



January 2024 - December 2025

Strategic Plan Goals and Priorities

COMMONWEALTH OF VIRGINIA
DEPARTMENT OF HUMAN RESOURCE MANAGEMENT



ABOUT THE ORGANIZATION – Our Mission

The Virginia Department of Human Resource Management (DHRM) is the central human resource agency for the Commonwealth of Virginia.

Created and governed by the Code of Virginia §§ [2.2-1200](#) through [2.2-1213](#) the DHRM is responsible for the following:

- development, dissemination, and interpretation of state personnel policies
- establishment of the Commonwealth's job classification plan;
- base and non-base compensation programs
- a variety of health benefits programs that cover current and retired state employees, as well as some political subdivision employees;
- a program of employee-management relations that includes alternative processes for resolving employment disputes;
- the grievance procedure and a statewide mediation program
- performance management programs that include establishing standards for employee conduct grounded in civility in the workplace;
- talent acquisition and retention;
- employee training and leadership development;
- promote diversity and inclusion programs and initiatives;
- administer the workers' compensation insurance plan for state employees, and collaborate with agencies to develop safety programs.

DHRM takes responsibility for introducing technology and system solutions for the management of people-related data and processes. Workforce data is maintained in a manner to publish a variety of required reports.

Equal employment opportunity remains a top priority with an expanded focus on diversity and inclusion within the workplace ensuring that the Commonwealth of Virginia is an “Best in Class” employer.

Operating in a decentralized environment, DHRM is required to administer a program of evaluation of the effectiveness of performance of personnel activities of the agencies of the Commonwealth.

VISION

We make **people our business**, strive to be a **recognized leader** and **trusted partner** in bringing forth innovative practices to **attract**, **develop**, **engage** and **retain** the Commonwealth's workforce.

VALUES

We live our “Ethics” every day, in all that we do.

- **Excellence** – We strive to be the best at what we do and are accountable for our own performance.



- **Teamwork** – We support each other and blend our diverse talents and backgrounds and share information and resources.
- **Honor** – We model integrity, mutual respect and fairness in everything we do.
- **Innovation** – We encourage the acquisition of new skills, thoughtful risk taking and receptiveness to change.
- **Customer Focus** – We deliver products and services of the highest quality in a timely manner to our customers.
- **Stewardship** – We manage public resources responsibly.

CULTURE

The DHRM leadership team is committed to a positive and supportive culture where our people do their best work every day. We celebrate individuals and teams by recognizing their uniqueness and offering the flexibility to make daily choices that can help all employees to be healthy, centered, confident and aware of their potential and possibilities.

CORPORATE CITIZENSHIP

The Commonwealth is led by a purpose: to make an impact that matters. This purpose defines who we are and extends to relationships with our customers, our people and our communities. We believe that business has the power to inspire and transform. We focus on education, giving, volunteerism, and leadership to help drive positive social impact in our communities.

DHRM staff lead and participate in the Commonwealth of Virginia Campaign, an annual statewide workplace charitable giving program with over 700 charities. In addition, DHRM employees make donations of goods and their time throughout the year and during agency sponsored specific drives that support charities identified by staff.

CUSTOMERS and PARTNERS

DHRM has a variety of customers and partners many of which utilize the services across the DHRM offices.

Primary customers include the following: (this is not an exhaustive list of all services provided):

- *Current and former (retired and separated) state employees* interact with DHRM on a variety of needs to include job postings, injured worker services, health benefits administration and appeals, employee relation services and more.
- *Executive Branch Agency Heads and HR Directors* – guidance and direction on DHRM policies and programs. We also provide services to this customer group such as recruitment, coaching, mediation and other HR service-related activities.
- *Independent and Judicial branch agencies* – inquiries on HR programs and policies, charitable giving, health benefits administration and appeals.
- *Governor's Office, Cabinet and General Assembly members* – DHRM responds to request for information, data and analysis; provides legislative impacts and analysis.



- *Local governments/School systems/Political subdivisions* – health benefits administration; training in workers’ compensation, safety or other state programs.
- *Non-profit organizations* – entities that participate in the state’s annual workplace giving campaign and charity fairs.
- *Citizens* – information requests, job postings.

Primary partners include the following: (note this is not an exclusive list)

- *Private entities* for which services are contracted for such as the administration of the state health care plans, state workers’ compensation program; consulting service contracts such as actuarial and auditing services; supplemental insurance providers; temporary staffing companies; software providers for learning management system, recruitment management system; and special projects like exit surveys and compensation studies.
- Financial services through the *Virginia Credit Union*.
- *State agencies* such as Department of Accounts, Department of Planning and Budget, the Virginia Retirement System, the Department of General Services, the Virginia Information Technologies Agency, the Office of the Attorney General and the Auditor of Public Accounts.

OPERATIONAL STRUCTURE

DHRM is organized into 7 Offices each with a distinct technical focus. This [organizational structure](#) allows for depth of expertise needed at the state Human Resources program level. Each Office is led by an Office Director with reporting staff. Office Directors report directly to the Agency Director. In addition, the Information Security Officer reports to the Agency Director to comply with the requirements of the Virginia Information Technologies Agency, Information Security Standard, SEC 530-01 dated September 28, 2023.

The Deputy Director provides leadership for agency Communications and Human Resources Consulting Services. This structure ensures a continued focus on core human resources and policy services provided to all executive branch agencies and other key stakeholders.

Additional information about each Office area can be found on DHRM’s website as part of the Roadmap to Success. These materials are utilized to onboard new DHRM staff and includes an overview of the agency.

PEOPLE RESOURCES

It is true that people are our most valuable resources. It is through individual and the talents of the entire team that results are achieved. DHRM has an authorized maximum employment level of 117, with 106 classified and 14 wage positions currently filled. DHRM employs a combination of full-time classified employees, as well as wage employees and has a small number of contingent workers.

A number of DHRM programs involve delivery of services through a third party contract; whereas, those delivering these services are employed directly by the contract holder.



Examples include the administration of the Commonwealth's Workers' Compensation Program and the administration of the state health plans.

In FY2021, DHRM gained administrative oversight for the Virginia Management Fellows Program (VMF). This program is managed through a Memorandum of Agreement with Virginia Tech with fellows completing three 8-month agency rotations. The Virginia Management Fellows program deploys people, knowledge, skills, and experience preparing Fellows for permanent positions in the Commonwealth's state agencies.

DHRM also works with local colleges to support externship programs, as well as job shadowing opportunities.

FINANCIAL RESOURCES

Annually DHRM participates in the Commonwealth's strategic budgeting processes and funding authorizations are adjusted as a result. DHRM receives a mix of general funds, non-general funds and special funds. For FY2023, general funds account for 30% and non-general funds account for 70% of funds allocated to DHRM.

DHRM utilizes two special funding sources that are not derived from the Commonwealth. The State's Health Insurance Plan is funded by agency and employee paid premiums, as well as, from local governments and schools participating in The Local Choice (TLC) program and Line of Duty Act (LODA) program, in established trust funds. The State's Workers Compensation program is funded through agency paid premiums also placed in an established trust fund. These premiums are developed based on each agency's experience regarding workplace injuries and their payroll.

Non-general funds come from a variety of sources. The Employment Dispute Resolution program generates revenue to fund administrative hearings by billing agencies for hearings. The CommonHealth Program is funded from the Health Insurance Fund. Funding for DHRM's Shared Services Center is provided by participating agencies based on a fee charged for each position serviced. There are also administrative non-general funds funded by the Workers Compensation trust fund and the Health Insurance Funds.

In FY2021, DHRM was given oversight for the Virginia Management Fellows program which is funded through a general fund allocation. These funds are separate from all other funds noted herein.

PHYSICAL LOCATION

DHRM utilizes leased space in the James Monroe Building located in downtown Richmond. DHRM is awaiting office relocation to space outside the James Monroe Building to Old City Hall and Main Street Center.

DHRM WORKFORCE DATA



DHRM is an organization that continues to experience change in its workforce. As tenured employees retire and professional staff seek growth opportunities in other state agencies, DHRM continues to onboard new employees with a variety of knowledge, skills, experiences and backgrounds. DHRM leadership recognizes and supports an agency that is diverse in all aspects. Below are a few key data points specific to the DHRM workforce as of 9/26/2023:

- Females make up 61% and males 39% of the classified employees.
- Minorities represent 55% and non-minorities 45% of the classified employees.
- The average age is 51.
- The average years of service equals 10.4.
- Veterans represent 11% of the workforce.
- Turnover, all types, represented 7%
- 56% of the classified workforce are in positions assigned to pay bands 3, 4, or 5.
- 12% of the classified workforce are eligible to retire.
- DHRM has 29 positions classified as supervisor or manager and of those, 55% are filled by women and 44% are filled by minorities.

SWOT ANALYSIS

On an annual basis, DHRM identifies and evaluates our Strengths, Weaknesses, Opportunities and Threats (SWOT). The following have been identified through leadership discussion and survey, customer surveys and employee feedback.

Strengths (Internal)

- Diversity of talent, skills, thought, and experience within DHRM team
- Dedicated and passionate professionals focused on customer and service delivery
- Small, agile, agency with a big mission and staff who collaborate and work well with each other with a strong commitment to DHRM's mission

Weaknesses (Internal)

- Loss of institutional knowledge with increased turnover of 40% turnover within last 5 years (2018)
- Limited procedures and documented workflows
- Limited to no formal knowledge transfer and supporting tools
- Limited targeted training and development

Opportunities (External)

- Support from current administration with an opportunity to reboot DHRM
- Strong agency partnerships and intra-agency collaboration
- Adapting workforce dynamics and embracing an openness for innovation

Threats (External)

- Burnout and employee motivation



- Lagging and complex technology (specify and update)
- Funding challenges to include unfunded initiatives and mandates and staffing resources
- Changing priorities or new, unplanned initiatives
- Turnover and loss of institutional knowledge

COMMONWEALTH WORKFORCE DATA

The Commonwealth's workforce continues to evolve towards a flexible, mobile, multi-generational workforce that demands innovation, technology, transparency, and data driven decisions. The workforce of today and the future demands recognition of the delicate balance between work and non-work demands on an individual's time.

The Human Resources community must continue to build skills that drive innovation and creativity while promoting and protecting a workforce that is representative of the Commonwealth and its diversity. The financial, emotional, and physical wellbeing of employees has been elevated in need.

Public sector agencies are experiencing recruiting challenges. The competition for talent will continue to be a challenge for the Commonwealth's state agencies. An anticipated increase in employee retirements, combined with short term furloughs and the possibilities of a workforce reduction due to economic realities will have a significant impact on our ability to attract, develop, engage, and retain talent.

- Males make up 45% and females 55% of the classified employees.
- Minorities represent 34% and non-minorities 66% of the classified employees.
- The average age is 46.5.
- Veterans represent 6.5% of the workforce.
- Turnover, all types, represented 13%.
- 65% of the classified workforce are in positions assigned to pay bands 3, 4, or 5.
- 5% of the classified workforce are currently eligible to retire.

STRATEGIC GOALS AND PRIORITIES

The above SWOT analysis, along with the Commonwealth's workforce data and inputs from a variety of external sources, have helped drive the development of DHRM's strategic goals and priorities.

This plan has been initially written to cover the time reflecting July 1, 2023, through June 30, 2025. While it may be a normal business practice to strategically plan for a longer period, DHRM leadership recognizes that there are significant changes to come in the next 24 months both internal and external to the agency. With that in mind, our agency wide focus will be on the goals, priorities and strategies identified herein.

DHRM Offices may have additional goals and strategies that focus beyond this timeline.

VISIONING BEYOND 2025



As DHRM can realize the goals noted herein and strategies are implemented, additional focus areas will be evaluated for inclusion in this plan or plans written hereafter. The following issues have already been identified as needs for future exploration. Each issue is recognized as having the potential for a significant impact on the Commonwealth's workforce.

1. Flexible Benefits – more and more employees are asking for a choice in benefits they receive. Allowing an employee, a choice in benefits will serve to attract a larger pool of talent who are looking for choices as part of their total compensation package. The ability to select benefits would potentially require modification to existing contracts, policies, and systems. Extensive research and input would be needed from a variety of stakeholders to include employees.
2. Paid Time Off – the Commonwealth's existing leave programs and categories are numerous and complex. Prior efforts to revamp employee leave programs were unsuccessful. Managers and employees continue to express an interest in simpler leave programs and categories which could also be more attractive for employees entering state service. Simplification of existing leave programs and categories will require modification to existing policies and systems. Buy-in from a variety of stakeholders to include employees would be required.
3. Managing Performance – managers and employees often comment about the lack of pay for performance and the dreaded once a year performance evaluation. Redesign of the existing Performance Management Program and related processes would include moving from a traditional approach that involves setting annual performance measures and an annual evaluation towards ongoing goal setting, real time data and continuous feedback with supporting automated processes which can be linked to future pay increases. A key driver of a successful transition would be the ability to automate processes which will require dedicated funding and resources to implement.
4. Electronic Records Management – for many state agencies, employee personnel files are cumbersome, taking up storage space and requiring the use of volumes of paper. Converting paper files to electronic records will serve to better retain the records and allow for easier access by managers, employees, and HR professionals, as well as improvements in transfer of records between state agencies. Movement to a paperless records management process will require a significant investment of financial resources within the Commonwealth, as well as dedicated staff to manage the related technology infrastructure to support.

RESULTS AND EVALUATION

At DHRM, we are people focused and data driven. With that in mind, we believe it is important to keep this plan updated to see progress, celebrate success, and adjust where issues arise. The DHRM leadership team will review this plan quarterly and provide an update thereafter made publicly available on DHRM's website. This will further DHRM's accountability for delivery on the strategic priorities noted herein.



VIRGINIA DEPARTMENT OF HUMAN RESOURCE MANAGEMENT STRATEGIC GOALS, PRIORITIES AND STRATEGIES – JULY 2023 TO JUNE 2025

This plan has been created, reviewed, and accepted by the DHRM Director, DHRM Deputy Director, Information Security Officer and the DHRM Office Directors. Each is committed to support this plan and the call to action it demands.

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VIRGINIA DEPARTMENT OF HUMAN RESOURCE MANAGEMENT STRATEGIC GOALS, PRIORITIES AND STRATEGIES – JUNE 2023 TO JUNE 2025

Goal 1: IT Modernization – DHRM made significant strides from 2021-2023 in modernizing Human Resource supporting technologies to transform and improve the user experience for DHRM customers and partners.

Strategies:

1.1. DHRM's IT Director will work with the DHRM team and selected stakeholders to create a **DHRM IT Strategic Plan** that aligns with DHRM goals and OKRs outlined by the Secretary of Administration.

1.2. **Statewide Collaboration Workspace** – collaborate with VITA to explore and develop business case for the funding and implementation of an online workspace that is accessible and usable by all state employees, regardless of agency or location.

1.3. Create and implement a **HR Dashboard**.

Goal 2: Workforce Development – promote and embed a culture of continuous workplace learning supportive of individual, team, and organizational development.

Strategies:

2.1. Integrate the **Virginia Management Fellow Program** within DHRM organizational structure and support efforts needed to ensure Fellows are employed at program end.

2.2. Develop and implement **technical and leadership curriculum for the Human Resources community** to include a focus on building a foundation for new/entry level HR staff and the skills needed for career progression. (Must include the following: how state government functions, the statutory role of DHRM versus central agencies; how legislation impacts HR programs; statewide mandates; statewide workforce priorities, program and policy changes; and HR supporting technologies).

2.3 Establish a **formal program of introduction and education for Agency HR Directors** newly hired into state government or new to the role of Agency HR Director.

2.4. Evaluate the **Agency Workforce Plans** to identify actionable items that support learning and development needs across Commonwealth agencies.



2.5. Revitalize the **EEO Compliance program** and train HR leaders on new program.

2.6. Other collaborative efforts to enhance workforce programs such as **coaching, leadership development, internships** or apprenticeships.

Goal 3: Agency Training and Support – develop and enhance awareness of and training on resources and support offered by DHRM.

Strategies:

3.1. Increase **awareness** of Employment Dispute Resolution Workplace Conflict Services through needs assessment and outreach activities to agencies.

3.2. Conduct **educational and outreach programs** on the grievance procedure and grievance hearings.

3.3. Increase awareness of **DOI training and consultation services** through the Office of Workforce Engagement.

3.4. Develop and implement **Quality Assurance Programs** as related to compensation, employment, recruiting, policy, and standards and practices.

Goal 4: Workforce Engagement – create workplace environments that drive meaning, purpose, and passion among the Commonwealth’s workforce.

Strategies:

4.1. Establish **Employee Resource Networks** with existing employees to support targeted groups with a focus on underrepresented groups within the workforce.

4.2. Expand focus on **financial, physical, and mental wellness** to include ensuring employees maximize benefits currently offered including participation in the CommonHealth program, premium rewards and other value-based incentive programs within the health plans, the employee assistance program, the employee discount program, and others.

4.3. Establish and implement an **HR policy methodology** for development, communication and evaluation that ensures inclusiveness in development, access, and equitable implementation.

4.4. In partnership with the Governor’s Office of Diversity, Opportunity, and Inclusion launch the **Diversity, Opportunity, and Inclusion Plan** and support goals and strategies within the plan.



4.5. Obtain support, funding, and implement an **Employee Engagement Survey** to identify actions that can be taken to further support employee engagement across the Commonwealth.

4.6. Develop a **statewide employee engagement** framework based on data from the Employee Engagement Survey to address barriers to employee engagement.

4.7. **Commonwealth Mentorship Program** – introduce a mentorship program to further support the Commonwealth’s focus on employee engagement, learning and development.

Goal 5: Workforce Retention – build tools and programs that support access to the right skills and knowledge when and where it’s needed.

Strategies:

5.1. Evaluate the **Commonwealth’s Annual Exit Survey Summary** to identify actionable items to eliminate barriers to retention.

5.2. **Align Wellness Programs with healthcare costs drivers** – to improve employee health outcomes and reduce costs.

5.3. **Disability Management Coordination** – establish clear coordination of benefits between the Workers’ Compensation program and the Virginia Sickness and Disability program to better serve the Commonwealth workforce. (JLARC Report 2019)

OBJECTIVES AND KEY RESULTS IDENTIFIED BY SECRETARY OF ADMINISTRATION

Each year, DHRM is charged with the identified OKRs by the Secretary of Administration. These OKRs are factored into the overall DHRM goals and strategies and will be updated on a regular basis. Current and updates of these OKRs will be included in Addendum 2.