedback process on the effectiveness of these programs and activities. To obtain this feedback, the USPTO employees are given the opportunity to respond to the EVS. Results from the EVS are then analyzed by the OHR, and areas of opportunity are identified and provided to the BUs. These employee survey results are critical drivers for the development of annual BU human capital plans.

Participating in the annual survey is just one way employees can provide feedback. The agency recognizes the evolving role that technology plays in the 21st century and its impact in the workplace. The emergence of social media has produced several communication tools that facilitate interactive information sharing and two-way communication. The USPTO has successfully leveraged these tools with the launch of the USPTO Facebook® page and the USPTO Director's Forum blog. The agency plans to expand its social media outreach to include Twitter®, YouTube® and Flickr®. The USPTO hopes to reach employees through emails, *USPTO*



Weekly articles, and focus groups, and feedback is actively encouraged through the use of any of these modes.

## **Business and Human Capital Challenges**

Employees are the most valuable asset of the USPTO and the key to the agency's ability to meet mission-critical requirements. The significant challenges identified in the agency's *Strategic Plan*, which in turn impact the agency's human capital management, are as follows:

- Funding authority to support agency performance objectives
- The volume of applications
- Rapid advances in technologies
- Necessity for global cooperation and protection
- Antiquated and decaying IT infrastructure
- Hiring, retaining, and training examiners
- Balancing competing objectives
- The need for greater transparency in defining accountability metrics for agency objectives and performance.

Many of these business challenges translate into human capital challenges. Some of the specific human capital challenges include:

- **Talent acquisition:** The USPTO has a professional and highly educated workforce and requires a unique skill set for some of its mission critical occupations. At the same time, the USPTO faces increased customer demand and the need to recruit in a highly competitive environment within both the private and public sectors.
- **Employee retention:** To retain highly educated employees, the USPTO continues to work to reduce attrition and has had some success. For instance, in fiscal year (FY) 2006 attrition was eight percent, and in FY 2009 attrition was reduced to less than five percent. The USPTO is working to enhance human capital efforts in every BU to retain employees and will share best practices across BUs for improving retention.
- **Career development:** The USPTO faces a challenge in developing its employees. Many employees are hired as patent examiners or trademark attorneys and may advance in their grade structure based on their productivity and performance. Such a course does not naturally lend itself to developing a USPTO career path outside of their job series. Without added guidance, coaching, and training, some employees may not acquire the





skills needed to become managers while others may wish to explore opportunities in other BUs. The challenge is to develop employees at all levels for individual and organizational leadership as they continue their careers and explore other USPTO career opportunities.

## Human Capital Strengths

The USPTO has focused its efforts in recent years on improvements which have increased employee satisfaction and worklife balance as reported on the annual EVS. The USPTO's human capital strengths include:

- **Highly-educated workforce:** The USPTO has a highly-educated workforce. For instance, 52 percent of employees have bachelor's degrees and 22 percent of employees have graduate level degrees, and numerous employees have law degrees.
- **Diversity:** The USPTO has a very diverse workforce. The USPTO recognizes that equality of opportunity is essential to attracting, developing, and retaining the most qualified workforce. The USPTO's recruitment efforts, retention plans and career development opportunities are intended to ensure an inclusive workplace. The USPTO has numerous affinity groups representative of its workforce diversity. The USPTO further celebrates its diversity with its annual Community Day festivities. The USPTO also ensures that all new employees receive diversity training. Refer to Appendix A for diversity data.
- **Telework and flexible work schedules:** The USPTO continues to demonstrate its strong commitment to telework. All BUs now participate in the overall USPTO telework initiative and in FY 2010, the agency had 5,654 employees, or 80 percent of eligible positions participating agency-wide. The USPTO also promotes flexible work schedules by offering several schedule options.
- **Worklife balance:** The agency is constantly working to provide employees with the resources they need to have a complete, well-balanced personal and professional life. For example, some of the resources available include on-site child care, an Employee Assistance Program, LifeCare, a fitness center, health units, and a transportation subsidy.



## Administrative and Legislative Context

Driven by both the President and Congress, the current government focus on good management is unprecedented. In response, government agencies are transforming their workplaces to focus on performance while ensuring measurable, observable agency and individual results. As the USPTO plans for the future, key Federal directives to consider include:

- **USPTO Balanced Scorecard:** The Balanced Scorecard enables the USPTO to evaluate itself on how well it is meeting its performance targets. The Balanced Scorecard is designed to ensure transparency and accountability, and the agency's progress against specific, measurable objectives.
- **The Chief Human Capital Officers Act of 2002 (CHCO Act):** The CHCO Act set forth new OPM and agency responsibilities to enhance and improve the strategic management of the Federal Government's civilian workforce, as well as the planning and evaluation of agency efforts in that regard. The CHCO Act also directed agencies to appoint chief human capital officers who advise and assist agency leaders in carrying out their responsibilities to select, develop, train, and manage a high quality, productive workforce in accordance with merit system principles.
- **USPTO Legislation:** The American Independent Inventor's Protection Act of 1999, Public Law 106-113, authorizes the USPTO to carry out its functions subject to the policy direction of the Secretary of Commerce; however, it is authorized to retain the responsibility for decisions regarding the management and administration of its operations and independent control of its budget allocations and expenditures, personnel decisions and processes, procurements and other administrative management functions in accordance with Title 35 and applicable provisions of the law.
- **5 C.F.R. § 250 (Human Resources Management in Agencies):** The framework described in 5 CFR 250 is known as the Human Capital Assessment and Accountability Framework (HCAAF). The intent of 5 C.F.R. § 250 is to implement provisions of the CHCO Act as well as Executive Order 13197, Government-wide Accountability for Merit System Principles. It establishes a basic framework for planning and assessing human capital management progress and results, including compliance with relevant laws, rules and regulations, as assessed through agency human capital accountability systems and reported in annual agency human capital accountability reports.



The HCAAF provides agencies with guidance and standards for measuring the progress of their human capital initiatives. This framework provides a consistent and comprehensive model of human capital management for the Federal Government, driven by observable and measurable behavior. HCAAF outlines an ongoing process of human capital management composed of five human capital systems in which progress is measured against a set of approved metrics:

1. Strategic alignment (planning and goal-setting)
2. Leadership and knowledge management (implementation)
3. Results-oriented performance culture (implementation)
4. Talent management (implementation)
5. Accountability (evaluating results)

The relationship among these five systems is graphically depicted in the diagram and described in detail in Appendix B.

## **Workforce Analysis**

The USPTO analyzes workforce data to better understand current and future workforce needs. Each year, the USPTO updates its workforce data to plan for its future needs. The workforce analysis reported herein was conducted using FY 2010 information.

The workforce information was analyzed for those mission-critical occupations that are essential to the success of the organization's goals (Appendix A). The mission-critical occupations are:

- Human Resources Specialist (Government-wide; Occupation Series 0201)
- Attorney (USPTO-wide; Occupation Series 0905)
- Contract Specialist (Government-wide; Occupation Series 1102)
- Patent Examiner (USPTO-wide; Occupation Series 1224)
- Information Technology Specialist (Government-wide; Occupation Series 2210)

Workforce data also included those occupations that were not identified in the *SHCP*. In addition, workforce profiles and retirement eligibility analysis were conducted for the USPTO SES.



# Strategic Human Capital Goals

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The USPTO's efforts to achieve its vision of human capital success are organized in three goals:

- Talent Management (Goal I) – Recruit, hire, and motivate a diverse workforce
- Results-Oriented Performance Culture (Goal II) – Ensure a high-performance workforce
- Leadership and Knowledge Management (Goal III) – Close competency gaps in leadership, management and supervisory competency gaps and create an environment for preserving knowledge critical to the Agency.

Each of these goals is addressed by specific objectives which require specific outcomes as well as a set of *metrics* that will identify whether or not sufficient progress is being made towards goal achievement.

Each of these goals defines the agency's commitment to addressing its human capital needs. The agency's commitment, in turn, will be further defined through the development of BU implementation plans, which will reflect the different requirements of the respective units and allocate responsibility at the BU level. Where cross-BU synergies are apparent, the agency will also charter the development of agency-wide implementation plans.

## **TALENT MANAGEMENT (GOAL I)**

The USPTO's mission requires a highly skilled workforce. The people it hires perform technically demanding work, and their skills are marketable throughout the private and public sectors. The agency, therefore, faces the ongoing need to recruit, hire, develop, and retain sufficient numbers of competent professionals in a highly competitive environment. Increasing workloads, coupled with high attrition in some areas, exacerbates these challenges.

The agency needs to examine and streamline its recruitment policies and procedures, examine ways in which people are developed and promoted, and improve the ways in which they are managed. The challenge of acquiring the right people with the right skills is the focus of the talent management strategic goal.

Talent management requires closing all competency gaps in mission-critical occupations and making meaningful progress in closing competency gaps in all agency occupations. Talent management, therefore, starts by defining critical competencies and identifying gaps between current and desired capability. Closing competency gaps, in turn, is a function of three human resources processes: recruit and hire, develop, and retain.



## **Recruit and Hire**

Efforts are consistently made to attract the highest-skilled, highest-performing, and most diverse workforce possible.

The agency has begun a targeted approach to recruit a highly skilled and experienced intellectual property workforce while continuing to recruit candidates from traditional sources. The agency expects to broaden its marketing campaign even further in the future. It is anticipated that this new hiring strategy, which focuses on experienced practitioners, will garner a more productive and balanced workforce, lower attrition levels, and foster a faster transition to productivity for new hires.

The agency will continue to expand its award winning telework program. Telecommuting has a profound impact on both the retention of existing employees and the ability to attract new talent.

The USPTO actively seeks to recruit the best and the brightest individuals who meet and exceed the highest standards of performance. Attracting the desired candidates ensures that there are sufficient numbers from which to select. Streamlining the recruiting process, utilizing hiring flexibilities, using automated application systems, and procedural innovations such as category rating can increase the number and quality of candidates.

## **Develop**

The USPTO is committed to providing developmental opportunities for its employees. Employees must have opportunities for career development which will assist them in closing their skill gaps and preparing them to assume higher level responsibilities.

Many of the agency's training programs are designed to enhance fundamental skills required for job performance, improve communication and cooperation with internal and external customers, and strengthen skills in USPTO leaders at all levels. Specific technical training courses in areas such as interview techniques, compact prosecution, and negotiation skills, will improve examiners' communication methods and help streamline the examination process. Providing this training will contribute to a reduction in the patent application backlog and pendency.

In addition to technical training, career development related courses will continue to be offered to both employees and managers. These courses assist employees in exploring career development needs and aid managers in providing appropriate employee development guidance and coaching. Employees who identify a need for training as part of their



development may obtain access to the Commerce Learning Center, which has over 2,100 online courses in a wide variety of competency areas.

As part of career development, the agency offers detail opportunities across the BUs. The USPTO will market the detail opportunities more broadly through the agency's intranet site and other agency communication tools.

The agency also has mentoring programs in several of the business units to help develop employees. These programs are designed to motivate and coach employees in setting short term objectives and identifying long-term personal and professional goals. Mentors offer mentees insight on how to achieve their personal and career goals while working in challenging and flexible work environments. An agency-wide mentoring framework will be developed to share mentoring best practices and to expand mentoring opportunities agency-wide.

In addition, the USPTO will conduct an annual agency-wide assessment to determine the training and career development needs of its employees. The results of this assessment will be used to prioritize training, identify needed courses and programs, and to allocate resources for the following fiscal year.

## **Retain**

Achieving the agency's mission requires the recruitment and retention of highly skilled individuals in a competitive market. To be recognized as an employer of choice, the USPTO's retention strategies must be continually updated to reflect industry best practices. Attrition data will be tracked and survey results monitored in an effort to discern the effectiveness of retention initiatives and to identify developing trends. Initiatives will be identified on an agency-wide basis, as well as at the business unit level to further identify methods for retaining highly skilled employees. In addition, major process improvements must be implemented in the agency's automation systems to take advantage of the most current technologies and tools available for employees.



### Talent Management (Goal I)

Recruit, hire, develop, and retain a diverse, highly-skilled workforce, capable of providing excellent service to our internal and external stakeholders in order to enable the USPTO to carry out its mission.

OBJECTIVES	LINKAGE TO AGENCY STRATEGIC PLAN	PERFORMANCE MEASURE	TIMELINE
<p>Develop and implement Patent Hiring Plan that focuses on experienced examiners and intellectual property professionals.</p> <p>Expand outreach efforts.</p> <p>Provide support to the USPTO's nationwide workforce initiatives.</p> <p>Streamline the recruiting and hiring process and transform it into a strategic, proactive process.</p>	<p>Strategic Goal 1: Optimize Patent Quality and Timeliness Objective: Increase Patent Examination Capacity</p> <p>Strategic Goal 2: Optimize Trademark Quality and Timeliness Objective: Develop a New Generation of Trademark Leaders</p> <p>Management Goal: Achieve Organizational Excellence Objective: Improve Employee and Stakeholder Relations</p>	<p>Hiring goals met.</p> <p>Increased use of automated application and hiring tools.</p> <p>Percentage of competency/skill gaps closed for mission-critical occupations.</p> <p>Increased participation in the telework program including alternate and geographically dispersed work sites.</p> <p>Compliance with OPM hiring reform guidelines.</p>	<p>Ongoing</p> <p>Q4, FY11-15</p> <p>Q1-Q4, FY11-15</p> <p>Q4, FY11-15</p> <p>Q1-Q4, FY11-15</p>
<p>Improve and enhance career development, mentoring, and training opportunities.</p>	<p>Strategic Goal 1: Optimize Patent Quality and Timeliness Objective: Increase Patent Examination Capacity</p> <p>Strategic Goal 2: Optimize Trademark Quality and Timeliness Objective: Develop a New Generation of Trademark Leaders</p> <p>Management Goal: Achieve Organizational Excellence Objective: Improve Employee and Stakeholder Relations</p>	<p>Completion of agency-wide training assessment to prioritize training needs and identify appropriate courses.</p> <p>Increased detail opportunities across the business units.</p> <p>Agency-wide mentoring framework developed.</p> <p>Increased training participation across the agency.</p>	<p>Q1, FY11</p> <p>Q1, FY11</p> <p>Q4, FY11</p> <p>Q4, FY11-15</p>
<p>Enhance relationships and communication between labor and management.</p> <p>Increase BU employee participation rate in feedback opportunities such as the exit survey, annual employee survey, and focus groups.</p> <p>Conduct analysis of employee feedback and develop strategies to address areas of opportunity.</p> <p>Manage and control attrition by developing best practices and retention strategies.</p>	<p>Strategic Goal 1: Optimize Patent Quality and Timeliness Objective: Increase Patent Examination Capacity</p> <p>Strategic Goal 1: Optimize Patent Quality and Timeliness Objective: Increase Patent Examination Capacity</p> <p>Management Goal: Achieve Organizational Excellence Objective: Improve Employee and Stakeholder Relations</p>	<p>Improved attrition levels in targeted areas.</p> <p>Employee satisfaction increased as indicated by business unit surveys.</p> <p>Agency-level action plans developed as a result of employee feedback.</p> <p>Year-to-year improvement on the Job Satisfaction and Talent Management indices in the EVS.</p> <p>BU human capital focus sessions conducted each year (minimum of one per year).</p>	<p>Q1-Q4, FY11-15</p> <p>Q1-Q4, FY11-15</p> <p>Q1-Q4, FY11-15</p> <p>Q1-Q4, FY11-15</p> <p>Q2-Q3, FY11-15</p>



## **RESULTS-ORIENTED PERFORMANCE CULTURE (GOAL II)**

The USPTO has a results-oriented culture that focuses on having a diverse, high-performing workforce, as well as a performance management system that effectively plans, monitors, develops, rates, and rewards employee performance. The performance culture focuses on providing outstanding communication and customer service to internal and external stakeholders.

To accomplish the USPTO's mission, goals and strategic priorities, a strong emphasis is placed on clearly defining objective measures that will be universally applied during the performance appraisal process and developing a structured process to ensure individual performance plans and performance ratings are correlated with results. In the core BUs of the agency (Patents and Trademarks), individual performance is managed rigorously to specific production goals.

The USPTO's strategic human capital goal in this area is to continuously improve its performance management and reward system. The USPTO will strengthen and clarify performance expectations to ensure performance appraisal plans (PAPS) are aligned with organizational goals at all levels.

The metrics that the USPTO will use to determine progress on the results-oriented culture goal include assessing the percentage of employees' PAPS that are aligned with organizational accomplishments. The USPTO will also evaluate its ability to demonstrate distinctions in performance ratings, as well as the linkage of rewards to individual and team performance. Employee perspectives on performance management are also important. Accordingly, the results of "Results-Oriented Culture" index of the EVS will be monitored.

The dimensions of performance management are closely linked to the effectiveness of managers and supervisors in coaching, motivating and supporting individual performance and ensuring transparency, educating employees on their responsibilities, and enabling managers to set clear expectations and objectives for the achievement of organizational goals. To reach organizational excellence, the USPTO will focus on three objectives. First and foremost, the USPTO will improve its performance management and rewards system. Second, USPTO will define clear measurable objectives that will be universally applied during the performance appraisal process. Third, the USPTO will promote cooperation among employees, unions and managers through the Labor Management Council.

OPM requires Federal agencies to use the Performance Appraisal Assessment Tool (PAAT) to evaluate their Senior Executive Service (SES) and non-SES performance management programs. The USPTO recently created an SES Taskforce to assess the overall SES performance management system to identify areas of improvements to the SES PAPS. Similar to SES





certification requirements, non-SES performance appraisal systems must provide for alignment of employee performance plans with organizational goals. The USPTO FY 2009 PAAT score assigned by OPM indicated the USPTO is successfully achieving organizational goals and objectives through its results-oriented performance culture. The USPTO will continue to identify strengths and challenges of the program and develop plans and strategies to make necessary improvements.

### Results Oriented Performance Culture (Goal II)

Implement a performance management system that effectively: a) plans, monitors, develops, rates, and rewards employee performance and links to organizational goals and b) provides outstanding customer service to internal and external stakeholders.

OBJECTIVES	LINKAGE TO AGENCY STRATEGIC PLAN	PERFORMANCE MEASURE	TIMELINE
<p>Improve the performance management and reward system to strengthen and clarify performance expectations aligning with organizational goals.</p> <p>Ensure more results oriented measures are incorporated into SES PAPs.</p>	<p>Management Goal: Achieve Organizational Excellence</p> <p>Objective: Improve Employee and Stakeholder Relations</p>	<p>Percentage of SES performance plans that are aligned with agency strategic goals</p>	<p>Q1, FY11 and annually thereafter</p>
<p>Define clear measurable objectives that will be universally applied during the performance appraisal process.</p> <p>Coordinate with business units to align their individual plans and identify clear measures.</p>	<p>Management Goal: Achieve Organizational Excellence</p> <p>Objective: Improve Employee and Stakeholder Relations</p>	<p>Percentage of employee performance appraisal plans that are aligned with agency strategic goals.</p> <p>Meaningful distinctions in levels of performance based on the achievement of organizational and individual goals.</p> <p>Percentage of business units with individual human capital plans</p>	<p>Q1-Q4, FY11</p> <p>Q1-Q4</p> <p>Q1, FY 11 - FY 15</p>
<p>Promote cooperation among employees, unions and managers through the Labor Management Council (LMC).</p>	<p>Management Goal: Achieve Organizational Excellence</p> <p>Objective: Improve Employee and Stakeholder Relations</p>	<p>Percent of issues discussed and resolved at the Labor Management Council meetings.</p> <p>Number of LMC meetings hosted by OHR.</p>	<p>Q1-Q4, FY11 - FY15</p> <p>Q4, FY 11 – FY15</p>
<p>Identify agency best practices for improving employee retention to be applied throughout all business units.</p> <p>Consistently share best practices at monthly HCC meetings.</p>	<p>Management Goal: Achieve Organizational Excellence</p> <p>Objective: Improve Employee and Stakeholder Relations</p>	<p>Frequency of shared best practices.</p>	<p>Q1-Q4, FY11 - FY15</p>
<p>Provide feedback channel to employees.</p> <p>Leverage Director's Blog, USPTO Facebook® Page, launch and maintain Twitter®, and Noon Forum.</p>	<p>Management Goal: Achieve Organizational Excellence</p> <p>Objective: Improve Employee and Stakeholder Relations</p>	<p>Year-to-year improvement on the Results-Oriented Culture index in the EVS.</p> <p>Publish <i>USPTO Weekly</i>, update Director's Blog weekly, update Facebook® page on weekdays, launch Twitter® account by the end of calendar year 2010, hold "Noon Forum" quarterly.</p>	<p>Q1-Q4, FY11 - FY15</p> <p>Q1-Q4, FY11 - FY15</p>



## **LEADERSHIP AND KNOWLEDGE MANAGEMENT (GOAL III)**

The USPTO is committed to strengthening its leadership capacity and building a culture of continual learning and knowledge sharing. To accomplish this goal, the USPTO relies on managers, supervisors and executives to ensure they effectively manage employees, support an environment of continual learning, and enable knowledge sharing across the agency.

### **Leadership**

Leadership is demonstrated at all levels within the organization and leadership development opportunities are provided for all USPTO employees. These opportunities are offered through an agency-wide Leadership Development Program (LDP). The USPTO leadership vision forms the foundation for the LDP and is designed to develop leaders who:

- Earn respect through a balance of technical competence and demonstrated organizational effectiveness;
- Optimize performance through employee engagement in achieving agency strategic objectives and priorities; and
- Inspire dedication by building trust, developing others, and demonstrating integrity and commitment.

The USPTO will invest additional resources to support and enhance the LDP which is designed to close leadership and management competency gaps. Current managers, supervisors, executives, and employees aspiring to become organizational leaders can benefit from a variety of learning opportunities. Opportunities include online and classroom training, 180-degree and 360-degree leadership assessments, and targeted leadership development plans.

The LDP includes a Leadership in Action Program which highlights best practices and allows employees to recognize supervisors and managers who model superior leadership skills.

In addition to the LDP, the agency established an SES Council to develop senior leaders to their maximum potential. Leadership development efforts are most successful when senior leaders support continual learning and set the example for others by engaging in their own development. The SES Council maximizes the capabilities, contributions and potential of senior executives by bringing them together to regularly network, discuss agency strategic priorities, collaborate by sharing knowledge and resources across BUs, focus on results, recognize other's performance and contributions and share best practices for helping subordinate leaders lead more effectively.



## Knowledge Management

Knowledge management must be supported by an appropriate investment in training, development, and technology. Knowledge sharing strategies will target both explicit and tacit job-related knowledge, and address knowledge transfer needs for staff new to the organization as well as those promoted from within.

The USPTO's knowledge management efforts begin with the employee on-boarding process. Incoming employees are provided orientation and training on norms and practices encountered within the Federal work environment as well as the USPTO's mission, vision, strategic goals, and specific information about the new employee's business unit and work functions.

As employees progress in their careers at the USPTO, they share and access knowledge using a variety of networking methods such as staff meetings, brown-bag lunches, roundtables, town halls, best practice communities, affinity groups, and onsite and offsite conferences.

Knowledge sharing is also supported by technology-based knowledge repositories and tools (such as electronic collaboration systems, the online Supervisory Resource Center, the Patents Global Knowledge Management Database, and social networking web sites). Just-in-time and on-demand training and development activities such as the online training available through the Commerce Learning Center, the Enterprise Training Division, and the agency's Search and Information Resources Administration provide additional opportunities for enhancing knowledge. The USPTO will also use e-learning to share knowledge with the public and its international partners.

To further foster a culture in which continual learning is rewarded and knowledge sharing is valued, the USPTO will conduct agency-wide employee competitions such as the Patents Innovation and Creativity Competition, which has a goal to recognize employees who have contributed proposals for improvements or changes to the Office.

The USPTO's executive leaders, through the SES Council, will work together to identify existing critical knowledge management and transfer resources that map to the needs of the agency. They are also responsible for developing, implementing, and documenting additional plans and strategies for knowledge management and transfer within their individual BUs.



### Leadership and Knowledge Management (Goal III)

Ensure that leaders and managers effectively manage people, maintain continuity of leadership, sustain a learning environment, and provide a means to share critical knowledge.

OBJECTIVE	LINKAGE TO AGENCY STRATEGIC PLAN	PERFORMANCE MEASURE	TIMELINE
<p>Assess current and projected gaps in leadership and management competencies.</p> <p>Design and implement leadership and management development strategies to close critical competency gaps.</p>	<p>Strategic Goal I: Optimize Patent Quality and Timeliness Objective: Measure and Improve Patent Quality</p> <p>Strategic Goal II: Optimize Trademark Quality and Timeliness Objective: Improve and Provide Effective Training</p> <p>Management Goal: Achieve Organizational Excellence Objective: Improve Employee and Stakeholder Relations</p>	<p>Percentage of leadership and management competency gaps closed.</p> <p>Number of employees participating in the Leadership Development Program for each BU.</p> <p>Reduction in employee's dissatisfaction with management on the exit survey.</p> <p>Improved year-to-year scores on the Leadership and Knowledge Management index in the EVS.</p>	<p>Q4, FY11-15</p> <p>Monthly, FY11-15</p> <p>Q4, FY11-15</p> <p>Q4 FY11-15</p>
<p>Support human capital efforts in designing and implementing knowledge management strategies.</p>	<p>Management Goal: Achieve Organizational Excellence Objective: Improve Employee and Stakeholder Relations</p>	<p>Increased knowledge-sharing programs and supporting systems (e.g. career development opportunities, technical training, cross-training, etc.).</p> <p>Implementation of agency-wide employee competitions such as the Patents Innovation and Creativity Competition.</p>	<p>Q4, FY11-15</p> <p>Q3</p>
<p>Establish a program to recognize supervisors who demonstrate great leadership in action.</p>	<p>Management Goal: Achieve Organizational Excellence Objective: Improve Employee and Stakeholder Relations</p>	<p>Percentage of supervisors recognized through the Leadership in Action Recognition Program.</p> <p>Percentage of employees who submitted nominations for a supervisor.</p>	<p>Q1-Q4, FY11-15</p>



# Human Capital Strategic Planning Process

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The USPTO applied a structured process to develop its *SHCP*, including:

- Phase I - Assessing current and future human capital needs and defining clear strategic goals and objectives.
- Phase II - Identifying metrics to measure success against the specific goals and objectives and collaborating across the agency in developing the human capital goals and objectives which are tied to the strategic plan.
- Phase III - Implementing BU specific human capital plans, providing feedback, and ensuring accountability.

## Governance Roles

Virtually all agency personnel have a role in implementing the *SHCP*, because all have a vested interest in human capital management. Several organizational bodies and individuals, however, play specific roles in the planning and implementing processes:

- The Management Council (MC): The USPTO's MC is comprised of each BU head and their Deputies and has the ultimate authority and accountability for the *SHCP*'s formulation and implementation. The MC's roles are to: (1) review and approve the proposed goals and objectives in the *SHCP*, (2) review identified progress against the *SHCP*, and (3) ensure that adequate resources are allocated to achieving the *SHCP* commitments.
- The Human Capital Council (HCC): The USPTO's HCC is comprised of BU Deputies and is the primary decision-making body for formulating the *SHCP*, monitoring its implementation, and updating the plan as appropriate. The HCC anticipates regular reviews of the *SHCP* its meetings. The HCC members are encouraged to showcase their BU human capital best practices, so that their successes can be leveraged by other BUs.
- The Chief Administrative Officer (CAO): The CAO is responsible for leading the development and implementation of the *SHCP*. As such, the CAO reports on progress against the *SHCP* as the Chair of the HCC and as a member of the MC.
- The Director, Human Capital Management (DHCM) for OHR: The DHCM and OHR have day-to-day responsibility for facilitating the strategic human capital planning process.



The DHCM's role includes: (1) assisting BUs in the development of their plans for implementing the agency-wide plan; (2) implementing elements of the agency-wide plan that relate to the OHR responsibilities; and (3) monitoring and reporting on overall progress. The Strategic Human Capital Division (SHCD) is the work unit within OHR with specific responsibility for facilitating plan formulation and implementation, under the direction of the DHCM.

- Business Units (BUs): The SHCD will work with the USPTO BUs to formulate appropriate implementation plans to achieve the goals and objectives identified in the SHCP. The SHCD will be responsible for monitoring BU progress and reporting to the DHCM and to the HCC.

Governance relationships for strategic human capital planning are graphically depicted in Figure 2 below.

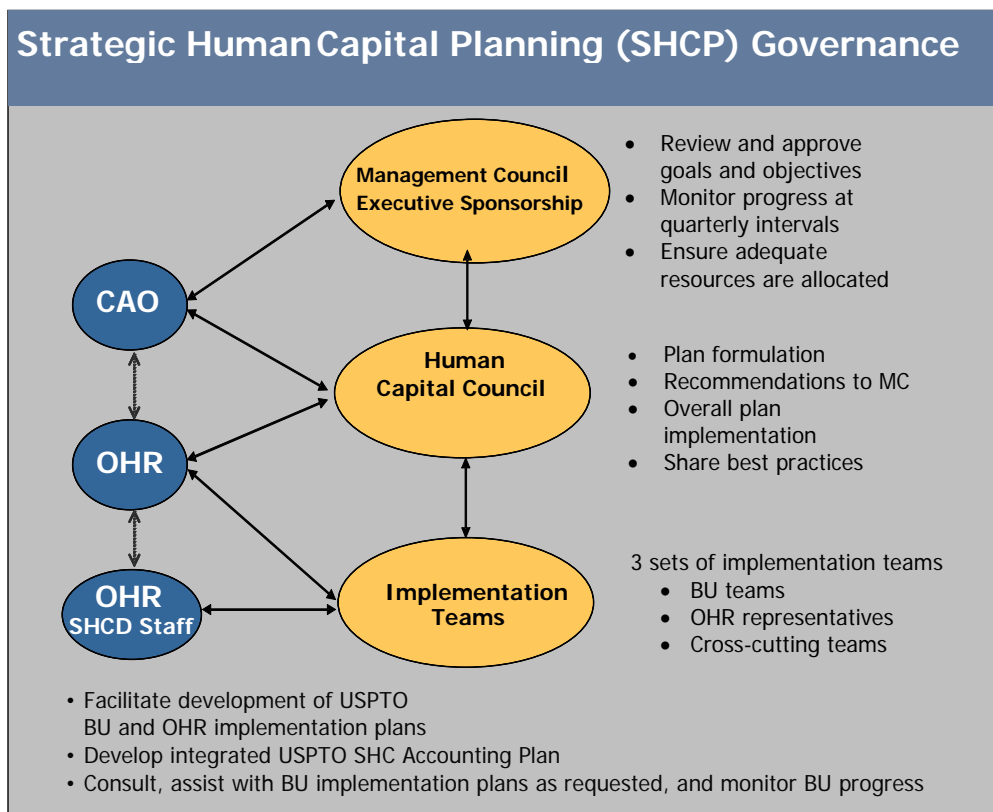


Figure 2 shows the strategic human capital plan approval process: Management Council approves goals and objectives and receives quarterly updates from CAO and HCC. HCC works with CAO and OHR to identify work plans; makes recommendations and gives input on BU implementation plans; BU implementation teams work closely with OHR to develop BU specific plans and reports progress back to HCC.



## **Accountability**

Accountability is one of the drivers of the HCAAF. Its purpose is to ensure that the three *SHCP* goals of Talent Management, Performance Management, and Leadership and Knowledge Management are monitored and tracked against identified metrics.

The OHR will meet with the BU representatives on a quarterly basis to assess the progress BUs have made in meeting their goals and objectives within their individual human capital action plans. OHR will monitor the progress BUs have made in meeting their action items and will provide updates to the HCC and MC. Additionally, OHR will assist the BUs in sharing their best practices for meeting their objectives with the HCC.

Annually, OHR will analyze the results of the EVS at both the agency-wide and BU levels to identify successes and areas of opportunity. OHR will report the agency's human capital accomplishments on an annual basis, as required by Title 5 Code of Federal Regulations (C.F.R.) § 250.



# Appendixes

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## Appendix A. USPTO Workforce Data

Attrition rates cited throughout Appendix A reflect all separations – to include promotions and transfers out of the USPTO.

Attrition is calculated as actual number of separations/average annual headcount.

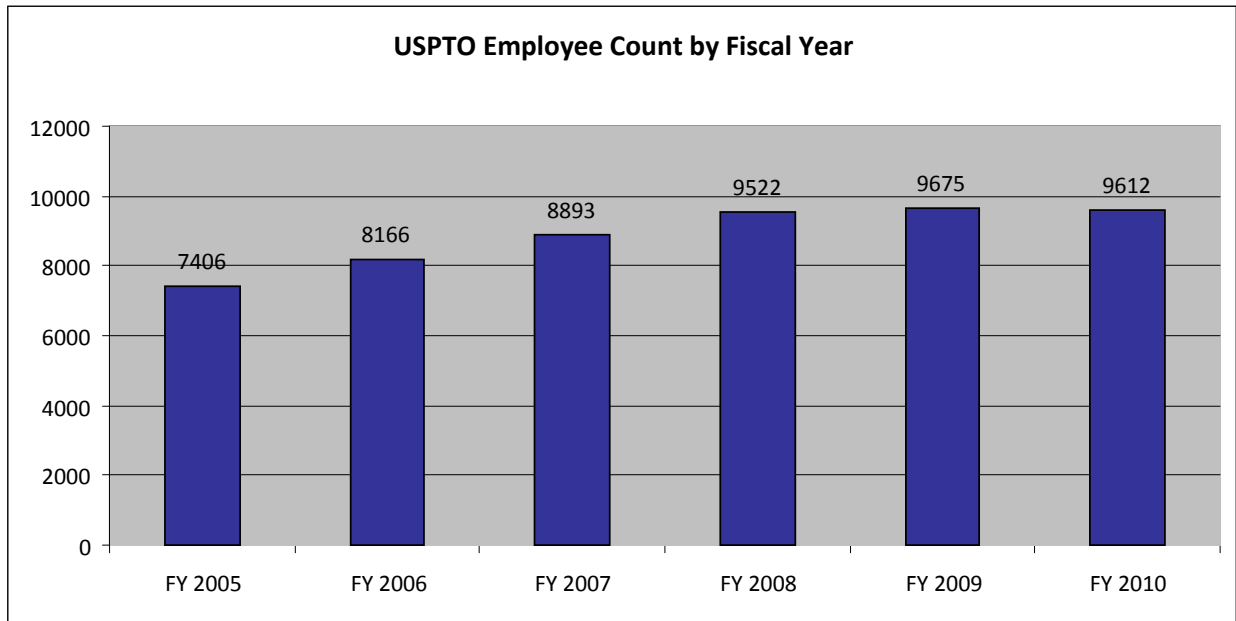


Chart 1 shows the number of employees by fiscal year FYs 2005-2010: FY05 – 7406; FY06 – 8166; FY07 – 8893; FY08 – 9522; FY09 – 9675; FY10 – 9612.



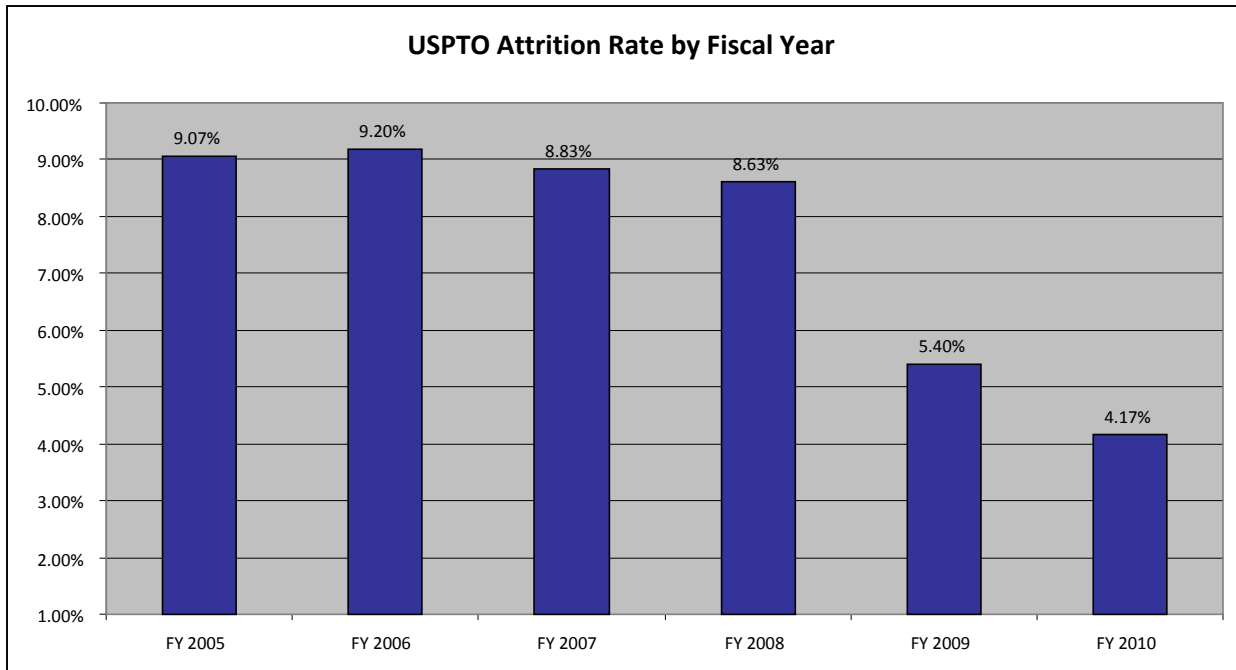


Chart 2 shows the attrition rate for FYs 2005-2010: FY05 – 9.07%; FY06 – 9.20%; FY07 – 8.83%; FY08 – 8.63%; FY09 – 5.40%; FY10 – 4.17%.

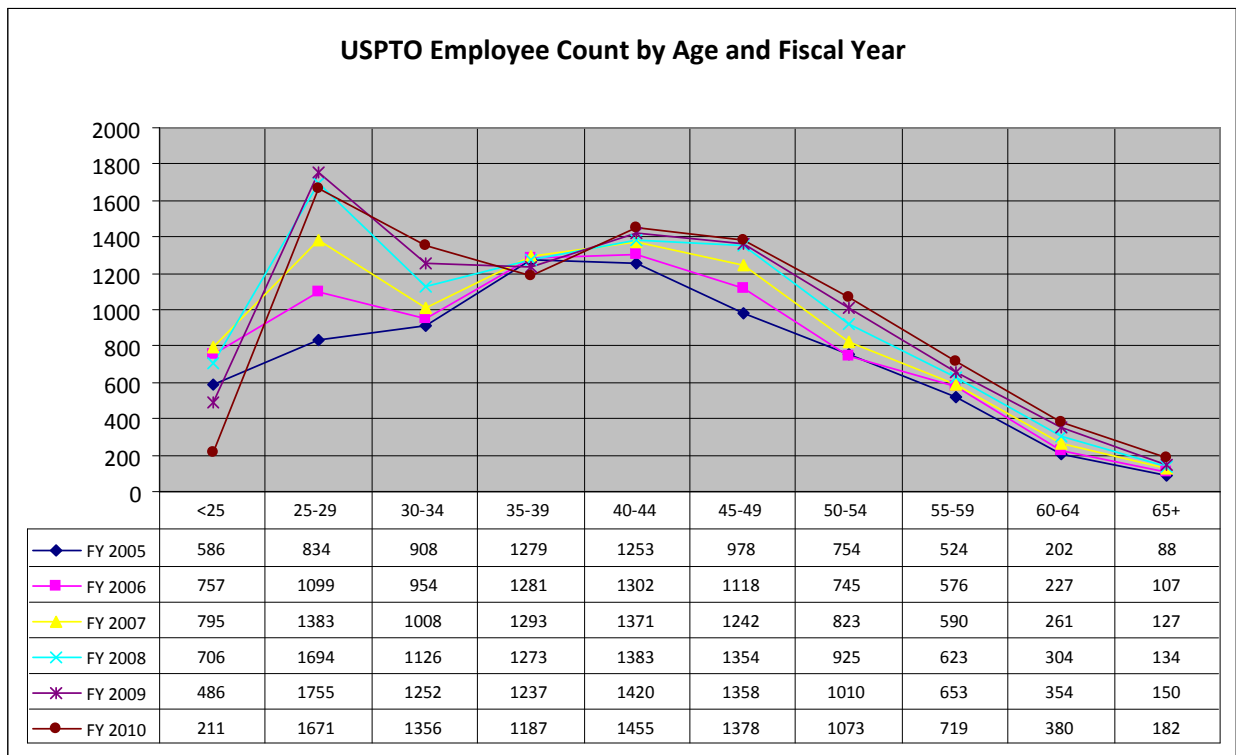


Chart 3 shows the number of employees by age and by fiscal year. For FY 10 USPTO had: 211 employees less than 25 of age; 1671 between ages 25-29; 1356 between ages 30-34; 1187 between ages 35-39; 1455 between ages 40-44; 1378 between ages 45-49; 1073 between ages 50-54; 719 between ages 55-59; 380 between ages 60-64; 182 employees over 65.



### USPTO Attrition Profile by Age Group and Fiscal Year

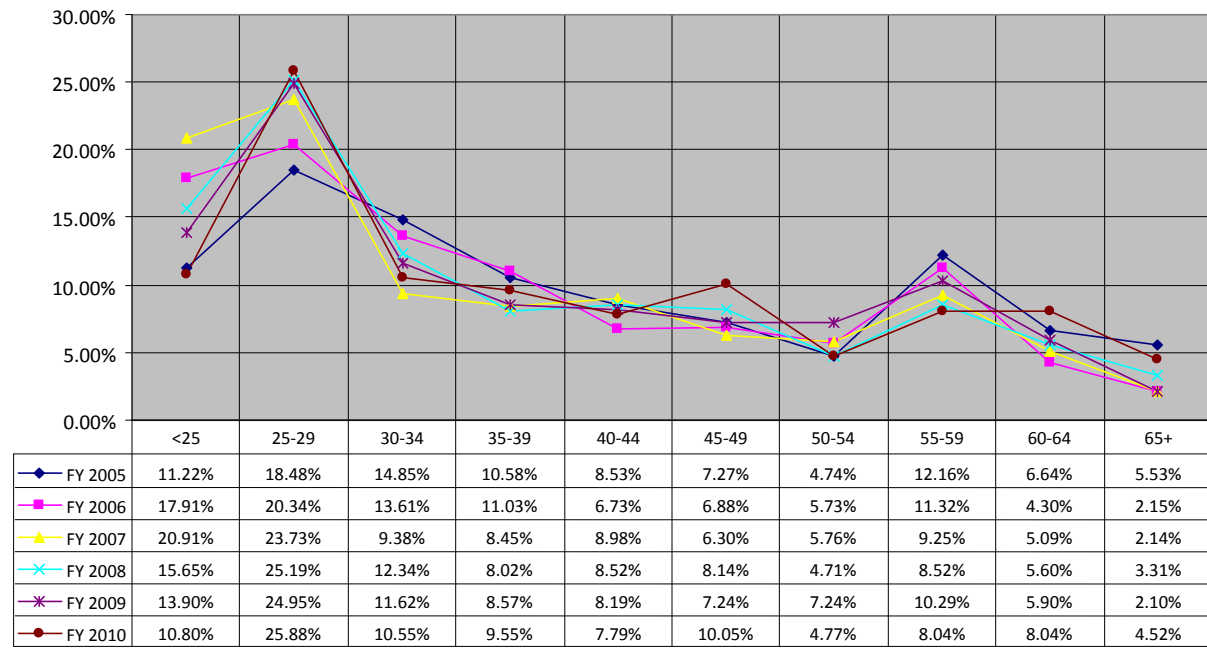


Chart 4 shows the attrition profile by age group and fiscal year. Of those attritions in 10, employees aged 25-29 were the highest (25.88%).

### USPTO Employee Count by Most Represented GS Grade and Fiscal Year

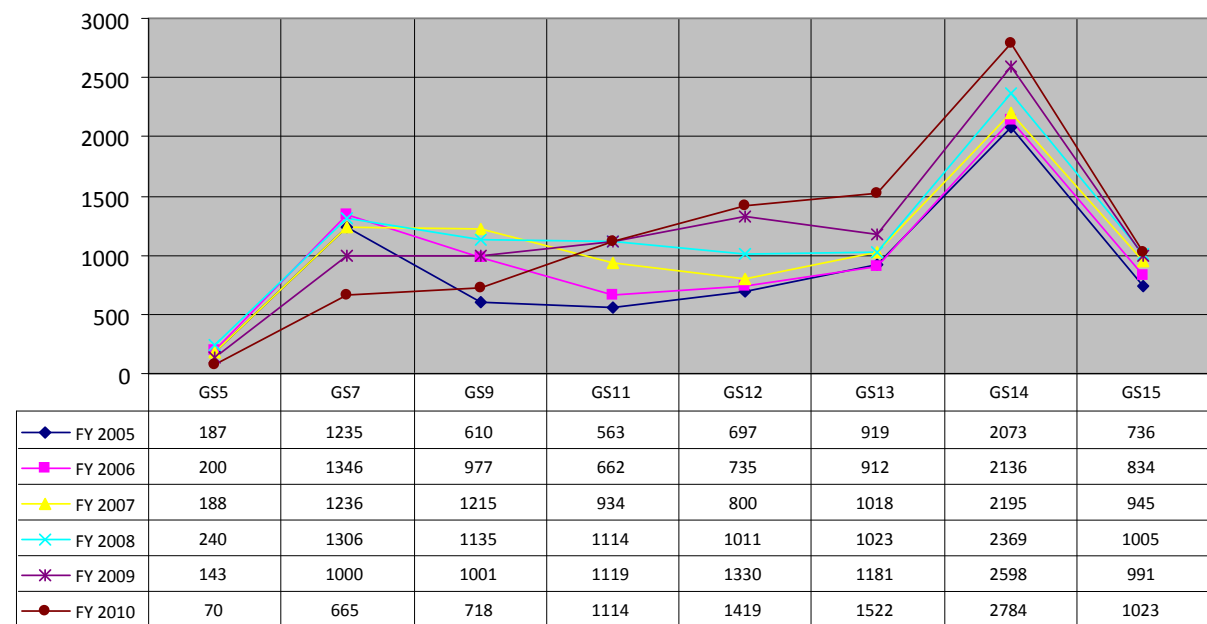


Chart 5 shows the employee count by most represented GS grade and by fiscal year. In FY 10, USPTO had the following: 70 GS-5s; 665 GS-7s; 718 GS-9s; 1114 GS-11s; 1419 GS-12s; 1522 GS-13s; 2784 GS-14s; and 1023 GS-15s.

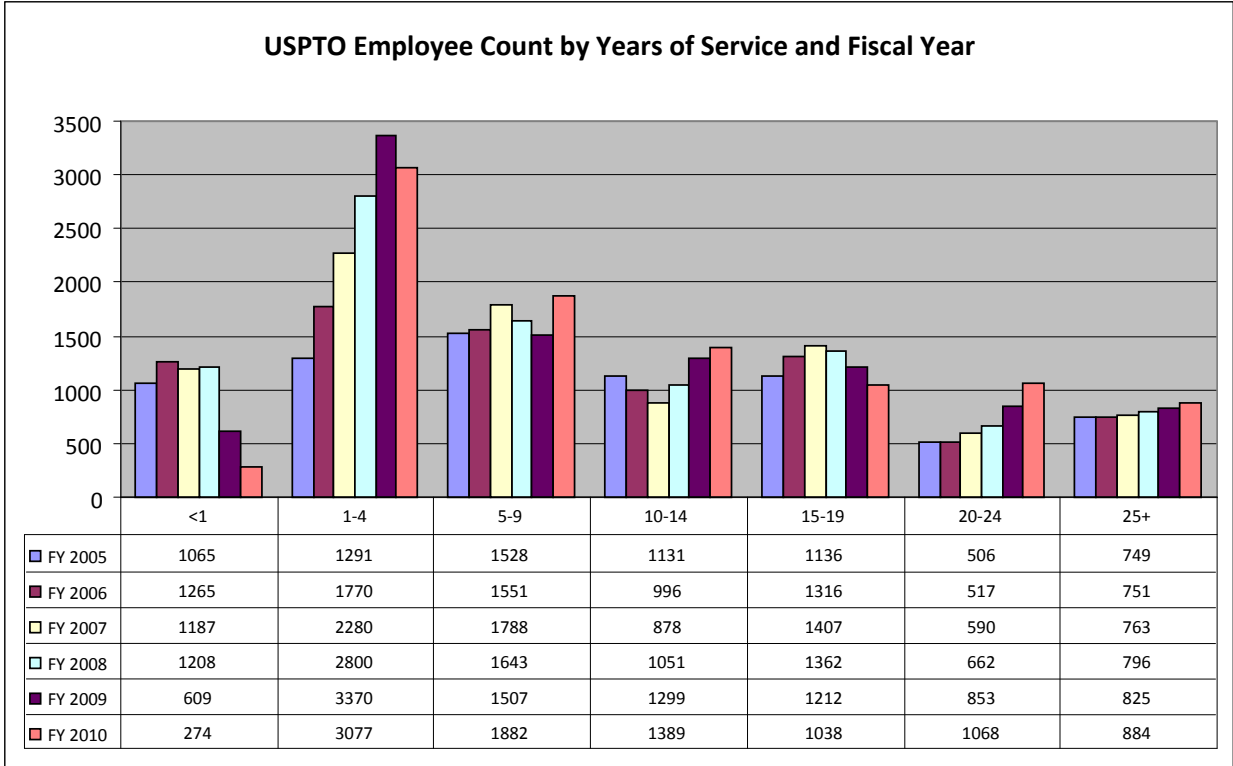


Chart 6 shows the number of employees by years of service and fiscal year. In FY 10, 274 employees had less than 1 year of service; 3077 employees had 1-4 years of service; 1882 employees had 5-9 years of service; 1389 employees had 10-14 years of service; 1038 employees had 15-19 years of service; 1068 employees had 20-24 years of service; 884 employees had 25+ yrs of service

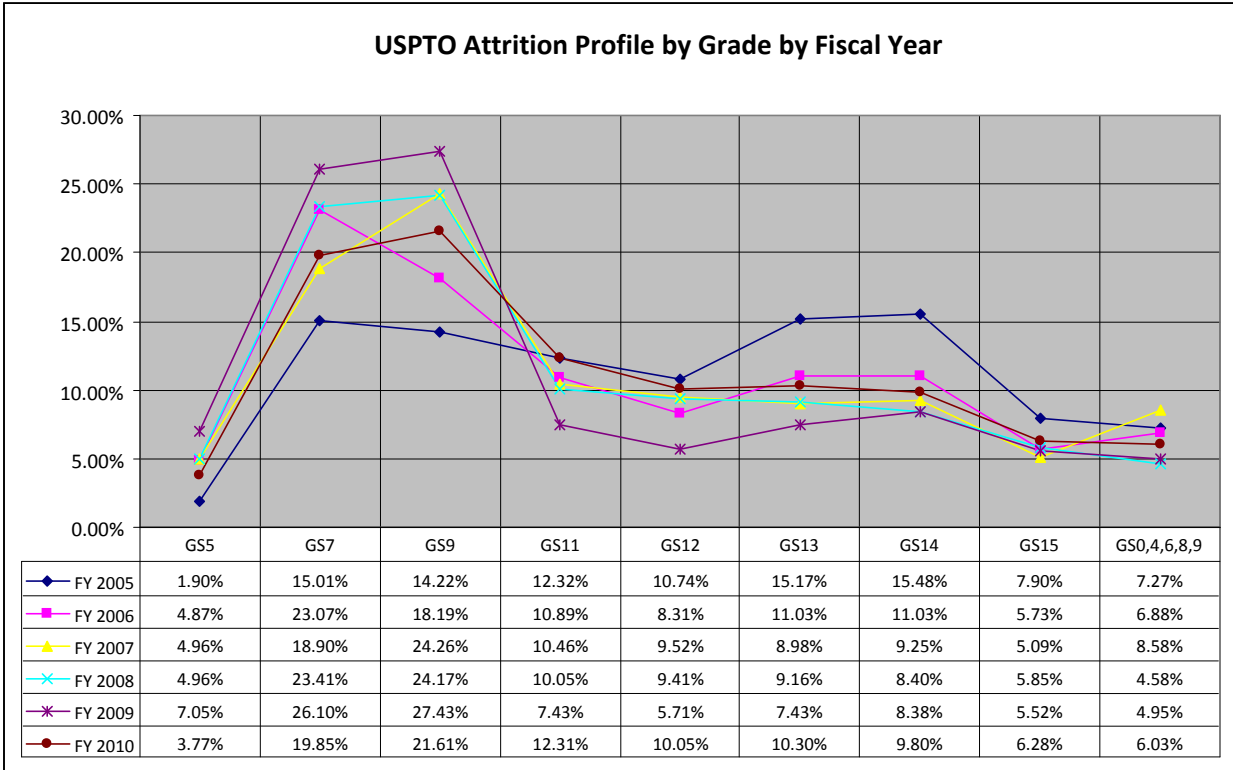


Chart 7 shows the attrition profile by grade and by fiscal year. In FY 10, of those who attritted, the highest attritions were at GS-7s (19.35%) and GS-9s (21.61%) levels.

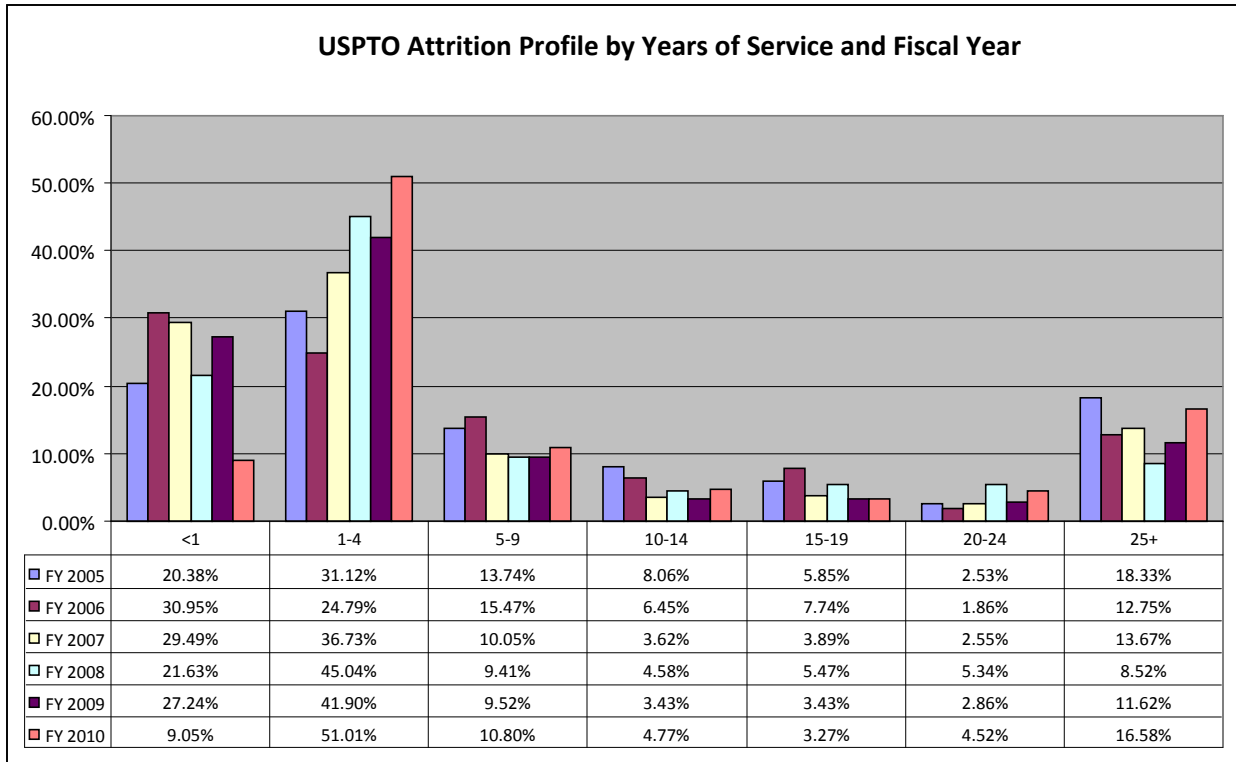


Chart 8 shows the attrition profile by years of service and by fiscal year. Of the total attrition, the majority of attritions occur in years 1-4. Of the total attritions, in FY 10, 9.05% of employees had less than 1 year of service; 51.01% of employees had 1-4 years of service; 10.80% of employees had 5-9 years of service; 4.77% of employees had 10-14 years of service; 3.27% of employees had 15-19 years of service; 4.52% of employees had 20-24 years of service; and 16.58% of employees had 25+ years of service.

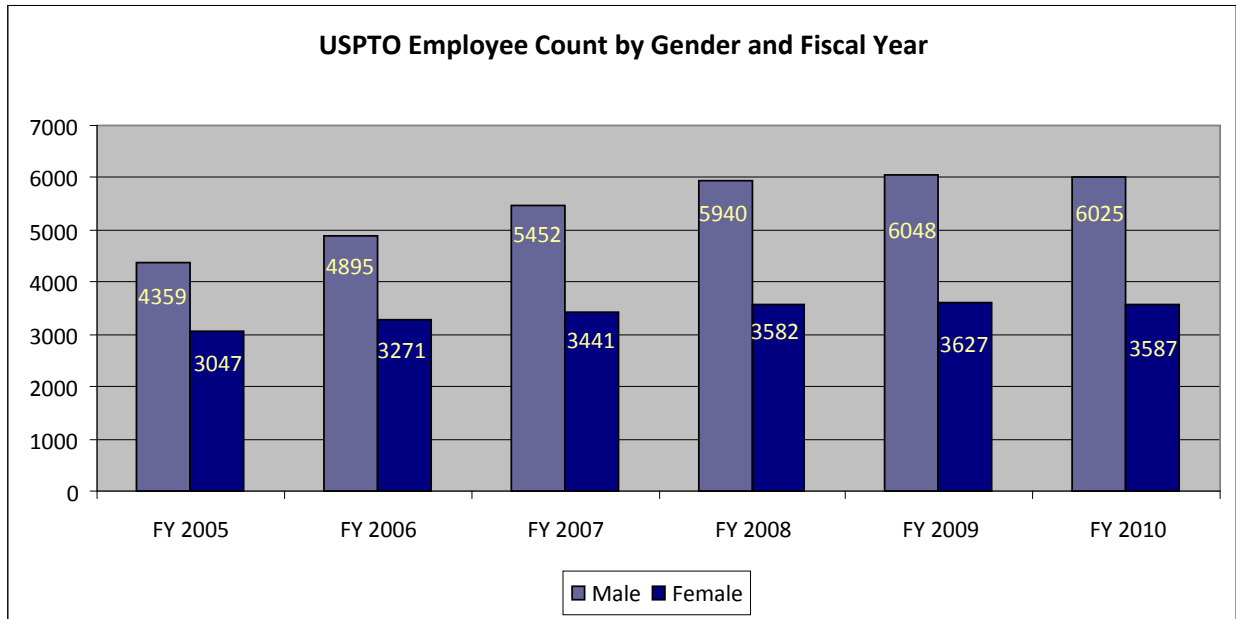


Chart 9 shows the number of employees by gender and by fiscal year. FY 05 - 4359 males and 3047 females; FY 06 - 4895 males and 3271 females; FY 07 - 5452 males and 3441 females; FY 08 - 5940 males and 3582 females; FY 09 - 6048 males and 3627 females; FY 10 - 6025 males and 3587 females.

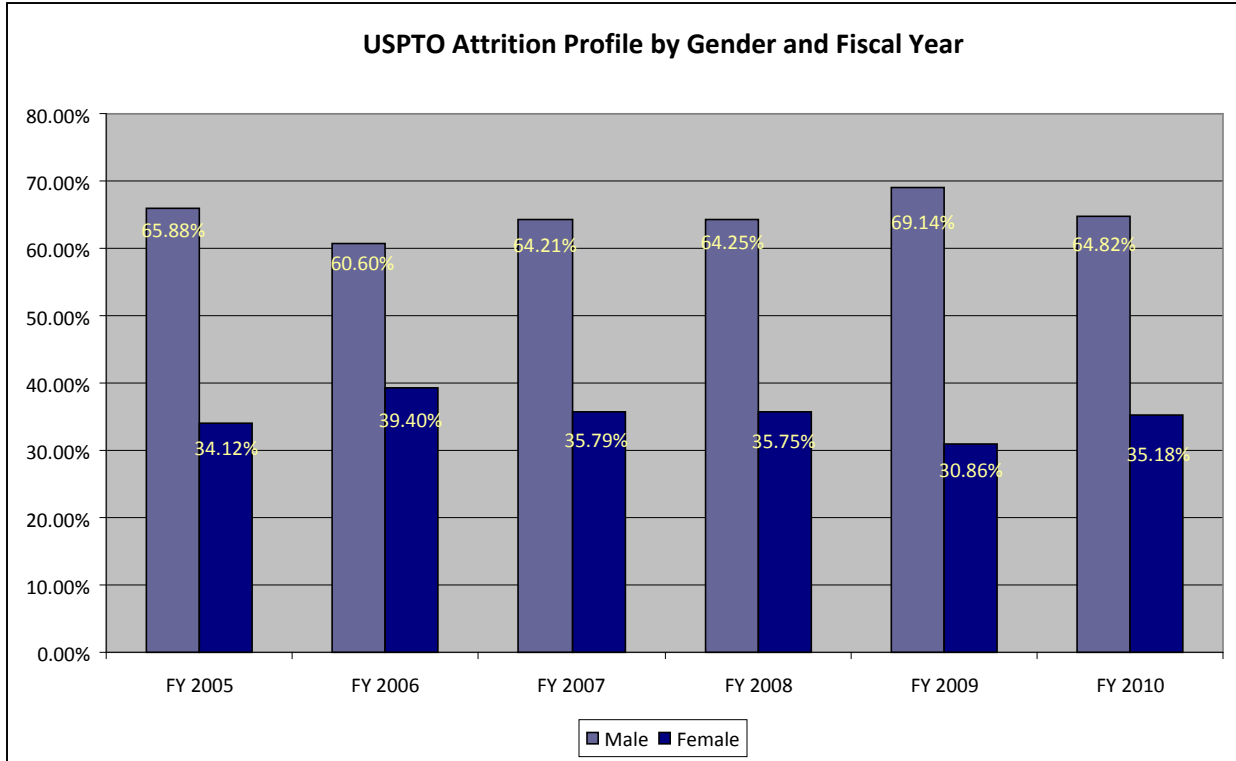


Chart 10 shows the attrition profile by gender and by fiscal year. Of the total attritions: FY 05 were 65.88% male and 34.12% female; FY 06 were 60.60% male and 39.40% female; FY 07 were 64.21% male and 35.79% female; FY 08 were 64.25% male and 35.75% female; FY 09 were 69.14% male and 30.86% female; FY 10 were 64.82% male and 35.18% female.



**USPTO Employee Count by Ethnicity and Fiscal Year**

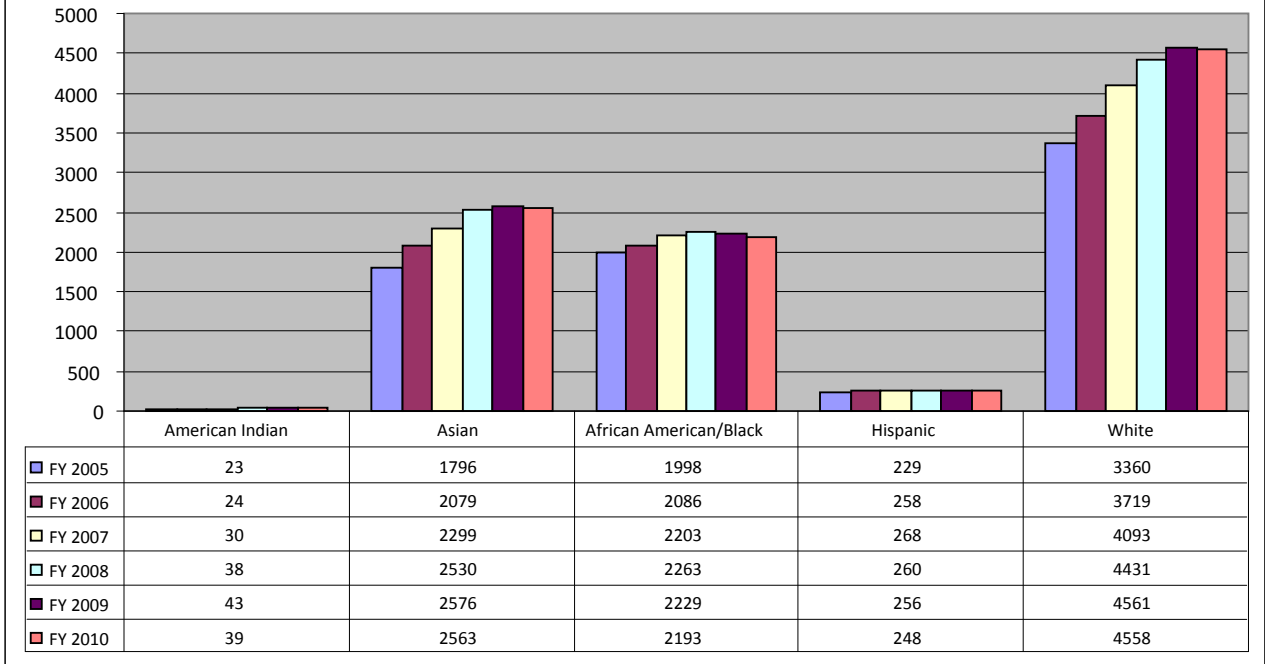


Chart 11 shows employee count by ethnicity and by fiscal year. In FY 10, USPTO had the following ethnicity breakdown: 39 American Indian, 2563 Asian; 2193 African American/Black; 248 Hispanic; 4558 White.

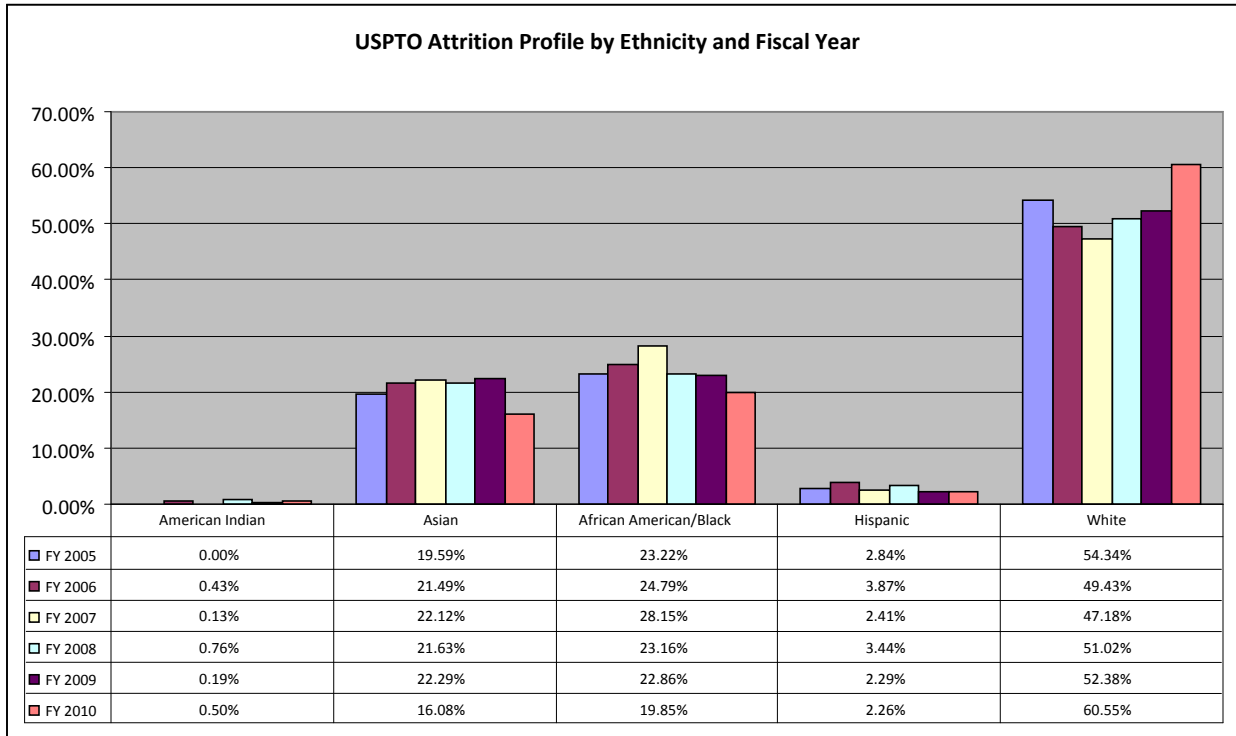


Chart 12 shows the attrition profile by ethnicity and by fiscal year. In FY 10, USPTO had the following attrition profile by ethnicity: 0.50% American Indian; 16.08% Asian; 19.85% African American/Black; 2.26% Hispanic; and 60.55% White.

### Fiscal Year 2010 SES Demographics

<b>SES Data</b>	Federal Government As of Sept. 2010 (source FedScope)	All of USPTO	CAO	CFO	CIO	EA	OGC	TM	Patents	U/S
SES Count	7905	51	2	2	4	1	3	4	33	2
Average Age	53	51	55	48	54	55	47	55	51	49
Average Years of Service	23	23	35	11	12	24	18	27	25	20





### SES Retirements/Retirement Eligible by Business Unit

Business Unit	SES						
	FY 2009		FY 2010		FY 2011	FY 2012	FY 2013
	Eligible	Actual	Eligible	Actual	Eligible	Eligible	Eligible
CAO	0	0	1	0	1	2	3
CFO	1	0	0	0	0	0	0
CIO	1	0	3	0	2	3	3
OGC	6	0	1	1	0	0	1
EA	0	0	1	1	1	1	1
Patents	7	3	5	0	6	7	9
Trademarks	3	0	4	1	2	3	4
U/S	0	0	4	1	1	1	1

### FY 2010 Attrition Profile

FY 2010 Attrition Profile**	Mission Critical Occupational Codes				
	0201	0905	1102	1224	2210
Headcount end of FY2010	88	557	17	6644	375
Terms FY2010	16	21	4	273	18
Annual Attrit %	19%	4%	23%	4%	5%
Percent of attritions occurring in 1 <sup>st</sup> yr	0%	0%	25%	11%	6%
Percent of attritions occurring in first 5 years of Svc	13%	10%	25%	79%	11%
Percent of attritions occurring in 5+ years of Svc	88%	90%	75%	21%	89%
Percent of attritions occurring for Under Age 30	0%	10%	0%	51%	6%
Percent of attritions occurring for Age 30-55	88%	33%	75%	42%	61%
Percent of attritions occurring for Age 55+	13%	57%	25%	7%	33%
Percent of attritions occurring for GS9 - GS13	56%	14%	50%	60%	61%
Percent of attritions occurring for GS14 - GS15	44%	62%	50%	13%	39%

\*\* Number reflects percent of total attritions, rather than attrition rate

- \* Human Resources Generalist - Occupational Series - 0201
- \* Attorney - Occupation Series 0905
- \* Contract Specialist - Occupational Series 1102
- \* Patent Examiner - Occupational Series 1224
- \* Information Technology Specialist - Occupational Series 2210



## Appendix B. Human Capital Assessment and Accountability Framework (HCAAF)

The HCAAF, codified in Title 5 C.F.R. § 250, provides agencies with guidance and standards for measuring the progress of their human capital initiatives. This framework provides a consistent and comprehensive model of human capital management for the Federal Government, driven by observable and measurable behavior.

The HCAAF outlines an ongoing process of human capital management composed of five human capital systems in which progress is measured against a set of approved metrics:

- Strategic Alignment (Planning and Goal-Setting)
- Leadership and Knowledge Management (Implementation)
- Results-Oriented Performance Culture (Implementation)
- Talent Management (Implementation)
- Accountability (Evaluating Results)

The relationship among these five systems is depicted below in Figure 3 below:

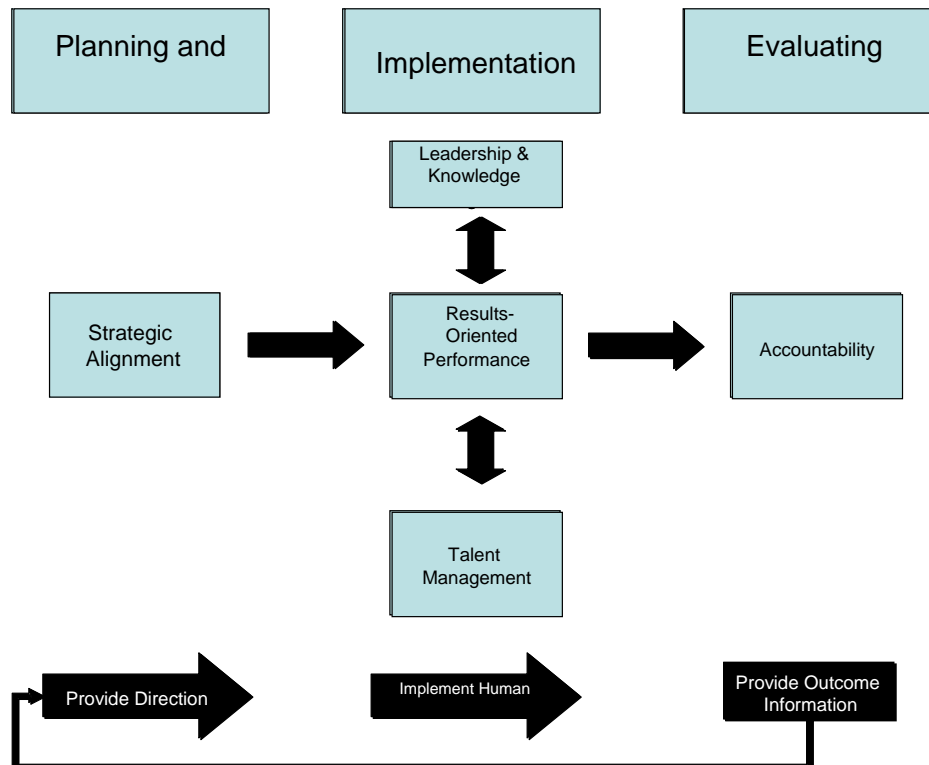


Figure 3 illustrates the HCAAF framework: Strategic Alignment (Planning and goal setting) to establishing a Results-Oriented Performance culture (through implementation of leadership, knowledge and talent management initiatives) to Accountability and evaluating organizational progress.



The Strategic Alignment System requires documented evidence of a current human capital plan. The USPTO is meeting this requirement through establishment of this document.

The Leadership and Knowledge Management System requires continuity of leadership by identifying and addressing gaps in effective leadership and providing programs that capture organizational knowledge and promote learning. The USPTO is establishing a strategic human capital goal to cover both leadership and its learning environment.

The Results-Oriented Performance Culture System requires a performance management system that differentiates between levels of performance and links performance to organizational results. The USPTO is establishing a strategic human capital goal to do a better job of linking performance ratings and awards to organizational goals.

The Talent Management System requires closing all competency gaps in mission-critical occupations and making meaningful progress in closing competency gaps in all occupations used in the agency. The USPTO is establishing a strategic human capital goal to ensure it has the people in place to accomplish the mission now and into the future.

The Accountability System requires evaluating the results of the agency's human capital goals and objectives, analyzing compliance with merit system principles, and identifying improvements. The USPTO is beginning to build its Accountability System through establishment of metrics for the goals in this plan. It will continue building accountability through its implementation plans, which will also include specific metrics.

The HCAAF is meant to drive the transformation of the Federal workplace into a high performing environment where each member is enabled to perform in a way that maximizes his or her contribution. The HCAAF enables Federal agencies to focus on:

- Human capital management systems and practices that have the biggest impact on attainment of their missions.
- Agency and individual performance that is observable and results that are measurable.

The HCAAF meets OPM's mandate under the CHCO Act to design systems and set standards, including appropriate metrics, for assessing the management of human capital by Federal agencies. At HCAAF's core are the Merit System Principles and other civil service laws, rules and regulations.



## **Appendix C. Glossary of Acronyms**

BU – Business Unit

CAO – Chief Administration Officer

CFR – Code of Federal Regulations

CHCO – Chief Human Capital Officers Act of 2002

DHCM – Director of Human Capital Management

EVS – Federal Employee Viewpoint Survey

FY – Fiscal Year

HCAAF – Human Capital Accountability and Assessment Framework

HCC – Human Capital Council

LDP – Leadership Development Program

LMC – Labor Management Council

MC – Management Council

OHR – Office of Human Resources

OPM – Office of Personnel Management

PAAT – Performance Appraisal Assessment Tool

PAP – Performance Appraisal Plan

SES – Senior Executive Service

SHCD – Strategic Human Capital Division

SHC – Strategic Human Capital

SHCP – Strategic Human Capital Plan

USPTO – United States Patent and Trademark Office



For questions and comments about this plan, please email: [humancapitalplan@uspto.gov](mailto:humancapitalplan@uspto.gov)

## **United States Patent and Trademark Office**