



Highlights of [GAO-04-796T](#), a testimony before the Subcommittee on Civil Service and Agency Organization, Committee on Government Reform, House of Representatives

## Why GAO Did This Study

The executive branch hired nearly 95,000 new employees during fiscal year 2003. Improving the federal hiring process is critical given the increasing number of new hires expected in the next few years.

In May 2003, GAO issued a report highlighting several key problems in the federal hiring process. That report concluded that the process needed improvement and included several recommendations to address the problems.

Today, GAO is releasing a follow-up report requested by the subcommittee that discusses (1) the status of recent efforts to help improve the federal hiring process and (2) the extent to which federal agencies are using two new hiring flexibilities—category rating and direct-hire authority. Category rating permits an agency manager 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

The report GAO is issuing today includes no new recommendations, but it does underscore prior GAO recommendations to which additional attention is needed.

[www.gao.gov/cgi-bin/getrpt?GAO-04-796T](http://www.gao.gov/cgi-bin/getrpt?GAO-04-796T).

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

# Status of Efforts to Improve Federal Hiring

## What GAO Found

Congress, the Office of Personnel Management (OPM), and agencies have all taken steps to improve the federal hiring process. 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. Nonetheless, problems remain with a job classification process and standards that many view as antiquated, and there is a need for improved tools to assess the qualifications of job candidates. Specifically, the report being released today discusses significant issues and actions being taken to:

- reform the classification system,
- improve job announcements and Web postings,
- automate hiring processes, and
- improve candidate assessment tools.

In addition, agencies appear to be making limited use of the two new hiring flexibilities contained in the Homeland Security Act of 2002—category rating and direct-hire authority—that could help agencies in expediting and controlling their hiring processes. GAO surveyed members of the interagency Chief Human Capital Officers Council who reported several barriers to greater use of these new 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.

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 Department of Homeland Security and the Department of Defense 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.