

GAO

Report to the Subcommittee on Civil  
Service and Agency Organization,  
Committee on Government Reform,  
House of Representatives

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June 2004

# HUMAN CAPITAL

## Additional Collaboration Between OPM and Agencies Is Key to Improved Federal Hiring



G A O

Accountability \* Integrity \* Reliability

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Highlights of [GAO-04-797](#), a report to the Subcommittee on Civil Service and Agency Organization, Committee on Government Reform, House of Representatives

### Why GAO Did This Study

Improving the federal hiring process is critical given the increasing number of new hires expected in the next few years. The subcommittee asked GAO to report on the (1) status of recent efforts to help improve the federal hiring process and (2) extent to which federal agencies are using two new hiring flexibilities—category rating and direct-hire authority. Category rating permits an agency to select any job candidate placed in a best-qualified category. Direct-hire authority allows an agency to appoint individuals to positions without adherence to certain competitive examination requirements when there is a severe shortage of qualified candidates or a critical hiring need.

### What GAO Recommends

Last year, GAO made specific recommendations that OPM work with and through the CHCO Council to help agencies better use human capital flexibilities. This includes efforts to improve hiring processes. GAO is thus not making additional recommendations at this time.

In comments on a draft of this report, OPM said that agencies must make fixing the hiring process a priority. OPM also expressed concerns about our survey of CHCOs. We disagreed with OPM's contention that such officials are not knowledgeable enough to respond to our survey. Where appropriate, the report was revised to reflect OPM's comments.

[www.gao.gov/cgi-bin/getrpt?GAO-04-797](http://www.gao.gov/cgi-bin/getrpt?GAO-04-797).

To view the full product, including the scope and methodology, click on the link above. For more information, contact J. Christopher Mihm at (202) 512-6806 or [mihmj@gao.gov](mailto:mihmj@gao.gov).

## HUMAN CAPITAL

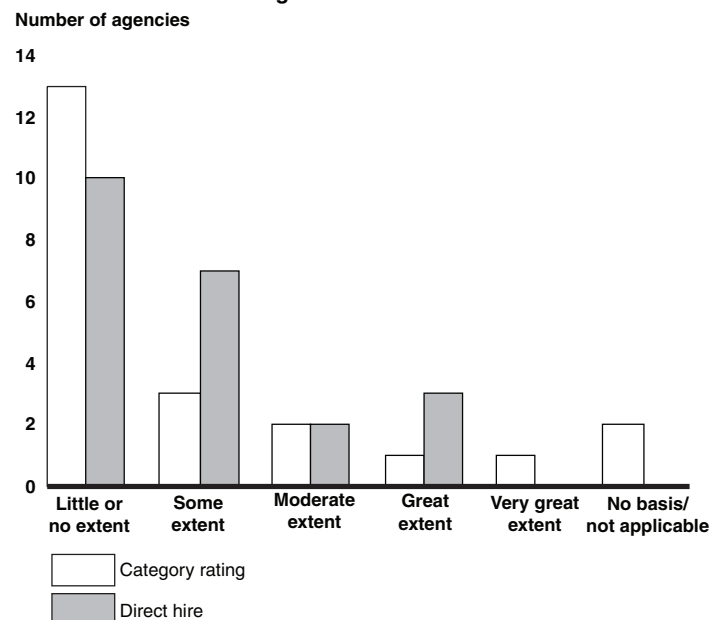
# Additional Collaboration Between OPM and Agencies Is Key to Improved Federal Hiring

### What GAO Found

Congress, the Office of Personnel Management (OPM), and agencies have recognized that federal hiring has needed reform, and they have undertaken various efforts to do so. In particular, Congress has provided agencies with additional hiring flexibilities, OPM has taken significant steps to modernize job vacancy announcements and develop the government's recruiting Web site, and most agencies are continuing to automate parts of their hiring processes. Still, problems remain with a job classification process that many view as antiquated, and there is a need for improved tools to assess the qualifications of job candidates.

On the basis of our survey of members of the interagency Chief Human Capital Officers (CHCO) Council, agencies appear to be making limited use of two new hiring flexibilities that could help agencies in expediting and controlling their hiring processes (see figure below). Frequently cited barriers to using the new hiring flexibilities included (1) the lack of OPM guidance for using the flexibilities, (2) the lack of agency policies and procedures for using the flexibilities, (3) the lack of flexibility in OPM rules and regulations, and (4) concern about possible inconsistencies in the implementation of the flexibilities within the department or agency.

**Extent of Use of New Hiring Flexibilities**



Source: CHCO Council members' responses to GAO questionnaire.

The federal government is now facing one of the most transformational changes to the civil service in half a century. Today's challenge is to define the appropriate roles and day-to-day working relationships for OPM and individual agencies as they collaborate on developing innovative and more effective hiring systems.

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# Contents

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## Letter

Results in Brief	1
Background	2
Previous Work by GAO and Others Has Identified Key Problem	6
Areas in the Competitive Hiring Process	12
OPM and Agencies Are Taking Steps to Improve the Hiring Process	14
Agencies Appear to Be Making Limited Use of New Hiring Flexibilities	30
Conclusions	42
Agency Comments and Our Evaluation	42

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## Appendixes

<b>Appendix I: Objectives, Scope, and Methodology</b>	45
<b>Appendix II: Summary Results of GAO Survey of Members of the Chief Human Capital Officers Council</b>	49
<b>Appendix III: Comments from the Office of Personnel Management</b>	61
<b>Appendix IV: GAO Contact and Staff Acknowledgments</b>	63
GAO Contact	63
Acknowledgments	63

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## Tables

Table 1: New Federal Hires by Department or Agency for Fiscal Year 2003	11
Table 2: Governmentwide and Agency-Specific Direct-Hire Authorities Issued by OPM (June 2003 to Present)	38

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## Figures

Figure 1: Typical Steps for Filling Competitive Selection Vacancies	8
Figure 2: CHCO Council Members' Responses on the Extent to Which Their Agencies Are Using Category Rating	34
Figure 3: CHCO Council Members' Responses on the Most Significant Barriers Preventing or Hindering Their Agencies' Use of Category Rating	35
Figure 4: CHCO Council Members' Responses on the Extent to Which Their Agencies Are Using Direct Hire	40
Figure 5: CHCO Council Members' Responses on the Most Significant Barriers Preventing or Hindering Their Agencies' Use of Direct Hire	41

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**Abbreviations**

ACWA	Administrative Careers with America
ARS	Agricultural Research Service
CHCO	Chief Human Capital Officer
CPDF	Central Personnel Data File
DOD	Department of Defense
DHS	Department of Homeland Security
FS	Forest Service
GS	General Schedule
IT	information technology
MSPB	Merit Systems Protection Board
NAPA	National Academy of Public Administration
OMB	Office of Management and Budget
OPM	Office of Personnel Management
PACE	Professional and Administrative Careers Examination

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United States General Accounting Office  
Washington, D.C. 20548

June 7, 2004

The Honorable Jo Ann Davis  
Chairwoman  
The Honorable Danny K. Davis  
Ranking Minority Member  
Subcommittee on Civil Service  
and Agency Organization  
Committee on Government Reform  
House of Representatives

High-performance organizations need dynamic, results-oriented workforces with the requisite knowledge and up-to-date skills to accomplish their missions and achieve their goals. To acquire such workforces, federal agencies must have effective hiring processes so that they can compete for talented people in a highly competitive job market. Improving the federal hiring process is critical given the increasing number of new hires expected in the next few years. In fiscal year 2003, the executive branch hired nearly 95,000 new employees. Yet, there is widespread recognition that the federal hiring process all too often does not meet the needs of agencies in achieving their missions, managers in filling positions with the right talent, and applicants for a timely, efficient, transparent, and merit-based process.

In May 2003, we issued a report on several key problems in the federal hiring process.<sup>1</sup> To help address these problems, we recommended that the Office of Personnel Management (OPM) take additional actions to assist agencies in strengthening the federal hiring process. We also reported that agencies must take responsibility for maximizing the efficiency and effectiveness of their hiring processes within the current statutory and regulatory framework. You asked us to follow up on this report and provide information on (1) the status of recent efforts to help improve the federal hiring process and (2) the extent to which federal agencies are

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<sup>1</sup> U.S. General Accounting Office, *Human Capital: Opportunities to Improve Executive Agencies' Hiring Processes*, GAO-03-450 (Washington, D.C.: May 30, 2003).

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using new hiring flexibilities contained in the Homeland Security Act of 2002—category rating and direct-hire authority.<sup>2</sup>

To respond to these follow-up issues, we interviewed officials from OPM and the interagency Chief Human Capital Officers (CHCO) Council. We also administered a questionnaire to the 23 agency members serving on the CHCO Council, and all but one responded.<sup>3</sup> In addition, we collected and reviewed OPM documents related to the federal hiring process, and we reviewed data from OPM's central database of governmentwide personnel information. We conducted our work in accordance with generally accepted government auditing standards. (See app. I for additional information on our objectives, scope, and methodology and app. II for the complete results of our CHCO Council survey.)

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## Results in Brief

Congress, OPM, and agencies recognize that federal hiring has needed reform, and they have undertaken various efforts to do so. In particular, Congress has provided agencies with additional hiring flexibilities, OPM has taken significant steps to modernize job vacancy announcements and develop the government's recruiting Web site, and most agencies are continuing to automate parts of their hiring processes. Still, problems remain with the job classification process regarded by many as antiquated, and there is a need for improved tools to assess the qualifications of job candidates. In addition, despite agency officials' past calls for hiring reform, agencies appear to be making limited use of hiring flexibilities enacted by Congress and implemented by OPM almost a year ago that could help agencies in expediting and controlling the hiring process.

OPM and agencies are continuing to address the problems with the key parts of the federal hiring process we identified in our May 2003 report. Significant issues and actions being taken include the following.

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<sup>2</sup> Category rating permits an agency manager to select any job candidate placed in a best-qualified category rather than being limited to three candidates under the "rule of three." Direct-hire authority allows an agency to appoint individuals to positions without adherence to certain competitive examination requirements when there is a severe shortage of qualified candidates or a critical hiring need. These two hiring flexibilities are contained in the Chief Human Capital Officers Act of 2002, Title XIII of the Homeland Security Act of 2002, Public Law 107-296, Nov. 25, 2002.

<sup>3</sup> The CHCO Council member from the Central Intelligence Agency did not respond to the survey because his representative said the agency was an excepted service agency and thus the survey questions were not relevant.

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- **Reforming the classification system.** In our May 2003 report on hiring, we reported that many regard the standards and process for defining a job and determining pay in the federal government as a key hiring problem because they are inflexible, outdated, and not applicable to the jobs of today. OPM has revised the classification standards of several job series to make them clearer and more relevant to current job duties and responsibilities. In addition, as part of the effort to create a new personnel system for the Department of Homeland Security (DHS), OPM is working with DHS to create broad pay bands for the department in place of the 15-grade job classification system that is required for much of the rest of the federal civil service. OPM told us that its ability to more effectively reform the classification process is limited under current law and that legislation is needed to modify the current restrictive classification process for the majority of federal agencies. Fifteen of the 22 CHCO Council members responding to our survey reported that either OPM (10 respondents) or Congress (5 respondents) should take the lead on reforming the classification process, rather than the agencies themselves.
  - **Improving job announcements and Web postings.** In our May 2003 report, we noted that the lack of clear and appealing content in federal job announcements could hamper or delay the hiring process. OPM has continued to move forward on its interagency project to modernize federal job vacancy announcements, including providing guidance to agencies to improve announcements. In addition, OPM continues to collaborate with agencies in implementing Recruitment One-Stop, an electronic government initiative that includes the USAJOBS Web site ([www.usajobs.opm.gov](http://www.usajobs.opm.gov)) to assist applicants in finding employment with the federal government. All 22 of the CHCO Council members responding to our survey reported that their agencies had made efforts to improve their job announcements and Web postings. In narrative responses to our survey, a CHCO Council member representing a major department said, for example, that the USAJOBS Web site is an excellent source for posting vacancies and attracting candidates. Another said that the Recruitment One-Stop initiative was very timely in developing a single automated application for job candidates.
  - **Automating hiring processes.** In our May 2003 report, we conveyed that manual processes for rating and ranking job candidates are time consuming and delay the federal hiring process. OPM provides to agencies on a contract or fee-for-services basis an automated hiring system, USA Staffing, which is a Web-enabled software program that

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automates the steps of the hiring process. According to OPM, over 40 federal organizations have contracted with OPM to use USA Staffing. Other federal agencies have relied on private vendors to automate their hiring processes. Twenty-one of the 22 CHCO Council members responding to our survey reported that their agencies had made efforts to automate significant parts of their hiring processes.

- **Improving candidate assessment tools.** We concluded in our May 2003 report that key candidate assessment tools used in the federal hiring process can be ineffective. We especially noted some of the challenges of assessment tools and special hiring programs used for occupations covered by the Luevano consent decree.<sup>4</sup> Although OPM officials said that they monitor the use of assessment tools related to positions covered under the Luevano consent decree, they have not reevaluated these assessments tools. OPM officials told us, however, that they have provided assessment tools or helped develop new assessment tools related to various occupations for several agencies on a fee-for-service basis. Although OPM officials acknowledged that assessment tools in general need to be reviewed, they also noted that it is each agency's responsibility to determine what tools it needs to assess job candidates. The OPM officials also said that if agencies do not want to develop their own assessment tools, then they could request that OPM help develop such tools under the reimbursable service program that OPM operates. Twenty-one of the 22 CHCO Council members responding to our survey reported that their agencies had made efforts to improve their hiring assessment tools.

Agencies appear to be making limited use of two new personnel flexibilities created by Congress in November 2002 and implemented by OPM in June 2003—category rating and direct-hire authority. Data on the actual use of these new flexibilities are not readily available, but most CHCOs responding to our survey indicated that their agencies are making little or no use of either flexibility—a view confirmed by OPM officials based on

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<sup>4</sup> The Luevano consent decree is a 1981 agreement that settled a lawsuit alleging that a written test, Professional and Administrative Careers Examination (PACE), had an adverse impact on African Americans and Hispanics. See *Luevano v. Campbell*, 93 F.R.D. 68 (D.D.C. 1981). The consent decree called for the elimination of PACE and required replacing it with alternative examinations. In response to the consent decree, OPM developed the Administrative Careers with America (ACWA) examination. The consent decree also established two special hiring programs, Outstanding Scholar and Bilingual/Bicultural, for limited use in filling former PACE positions.



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their contacts with agencies. The limited use of category rating is somewhat unexpected given the views of human resources directors we interviewed 2 years ago. As noted in our May 2003 report, many agency human resources directors indicated that the antiquated method of ranking and referring candidates was one of the key obstacles in the hiring process. Category rating was authorized to address those concerns. In our survey of CHCO Council members, 21 of the 22 respondents cited at least one barrier that they said prevented or hindered their agencies from using or making greater use of the new hiring flexibilities. Although no one specific barrier was cited by a majority of survey respondents for either of the two new hiring flexibilities, frequently cited barriers included (1) the lack of OPM guidance for using the flexibilities, (2) the lack of agency policies and procedures for using the flexibilities, (3) the lack of flexibility in OPM rules and regulations, and (4) concern about possible inconsistencies in the implementation of the flexibilities within the department or agency.

In a separate report we issued in May 2003 on the use of human capital flexibilities, we recommended that OPM work with and through the new CHCO Council to more thoroughly research, compile, and analyze information on the effective and innovative use of human capital flexibilities and more fully serve as a clearinghouse in sharing and distributing information.<sup>5</sup> We noted that sharing information about when, where, and how the broad range of flexibilities is being used, and should be used, could help agencies meet their human capital management challenges. As we recently testified, OPM and agencies need to continue to work together to improve the hiring process, and the CHCO Council should be a key vehicle for this needed collaboration.<sup>6</sup> To accomplish this effort, agencies need to provide OPM with timely and comprehensive information about their experiences in using various approaches and flexibilities to improve their hiring processes. OPM—working through the CHCO Council—can, in turn, help accomplish this effort by serving as a facilitator in the collection and exchange of information about agencies' effective practices and successful approaches to improved hiring.

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<sup>5</sup> U.S. General Accounting Office, *Human Capital: OPM Can Better Assist Agencies in Using Personnel Flexibilities*, [GAO-03-428](#) (Washington, D.C.: May 9, 2003).

<sup>6</sup> U.S. General Accounting Office, *Human Capital: Observations on Agencies' Implementation of the Chief Human Capital Officers Act*, [GAO-04-800T](#) (Washington, D.C.: May 18, 2004).

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The federal government is now facing one of the most transformational changes to the civil service in half a century, which is reflected in the new personnel systems for DHS and the Department of Defense (DOD) and in new hiring flexibilities provided to all agencies. Today's challenge is to define the appropriate roles and day-to-day working relationships for OPM and individual agencies as they collaborate on developing innovative and more effective hiring systems. Moreover, human capital expertise within the agencies must be up to the challenge for this transformation to be successful and enduring.

The Director of OPM provided written comments on a draft of this report, which are reprinted in appendix III. In her written comments, the OPM Director said that OPM has done much to assist agencies to improve hiring and increase agency officials' knowledge about hiring flexibilities available to them, and she highlighted various examples of OPM's efforts in this regard. She also stressed that agencies must rise to the challenge, provide consistent leadership at the senior level, take advantage of the training opportunities offered by OPM, and make fixing the hiring process a priority. The OPM Director also commented that the report "appears to rely upon perceptions that are not consistent with the facts." In technical comments, OPM explained that this concern related to the reporting of various narrative responses from our survey of CHCO Council members. We disagreed with OPM's contention that such officials are not knowledgeable enough to comment on the issues we raised in our questionnaire. Additional information on OPM's comments and our evaluation of those comments is presented at the end of this report. Where appropriate, we made changes to the report to address the comments we received.

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## Background

Federal civil service employees, other than those in the Senior Executive Service, are employed in either the competitive service or the excepted service.<sup>7</sup> The competitive service examination process is one of the processes intended to ensure that agencies' hiring activities comply with merit principles. In January 1996, OPM delegated examining authority to

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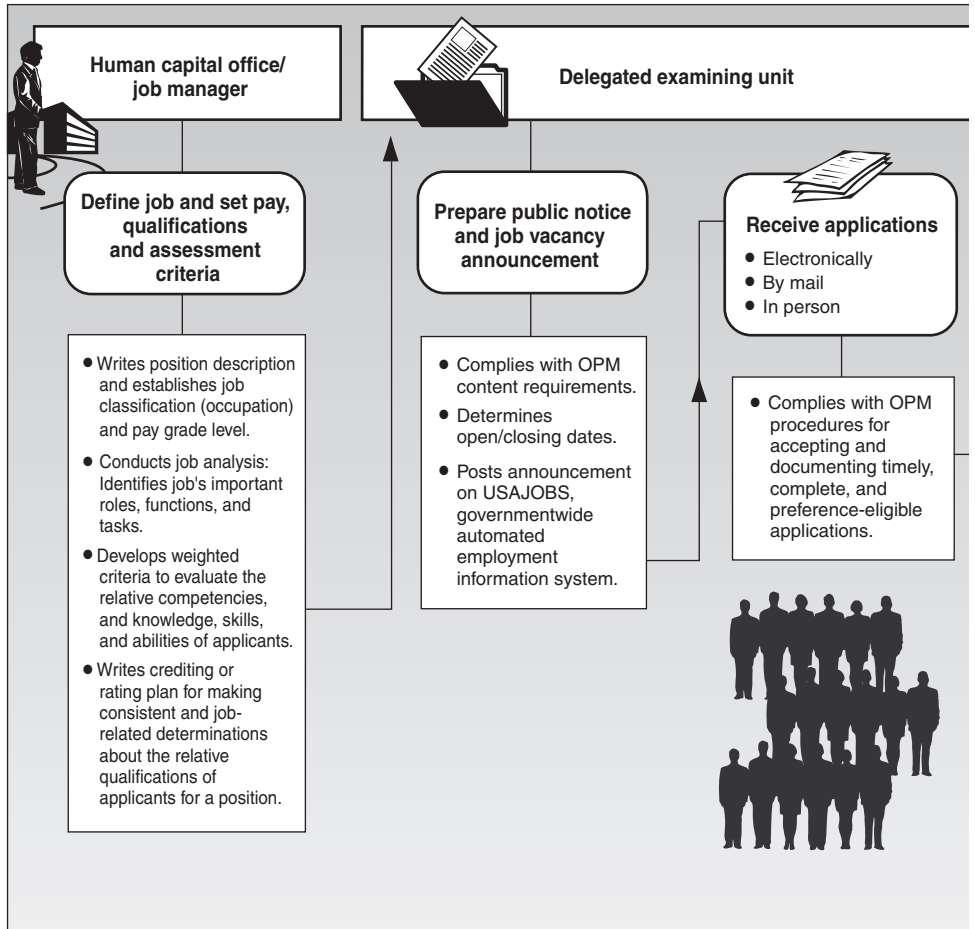
<sup>7</sup> Positions may be excepted from the competitive service by statute, by the President, or by OPM. 5 C.F.R. § 213.101. OPM may except positions from the competitive service when it determines that appointments into such positions through competitive examination are not practicable. 5 C.F.R. § 6.1(a). Examples of excepted service positions include chaplains, attorneys, and political appointees. 5 C.F.R. Part 213, Subpart C.

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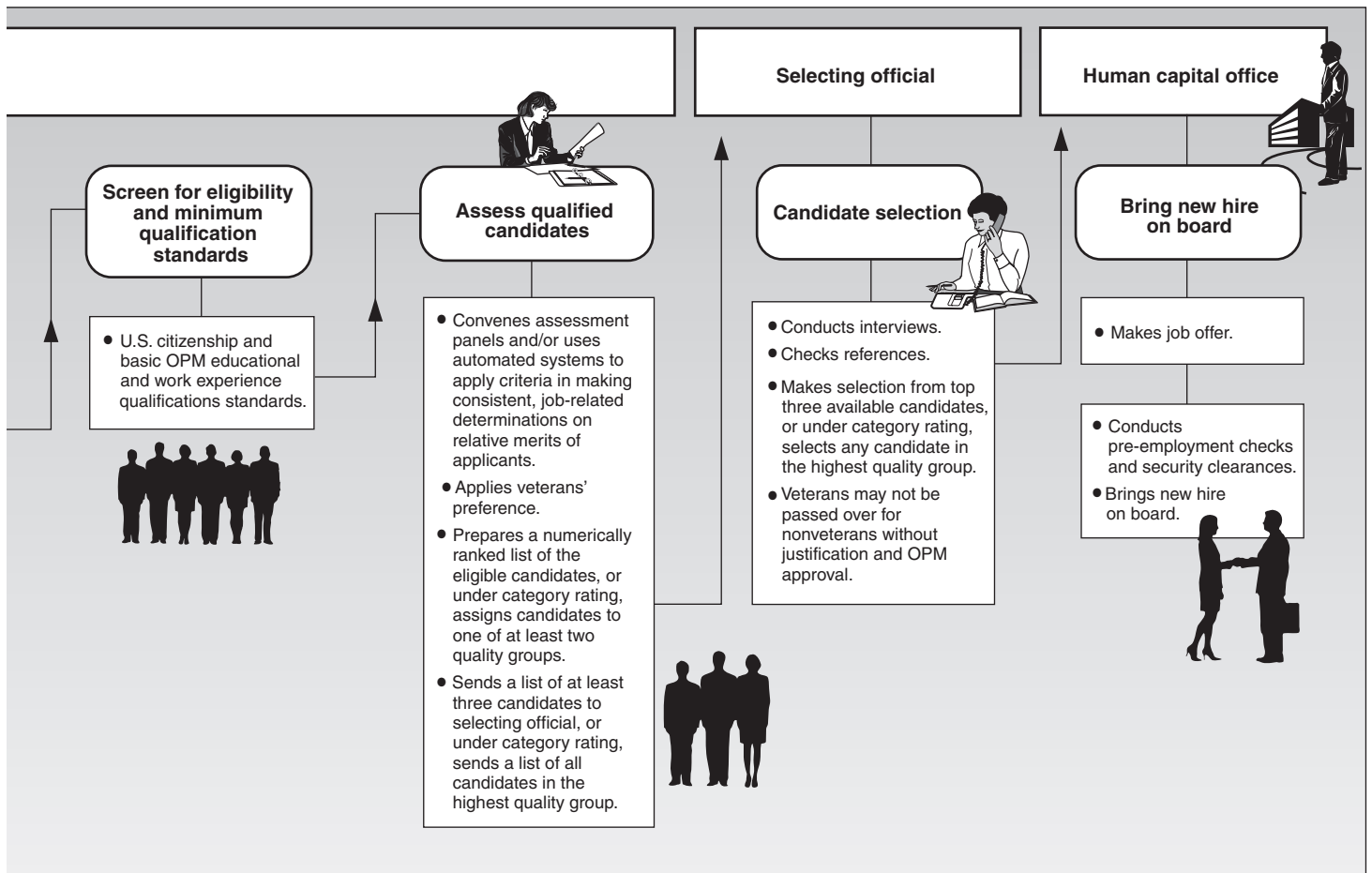
federal agencies for virtually all positions in the competitive service. Under delegated examining authority, agencies conduct competitive examinations that comply with merit system principles, other personnel-related laws, and regulations as set forth in OPM's Delegated Examining Operations Handbook. OPM is responsible for ensuring that the personnel management functions it delegates to agencies are conducted in accordance with merit principles and the standards it has established for conducting those functions.

The federal hiring process involves notifying the public that the government will accept applications for a job, screening applications against minimum qualification standards, and assessing applicants' relative competencies or knowledge, skills, and abilities against job-related criteria to identify the most qualified applicants. Federal agencies typically examine or assess candidates by rating and ranking them based on their experience, training, and education, rather than by testing them. Figure 1 shows the typical steps for filling vacancies through the competitive examining process.

**Figure 1: Typical Steps for Filling Competitive Selection Vacancies**



Source: GAO.



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The Homeland Security Act of 2002 contained new hiring flexibilities that could help agencies in expediting and controlling their hiring processes—category rating and direct-hire authority. Category rating is an alternative rating and selection procedure that can expand the pool of qualified job candidates from which agency managers may select. Under this procedure, an agency manager can select any job candidate placed in a best-qualified category rather than being limited to three candidates under the “rule of three.” Direct-hire authority allows an agency to appoint individuals to positions without adherence to certain competitive examination requirements when OPM determines that there is a severe shortage of candidates or a critical hiring need. Specifically, when making appointments under the newly authorized direct-hire authority, agencies still are required to provide public notice of the job vacancies and screen all applicants to ensure that they meet the basic qualification requirements of the position; however, agencies are not required to numerically rate and rank candidates nor apply the rule of three or veterans’ preference.

The act also established a CHCO position in 24 federal agencies to advise and assist the head of each agency and other agency officials in their strategic human capital management efforts.<sup>8</sup> Additionally, the act created a CHCO Council to advise and coordinate these activities among the agencies. In accordance with the act, members of the CHCO Council include the Director of OPM, the Deputy Director for Management at the Office of Management and Budget (OMB), the CHCOs from executive departments, and additional agency members designated by the OPM Director. The functions of the CHCO Council are to offer advice and coordinate agencies’ activities concerning modernization of human resources systems, improving the quality of human resources information, and giving concerted attention to legislation affecting human resources operations. The CHCO Council currently has five subcommittees that help carry out its work, including a subcommittee on the hiring process.<sup>9</sup> The purpose of the hiring subcommittee is to identify actions it or the CHCO Council could take to improve recruiting and hiring in the federal government.

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<sup>8</sup> The CHCO provisions, along with the hiring flexibilities, are contained in the Chief Human Capital Officers Act of 2002, Title XIII of the Homeland Security Act.

<sup>9</sup> The CHCO Council has subcommittees on (1) the hiring process, (2) performance management, (3) leadership development and succession, (4) employee conduct and poor performers, and (5) emergency preparedness.

Since the mid-1990s, the number of new federal hires increased considerably—increasing from about 50,000 employees in 1996 to over 143,000 employees in 2002. Federal hiring in the mid-1990s declined because many agencies were downsizing and did not need to fill positions. Increasingly, agencies began hiring new employees, particularly because of a slowdown in downsizing and growing numbers of employees retiring. In fiscal year 2003, the largest federal hirer was DOD, which brought on board more than one-third of all hires. The number of federal hires decreased in 2003 over 2002, which was primarily because of the hiring of nearly 35,000 airport screeners in 2002 into the newly created Transportation Security Administration. Table 1 shows the number of new federal hires by department or agency for fiscal year 2003.

**Table 1: New Federal Hires by Department or Agency for Fiscal Year 2003**

<b>Department or agency</b>	<b>Competitive service</b>	<b>Excepted service</b>	<b>Total</b>
Department of Defense	22,764	12,525	<b>35,289</b>
Department of Veterans Affairs	8,910	5,902	<b>14,812</b>
Department of the Treasury	8,038	527	<b>8,565</b>
Department of Homeland Security	4,220	1,636	<b>5,856</b>
Department of Justice	4,739	1,010	<b>5,749</b>
Department of Agriculture	3,505	847	<b>4,352</b>
Social Security Administration	1,897	2,411	<b>4,308</b>
Department of Transportation	499	2,284	<b>2,783</b>
Department of Interior	1,818	688	<b>2,506</b>
Department of Health and Human Services	1,761	722	<b>2,483</b>
Department of Commerce	1,255	226	<b>1,481</b>
All others	4,166	2,640	<b>6,806</b>
<b>Total</b>	<b>63,572</b>	<b>31,418</b>	<b>94,990</b>

Source: OPM Central Personnel Data File.

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## Previous Work by GAO and Others Has Identified Key Problem Areas in the Competitive Hiring Process

Within government and the private sector, it has been widely recognized that the federal hiring process is lengthy and cumbersome and hampers agencies' ability to hire the high-quality people they need to achieve their agency goals and missions. Numerous studies and research over the past decade by OPM, the Merit Systems Protection Board (MSPB), the National Academy of Public Administration (NAPA), the Partnership for Public Service, the National Commission on the Public Service, and GAO have noted concerns and problems with the federal hiring process, as the following examples illustrate.

- In October 2001, the Partnership for Public Service released the results of a poll it had commissioned that found “many people view the process of seeking federal employment as a daunting one. Three-quarters of non-federal workers say making the application process quicker and simpler would be an effective way of attracting talented workers to government.”<sup>10</sup>
- In July 2002, NAPA reported that federal “hiring remains a slow and tedious process.” The report noted that “Many managers are attempting to rebuild a pipeline of entry level employees in this very competitive labor market, yet current hiring methods do not keep pace with the private sector.”<sup>11</sup>
- In September 2002, MSPB said that the federal hiring process has a number of key problems including “overly complex and ineffective hiring authorities” and “inadequate, time-consuming assessment procedures.”<sup>12</sup>

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<sup>10</sup> Hart-Teeter Research, *The Unanswered Call to Public Service: Americans' Attitudes Before and After September 11th* (Washington, D.C.: October 2001).

<sup>11</sup> National Academy of Public Administration, *Summary of Human Resources Management Research for the National Commission on the Public Service* (Washington, D.C.: July 2002).

<sup>12</sup> U.S. Merit Systems Protection Board, *Making the Public Service Work: Recommendations for Change* (Washington, D.C.: September 2002).



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- In November 2002, OPM in its strategic plan for 2002 through 2007 stated, "There is a general perception that our hiring process takes too long and may not provide well-qualified candidates."<sup>13</sup>
  - In January 2003, the National Commission on the Public Service said, "Recruitment to federal jobs is heavily burdened by ancient and illogical procedures that vastly complicate the application process and limit the hiring flexibility of individual managers."<sup>14</sup>

Our May 2003 report on federal hiring summarized these concerns and added further evidence to confirm many of the problems and issues that have been identified over the past decade. As many of these and other studies have noted, and as many human resources directors pointed out in our prior interviews, nearly all parts of the competitive hiring process hamper effective and efficient federal hiring. Key problem areas identified in our May 2003 report included the following.

- Outdated and cumbersome procedures to define a job and set the pay are not applicable to the jobs and work of today.
- Unclear, unfriendly job announcements cause confusion, delay hiring, and serve as poor recruiting tools.
- A key assessment tool and hiring programs used for several entry-level positions are ineffective.
- Convening panels and the manual rating and ranking of applicants to determine best-qualified applicants is time-consuming.
- Numerical rating and ranking and the "rule of three" limit the choice of applicants and are viewed as ineffective.

As noted previously, our prior work surveying human resources directors, along with the work of others, indicated that the time-to-hire is too long for most federal hires. Comprehensive department or governmentwide data on time-to-hire are often not available; however, in fiscal year 2002, OPM

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<sup>13</sup> U.S. Office of Personnel Management, *Strategic Plan 2002-2007* (Washington, D.C.: November 2002).

<sup>14</sup> National Commission on the Public Service, *Urgent Business for America: Revitalizing the Federal Government for the 21st Century* (Washington, D.C.: January 2003).

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compiled and analyzed data on time-to-hire and found that it typically took on average about 102 days for agencies to fill a vacancy using the competitive process. At that time, OPM measured time-to-hire from the period between when the request to hire or fill a position was received in the human resources office to the appointment of an applicant to the position. Additional time might be needed for a manager to obtain approval for the requested hiring action at the beginning of the process or for the new employee to receive a security clearance at the end of the process. OPM officials told us that better data are not available on time-to-hire and that they are surveying federal agencies to assess how to gather systematic data on time-to-hire.

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## OPM and Agencies Are Taking Steps to Improve the Hiring Process

OPM and agencies are continuing to focus on the problems with the federal hiring process we identified in our May 2003 report. OPM has taken actions to address federal hiring across the board and for specific parts of the hiring process. For example, in February of this year, the Director of OPM issued a memorandum to the CHCOs of federal agencies offering 10 ways that agencies can immediately improve their hiring processes using authorities they already possess. Steps outlined in this memo include fully engaging the agency's human resources staff and offering recruiting incentives such as recruitment bonuses, relocation expenses, and student loan repayments. In addition, to encourage agencies to improve their hiring processes, OPM is urging agencies to implement a new 45-day hiring model, which measures the time-to-hire period from the date the vacancy announcement closes to the date a job offer is extended. OPM officials said they would work closely with agencies to deploy all appropriate flexibilities to meet this goal. According to OPM, agencies will be scored under the Human Capital Initiative of the President's Management Agenda on their progress toward reducing time-to-hire. In addition, OPM is administering a survey of CHCOs on agency hiring practices to identify opportunities to use the flexibilities strategically, eliminate remaining outmoded practices, and generally expedite the hiring process.

OPM and agencies have also taken actions to address various key parts of the federal hiring process. These parts, which are discussed in this section, include reforming the classification system, improving job announcements and Web postings, automating hiring processes, and improving candidate assessment tools. Our May 2003 report on federal hiring outlined recommendations to OPM dealing with these key parts of the hiring process. While OPM has placed concerted attention on three of these key parts of the hiring process, focused attention and action by OPM to

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improve assessment tools, as we recommended in our May 2003 report, could further help agencies in identifying the best candidates for federal jobs.

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### Reforming the Classification System Could Better Facilitate Filling Positions with the Right Employees

We previously reported the conclusion of many that the standards and process for defining a job and determining pay in the federal government are a key hiring problem because they are inflexible, outdated, and not applicable to the jobs of today. The classification system is intended to categorize jobs or positions according to the kind of work done, the level of difficulty and responsibility, and the qualifications required for the position, and is to serve as a building block to determine the pay for the position. Generally, defining a job and setting pay in the federal government must be based on standards in the Classification Act of 1949, which sets out 15 grade levels of the General Schedule (GS) expressed in terms of the difficulty and level of responsibility for each specific position.<sup>15</sup> The federal classification process and standard job classifications were generally developed decades ago when typical jobs were more narrowly defined and often clerical or administrative in nature. However, jobs in today's knowledge-based organizations often require a much broader array of tasks that may cross over the narrow and rigid boundaries of job classification standards and make it difficult to fit the job appropriately into one of the over 400 federal occupations. According to a recent OPM study, a key problem with federal job classification is that, under present rules, characteristics such as workload, quality of work, and results are not classification factors that can affect the overall level of basic pay for a position.<sup>16</sup> Given this limitation, the resulting job classifications and related pay might hamper efforts to fill the positions with the right employees.

Our May 2003 report noted some actions that OPM and agencies had taken to address the federal job classification process. For example, we reported that some agencies had automated their complicated classification processes to reduce the time it takes to carry out this task. The Department of the Army, for instance, created a centralized database that

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<sup>15</sup> The GS is the federal government's main pay system for "white-collar" positions. Each of the 15 grades of the GS are divided into 10 specific pay levels called "steps."

<sup>16</sup> U.S. Office of Personnel Management, *A Fresh Start for Federal Pay: The Case for Modernization* (Washington, D.C.: April 2002).

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gives human resources managers at Army access to active position descriptions and position-related information to help in classifying jobs. In addition, we noted that OPM had revised the classification standards for several job series, including health care professions and law enforcement, to make them clearer and more relevant to current job duties and responsibilities. At that time, OPM pointed out that the classification standards and process needed to be reformed and that changes to the Classification Act of 1949 were needed to make fundamental changes to how jobs are defined and pay is set. Our report noted, however, that OPM recognized the need to maintain the GS system in the absence of an alternative and well-managed transition to a new system.

In our May 2003 report, we also recommended that OPM study how to improve, streamline, and reform the classification process. In response to our questions about the status of OPM's actions on this recommendation, OPM said that it has recently taken several actions to address the job classification process. OPM stated that most classification standards are being issued as "job family" standards, which OPM said allows it to study related occupations together to identify both commonalities and differences. OPM also said that it is working closely with agencies to ensure that classification standards reflect the current nature of federal work. OPM noted, for example, that it is working with a number of agencies to develop a new job family standard for administrative work in the occupational series covering investigative work. In addition, OPM said that it is exploring an integrated approach to classification and qualification standards. By integrating these two functions into a single occupational standard, OPM hopes to make more clear the link between the work conducted in an occupation, the competencies required to perform that work, and the requirements that individuals must demonstrate to be placed into these positions. OPM believes an integrated approach for classification and qualifications standards will improve the quality of the federal workforce through competency-based qualifications that identify the full range needed for successful job performance. This new approach thus could better enable federal agencies to hire the right person at the right time.

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OPM also recently collaborated with DHS to help reform its personnel system. The Homeland Security Act, which created DHS, provided it with significant flexibility to design a modern human capital system. Specifically, DHS may deviate from the classification and most pay rate requirements contained in Title 5 of the U.S. Code.<sup>17</sup> Under proposed regulations, DHS would create broad pay bands for much of the department in place of the 15-grade GS system now in place for much of the civil service. Several OPM-sponsored demonstration projects over the past 20 years have demonstrated the efficacy of pay banding systems that were similar to the system being proposed by DHS.<sup>18</sup> Last September, we reported that DHS's process for designing its new human capital system involved significant collaboration with OPM and generally reflected the important elements of a successful transformation, including effective communication and employee involvement.<sup>19</sup> A new OPM initiative is to collaborate with DOD as that department also develops and implements its new personnel system—the National Security Personnel System.<sup>20</sup> In testimony earlier this year, we stressed that DOD could benefit from employing a collaborative and inclusive process similar to that used by DHS.<sup>21</sup>

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<sup>17</sup> Public Law 107-296, Nov. 25, 2002. Title 5 is the title of the U.S. Code that stipulates civilian personnel law for much of the federal civil service.

<sup>18</sup> See our recent report describing several personnel demonstration projects: U.S. General Accounting Office, *Human Capital: Implementing Pay for Performance at Selected Personnel Demonstration Projects*, [GAO-04-83](#) (Washington, D.C.: Jan. 23, 2004).

<sup>19</sup> U.S. General Accounting Office, *Human Capital: DHS Personnel System Design Effort Provides for Collaboration and Employee Participation*, [GAO-03-1099](#) (Washington, D.C.: Sept. 30, 2003). Also, we reported on key practices and steps that can help agencies implement successful transformations in modernizing their human capital policies in the following reports: *Results-Oriented Cultures: Implementation Steps to Assist Mergers and Organizational Transformations*, [GAO-03-669](#) (Washington, D.C.: July 2, 2003); and *Highlights of a GAO Forum: Mergers and Transformations: Lessons Learned for a Department of Homeland Security and Other Federal Agencies*, [GAO-03-293SP](#) (Washington, D.C.: Nov. 14, 2002).

<sup>20</sup> The National Defense Authorization Act for Fiscal Year 2004 authorized DOD to establish a new civilian personnel system that is flexible, contemporary, and consistent with merit system principles. Public Law 108-136, Nov. 24, 2003.

<sup>21</sup> U.S. General Accounting Office, *Department of Defense: Further Actions Needed to Establish and Implement a Framework for Successful Financial and Business Management Transformation*, [GAO-04-551T](#) (Washington, D.C.: Mar. 23, 2004).

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Additionally, in April 2004, OPM released a draft publication entitled *OPM's Guiding Principles for Civil Service Transformation*, which, as its title suggests, proposes a set of principles for reshaping the civil service system.<sup>22</sup> In this draft document, OPM states that the modernization of the federal job classification process should begin with governmentwide legislation that mirrors the flexibilities provided to DHS and DOD. OPM also indicates that reform in the areas of pay and performance management systems should be a top priority, and that if agencies governmentwide do not receive reforms similar to those that DHS and DOD have received in this area, agencies risk being at a competitive disadvantage in recruiting a talented workforce. Furthermore, OPM's draft document suggests that there is no need for further testing of pay-for-performance approaches in the federal government and that it is now time to extend the DHS and DOD pay-for-performance frameworks to other agencies that are ready to modernize their human resources systems.

#### Views of the CHCO Council Members

In our April 2004 survey of the members of the CHCO Council, 13 of the 22 respondents said that they were aware of efforts that OPM has made to reform the federal classification process (see app. II for further information). In narrative responses to our survey questions relating to job classification, one CHCO Council member representing a large department, for example, recognized OPM's work to develop job family standards. Conversely, a Council member representing an independent agency said he was not aware of any significant OPM-led reforms related to classification. For those respondents who said they were aware of any OPM efforts to reform the classification process, we also asked about the extent to which OPM's efforts had helped their agencies and about their level of satisfaction or dissatisfaction with such OPM efforts and related proposals. In narrative responses to our survey questions, a CHCO Council member representing a large department said, for example, that OPM had relinquished any responsibility for reforming the process and that it has been up to Congress to legislate reforms for specific agencies. Another respondent said that OPM is making modest progress to change the classification process within the purview of its authority but that changes to existing law are necessary for real reform to occur.

We also asked the CHCO Council members for their views about who should currently take the lead in furthering reform of the classification

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<sup>22</sup> U.S. Office of Personnel Management, *Draft: OPM's Guiding Principles for Civil Service Transformation* (Washington, D.C.: April 2004).

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process in the federal government. Fifteen of the 22 CHCO Council members responding to our survey reported that either OPM (10 respondents) or Congress (5 respondents) should take the lead on reforming the classification process, rather than the agencies themselves. In narrative responses to our survey questions, one Council member representing a major department said, for example, that CHCOs should be closely involved in this effort and that OPM's efforts could be improved with the input and shared responsibility of the agencies. Another respondent encouraged Congress to pass legislation granting other agencies still under Title 5 rules a comparable degree of flexibility to that provided to DHS, DOD, and other agencies given authority for personnel reform. Another Council member representing a department suggested that any reform effort on the part of OPM or others should focus on linking true classification reform and pay for performance. Another respondent said that an independent group or task force should take the lead in furthering reform of the classification process.

#### Status of Our Prior Recommendation to OPM

OPM has implemented the recommendation that we made in last year's report for OPM to study how to improve, streamline, and reform the classification process. The draft *Guiding Principles for Civil Service Transformation* document released by OPM in April lays out some significant proposals for changes to the civil service system, which encompasses issues related to job classification. OPM told us that when drawing conclusions about OPM's efforts to reform the job classification process, it is important to recognize OPM's limited latitude under current statute. OPM pointed out that it does not have the option of accommodating the persistent broadening of work levels that has occurred in organizations throughout the post-industrial workplace by establishing standards that reflect fewer, broader levels of work. OPM has noted that its ability to more effectively reform the classification process is limited under current law and that legislation is needed to modify the current restrictive classification process for the majority of federal agencies. OPM officials said that they must maintain the 15-grade GS system and make it possible for agencies to classify their GS positions reliably according to law in as straightforward a manner as possible.

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## Improved Job Announcements and Web Postings Can Serve as Better Recruiting Tools

In our May 2003 report, we noted that the lack of clear and appealing content in federal job announcements can hamper or delay the hiring process. During the work for that report, our interviews with several agency human resources directors revealed that federal job announcements are frequently incomprehensible and make it difficult for applicants to determine what the jobs require, and therefore do not serve as effective recruiting tools. We cited reports<sup>23</sup> from MSPB that said vacancy announcements often included poor organization and readability, unclear job titles and duties, vague or restrictive qualification standards, and the use of negative language or tone that might deter many qualified candidates. MSPB also said that some job announcements were lengthy and difficult to read online, contained jargon and acronyms, and appeared to be written for people already employed by the government. MSPB further noted that many of the announcements it reviewed did not include information on retirement and other benefits, such as vacation time and medical and health insurance, which might entice people to apply. As we pointed out in our previous report, making vacancy announcements more visually appealing, informative, and easy to access and navigate could make them much more effective as recruiting tools.

Prior to the issuance of our last report on federal hiring, OPM had initiated some actions to help make job announcements easier to access and understand. OPM initiated an interagency project to modernize federal job vacancy announcements, including providing guidance to agencies to improve announcements. OPM also worked to obtain contractor support to enhance its USAJOBS Web site with the goals of making it easier and quicker for people to find federal jobs and enhancing the site's "eye-catching" appeal. This effort is part of the Recruitment One-Stop initiative, which, as the name implies, would provide a one-stop Web site for federal job seekers by implementing a single application point that includes vacancy information, job application submission, application status tracking, employment eligibility screening, and applicant database mining.

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<sup>23</sup> U.S. Merit Systems Protection Board, *Competing for Federal Jobs – Job Search Experiences of New Hires* (Washington, D.C.: February 2000); and *Help Wanted: A Review of Federal Vacancy Announcements* (Washington, D.C.: December 2002).



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More recently, OPM also has taken additional steps to make job announcements and Web postings more user friendly and effective. In August 2003, OPM revamped the USAJOBS Web site to feature a quicker job-search engine, sorting capabilities, and accessibility for disabled users. Other new features included allowing applicants to create and save application letters and store up to five resumes online as well as making posted resumes searchable by agency recruiters. In an effort to centralize and streamline the process, OPM had also originally proposed to have executive branch agencies shut down their agency-unique job search engines and resume builders. This raised concerns by competing private vendors offering their own recruitment and hiring software to agencies. According to OPM, in response to these concerns, it informed agencies that they were free to adopt any online recruiting and hiring system they wish as long as the system eventually was integrated with the governmentwide online recruitment system.<sup>24</sup>

In March, we reported on the progress of various electronic government initiatives, including the OPM-led Recruitment One-Stop initiative.<sup>25</sup> We noted OPM's goal to increase customer satisfaction with the federal application process through Recruitment One-Stop. According to OPM, the customer satisfaction rating<sup>26</sup> for the USAJOBS Web site had increased from a score of 68 on December 15, 2003, to a score 75.5 as of May 14, 2004. We also reported that a resume-mining tool to identify candidates had been implemented as part of the Web site but the tool had not been widely used to date. OPM told us that the addition of the resume-mining tool was one of many recent changes to the USAJOBS Web site and OPM had not yet fully trained agencies on the use of this tool. Nevertheless, according to OPM, since launching the new USAJOBS technology in August 2003, more than

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<sup>24</sup> Concern over OPM's original proposal also generated a restriction precluding OPM from using its fiscal year 2004 funds to prohibit any agency from contracting with companies to provide online employment applications and processing services. Departments of Transportation and Treasury, and Independent Agencies Appropriations Act, 2004, Pub. L. No. 108-199, div. F, title VI, § 628, 118 Stat. 349, 356-7 (Jan. 23, 2004).

<sup>25</sup> U.S. General Accounting Office, *Electronic Government: Initiatives Sponsored by the Office of Management and Budget Have Made Mixed Progress*, [GAO-04-561T](#) (Washington, D.C.: Mar. 24, 2004).

<sup>26</sup> The American Customer Satisfaction Index (ACSI) rates customer service with a score of 0 to 100. The satisfaction score for the USAJOBS Web site is determined using a 90-day average based on Web site visitors' responses to an online survey. OPM officials stated that although they have increased customer satisfaction for the Web site, their intention is to significantly surpass the governmentwide average score of 71.

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500,000 new resumes have been created and over 325,000 of the resumes are searchable. OPM reported that anecdotal information received from agencies using the resume-mining tool was very encouraging. For example, one agency reported to OPM that it had identified excellent job candidates using the resume-mining tool and had recently hired an employee using this feature.

### Views of the CHCO Council Members

In our April 2004 survey of the members of the CHCO Council, all of the 22 respondents said that their agencies had made efforts to improve their job announcements and Web postings. Our survey also asked the CHCO Council members about the extent to which OPM had assisted their agencies in improving job announcements and Web postings and their level of satisfaction or dissatisfaction with that assistance (see app. II for further information). In narrative responses to our survey questions on improving job announcements and Web postings, a CHCO Council member representing a major department said, for example, that the USAJOBS Web site is an excellent source for posting vacancies and attracting candidates. Another respondent said that the Recruitment One-Stop initiative was very timely in developing a single automated application for job candidates. Another commented that OPM has encouraged agency participation in revamping the vacancy announcement text and in usability testing of the Recruitment One-Stop site. A Council member representing a major department added that OPM's continued support is needed in providing guidance and templates to agencies on streamlined, easy-to-understand language for job postings. Overall, more survey respondents reported some degree of satisfaction with OPM's assistance in improving job announcements and Web postings than on any other part of the hiring process that we surveyed.

### Status of Our Prior Recommendation to OPM

OPM has implemented the recommendation that we made in last year's report for OPM to continue to assist agencies in making job announcements and Web postings more user friendly and effective. OPM's efforts in this area are demonstrated by the CHCO Council members' relative level of satisfaction with OPM's assistance in improving job announcements and Web postings compared to other parts of the hiring process that we surveyed. Nonetheless, OPM told us that agencies themselves have the front-line responsibility for improving the content of their own job announcements. OPM suggested that agencies assign an individual to review and modify their job announcements to make their postings understandable and more interesting to potential job candidates.

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## Automation Could Help to Streamline Agencies' Hiring Processes

In our May 2003 report, we reported that manual processes for rating and ranking candidates are time consuming and delay the federal hiring process. Prior to assessing applicants based on their relative merits, agencies must conduct a screening process to determine if applicants meet eligibility requirements (such as U.S. citizenship) and the basic or minimum education or work experience qualifications that OPM established for such a position. As we reported, in a manual hiring system, human resources staff would have to review all the applications and document why an applicant did or did not meet minimum qualifications. If there is a large number of applicants, carrying out this process can be time consuming. We also pointed out that once the applicants' eligibilities are determined, agencies typically undertake a labor-intensive effort to establish and convene assessment panels and manually rate and rank the candidates based on their relative merits. Some of the delay in convening the assessment panels is due to assembling the appropriate managers and subject matter experts, coordinating their availability, and factoring in the exigencies of other demands. Once formed, the panel sorts through all of the applicants' paperwork, assesses the applicants, and determines a numerical score for each applicant by rating the education and experience described by the applicant against the evaluation criteria in the crediting plan for the position.

The use of automation for agency hiring processes has various potential benefits, including eliminating the need for volumes of paper records, allowing fewer individuals to review and process job applications, and reducing the overall time-to-hire. Automation can facilitate almost every step of the federal hiring process. For example, an automated hiring system could electronically determine if an applicant met the basic qualifications and electronically provide timely notification to the applicant of the status of his or her application. Automation could also streamline the process by electronically rating and ranking applicants, or placing them in quality categories, eliminating the need to form panels to assess the applicants. In addition, automated systems typically create records of actions taken so that managers and human capital staff can easily document their decisions related to hiring. Nonetheless, agencies need to recognize the importance of careful planning and implementation when automating their hiring processes. As we have previously reported,

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agencies should first validate their requirements and look at reengineering their administrative processes before developing any information systems to support their processes.<sup>27</sup>

In our May 2003 report, we related that OPM had taken some actions to help agencies automate and streamline their hiring processes. OPM developed an automated hiring system, called USA Staffing, which federal agencies may purchase from OPM. USA Staffing is a Web-enabled software program that automates the steps of the hiring process, including recruitment, assessment, referral, and applicant notification. Beginning in September of 2000, OPM invited human resources officials from federal agencies to OPM-sponsored USA Staffing demonstrations, where human resources officials could learn about the advantages of using USA Staffing. According to OPM, over 40 federal organizations have contracted with OPM to use USA Staffing. Other federal agencies have relied on private vendors to automate their hiring processes.

#### Views of the CHCO Council Members

In our April 2004 survey of the members of the CHCO Council, 21 of 22 respondents said that their agencies had made efforts to automate significant parts of their hiring processes. For those responding that they had made such efforts, we also asked about the extent to which OPM had assisted their agencies in automating their hiring processes and their level of satisfaction or dissatisfaction with that assistance (see app. II for further information). In narrative responses to our survey questions about automating hiring processes, one Council member representing a cabinet-level department concurred with OPM's current approach to support third-party vendors who can provide robust and streamlined rating and ranking systems that complement and supplement the Recruitment One-Stop. Another Council member said that current OPM policy or regulations that impede the automation of the federal hiring process should be streamlined and simplified for both the applicant and human resources practitioner. Other comments included the following.

- Individual departments and agencies should manage the automation process themselves, even though not all agencies have comparable information technology (IT) infrastructures.

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<sup>27</sup> U.S. General Accounting Office, *Human Capital: Effective Use of Flexibilities Can Assist Agencies in Managing Their Workforces*, GAO-03-2 (Washington, D.C.: Dec. 6, 2002).

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- Agencies should decide how to best accomplish automation of their hiring processes instead of forcing integration into one system.
  - OPM and the departments and agencies have a shared responsibility for automation of hiring processes.

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#### Status of Our Prior Recommendation to OPM

OPM has implemented the recommendation that we made in last year's report for OPM to assist agencies in automating their hiring processes. OPM has continued to promote the use of automated systems, including USA Staffing and customer systems to meet agency needs. OPM's efforts in this area are demonstrated by its work in providing services to over 40 federal organizations that have contracted with OPM to use USA Staffing. OPM officials said that OPM has developed and would soon implement a new Web-based version of USA Staffing, which would link and automate the recruitment, examining, referral, notification, and hiring processes.

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#### Improved Assessment Tools Could Help Agencies in Identifying the Best Candidates for Jobs

In our May 2003 report, we concluded that key candidate assessment tools used in the federal hiring process can be ineffective. Agencies can use various approaches to assess job candidates under the federal merit-based hiring process. These applicant assessment tools include written and performance tests, manual and automated techniques to review each applicant's training and experience, as well as interviewing approaches and reference checks. Using the right assessment tool, or combination of tools, can assist the agency in predicting the relative success of each applicant on the job and selecting the relatively best person for the job.

Our May 2003 report particularly discussed the ineffectiveness of candidate assessment tools associated with filling occupations covered by the Luevano consent decree. We noted that the Administrative Careers with America (ACWA) self-rating examination that is used to competitively fill most positions covered by the Luevano consent decree was cumbersome, delayed hiring, and often did not provide quality candidates. This ACWA rating-schedule examination contains 157 multiple-choice questions that are designed to distinguish among qualified applicants on the basis of their self-rated education and life experience. In our May 2003 report, we noted that many agencies reported that the primary reason they did not use the ACWA examination was their past experiences with the quality of the candidates. For positions that are not covered by the Luevano consent decree, agencies typically examine candidates by rating and ranking them based on experience, training, and education, instead of administering tests.

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Our May 2003 report also discussed the challenges associated with the special hiring programs established under the consent decree— Outstanding Scholar and Bilingual/Bicultural. Many agency human resources officials we interviewed for our May 2003 report said the Outstanding Scholar program was a quick way to hire high-quality college graduates for positions covered by the Luevano consent decree without using the complex OPM examination process. However, OPM and MSPB have commented that this is an inappropriate use of the authority. Outstanding Scholar allows candidates who meet the eligibility criteria— baccalaureate grade point average and class standing—to be directly appointed without competition. According to MSPB, such criteria are questionable predictors of future performance, and they deny consideration to many qualified applicants. For similar reasons, MSPB also has concerns about the Bilingual/Bicultural program, which permits agencies to directly hire applicants who obtained a passing examination score, without further regard to rank, when the position needs to be filled by an incumbent with bilingual or bicultural skills and the applicant has the requisite job skills. MSPB has recommended abolishing both the Outstanding Scholar and Bilingual/Bicultural programs because they are not merit based and because other competitive hiring methods have been more effective in hiring minorities.

In general, both OPM and MSPB are concerned about the validity of candidate assessment tools for all occupations and advocate that agencies improve their assessment instruments. OPM told us that because of budget constraints, it has only been able to develop assessments on a reimbursable basis when other agencies provide OPM with the needed resources. OPM also said that many agencies do not have the technical expertise, funding, or time to develop valid assessment tools. MSPB noted that the government's interest is not well served if agencies do not have the resources and expertise to make high-quality case examining determinations.

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Given the problems with these key candidate assessment tools and special hiring authorities for Luevano-covered positions, we recommended in our May 2003 report that OPM review the effectiveness of the Outstanding Scholar and Bilingual/Bicultural Luevano consent decree hiring authorities. As we noted in our report, OPM recognized that it needed to do more overall to improve candidate assessment tools. In its fiscal year 2003 performance plan, OPM included a strategic objective that, by fiscal year 2005, governmentwide hiring selections are to be based on comprehensive assessment tools that assess the full range of competencies needed to perform the jobs of the future. Since the issuance of our report last year, OPM told us that, as part of the consent decree, it collects data annually on how agencies used the Outstanding Scholar hiring authority; however, OPM has not reevaluated assessment tools related to Luevano-covered positions. OPM acknowledged that assessment tools in general need to be reviewed, but commented that it is primarily the agency's responsibility to address these issues and recommended that agencies perhaps form consortia to improve their assessment tools. OPM officials noted that several agencies, such as the Immigration and Naturalization Service and the U.S. Customs Service, created their own assessment tools for Luevano positions.<sup>28</sup> OPM officials also said that if agencies do not want to develop their own assessment tools, then they could request that OPM help develop such tools under the reimbursable service program that OPM operates.

In technical comments to our draft report, OPM stated that the ACWA rating schedules are valid assessments that have been approved by the Department of Justice and that meet professional and legal requirements for test development and validation. OPM added that it has efforts underway to automate the ACWA system as the second phase of its Recruitment One-Stop initiative. Nonetheless, many agency human resources officials that we interviewed for our previous work on federal hiring told us that the ACWA rating schedule was cumbersome, delayed hiring, and often did not provide quality candidates. Thus, although the ACWA rating schedule might meet legal and test-development requirements, it does not appear to effectively meet the needs of many agency human capital officials in their efforts to readily identify and quickly hire high-quality job applicants.

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<sup>28</sup> The Immigration and Naturalization Service and the U.S. Customs Service are now part of the Department of Homeland Security.

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## Views of the CHCO Council Members

In our April 2004 survey of the members of the CHCO Council, 21 of the 22 respondents said that their agencies had made efforts to improve their hiring assessment tools. For those responding that they had made such efforts, we also asked about the extent to which OPM had assisted their agencies in developing improved hiring assessment tools and their level of satisfaction or dissatisfaction with that assistance (see app. II for further information). In narrative responses to our survey questions on improving assessment tools, a Council member representing a cabinet-level department said, for example, that the department has used OPM's reimbursable service to develop occupation-specific assessment tools with good success. A respondent representing another department said OPM should tackle the ACWA assessment tool for hiring into occupations covered by the Luevano consent decree, because the assessment tool places far too much emphasis on experience at the expense of education and potential. According to another Council member, departments and agencies are fully competent to procure or develop assessment tools, and no additional OPM policy or regulation is necessary for the improvement of such tools. Other members made the following comments.

- OPM is best positioned to take the lead in improving assessment tools for jobs that are common across the government.
- OPM should take the lead governmentwide for the development of improved assessment tools, but agencies should take the lead for their own agency efforts.
- Both OPM and the departments and agencies have responsibility for developing assessment tools.
- Although OPM should not mandate specific assessment tools, as the federal human resources expert, OPM should take a strong role in providing information, assessments, analyses, and suggestions for agencies in using automated tools to assess job applicants.

## Status of Our Prior Recommendations to OPM

OPM officials told us that they believe OPM has implemented the recommendation that we made in last year's report for OPM to develop and help agencies develop improved hiring assessment tools. OPM officials also told us that OPM has implemented another recommendation we made in last year's report for OPM to review the effectiveness of the Outstanding Scholar and Bilingual/Bicultural Luevano consent decree hiring authorities. Although we agree that OPM has provided assistance to agencies in improving their candidate assessment tools and has collected information



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on agencies' use of the special hiring authorities, major challenges remain in this area, particularly with the continued use of the ACWA exam. OPM needs to take further action to address these recommendations, such as actively working to link up agencies having similar occupations so that they could potentially form consortia to develop more reliable and valid tools to assess job candidates.

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## Our Prior Recommendation on Enhancing the Use of Human Capital Flexibilities in the Federal Government

We have reported that agencies need to streamline and improve their administrative processes for using flexibilities and review self-imposed constraints that may be excessively process oriented. In our December 2002 report on the effective use of human capital flexibilities, we reported that some of the barriers to effective strategic human capital management in the federal government do not stem from law or regulation but are self-imposed by agencies.<sup>29</sup> We noted, for example, that the source of these barriers can sometimes be agencies' lack of understanding on the prerogatives that they have. Clearly, as we have previously reported, agencies need to become better informed about the human capital tools and flexibilities available to them and make better use of them than they have in the past. Agencies need to learn more about what is being done in the human capital area by agencies that have taken the initiative—which approaches have worked, which have not, and what lessons can be drawn from others' experiences and used to improve their organizations' approaches to managing their human capital.

This process is where OPM can also play an important role. In a separate report we issued in May 2003 on how OPM can better assist agencies in using personnel flexibilities, we recommended that OPM work with and through the CHCO Council to more thoroughly research, compile, and analyze information on the effective and innovative use of human capital flexibilities, including those related to federal hiring.<sup>30</sup> We noted that this should involve more fully serving as a clearinghouse in sharing and distributing information about when, where, and how flexibilities are being used, and should be used, to help agencies meet their human capital management needs. As we recently testified, OPM and agencies need to continue to work together to improve the hiring process, and the CHCO

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<sup>29</sup> GAO-03-2.

<sup>30</sup> GAO-03-428.

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Council should be a key vehicle for this needed collaboration.<sup>31</sup> To accomplish this effort, agencies need to provide OPM with timely and comprehensive information about their experiences in using various approaches and flexibilities to improve their hiring processes. OPM—working through the CHCO Council— can, in turn, help accomplish this effort by serving as a facilitator in the collection and exchange of information about agencies’ effective practices and successful approaches to improved hiring.

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## Agencies Appear to Be Making Limited Use of New Hiring Flexibilities

On the basis of our interviews with OPM officials and the responses to our survey of CHCO Council members, federal agencies appear to be making limited use of category rating and direct-hire authority, two new hiring flexibilities authorized by the Homeland Security Act of 2002. Data on the actual use of these two hiring flexibilities are not readily available, partly because of the recency of their authorization. OPM officials we met with expressed the OPM Director’s frustration that agencies are not attempting to use the flexibilities that OPM worked to have written into law for agencies’ use. Our survey of CHCO Council members confirmed the view that agencies are not making extensive use of new flexibilities. Also, 21 of the 22 survey respondents cited at least one barrier that they said prevented or hindered their agencies from using or making greater use of the new hiring flexibilities. Some of the barriers they identified included (1) the lack of OPM guidance for using the flexibilities, (2) the lack of agency policies and procedures for using the flexibilities, (3) the lack of flexibility in OPM rules and regulations, and (4) concern about possible inconsistencies in the implementation of the flexibilities within the department or agency. OPM officials said that they believe the primary reason agencies are not using these new flexibilities is that agency officials are unfamiliar with them and do not have sufficient knowledge and skills related to these flexibilities to maximize their use. OPM officials said that OPM provided agencies with guidance for using the flexibilities, such as training sessions at recruitment fairs and procedures in the OPM Delegated Examining Operations Handbook.

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<sup>31</sup> [GAO-04-800T](#).

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## Use of Category Rating Could Provide Agencies with a Larger Pool of High- Quality Candidates from Which to Select

Category rating is an alternative rating and selection procedure that can provide agency managers with a larger pool of qualified job candidates from which to select than numerical ranking and the rule of three, while also protecting veterans' preference. Under category rating, job candidates are assigned to quality categories—such as “best qualified” or “highly qualified”—following an assessment of their knowledge and skills against job-related criteria. The names of all candidates in the highest quality group are then sent to the selecting official and are available for selection. If the highest quality group contains a veteran, the veteran must be hired unless an objection to hiring the veteran is sustained by OPM.<sup>32</sup> If the number of candidates falling into the highest quality group is inadequate, applicants from the next highest quality group of eligible candidates can also be referred to the agency manager for selection.

In our May 2003 report on hiring, we pointed out that among several candidate-assessment-related issues, one of the largest obstacles in the federal hiring process was the rule of three and numerical rating system that limited managers' choice of quality candidates. Our report noted that many of the human resources directors we interviewed from the 24 largest federal agencies raised concerns that the rule of three and numerical rating had a negative impact on hiring high-quality people. Under procedures using the rule of three, once the assessment panel has rated the candidates, the agency's human resources office applies applicable veterans' preference points, ranks candidates, and refers a sufficient number of candidates to permit the selecting official to consider three candidates that are available for appointment. The selecting official is required to select from among the top three ranked candidates available for appointment. If a candidate with veterans' preference is on the list, the selecting official cannot pass over the veteran and select a lower ranking candidate without veterans' preference unless the selecting official's objection to hiring the veteran is sustained by OPM.

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<sup>32</sup> Compensable veterans with a disability of 10 percent or more who are rated as eligible “float to the top” of the highest quality group except in cases involving hiring for professional or scientific positions at or above grade GS-9.

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Over the past decade, the use of category rating procedures to assess job applicants was tested in selected agencies through an OPM-sponsored demonstration project and was generally found to be an effective rating approach.<sup>33</sup> As we noted in our May 2003 report, the Department of Agriculture's Agricultural Research Service (ARS) and Forest Service (FS) tested and implemented category rating in lieu of numerical ranking and the rule of three under such a demonstration project. The final 5-year evaluation of the project showed that (1) the number of candidates per job announcement increased, (2) more candidates were referred to managers for selection, (3) hiring speed increased, and (4) there was greater satisfaction with the hiring process among managers. On average, there were from 60 percent (ARS) to 70 percent (FS) more applicants available for consideration under the demonstration project quality grouping procedure than under the standard rule of three and numerical ranking. Also, a higher percentage of veterans were hired in ARS and about the same percentage of veterans were hired by FS compared with using the rule of three process. In the Homeland Security Act of 2002, Congress provided the authority for all federal agencies to use category rating as an alternative to the rule of three.

OPM has provided guidance to agencies on the use of category rating systems to assess job applicants. In June 2003, OPM published interim regulations for agencies on the use of category rating, and OPM revised related guidance in its Delegated Examining Operations Handbook for agencies when using this alternative rating procedure. In addition, OPM officials told us that in July 2003, OPM provided on-site briefings to agency program managers, human resources officials, and contractors on issues related to using category rating procedures. In February 2004, OPM included this new hiring flexibility in its memorandum to agencies as one of the top 10 things agencies could do to improve federal hiring. OPM said it would issue final regulations on the use of category rating before its interim regulations sunset in June 2004. Officials said the changes to the final regulations will be editorial in nature and will not alter the procedures that agencies are to follow when using this alternative rating system.

Data on agencies' actual use of category rating are not readily available. The Homeland Security Act requires each agency that establishes a category rating system to report annually to Congress for the first 3 years

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<sup>33</sup> OPM is authorized to waive civil service laws and regulations to permit agencies to test alternative personnel management approaches. 5 U.S.C. § 4703.

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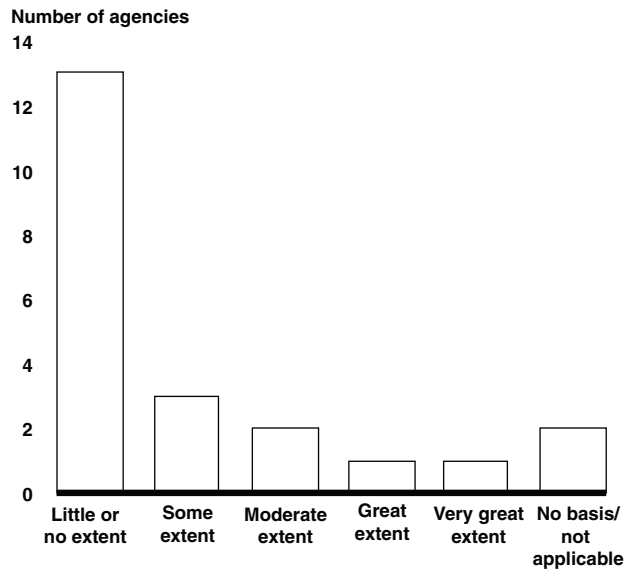
on its experiences, including (1) the number of employees hired under the system, (2) the impact the system has on hiring of veterans and minorities, and (3) the way managers were trained in administration of the system. However, according to OPM, no agencies have yet reported on their use of such category rating systems. Moreover, data on agencies' use of category rating are not maintained in the Central Personnel Data File (CPDF), OPM's centralized database of information on federal civilian employees.

### Views of the CHCO Council Members

Given the lack of available data on the extent to which agencies are using the newly authorized category rating flexibility, we asked about this issue in our April 2004 survey of the CHCO Council members. As shown in figure 2, a majority (13 of 22) of the officials responding to our survey said that their agencies were using category rating to "little or no extent." (See app. II for further information on the survey results.) In narrative responses to our survey questions about category rating, several respondents said that their agencies were not using category rating but were considering options, developing procedures, or establishing pilot programs. For example, a CHCO Council member responded that his department had developed procedures for implementing category rating and had included this flexibility as a tool for implementation in the department's hiring plan for fiscal year 2004. According to this official, category rating will be particularly useful for those occupations for which the department anticipates hiring multiple applicants as well as for positions that have highly specialized experience requirements. Another Council member representing a cabinet-level department said that the department had drafted a policy on the use of category rating and was establishing a program to pilot the use of this hiring flexibility with at least one occupation. This respondent said that the department's human resources office was working with other bureaus within the department to identify a cross-section of occupations for which category rating would be an appropriate process for rating job applicants.

**Figure 2: CHCO Council Members' Responses on the Extent to Which Their Agencies Are Using Category Rating**

**Question:** To what extent is your department/agency using the newly authorized category rating flexibility in its hiring process?



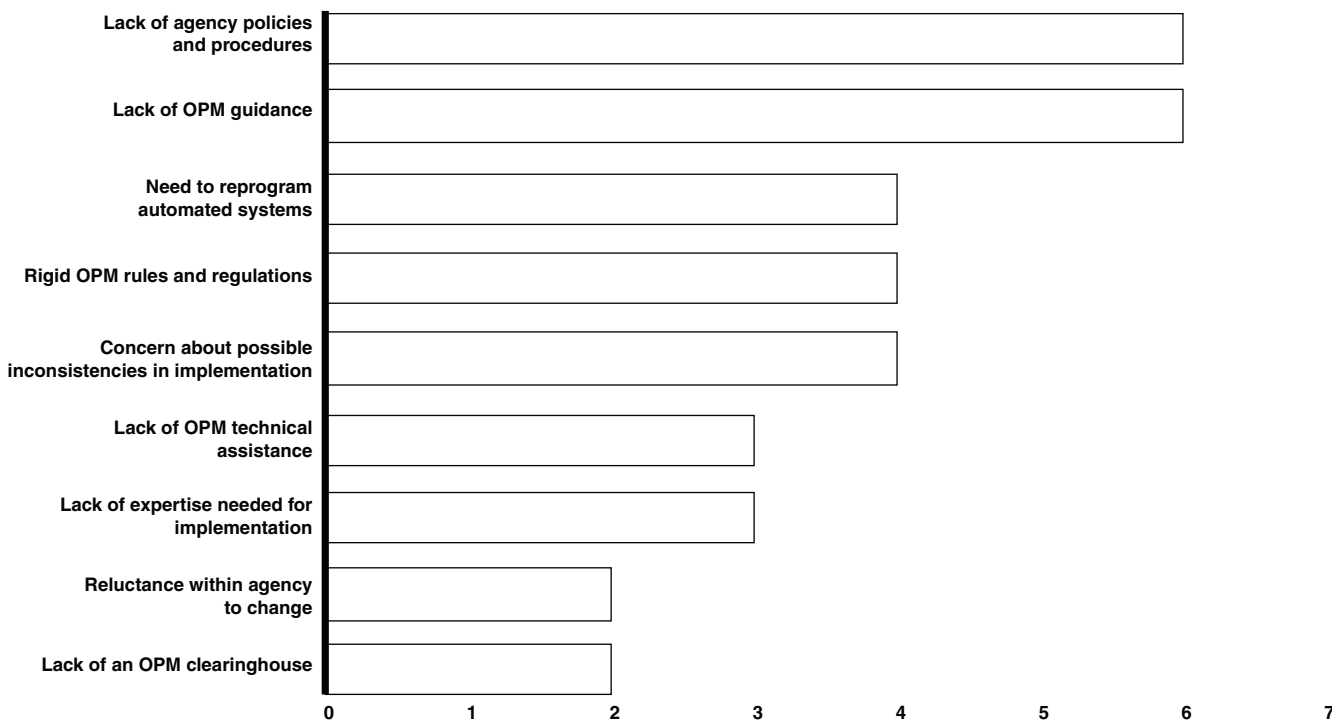
Source: CHCO Council members' responses to GAO questionnaire.

We also surveyed CHCO Council members about the most significant barriers, if any, preventing or hindering their agencies from using or making greater use of the newly authorized category rating flexibility in their hiring processes. Although the responses provided by the Council members varied (see fig. 3), the most frequently cited barriers to using category rating were (1) the lack of policies and procedures within the department or agency for using the flexibility, (2) the lack of OPM guidance for using the flexibility, (3) a need to reprogram automated systems to handle the new process, (4) rigid OPM rules and regulations, and (5) concern about possible inconsistencies in implementation. In narrative responses to our survey questions about category rating, a few respondents said that their agencies were not using or making greater use of category rating because of key stakeholders' lack of understanding about the application of veterans' preference and the Luevano consent decree. OPM officials told us that each agency needs to determine how the applicant's ACWA test points relate to the "best qualified" quality categories under category rating. Other comments from CHCOs included the following. One respondent said

that each agency has had to research best practices and lessons learned prior to implementing this alternative rating system. Finally, a Council member from a major department said that agencies need a governmentwide champion to advance the use of category rating in their hiring processes.

**Figure 3: CHCO Council Members' Responses on the Most Significant Barriers Preventing or Hindering Their Agencies' Use of Category Rating**

**Question:** What are the three most significant barriers, if any, preventing or hindering your department/agency from using or making greater use in its hiring process of the newly authorized category rating flexibility?



Source: CHCO Council members' responses to GAO questionnaire.

Note: Respondents could select up to three barriers.

In our survey of CHCO Council members, we also asked about the extent to which OPM had assisted their agencies in using category rating and their level of satisfaction or dissatisfaction with that assistance (see app. II for further information). In narrative responses to our survey questions about category rating, a CHCO Council member representing a major department

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said, for example, that the department was reluctant to use category rating until OPM provided further guidance on use of the flexibility. Another Council member noted that the interim regulations on category rating that OPM issued in June 2003 would expire after 1 year and wanted to know when OPM would publish the final regulations. Another respondent said that OPM responded to ad hoc questions related to the technical application of category rating, but generally defers to the agency to make the final determination. This respondent suggested that it would be beneficial for OPM to broadly address technical issues for agencies rather than on an ad hoc basis. Another respondent commented that additional training on the use of category rating should be provided to agencies. Another respondent remarked that unresolved questions around the use of category rating may be common to all agencies and that OPM should provide additional implementing guidance in the form of questions and answers.

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### Use of Direct-Hire Authority Could Speed Hiring for Shortage Occupations and Critical Needs through New Assessment and Rating Requirements

A provision of the Homeland Security Act of 2002 provides authority that allows agencies to appoint candidates directly to positions where OPM determines there is a severe shortage of candidates or a critical hiring need.<sup>34</sup> When making appointments under the newly authorized direct-hire authority, agencies are not required to numerically rate and rank applicants nor apply the rule of three or veterans' preference. However, under these direct-hire appointments, agencies would still be required to provide public notice of the vacancies and screen all applicants to ensure that they meet the basic qualification requirements of the position.

Under OPM's interim regulations, when making determinations to allow agencies to use direct-hire authority, OPM may decide on its own that a severe hiring shortage of candidates or a critical hiring need exists, either governmentwide or in specified agencies, or for one or more specific occupations, grade levels (or equivalents), or geographic locations. Alternatively, an agency may, in a written request to OPM, identify the position or positions for which it believes a severe shortage or critical hiring need exists. Under OPM's rules, to demonstrate that a severe shortage of candidates exists for a position or group of positions, an agency must provide information showing that it is unable to identify candidates

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<sup>34</sup> Section 1312(a)(1) of the Homeland Security Act of 2002 (amending 5 U.S.C. 3304). This provision also permits OPM to delegate the authority to make such determinations under OPM criteria.



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possessing the competencies required to perform the necessary duties of the position despite extensive recruitment, extended announcement periods, and the use, as applicable, of hiring flexibilities such as recruitment and relocation incentives. To prove that a critical hiring need exists, an agency must demonstrate that it has a critical need for the position or positions to meet mission requirements brought about by an exigency such as a national emergency, threat or potential threat, environmental disaster, or other unanticipated or unusual events.

As with category rating, OPM has provided agencies with guidance on the use of direct-hire authority in their hiring processes. In June 2003, OPM published interim regulations implementing direct-hire authority and included revised guidance in its Delegated Examining Operations Handbook. Additionally, OPM covered issues related to using direct-hire authority in the onsite briefings it provided to agency program officials, human resources staff, and contractors in July 2003. As with category rating, OPM said it would issue final regulations on the use of direct hire before its interim regulations sunset in June 2004. Officials said the changes to the final regulations will be editorial in nature and will not alter the criteria in determining whether there is a severe shortage of candidates or a critical hiring need.

Since the issuance of its June 2003 interim regulations on the use of direct-hire authority, OPM has approved three governmentwide direct-hire authorities and seven agency-specific direct-hire authorities (see table 2). The three governmentwide authorities allow all federal agencies to use direct-hire procedures for specific medical occupations, information security positions, and jobs requiring fluency in Arabic and other Middle Eastern languages related to ongoing reconstruction efforts in Iraq. The OPM-approved agency-specific authorities to use direct hire cover a range of occupations, grade levels, and locations at six agencies, such as veterinarians and related positions at the Department of Agriculture principally to address mad cow disease. OPM officials informed us that they had not formally declined any agency requests for direct-hire authority since the interim regulations were issued in June 2003. However, they did point out that they had not approved all of the occupations that Agriculture had requested for direct hire.

**Table 2: Governmentwide and Agency-Specific Direct-Hire Authorities Issued by OPM (June 2003 to Present)**

Governmentwide direct-hire authorities issued	Agency-specific direct-hire authorities issued
<p><b>Medical occupations</b></p> <ul style="list-style-type: none"> <li>All grade levels at all locations for the following:               <ul style="list-style-type: none"> <li>Diagnostic Radiologic Technologist (GS-0647)</li> <li>Medical Officer (GS-0602)</li> <li>Nurse (GS-610, GS-620)</li> <li>Pharmacist (GS-0660)</li> </ul> </li> </ul> <p><b>Information security positions</b></p> <ul style="list-style-type: none"> <li>Information Technology Management (Information Security) GS-2210, grade levels GS-9 and above at all locations</li> </ul> <p><b>Iraqi Reconstruction Efforts positions</b></p> <ul style="list-style-type: none"> <li>Jobs that require fluency in Arabic or other related Middle Eastern languages. Various Wage Grade and GS positions at all locations</li> </ul>	<p><b>Securities and Exchange Commission</b></p> <ul style="list-style-type: none"> <li>Grade levels GS-9 and above at all locations for the following occupations:               <ul style="list-style-type: none"> <li>Accountants (GS-0510)</li> <li>Economists (GS-0110)</li> <li>Securities Compliance Examiners (GS-1831)</li> </ul> </li> <li>Information Technology Specialist (GS-2210) positions at grade levels 9 and above in the Office of Information Technology</li> </ul> <p><b>Department of Agriculture</b></p> <ul style="list-style-type: none"> <li>All locations for the following occupations:               <ul style="list-style-type: none"> <li>Veterinary Medical Officer (GS-0701, grades 9 through 13)</li> <li>Animal Health Technician (GS-0704, grades 2 through 10)</li> <li>Plant Protection and Quarantine Officer (GS-0436, grades 5 through 13)</li> <li>Plant Protection and Quarantine Aid/Technician (GS-0421, grades 2 through 7)</li> <li>General Biological Science (GS-0401, grades 9 through 13)</li> <li>Biological Science Technician (GS-0404, grades 2 through 7)</li> <li>Microbiologist (GS-0403, grades 9 through 13)</li> <li>Entomologist (GS-0414, grades 9 through 13)</li> <li>Botanist (GS-0430, grades 9 through 13)</li> <li>Plant Pathologist, GS-0434 (grades 9 through 13)</li> <li>Ecologist (GS-0408, grades 9 through 13)</li> <li>Chemist (GS-1320, grades 9 through 13)</li> </ul> </li> </ul> <p><b>Department of Energy</b></p> <ul style="list-style-type: none"> <li>Substation Operator positions (BB-5407) at Bonneville Power Administration</li> </ul> <p><b>Office of Federal Housing Enterprise Oversight</b></p> <ul style="list-style-type: none"> <li>Accountant and Examiner positions in the Washington, D.C., area</li> </ul> <p><b>Department of Justice</b></p> <ul style="list-style-type: none"> <li>Information Technology Specialist (GS-2210) positions at grade levels 9 and above in the Criminal Division's Child Exploitation and Obscenity Section and Computer Crime and Intellectual Property Section.</li> </ul> <p><b>Department of Health and Human Services</b></p> <ul style="list-style-type: none"> <li>Certain critical positions in the Centers for Medicare and Medicaid Services responsible for implementing the Medicare Prescription Drug, Improvement, and Modernization Act of 2003.</li> </ul>

Source: OPM.

While the Homeland Security Act requires agencies to report to Congress on their use of category rating, the act does not require agencies to report to Congress on their use of direct hire. However, agencies are required to report to OPM on the use of direct hire for inclusion in OPM's centralized personnel database. OPM reported that its review of data in the CPDF indicated that as of December 31, 2003, fewer than 50 individuals had been

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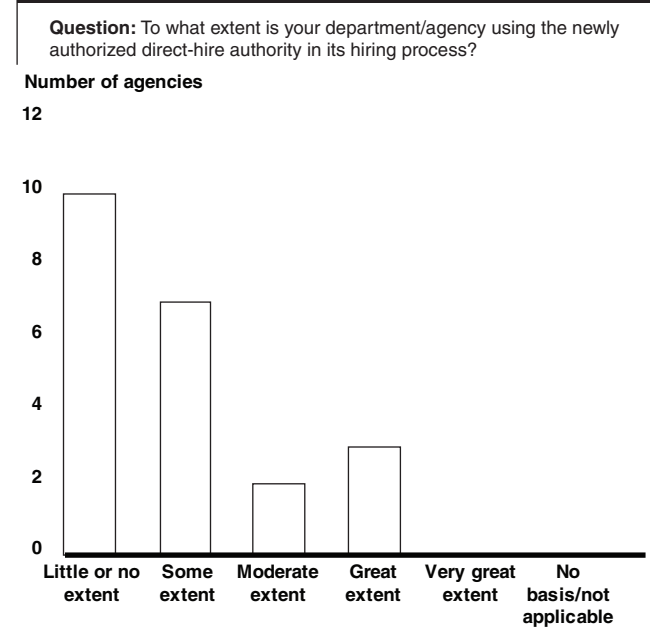
hired under the new direct-hire authority. It is possible that when new personnel authority codes are added to personnel actions reported by agencies for the CPDF, there could be a lag in personnel officials' use of the new code and as a result the actual use of the authority may be underreported.

The use of direct-hire authority was also listed in the OPM Director's February 2004 memorandum to agency CHCOs as one of the top 10 things agencies can do to improve hiring. In the memo, the OPM Director urged agencies to look at their hiring plans, identify opportunities to use direct hire based on the standards in the regulations, and, if appropriate, ask OPM for the authority to use it. The memo also suggested that agencies consider using direct-hire authority at one of the federal job fairs that OPM was then sponsoring across the country. The memo noted that OPM officials were somewhat surprised by how few agencies had contacted OPM to request authority to use direct-hire procedures.

#### Views of the CHCO Council Members

Given the lack of available data on the extent to which agencies are using the new direct-hire authority, we asked about this issue in our April 2004 survey of the CHCO Council members. As shown in figure 4, a majority (17 of 22) of the officials responding to our survey said that their agencies were using direct hire to "some extent" or to "little or no extent." (See app. II for further information on the survey results.) In narrative responses to our survey questions about direct hire, several respondents stated that their agencies had used direct-hire authority to fill various medical positions and small numbers of IT security positions. Several respondents also said that their agencies had not yet used direct-hire authority but were assessing the options for doing so. For example, a CHCO Council member representing an independent agency said that the agency had not thus far decided if it still had positions in a shortage category and would make such a determination after completing its workforce analysis and strategic assessments. A Council member from a cabinet-level department said that it had determined a need for direct-hire authority for acquisition specialists and was developing a request to OPM. Another Council member representing a large department said that the department's components were aware of the newly authorized direct-hire authority but they had not yet identified situations for which they would request OPM's approval to use the authority.

**Figure 4: CHCO Council Members' Responses on the Extent to Which Their Agencies Are Using Direct Hire**

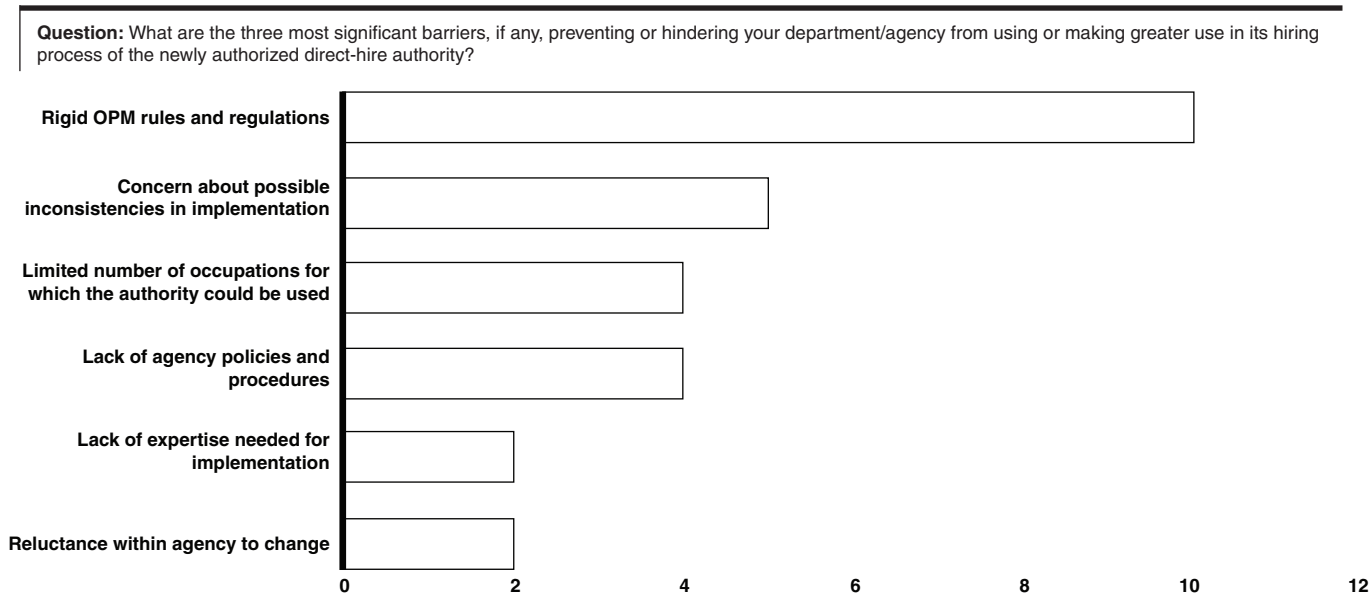


Source: CHCO Council members' responses to GAO questionnaire.

We also surveyed CHCO Council members about the most significant barriers, if any, preventing or hindering their agencies from using or making greater use of the newly authorized direct-hire authority in their hiring processes. Although the responses provided by the Council members varied (see fig. 5), the most frequently cited barriers to using direct hire were (1) rigid OPM rules and regulations, (2) concern about possible inconsistent implementation within the department or agency, (3) the limited number of occupations for which the authority could be used, and (4) the lack of policies and procedures within the agency for using direct hire. In narrative responses to our survey questions about direct hire, a CHCO Council member representing a large department said, for example, that recently OPM officials informally told the department that OPM would likely disapprove a proposed request for direct-hire authority that the department desired for a specified occupation, even though at least one other agency had direct-hire authority for that same occupation. This respondent said that the specific position is relatively hard to fill and that OPM needs to relax the criteria it uses to demonstrate a shortage of qualified applicants. Another Council member representing an

independent agency commented that the governmentwide direct-hire authorities that OPM has issued cover occupations that are generally not applicable to the agency or in which the agency has an extremely limited number of positions. In contrast, a CHCO representing a cabinet-level department responded that no barriers exist for using direct-hire authority.

**Figure 5: CHCO Council Members' Responses on the Most Significant Barriers Preventing or Hindering Their Agencies' Use of Direct Hire**



Source: CHCO Council members' responses to GAO questionnaire.

Note: Respondents could select up to three barriers.

In our survey of CHCO Council members, we also asked about the extent to which OPM had assisted their agencies in using direct hire and their level of satisfaction or dissatisfaction with that assistance (see app. II for further information). In narrative responses to our survey questions about direct hire, one respondent from a cabinet-level department said, for example, that the department had attempted to use direct-hire authority for IT security positions but received inconsistent guidance on the application of veterans' preference from OPM. A Council member from a large department said that OPM should delegate authority to approve direct hire requests to the agencies as permitted by the Homeland Security Act of 2002. A respondent from a department said that the department had surveyed its components to determine if it should petition OPM for direct-

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hire authority, but that most of the positions identified to date could not be justified based on the OPM criteria.

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## Conclusions

Congress, OPM, and agencies have recognized the need to improve the federal hiring process and have initiated numerous efforts to address key problem areas. Under the Homeland Security Act of 2002, agencies have been given new personnel flexibilities to improve the hiring process. In addition, DHS and DOD have been given authority to fundamentally reform their personnel systems, which, if successfully implemented, could aid in improving their hiring processes. In addition to these new hiring flexibilities given to agencies, agencies can address many of their other hiring challenges by applying human capital tools and flexibilities already available under existing laws and regulations. Rather than wait for reforms to arrive, agency leaders need to take the initiative to be more competitive in attracting new employees with critical skills.

Although the agencies have primary responsibility to improve their hiring processes, OPM can take additional action. As we noted earlier, we previously recommended that OPM, working with the CHCO Council, should serve as a clearinghouse to foster more use of personnel flexibilities. In the hiring area, OPM could gather, analyze, and report on when, where, and how agencies are using, or should use, direct hire and category rating procedures to aid in their hiring efforts.

The federal government is now facing one of the most transformational changes to the civil service in half a century, which is reflected in the new personnel systems for DHS and DOD and in new hiring flexibilities provided to all agencies. Today's challenge is to define the appropriate roles and day-to-day working relationships for OPM and individual agencies as they collaborate on developing innovative and more effective hiring systems. Moreover, human capital expertise within the agencies must be up to the challenge for this transformation to be successful and enduring.

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## Agency Comments and Our Evaluation

The Director of OPM provided written comments on a draft of this report, which are shown in appendix III. In these written comments, the OPM Director said that OPM has done much to assist agencies and increase their knowledge about the hiring flexibilities available to them. She highlighted, for example, her memoranda to agencies that contain information and

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guidance on the use of hiring flexibilities as well as training that OPM provided to agencies as part of the OPM-sponsored “Working for America” recruitment fairs. She underscored that agencies must rise to the challenge, provide consistent leadership at the senior level, take advantage of the training opportunities offered by OPM, and make fixing the hiring process a priority.

The OPM Director also commented that the report “appears to rely upon perceptions that are not consistent with the facts.” OPM explained this concern in additional technical comments that were provided by E-mail. In these technical comments, OPM raised objections to our use of narrative responses from our survey of CHCO Council members and requested that many of these responses be deleted from the final report. OPM said that in some instances the opinions expressed by the CHCO Council members made reference to situations or circumstances that were outside of the respondent’s agency or personal knowledge and were unsubstantiated. However, consistent with OPM’s position that agencies must take greater responsibility for their own hiring processes and that it has effectively trained agency officials on hiring, it seems to reason that the CHCOs of these departments and agencies should be in a position to comment knowledgeably on their agencies’ efforts—and OPM’s efforts in assisting them—to improve hiring processes. As noted in the description of our scope and methodology for this report (see app. I), the results of our survey represent the views and opinions of the responding CHCO Council members. In drafting this report, we provided a full range of narrative responses from CHCO Council members—both positive and negative—related to OPM’s role in helping to improve the federal hiring process. In our survey to the CHCO Council members (see app. II), we specifically noted that our report would not identify the names of individual respondents or their associated departments or agencies. We took this step to better ensure that we received direct and candid survey responses. Moreover, we make direct reference to actions taken and documents produced on federal issues throughout the draft.

In its technical comments, OPM also offered suggested changes to clarify various issues related to personnel policy and procedures. Where appropriate, we made changes to the report to address the comments we received.

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We will send copies to the Chairman and Ranking Minority Member of the House Committee on Government Reform, the Chairman and Ranking Minority Member of the Senate Committee on Governmental Affairs, and other interested congressional parties. We will also provide copies to the Director of OPM. In addition, we will make copies available to others upon request. The report will be available at no charge on the GAO Web site at <http://www.gao.gov>.

If you have any questions about this report, please contact me on (202) 512-6806 or [mihmj@gao.gov](mailto:mihmj@gao.gov). Major contributors to this report are listed in appendix IV.

A handwritten signature in black ink that reads "J. Christopher Mihm". The signature is written in a cursive style with a large, stylized "J" and "M".

J. Christopher Mihm  
Managing Director, Strategic Issues



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# Objectives, Scope, and Methodology

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The objectives of this study were to

- provide information on the status of recent efforts to help improve the federal hiring process; and
- determine the extent to which federal agencies are using the new hiring flexibilities—category rating and direct-hire authority—authorized by the Homeland Security Act of 2002.

This study builds on the information, conclusions, and recommendations of our report: *Human Capital: Opportunities to Improve Executive Agencies' Hiring Processes* (GAO-03-450, May 30, 2003). That report concluded that the federal hiring process needed improvement and made recommendations to address problems with the job classification process, job vacancy announcements and Web postings, manual hiring processes, and hiring assessment tools.

To respond to the objectives on this engagement, we interviewed officials from the Office of Personnel Management (OPM) and members of the subcommittee on the hiring process of the Chief Human Capital Officers (CHCO) Council. Specifically, our questions and review centered on actions being taken to address the hiring problems and recommendations identified in our May 2003 report, what new hiring initiatives were underway, and an assessment of the extent to which agencies are using category rating and direct-hire authority. We also collected and reviewed OPM documents related to federal hiring.

In addition, we obtained opinions and views on efforts to improve the federal hiring process as well as agencies' use of new hiring flexibilities by interviewing human capital experts at the following organizations.

- The U.S. Merit Systems Protection Board (MSPB) is an independent, quasi-judicial agency in the executive branch that hears and decides civil service cases, reviews OPM regulations, and conducts studies of the federal government's merit system.
- The National Academy of Public Administration (NAPA) is an independent, nonpartisan, nonprofit, congressionally chartered organization that assists federal, state, and local governments in improving their performance.

- The National Partnership for Public Service is a nonpartisan, nonprofit organization dedicated to revitalizing the public service.

We also conducted a survey of the members of the CHCO Council. The CHCO Council currently comprises 25 members: the Director of OPM; the Deputy Director for Management of the Office of Management and Budget (OMB); CHCOs from executive branch departments, and other agency CHCOs invited to join by the OPM Director, who serves as chair of the Council. We sent our questionnaire to the 23 Council members serving as CHCOs representing federal departments and agencies; our survey did not include the Director of OPM or the Deputy Director for Management of OMB. Specifically, the Council members we surveyed were the CHCOs from the Departments of Agriculture, Commerce, Defense, Education, Energy, Health and Human Services, Homeland Security, Housing and Urban Development, Interior, Justice, Labor, State, Transportation, Treasury, and Veterans Affairs; and CHCOs from the Central Intelligence Agency, Environmental Protection Agency, General Services Administration, National Aeronautics and Space Administration, Nuclear Regulatory Commission, OPM, Pension Benefit Guarantee Corporation, and Social Security Administration. Twenty-two of the 23 Council members responded to our questionnaire. The CHCO Council member from the Central Intelligence Agency did not respond to our survey because his representative said the agency was an excepted service agency and thus the survey questions were not relevant.

Our survey of the CHCO Council members included questions to help us address both engagement objectives. For the first objective, we asked questions about the parts of the hiring process we had identified in our May 2003 report—specifically, reforming the classification process, automating hiring processes, improving job announcements and Web postings, and developing improved hiring assessment tools. For the second objective, we asked questions about the use of category rating and direct-hire authority and the possible barriers hindering agencies' use of these two new hiring flexibilities.

The results of our survey reflect the views and opinions of the responding CHCO Council members. As noted above for objective one, we asked the survey recipients if their agencies had made efforts in the four hiring areas; however, we did not ask respondents to specifically identify those efforts nor did we conduct other data collection efforts to verify the nature or extent of such efforts. Similarly, for objective two related to the use of

category rating or direct-hire authority, we asked the Council members their views about the extent of use of the two flexibilities.

The questionnaire we used contained 34 questions and was developed from March through April 2004 by a social science survey specialist and other individuals knowledgeable about the OPM reforms. The questionnaire was reviewed by other survey specialists and experts in the content area and pretested with four government human capital professionals familiar with the initiatives to develop a questionnaire that was unambiguous and unbiased. We made changes to the content and format of the final questionnaire based on the reviews and pretest results.

The survey was conducted using an Active X-enabled E-mail attachment. The survey was sent to all agency members of the CHCO Council beginning on April 15, 2004, and all recipients of our survey replied to our request for information by May 7, 2004. Respondents were given the option of returning the survey as an E-mail attachment or printing the questionnaire and returning it via fax. Data for this study were entered directly into the instrument by the respondents and converted into a database for analysis. Appendix II presents a copy of the survey and the responses of the CHCO Council members to the closed-ended questions on our survey.

As part of our analysis process, we examined CHCO Council members' answers in response to questions asking them if they had any additional comments to make on a specific topic or additional barriers to identify. We reviewed the additional barriers identified and counted the number of instances where two or more respondents identified a similar barrier and included those frequency counts in our report. Given the broad scope of the questions asking for any additional comments, we did not perform a similar content analysis of CHCO responses to those broad questions. However, we included some of those additional comments by individual CHCOs in this report to illustrate the diversity of views provided by the CHCOs on these topics.

In addition, we used data from OPM's Central Personnel Data File (CPDF) to identify the total new hires by federal department and agency for fiscal year 2003. We also analyzed data from the CPDF in an attempt to identify the extent to which agencies are using the direct-hire authority contained in the Homeland Security Act of 2002. Data on agencies' use of category rating is not maintained in the CPDF. As noted in the body of this report, it is possible that when new personnel authorities are authorized (any new codes established for the CPDF), personnel officials might continue to use

old codes and therefore underreport the use of the new authority. With the exception of the concern just noted, based on previous GAO work, the CPDF data are sufficiently reliable for the purpose of providing background information on new hires.<sup>1</sup>

We provided a draft of this report to OPM for review and comment. OPM's comments are shown in appendix III. We did our review in Washington, D.C., from March 2004 through May 2004 in accordance with generally accepted government auditing standards.

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<sup>1</sup> U.S. General Accounting Office, *OPM's Central Personnel Data File: Data Appear Sufficiently Reliable to Meet Most Customer Needs*, [GAO/GGD-98-199](#) (Washington, D.C.: Sept. 30, 1998).

# Summary Results of GAO Survey of Members of the Chief Human Capital Officers Council



United States General Accounting Office

Survey of Chief Human Capital Officers

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## Introduction

Chief Human Capital Officer:

In May 2003, the U.S. General Accounting Office (GAO) issued a report entitled Human Capital: Opportunities to Improve Executive Agencies' Hiring Processes (GAO-03-450), which discussed challenges and issues related to the federal hiring process. As a follow-up to that report, Jo Ann Davis, Chairwoman of the Subcommittee on Civil Service and Agency Organization, Committee on Government Reform, U.S. House of Representatives, has requested that we update the status of ongoing efforts related to the federal hiring process by determining

- 1) the status of the Office of Personnel Management's (OPM) efforts to help improve the federal hiring process, and
- 2) the extent to which federal agencies are using new hiring flexibilities authorized by the Homeland Security Act of 2002.

This survey is part of our effort to collect information from members of the Chief Human Capital Officer (CHCO) Council with regard to these matters. However, we encourage you to consult with other people in your organization who may have more in-depth knowledge about particular areas that are covered in this survey.

## Instructions

Please complete this survey in MS-Word, save it and return it as an attachment via e-mail to both of the GAO contacts noted below. If you wish to complete the survey by phone, please call one of the numbers listed below. If you prefer to print the survey out and fax it back, you can fax the survey to (202) 512-2502.

If you have any questions about the **contents** of this questionnaire, please contact:

Edward H Stephenson Jr.  
Phone: (202) 512-4845  
e-mail: [stephensone@gao.gov](mailto:stephensone@gao.gov)

or if you encounter any **technical** difficulties please contact:

Monica Wolford  
Phone: (202) 512-2625  
e-mail: [wolfordm@gao.gov](mailto:wolfordm@gao.gov)

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**Appendix II**  
**Summary Results of GAO Survey of Members**  
**of the Chief Human Capital Officers Council**

Please use your mouse to navigate throughout the survey by clicking on the field or check box  you wish to answer.

To select a check box, simply click or double click on the center of the box.

To change or deselect a response, simply click on the check box and the 'X' should disappear.

To answer a question that requires that you write a comment, please click on the answer box  and begin typing. Please do not use the enter key to end a line.

Do not "unlock" this document, it will erase your answers. If you wish to include comments about particular questions, include the comment with the question number in the comments section at the end of each section.

Prior to filling out the relevant sections of the questionnaire, please read the related sections entitled "Background Information."

Your participation in this survey is essential for obtaining a broad perspective on government-wide adoption of new hiring flexibilities and OPM efforts in these areas.

If you represent a cabinet-level department on the CHCO Council, please generally consider the activities of all agencies within your department and present a summary response. **We do not plan to report any individuals' responses by either name or department/agency.**

If possible, please return this survey within one week of receiving our e-mail. After that time, if we have not heard from you, we will attempt to contact you to confirm that you have received this questionnaire and try to arrange a convenient time when we could obtain your responses over the telephone.

Thank you in advance for your cooperation.

Edward H Stephenson Jr.  
Assistant Director  
Strategic Issues

Q1. Whom should we contact if we have follow-up questions?

- 1a. Name: [22]
- 1b. Department/Agency: [22]
- 1c. Phone: [21]

Background Information on the Federal Hiring Process

OPM and federal agencies share responsibility for the federal hiring process. OPM is responsible for providing agencies with training, guidance, technical assistance, and oversight to help ensure that agencies use their hiring authority in accordance with merit principles. Federal agencies are responsible for designing and implementing their own hiring processes that comply with merit principles by ensuring that the agency's vacant positions are filled with the best-qualified persons from a sufficient pool of well-qualified people. Typical steps in the federal hiring process for filling job vacancies include the following:

- Define job, set pay, qualifications and assessment criteria
- Prepare public notice and job vacancy announcement
- Receive applications electronically, by mail, or in person
- Screen for eligibility and minimum qualification standards
- Assess the relative qualifications of the candidates against job-related criteria
- Select candidate
- Bring candidate on board

Reforming the Classification Process

The process of classification involves categorizing jobs or positions according to the kind of work done, the level of difficulty and responsibility, and the qualifications required for the position, and serves as a building block to determine pay for the position. The Classification Act of 1949 provides a plan for classifying most federal positions and sets out 15 grade levels. OPM develops standards that must be consistent with the Act.

Q2. Are you aware of any efforts OPM has made to reform the federal classification process that affect your department/agency?

*Number of Respondents*

- [13] Yes
- [8] No --*Skip to Q5*
- [1] Not sure --*Skip to Q5*

Q3. To what extent have OPM's efforts to reform the classification process helped your department/agency? (*Check one.*)

*Number of Respondents*

- [1] Very great extent
- [1] Great extent
- [4] Moderate extent
- [4] Some extent
- [2] Little or no extent
  
- [1] No basis to judge/not applicable -- *Skip to Q5*

**Appendix II**  
**Summary Results of GAO Survey of Members**  
**of the Chief Human Capital Officers Council**

Q4. How satisfied or dissatisfied are you with OPM's efforts and proposals to change the classification process? *(Check one.)*

*Number of Respondents*

- [1] Very satisfied
- [3] Somewhat satisfied
- [5] Neither satisfied nor dissatisfied
- [3] Somewhat dissatisfied
- [0] Very dissatisfied

[0] No basis to judge/not applicable

Q5. At the current time, who should take the lead in furthering reform of the classification process in the federal government? *(Check one.)*

*Number of Respondents*

- [0] No further reforms needed
  
- [5] Congress
- [4] Departments/agencies
- [10] OPM
- [3] None of the above *(Please explain: [3])*

Q6. If you have any additional comments regarding reforming the classification process, please write them below.

*Number of Respondents*

[13]

**Automating Hiring Processes**

Automation has the potential to streamline the hiring process by generating vacancy announcements, helping determine if a job applicant meets eligibility and basic job qualifications, and assessing the relative merits of the qualified candidates. The use of an automated system could also allow managers and human capital staff to easily document their decisions. Both private vendors and OPM offer software that can automate agency hiring processes.

Q7. Has your department/agency made efforts to automate any significant parts of its hiring process?

*Number of Respondents*

- [21] Yes
- [1] No --*Skip to Q10*
- [0] Not sure --*Skip to Q10*



**Appendix II**  
**Summary Results of GAO Survey of Members**  
**of the Chief Human Capital Officers Council**

Q8. To what extent has OPM assisted your department/agency in automating its hiring processes? *(Check one.)*

*Number of Respondents*

- [1] Very great extent
- [1] Great extent
- [5] Moderate extent
- [7] Some extent
- [6] Little or no extent

[1] No basis to judge/not applicable --*Skip to Q10*

Q9. How satisfied or dissatisfied are you with assistance that OPM has provided your department/agency in automating its hiring processes? *(Check one.)*

*Number of Respondents*

- [1] Very satisfied
- [6] Somewhat satisfied
- [7] Neither satisfied nor dissatisfied
- [1] Somewhat dissatisfied
- [2] Very dissatisfied

[3] No basis to judge/not applicable

Q10. At the current time, who should take the lead in furthering the automation of federal hiring processes? *(Check one.)*

*Number of Respondents*

- [0] No further automation needed
- [0] Congress
- [11] Departments/agencies
- [9] OPM
- [2] None of the above *(Please explain: [2])*

Q11. If you have any additional comments regarding automating hiring processes, please write them below.

*Number of Respondents*

[9]

**Improving Job Announcements and Web Postings**

A job announcement is a tool in the recruitment process that provides an important opportunity to make a first impression on potential applicants, and may strongly influence their decision to apply for a position. Job announcements should be clear, concise, and attractive and make potential job applicants want to apply. Federal agencies post federal jobs on the Internet-based USAJOBS database, which is operated by OPM.

**Appendix II**  
**Summary Results of GAO Survey of Members**  
**of the Chief Human Capital Officers Council**

Q12. Has your department/agency made efforts to improve its job announcements and Web postings?

*Number of Respondents*

- [22] Yes
- [0] No --Skip to Q15
- [0] Not sure --Skip to Q15

Q13. To what extent has OPM assisted your department/agency in improving job announcements and Web postings? (*Check one.*)

*Number of Respondents*

- [2] Very great extent
- [2] Great extent
- [9] Moderate extent
- [3] Some extent
- [6] Little or no extent
  
- [0] No basis to judge/not applicable --Skip to Q15

Q14. How satisfied or dissatisfied are you with assistance that OPM has provided your department/agency in improving job announcements and Web postings? (*Check one.*)

*Number of Respondents*

- [3] Very satisfied
- [9] Somewhat satisfied
- [8] Neither satisfied nor dissatisfied
- [1] Somewhat dissatisfied
- [1] Very dissatisfied
  
- [0] No basis to judge/not applicable

Q15. At the current time, who should take the lead in improving job announcements and Web postings for the federal government? (*Check one.*)

*Number of Respondents*

- [0] No improvements needed
  
- [0] Congress
- [8] Departments/agencies
- [11] OPM
- [3] None of the above (*Please explain:* [2])

Q16. If you have any additional comments regarding improving job announcements and Web postings, please write them below.

*Number of Respondents*

- [12]

Developing Improved Hiring Assessment Tools

Making good employee selections in the hiring process helps lead to high productivity, development of a cohesive work group, reduced employee turnover, and other positive outcomes. These employee selections rely on reliable and valid candidate assessment tools. Primary responsibility for developing assessment tools rests with the agencies. OPM is responsible for providing guidance and technical assistance to agencies and will develop specific assessment tools for a fee.

Q17. Has your department/agency made efforts to improve its hiring assessment tools?

*Number of Respondents*

- [21] Yes
- [0] No --Skip to Q20
- [1] Not sure --Skip to Q20

Q18. To what extent has OPM assisted your department/agency in developing improved hiring assessment tools? (*Check one.*)

*Number of Respondents*

- [1] Very great extent
- [3] Great extent
- [3] Moderate extent
- [5] Some extent
- [8] Little or no extent
  
- [1] No basis to judge/not applicable --Skip to Q20

Q19. How satisfied or dissatisfied are you with assistance that OPM has provided your department/agency in developing improved hiring assessment tools? (*Check one.*)

*Number of Respondents*

- [3] Very satisfied
- [4] Somewhat satisfied
- [7] Neither satisfied nor dissatisfied
- [0] Somewhat dissatisfied
- [2] Very dissatisfied
  
- [4] No basis to judge/not applicable

**Appendix II**  
**Summary Results of GAO Survey of Members**  
**of the Chief Human Capital Officers Council**

Q20. At the current time, who should take the lead in improving hiring assessment tools for the federal government? (*Check one.*)

*Number of Respondents*

- [0] No improvements needed
  
- [0] Congress
- [9] Departments/agencies
- [10] OPM
- [3] None of the above (*Please explain:* [2])

Q21. If you have any additional comments regarding developing improved hiring assessment tools, please write them below.

# Respondents  
[12]

**Background Information on Hiring Flexibilities**

The Homeland Security Act of 2002 authorized federal agencies to use category rating and direct-hire authority, two hiring flexibilities that were new to most agencies. The intent of these new hiring flexibilities is to expedite the federal hiring process and help provide federal agencies with a larger pool of qualified candidates from which to choose when hiring. The following questions address the use of category rating and direct-hire authority.

**Category Rating**

Category rating is an alternate candidate assessment procedure, authorized to replace the “Rule of Three” selection procedure. Instead of restricting selecting officials’ choice to the three candidates with the highest numerical scores under the “Rule of Three,” category rating allows candidates to be grouped together into quality categories. Under category rating, the certificate of eligibles may include any number of candidates who are identified as the most-qualified applicants.

Q22. To what extent is your department/agency using the newly authorized category rating flexibility in its hiring process? (*Check one.*)

*Number of Respondents*

- [1] Very great extent
- [1] Great extent
- [2] Moderate extent
- [3] Some extent
- [13] Little or no extent – *Skip to Q23*
  
- [2] No basis to judge/not applicable – *Skip to Q23*

**Appendix II**  
**Summary Results of GAO Survey of Members**  
**of the Chief Human Capital Officers Council**

22a. Please briefly describe how your department/agency is using the newly authorized category rating flexibility.

*Number of Respondents*

[9]

Q23. What are the **three** most significant barriers, if any, preventing or hindering your department/agency from using or making greater use in its hiring process of the newly authorized category rating flexibility?

*(Please check up to **three** choices only.)*

*Number of Respondents*

- [1] Lack of available funding to implement category rating flexibility
- [1] Lack of support for it from one or more key stakeholders (e.g., human capital office, agency managers and supervisors, and/or employees, unions)
- [6] Lack of policies and procedures within the department/agency for using this flexibility
- [3] Lack of expertise needed for implementation among one or more key stakeholders (e.g., human capital office, agency managers and supervisors, and/or employees, unions)
- [1] Reluctance within the department/agency to change to new procedures
- [4] Concern about possible inconsistencies in implementation within the department/agency
- [5] Lack of OPM guidance
- [3] Lack of OPM technical assistance
- [4] Rigid OPM rules and regulations
- [2] Lack of an OPM “clearinghouse” of ways to use this flexibility
- [10] Other: *(Please explain: 11)*
- [0] Other: *(Please explain: 0)*
- [0] Other: *(Please explain: 0)*

Q24. To what extent has OPM assisted your department/agency in using the newly authorized category rating flexibility? *(Check one.)*

*Number of Respondents*

- [2] Very great extent
- [1] Great extent
- [2] Moderate extent
- [5] Some extent
- [8] Little or no extent
  
- [4] No basis to judge/not applicable– *Skip to Q26*

**Appendix II**  
**Summary Results of GAO Survey of Members**  
**of the Chief Human Capital Officers Council**

Q25. How satisfied or dissatisfied are you with assistance that OPM has provided in helping your department/agency use the newly authorized category rating flexibility? *(Check one.)*

*Number of Respondents*

- [3] Very satisfied
- [2] Somewhat satisfied
- [8] Neither satisfied nor dissatisfied
- [2] Somewhat dissatisfied
- [1] Very dissatisfied
  
- [4] No basis to judge/not applicable

Q26. At the current time, who should primarily take the lead for furthering the use of category rating in the federal hiring process? *(Check one.)*

*Number of Respondents*

- [0] No need for further use
  
- [0] Congress
- [11] Departments/agencies
- [10] OPM
- [1] None of the above *(Please explain: [1])*

Q27. If you have any additional comments regarding category rating, please write them below.

*Number of Respondents*

[9]

**Direct-Hire**

Direct-hire authority allows agencies to appoint candidates directly to jobs for which OPM determines there is a severe shortage of candidates or a critical hiring need. Direct-hire authority permits agencies to hire without regard to the usual competitive requirements related to veterans' preference, the "Rule of Three", and rating procedures.

Q28. To what extent is your department/agency using the newly authorized direct-hire authority in its hiring process? *(Check one.)*

*Number of Respondents*

- [0] Very great extent
- [3] Great extent
- [2] Moderate extent
- [7] Some extent
- [10] Little or no extent -- *Skip to Q29*
  
- [0] No basis to judge/not applicable -- *Skip to Q29*

**Appendix II**  
**Summary Results of GAO Survey of Members**  
**of the Chief Human Capital Officers Council**

28a. Please briefly describe how your department/agency is using the newly authorized direct-hire authority in its hiring process.

*Number of Respondents*

[11]

Q29. What are the **three** most significant barriers, if any, preventing or hindering your department/agency from using or making greater use in its hiring process of the newly authorized direct-hire authority?

*(Please check up to **three** choices only.)*

*Number of Respondents*

- [1] Lack of available funding to implement direct-hire authority
- [1] Lack of support for it from one or more key stakeholders (e.g., human capital office, agency managers and supervisors, and/or employees, unions)
- [4] Lack of policies and procedures within the department/agency for using this authority
- [2] Lack of expertise needed for implementation among one or more key stakeholders (e.g., human capital office, agency managers and supervisors, and/or employees, unions)
- [2] Reluctance within the department/agency to change to new procedures
- [5] Concern about possible inconsistencies in implementation within the department/agency
- [1] Lack of OPM guidance
- [1] Lack of OPM technical assistance
- [10] Rigid OPM rules and regulations
- [0] Lack of an OPM "clearinghouse" of ways to use this authority
- [11] Other: *(Please explain: 11)*
- [3] Other: *(Please explain: 2)*
- [0] Other: *(Please explain: 0)*

Q30. To what extent has OPM assisted your department/agency in using the newly authorized direct-hire authority? *(Check one.)*

*Number of Respondents*

- [1] Very great extent
- [1] Great extent
- [5] Moderate extent
- [6] Some extent
- [6] Little or no extent
  
- [3] No basis to judge/not applicable — *Skip to Q32*

**Appendix II**  
**Summary Results of GAO Survey of Members**  
**of the Chief Human Capital Officers Council**

Q31. How satisfied or dissatisfied are you with assistance that OPM has provided in helping your department/agency use the newly authorized direct-hire authority?

*(Check one.)*

*Number of Respondents*

- [3] Very satisfied
- [3] Somewhat satisfied
- [8] Neither satisfied nor dissatisfied
- [1] Somewhat dissatisfied
- [2] Very dissatisfied

[2] No basis to judge/not applicable

Q32. At the current time, who should take the lead for furthering the use of direct-hire authority in the federal government? *(Check one.)*

*Number of Respondents*

- [0] No need for further use
- [0] Congress
- [7] Departments/agencies
- [10] OPM
- [4] None of the above *(Please explain: [4])*

Q33. If you have any additional comments regarding the use of direct-hire authority, please write them below.

*Number of Respondents*

[11]

**SUMMARY**

Q34. If you have any additional comments regarding any of these questions or about the federal hiring process and the new hiring flexibilities, please write them below.

*Number of Respondents*

[4]

*Thank you for completing this survey.*

Please save this file now and send us a return e-mail with your file as an attachment.



# Comments from the Office of Personnel Management



OFFICE OF THE DIRECTOR

UNITED STATES  
OFFICE OF PERSONNEL MANAGEMENT  
WASHINGTON, DC 20415-1000

June 1, 2004

The Honorable David M. Walker  
Comptroller General  
U.S. General Accounting Office  
441 G Street, NW  
Washington, DC 20548

Dear Mr. Walker:

Thank you for the opportunity to provide input to your recent draft report regarding Federal hiring. The focus of the report, improved Federal hiring, as you know is a top priority of this Administration and we commend you on the timeliness of your study, and the additional interest it will stimulate as OPM continues to drive this issue. The points offered in this letter are aimed at providing a wider representation of the efforts currently underway by OPM and our Federal teammates within the agencies.

We are concerned that the report appears to rely upon perceptions that are not consistent with the facts. For example, we are working on a continuous basis with members of the Chief Human Capital Officers (CHCO) Council to increase their knowledge about the hiring flexibilities available to them. Since June 2003, we have met with the CHCO Council on a regular basis to share information and provide guidance to ensure agencies were fully informed about the newest flexibilities: category rating systems for competitive examining and selection and direct-hire authority in circumstances where there is a severe shortage of qualified candidates or a critical mission need. We chose the first CHCO Academy session to be a training program on existing hiring flexibilities. This session was attended by eight of the twenty-three Chief Human Capital Officers – the CHCO's from the Departments of Defense, Treasury, State, Justice, and Agriculture, as well as the General Services Administration, Social Security Administration and the Environmental Protection Agency. Since then, in an effort to fully train all agency CHCO's and their staffs, we have provided, through a variety of delivery sources, agencies with a number of additional opportunities to receive information on the use of these flexibilities. For example, I have issued numerous memoranda which contain information and guidance on these flexibilities and other ways to improve Federal hiring. Recently OPM delivered two briefing sessions on the flexibilities; as part of the OPM-sponsored "Working for America" recruitment fairs, we delivered advance training to agencies on how to use the hiring flexibilities, and provided information and technical assistance on the flexibilities at the events. In addition, we have presented Professional Development Workshops on workforce planning which included in-depth training on the flexibilities; and our Human Capital Desk Officers provide direct, on-going support to the agencies in all aspects of strategic human capital management including the effective use of the hiring flexibilities.

CON 131-64-4  
September 2001

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**Appendix III**  
**Comments from the Office of Personnel**  
**Management**

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As you can see, much has been done by OPM. Nevertheless, we are still extremely disappointed with the lack of sustained progress in achieving the broad Government-wide improvements that are required to meet the needs of agencies and the legitimate expectations of applicants. I am convinced that the next step to improving Federal hiring is to measure the time it takes agencies to hire. In that regard, OPM set a target for the Federal recruitment process in May 2004 by issuing a 45-day hiring model to agencies that tracks time-to-hire from the date a vacancy announcement closes to the date an offer is extended. The model was developed and implemented within OPM and has demonstrated results. Similar to the proven 30-day SES hiring model issued in 2003, the 45 day model has already begun a dialogue within agencies on how to better drive results within the area of hiring. Because "what gets measured gets done," OPM will be exploring ways to advance goals and measurements within Federal agencies.

Federal agencies must rise to the challenge, take advantage of the training opportunities offered by OPM, make fixing the hiring process a priority, and provide consistent leadership at the senior level. We are hopeful that you will find this information useful in revising your draft report. Under separate cover staff provided technical edits. Once again, we thank you for the opportunity to comment, and look forward to reviewing the revised report.

Sincerely,



Kay Coles James  
Director

# GAO Contact and Staff Acknowledgments

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## GAO Contact

J. Christopher Mihm, (202) 512-6806

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## Acknowledgments

Major contributors to this report include K. Scott Derrick, Karin Fangman, Stephanie M. Herrold, Trina Lewis, John Ripper, Edward Stephenson, and Monica L. Wolford.

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