



Highlights of [GAO-03-237](#), a report to the Secretary of Defense

Why GAO Did This Study

The Department of Defense (DOD) has, in the past, lacked a strategic approach to human capital management. In April 2002, DOD issued two human capital strategic plans for military personnel. One plan addresses military personnel management and policies; the second addresses quality of life issues affecting service members and their families.

As a follow-on to its recent work on benefits for military personnel, GAO reviewed the extent that these two plans, in addressing military benefits, promote (1) the integration and alignment of human capital approaches to meet organizational goals and (2) the use of reliable data to make human capital decisions—two critical success factors for human capital planning. GAO also reviewed DOD's plans for overseeing the progress and implementation of its human capital plans.

What GAO Recommends

GAO recommends that DOD establish an oversight process by which senior DOD officials may integrate and align benefits and other human capital approaches and promote a fact-based, performance-oriented approach to human capital management. As one option, DOD may wish to consider incorporating this oversight responsibility into the mission of the planned Defense Human Resources Board. DOD agreed with the recommendation.

www.gao.gov/cgi-bin/getrpt?GAO-03-237.

To view the full report, including the scope and methodology, click on the link above. For more information, contact Derek B. Stewart at (202) 512-5140.

MILITARY PERSONNEL

Oversight Process Needed to Help Maintain Momentum of DOD's Strategic Human Capital Planning

What GAO Found

DOD's human capital plans addressing military personnel and quality of life represent a positive step forward in fostering a more strategic approach to human capital management. The two plans lay some of the groundwork needed to incorporate benefits into the strategic management of human capital. The plans, for example, recognize that benefits are important elements to meeting recruiting and retention goals and to alleviating some of the hardships of military life. However, the two plans do not satisfy the two critical success factors GAO has identified for human capital planning.

- The plans do not specifically address how DOD will integrate and align benefits with other human capital approaches to meet organizational goals. DOD's plans identify a number of initiatives, but the plans do not describe how individual initiatives, many of which are studies, will work in conjunction with one another to meet DOD's goals and objectives. For example, one of DOD's initiatives is to study alternatives to the military retirement system, and another initiative is to study variable career lengths for officers. However, the human capital plans do not explain how these two initiatives may be integrated and aligned with each other to achieve desired outcomes.
- The military personnel strategic plan also does not identify outcome-oriented performance measures or discuss, at a strategic level, military workforce needs or gaps in meeting these needs—the kinds of data used by high-performing organizations to manage their human capital.

DOD lacks a process for overseeing the progress and implementation of its human capital plans from a strategic vantage point. Without such a process, DOD may have difficulty integrating and aligning benefits and other human capital approaches to meet organizational goals and promoting a data-driven, performance-oriented approach to human capital management. Moreover, an oversight process could help DOD officials maintain the momentum of their strategic human capital planning efforts. DOD is considering establishing a Defense Human Resources Board to maintain the viability of its strategic human capital planning, but DOD officials have not determined the roles and responsibilities of the board.