



Highlights of [GAO-06-861T](#), a testimony before the Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia, Committee on Homeland Security and Governmental Affairs, U.S. Senate

Why GAO Did This Study

General recognition exists of a need to continue to develop a governmentwide framework for human capital reform to enhance performance, ensure accountability and position the nation for the future. Potential governmentwide human capital reform and likely requirements that the Office of Personnel Management (OPM) assist, guide, and ultimately certify agencies' readiness to implement reforms, raise important questions about OPM's capacity to successfully fulfill its central role.

This testimony addresses management challenges that could affect OPM's ability to lead governmentwide human capital reform efforts. To assess these challenges, GAO analyzed OPM's 2002 and 2004 Federal Human Capital Survey (FHCS) results, data from its 2005 follow-up focus group discussions, OPM's May 2006 action plans to address employee concerns, and OPM's associate directors' fiscal year 2006 executive performance contracts. GAO also conducted interviews with OPM senior officials and Chief Human Capital Officers (CHCO) and human resource directors from CHCO Council agencies.

In commenting on a draft of this statement, the OPM Director said that OPM has addressed many of the challenges highlighted from the 2004 FHCS and achieved many meaningful and important results. GAO agrees and believes OPM should continue to build upon its progress to date.

www.gao.gov/cgi-bin/getrpt?GAO-06-861T.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Brenda S. Farrell at (202) 512-6806 or farrellb@gao.gov.

OFFICE OF PERSONNEL MANAGEMENT

OPM Is Taking Steps to Strengthen Its Internal Capacity for Leading Human Capital Reform

What GAO Found

OPM has made commendable efforts towards transforming itself to being a more effective leader of governmentwide human capital reform. It can build upon that progress by addressing challenges that remain in the following areas:

Leadership. OPM Federal Human Capital Survey responses and the fall 2005 follow-up focus group discussions suggests that information from OPM leadership does not cascade effectively throughout the organization and that many employees do not feel senior leaders generate a high level of motivation and commitment in the workforce. Agreement with leaders ability was lowest in one of OPM's key divisions—a unit vital to successful human capital reform. OPM is working to address employee concerns and improve perceptions of senior leaders.

Talent and resources. To align talent and resources to support its reform role, OPM has made progress in assessing current workforce needs and developing leadership succession plans. However, OPM's workforce planning has not sufficiently identified future skills and competencies that may be necessary to fulfill its role in human capital reform.

Customer focus, communication, and collaboration. OPM can improve its customer service to agencies and create more opportunities for dialogue. According to key officials in executive agencies, OPM guidance to agencies is not always clear and timely, OPM's human capital officer structure is often a barrier to efficient customer response, and greater opportunities exist to collaborate with agency leaders. OPM recognizes these shortcomings and has identified improvement actions to address. However, more can be done such as strategically using partnerships it has available to it, like the CHCO Council.

Performance culture and accountability. OPM has made progress in creating a "line of sight" or alignment and accountability across Senior Executive Service (SES) expectations and organizational goals. It needs to build on this progress and effectively implement new performance standards for all employees to support the recently issued agency strategic and operational plan and ensure all employees receive the necessary training.

To meet OPM's current and future challenge to lead governmentwide human capital reform, Director Springer has shown leadership commitment to OPM's transformation by initiating a number of action plans to address employee concerns. While the steps taken by OPM demonstrate progress in achieving its transformation, it must continue on this path by closely monitoring and communicating with its employees and customers, expanding its workforce and succession planning efforts, and continuing to create a "line of sight" throughout the organization.