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HUMAN CAPITAL

Transforming Federal Recruiting and Hiring Efforts

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Highlights of [GAO-08-762T](#), 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

To address the challenges that the nation faces, it will be important for federal agencies to change their cultures and create the institutional capacity to become high-performing organizations. This includes recruiting and retaining a federal workforce able to create, sustain, and thrive in organizations that are flatter, results-oriented, and externally focused.

In 2001, GAO identified strategic human capital management as a governmentwide high-risk area because federal agencies lacked a strategic approach to human capital management that integrated human capital efforts with their missions and program goals. Although progress has been made since that time, strategic human capital management still remains a high-risk area.

This testimony, based on a large body of completed work issued from January 2001 through April 2008, focuses on (1) challenges that federal agencies have faced in recruiting and hiring talented employees, (2) progress in addressing these challenges, and (3) additional actions that are needed to strengthen recruiting and hiring efforts. In its prior reports, GAO has made a range of recommendations to the Office of Personnel Management (OPM)—the government's personnel agency—and to agencies in such areas as hiring, workforce planning, and diversity management; a number of these recommendations have since been implemented. GAO is making no new recommendations at this time.

To view the full product, including the scope and methodology, click on [GAO-08-762T](#). For more information, contact Robert Goldenkoff at (202) 512-6806 or goldenkoffr@gao.gov.

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Transforming Federal Recruiting and Hiring Efforts

What GAO Found

Numerous studies over the years have identified a range of problems and challenges with recruitment and hiring in the federal government. Some of these problems and challenges include passive recruitment strategies, unclear job vacancy announcements, and manual processes that are time consuming and paperwork intensive. In recent years, Congress, OPM, and agencies have made important strides in improving federal recruitment and hiring. For example, Congress has provided agencies with hiring flexibilities that could help to streamline the hiring process. OPM has sponsored job fairs and developed automated tools. Individual agencies have developed targeted recruitment strategies to identify and help build a talented workforce.

Building on the progress that has been made, additional efforts are needed in the following areas.

Human capital planning: Federal agencies will have to bolster their efforts in strategic human capital planning to ensure that they are prepared to meet their current and emerging hiring needs. Agencies must determine the critical skills and competencies necessary to achieve programmatic goals and develop strategies that are tailored to address any identified gaps.

Diversity management: Developing and maintaining workforces that reflect all segments of society and our nation's diversity is another significant aspect of agencies' recruitment challenges. Recruitment is a key first step toward establishing a diverse workforce. Agencies must consider active recruitment strategies, such as building formal relationships with targeted schools and colleges, and partnering with multicultural professional organizations.

Use of existing flexibilities: Agencies need to reexamine the flexibilities provided to them under current authorities, including monetary recruitment and retention incentives, special hiring authorities, and work-life programs. Agencies can then identify those existing flexibilities that could be used more extensively or more effectively to meet their workforce needs.

OPM leadership: OPM has taken significant steps in fostering and guiding improvements in recruiting and hiring in the executive branch. For example, OPM, working with and through the Chief Human Capital Officers Council, has moved forward in compiling information on effective and innovative practices and sharing this information with agencies. Still, OPM must continue to work to ensure that agencies take action on this information. Also, OPM needs to make certain that it has the internal capacity to guide agencies' readiness to implement change and achieve desired outcomes.

OPM and agencies should be held accountable for the ongoing monitoring and refinement of human capital approaches to recruit and hire a capable and committed federal workforce. With continued commitment and strong leadership, the federal government can indeed be an employer of choice.

Mr. Chairman and Members of the Subcommittee:

Thank you for the opportunity to be here today to discuss recruiting and hiring of the next generation of federal employees. Today's hearing coincides with Public Service Recognition Week, which honors the men and women who serve America as federal, state, and local government employees. We commend the subcommittee for this opportunity to highlight the progress that the federal government has made in improving its recruitment and hiring practices over the past few years as well as draw attention to the continued challenges and opportunities facing federal agencies in acquiring capable and committed employees.

The importance of a top-notch federal workforce cannot be overstated. The nation is facing new and more complex challenges in the 21st century as various forces are reshaping the United States and its place in the world. These forces include a large and growing long-term fiscal imbalance, evolving national and homeland security threats, increasing global interdependence, and a changing economy. Further, as we have pointed out in our High-Risk Series and other reports for Congress, some federal agencies continue to face persistent performance and accountability problems at a time when taxpayers have come to expect—and need—higher levels of performance and greater responsiveness by public officials and programs.

To address these challenges, it will be important for federal agencies to change their cultures and create the institutional capacity to become high-performing organizations. This includes recruiting and retaining employees able to create, sustain, and thrive in organizations that are flatter, results-oriented, and externally focused and that collaborate with other governmental entities as well as with the private and nonprofit sectors to achieve desired outcomes.

As you are aware, in 2001, we identified federal human capital management as a governmentwide high-risk area because federal agencies lacked a strategic approach to human capital management that integrated human capital efforts with their missions and program goals.¹ Although progress has been made since that time, strategic human capital management still remains on our high-risk list.² As we have previously

¹GAO, *High-Risk Series: An Update*, [GAO-01-263](#) (Washington, D.C.: January 2001).

²GAO, *High-Risk Series: An Update*, [GAO-07-310](#) (Washington, D.C.: January 2007).

reported in our work on human capital issues, federal agencies do not consistently have the modern human capital programs and policies needed to ensure that they have the right people in the right jobs at the right time to meet the challenges they face.³

Exacerbating this problem, governmentwide, about one-third of federal employees on board at the end of fiscal year 2007 will become eligible to retire by 2012. Proportions of workers eligible to retire are projected to be especially high in certain occupations—some of them mission critical—as well as in key leadership positions. Indeed, as we recently reported, about 51 percent of customs and border protection agents, 58 percent of air traffic controllers, 85 percent of administrative law judges, and 64 percent of career executives may be eligible to retire by 2012.⁴

That said, the way forward is not gloomy. In many ways, the federal government is well positioned to acquire, develop, and retain the people it needs to carry out its diverse roles and responsibilities. Importantly, federal employment offers rewards, such as interesting work and opportunities to make a difference in the lives of others, as well as a variety of tangible benefits and work-life flexibilities that make an organization an employer of choice.⁵ Moreover, the Office of Personnel Management (OPM) and agencies have made noteworthy progress in addressing the various human capital challenges they face, often in response to our findings and recommendations. For example:

- OPM identified additional human capital flexibilities and worked to build consensus for legislative change;
- the Office of Management and Budget directed agencies to adopt a strategic approach to acquisition workforce planning; and
- the Department of Housing and Urban Development prepared a strategic workforce plan to be better prepared to recruit and hire the people it needs to fulfill its mission.

³GAO, *Human Capital: Federal Workforce Challenges in the 21st Century*, [GAO-07-556T](#) (Washington, D.C.: Mar. 6, 2007).

⁴GAO, *Older Workers: Federal Agencies Face Challenges, but Have Opportunities to Hire and Retain Experienced Employees*, [GAO-08-630T](#) (Washington, D.C.: Apr. 30, 2008).

⁵As reported in the Merit Systems Protection Board's Merit Principles Survey 2005, which obtained federal employees' views on how well the workforce is being managed.

As requested, my testimony today will focus on (1) challenges that federal agencies have faced in recruiting and hiring talented employees, (2) the progress that has been made to date in addressing these challenges, and (3) additional actions that are needed moving forward to strengthen the government's recruiting and hiring efforts. My remarks today will underscore the following: Improving the federal recruiting and hiring process to attract the next generation of federal employees is a shared responsibility between the federal government's central personnel agency—OPM, individual agencies, and Congress. With sustained and committed leadership, innovation, and planning, the federal government can brand itself as an employer of choice and successfully compete in the labor market for its fair share of the nation's best and brightest individuals.

This testimony is based on a large body of our completed work issued from January 2001 through April 2008. Our previous work included reviews of OPM and agency documents related to federal hiring, studies on recruiting and hiring that were completed by other organizations in recent years, as well as data from OPM's central database of governmentwide personnel information. We also interviewed various officials from OPM, the interagency Chief Human Capital Officers Council, and selected federal agencies. We performed our performance audits in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Federal Recruiting and Hiring Has Been a Long-standing Challenge

For years it has been widely recognized that the federal hiring process all too often does not meet the needs of (1) agencies in achieving their missions; (2) managers in filling positions with the right talent; and (3) applicants for a timely, efficient, transparent, and merit-based process. In short, the federal hiring process is often an impediment to the very customers it is designed to serve in that it makes it difficult for agencies and managers to obtain the right people with the right skills, and applicants can be dissuaded from public service because of the complex and lengthy procedures.

Numerous studies over the past decade by OPM, the Merit Systems Protection Board (MSPB), the National Academy of Public Administration, the Partnership for Public Service, the National Commission on the Public

Service, and GAO have identified a range of problems and challenges with recruitment and hiring in the federal government, including the following:⁶

- Passive recruitment strategies.
- Poor and insufficient workforce planning.
- Unclear job vacancy announcements.
- Time-consuming and paperwork-intensive manual processes.
- Imprecise candidate assessment tools.
- Ineffective use of existing hiring flexibilities.

These problems put the federal government at a serious competitive disadvantage in acquiring talent. For example, passive recruitment strategies, such as infrequent or no outreach to college campuses, miss opportunities to expose potential employees to information about federal jobs. Unclear and unfriendly vacancy announcements can cause confusion for applicants, delay hiring, and serve as poor recruiting tools. Weak candidate assessment tools can inadequately predict future job performance and result in the hiring of individuals who do not fully possess the appropriate skills for the job. As evidence of these and other problems, MSPB's most recently published Merit Principles Survey results found that only 5 percent of federal managers and supervisors said that they faced no significant barriers to hiring employees for their agencies.⁷

Congress, OPM, and Agencies Have Taken Significant Steps to Help Improve Recruiting and Hiring

In recent years, Congress, OPM, and agencies have taken a series of important actions to improve recruiting and hiring in the federal sector. For example, Congress has provided agencies with hiring flexibilities that could help agencies streamline their hiring processes and give agency managers more latitude in selecting among qualified job candidates. Congress has also provided several agencies with exemptions from the pay and classification restrictions of the General Schedule. Other examples of congressional action related to recruitment and hiring follow.

⁶See, for example, GAO, *Human Capital: Opportunities to Improve Executive Agencies' Hiring Processes*, [GAO-03-450](#) (Washington, D.C.: May 30, 2003); *Human Capital: Additional Collaboration Between OPM and Agencies Is Key to Improved Federal Hiring*, [GAO-04-797](#) (Washington, D.C.: June 7, 2004); and *Human Capital: Status of Efforts to Improve Federal Hiring*, [GAO-04-796T](#) (Washington, D.C.: June 7, 2004). Also, see Merit Systems Protection Board, *Reforming Federal Hiring: Beyond Faster and Cheaper* (Washington, D.C.: September 2006).

⁷Merit Systems Protection Board, *Accomplishing Our Mission: Results of the Merit Principles Survey 2005* (Washington, D.C.: February 2007).

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- Dual compensation waivers to rehire federal retirees. OPM may grant waivers allowing agencies to fill positions with rehired federal annuitants without offsetting the salaries by the amount of the annuities.⁸ Agencies can request waivers on a case-by-case basis for positions that are extremely difficult to fill or for emergencies or other unusual circumstances. Agencies can also request from OPM a delegation of authority to grant waivers for emergencies or other unusual circumstances.
 - Special authority to hire for positions in contracting. Agencies can rehire federal annuitants to fill positions in contracting without being required to offset the salaries. Agencies are required only to notify and submit their hiring plans to OPM.⁹
 - Enhanced annual leave computation. Agencies may credit relevant private sector experience when computing annual leave amounts.¹⁰

As the federal government's central personnel management agency, OPM has a key role in helping agencies acquire, develop, retain, and manage their human capital. In the areas of recruiting and hiring, OPM has, for example, done the following.

- Sponsored job fairs across the country and produced television commercials to make the public more aware of the work that federal employees do.
- Developed a 45-day hiring model to help agencies identify the steps in their processes that tend to bog them down, and created a detailed checklist to assist agencies in undertaking a full-scale makeover of their hiring process from beginning to end.
- Developed a Hiring Tool Kit on its Web site that is to aid agencies in improving and refining their hiring processes and that includes a tool to assist agency officials in determining the appropriate hiring flexibilities to use given their specific situations.

⁸See 5 U.S.C. § 8344 and § 8468, 5 C.F.R. part 553.

⁹This authority expires December 31, 2011.

¹⁰See 5 U.S.C. § 6303(e) and 5 C.F.R. 630.205.

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- Updated and expanded its report *Human Resources Flexibilities and Authorities in the Federal Government*, which serves as a handbook for agencies in identifying current flexibilities and authorities and how they can be used to address human capital challenges.
 - Established standardized vacancy announcement templates for common occupations, such as secretarial, accounting, and accounting technician positions, into which agencies can insert summary information concerning their specific jobs prior to posting for public announcement.

Individual federal agencies have also taken actions to meet their specific recruitment and hiring needs. For example:

- The National Aeronautics and Space Administration (NASA) has used a combination of techniques to recruit workers with critical skills, including targeted recruitment activities, educational outreach programs, improved compensation and benefits packages, professional development programs, and streamlined hiring authorities.¹¹ Many of NASA's external hires have been for entry-level positions through the Cooperative Education Program, which provides NASA centers with the opportunity to develop and train future employees and assess the abilities of potential employees before making them permanent job offers.
- The Nuclear Regulatory Commission (NRC) has endeavored to align its human capital planning framework with its strategic goals and has identified the activities needed to achieve a diverse, skilled workforce and an infrastructure that supports the agency's mission and goals.¹² NRC has used various flexibilities in recruiting and hiring new employees, and it has tracked the frequency and cost associated with the use of some flexibilities. While there was room for further improvement, NRC has been effective in recruiting, developing, and retaining a critically skilled workforce.

¹¹GAO, *NASA: Progress Made on Strategic Human Capital Management, but Future Program Challenges Remain*, [GAO-07-1004](#) (Washington, D.C.: Aug. 8, 2007).

¹²GAO, *Human Capital: Retirements and Anticipated New Reactor Applications Will Challenge NRC's Workforce*, [GAO-07-105](#) (Washington, D.C.: Jan. 17, 2007).

Additional Actions Are Needed to Strengthen Recruiting and Hiring

While these actions are all steps in the right direction, our past work has found that additional efforts are needed in the areas of strategic human capital planning, diversity management, and the use of existing flexibilities. In addressing these areas, agency managers need to be held accountable for maximizing the efficiency and effectiveness of their recruiting efforts and hiring processes. In addition, OPM, working with and through the Chief Human Capital Officers Council, must use its leadership position to vigorously and convincingly encourage continuous improvement in agencies and provide appropriate assistance to support agencies' recruitment and hiring efforts. In carrying out its important role, OPM will need to ensure that it has the internal capacity to assist and guide agencies' readiness to implement needed improvements. I will discuss each one of these areas in turn.

Human Capital Planning

First and foremost, federal agencies will have to bolster their efforts in strategic human capital planning to ensure that they are prepared to meet their current and emerging hiring needs. To build effective recruiting and hiring programs, agencies must determine the critical skills and competencies necessary to achieve programmatic goals and develop strategies that are tailored to address any identified gaps. For example, an agency's strategic human capital plan should address the demographic trends that the agency faces with its workforce, especially pending retirements. We have found that leading organizations go beyond a succession planning approach that focuses on simply replacing individuals; instead, agencies should consider their future mission requirements and the knowledge, skills, and abilities needed to meet those requirements.¹³

Recruiting and hiring for the acquisition workforce is a prime example of the government's strategic human capital planning challenges. Acquisition of products and services from contractors consumes about a quarter of discretionary spending governmentwide and is a key function in many federal agencies. We have reported that many acquisition professionals need to acquire a new set of skills focusing on business management because of a more sophisticated business environment.¹⁴ At a GAO-

¹³GAO, *Human Capital: Succession Planning and Management Is Critical Driver of Organizational Transformation*, [GAO-04-127T](#) (Washington, D.C.: Oct. 1, 2003).

¹⁴GAO, *Acquisition Workforce: Status of Agency Efforts to Address Future Needs*, [GAO-03-55](#) (Washington, D.C.: Jan. 17, 2003).

sponsored forum in July 2006, acquisition experts reported that agency leaders had not recognized or elevated the importance of the acquisition profession within their organizations, and a strategic approach had not been taken across government or within agencies to focus on workforce challenges, such as creating a positive image essential to successfully recruiting and retaining a new generation of talented acquisition professionals.¹⁵

Diversity Management

Developing and maintaining workforces that reflect all segments of society and our nation's diversity is another significant aspect of agencies' recruitment challenges. As we have previously reported, recruitment is a key first step toward establishing a diverse workforce.¹⁶ To ensure that they are reaching out to diverse pools of talent, agencies must consider active recruitment strategies, such as the following:

- Widening the selection of schools from which they recruit to include, for example, historically Black colleges and universities, Hispanic-serving institutions, women's colleges, and schools with international programs.
- Building formal relationships with targeted schools and colleges to ensure the cultivation of talent for future applicant pools.
- Partnering with multicultural professional organizations and speaking at their conferences to communicate their commitment to diversity to external audiences and strengthen and maintain relationships.

For these types of recruitment strategies, agencies can calculate the cost of recruiting channels and cross-reference those costs with the volume and quality of candidates yielded in order to reallocate funds to the most effective recruiting channels.

Several agencies have taken steps toward developing and implementing active recruitment strategies that take into account a diverse pool of job candidates. For example:

¹⁵GAO, *Highlights of a GAO Forum: Federal Acquisition Challenges and Opportunities in the 21st Century*, [GAO-07-45SP](#) (Washington, D.C.: Oct. 6, 2006).

¹⁶GAO, *Diversity Management: Expert-Identified Leading Practices and Agency Examples*, [GAO-05-90](#) (Washington, D.C.: Jan. 14, 2005).

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- NASA developed a strategy for recruiting Hispanics that focuses on increasing educational attainment, beginning in kindergarten and continuing into college and graduate school, with the goal of attracting students into the NASA workforce and aerospace community. NASA said it must compete with the private sector for the pool of Hispanics qualified for aerospace engineering positions, which is often attracted by more-lucrative employment opportunities in the private sector in more preferable locations.¹⁷ NASA centers sponsored, and its employees participated in, mentoring, tutoring, and other programs to encourage Hispanic and other students to pursue careers in science, engineering, technology, and mathematics.
 - An official with the National Institute of Standards and Technology (NIST) said that when NIST hosted recruitment or other programs, it made use of relationships the agency had with colleges, universities, and other groups to inform students about internship or employment opportunities.¹⁸ One group that helped to arrange such recruitment efforts was the National Organization of Black Chemists and Black Chemical Engineers. The NIST official said that NIST had been active in the professional organization's leadership for years and that NIST employees had served on its executive board. Another NIST official said that the professional organization had helped with NIST's efforts to recruit summer interns.
 - The Federal Aviation Administration (FAA) developed internship opportunities designed to recruit a diverse group of future candidates for the agency.¹⁹ Its Minority-Serving Institutions Internship Program was designed to provide professional knowledge and experience at FAA or firms in the private sector for minority students and students with disabilities who are enrolled in a college or university, major in relevant fields and related disciplines, and have a minimum of a 3.0 grade point average. Students in the internship program could earn academic credit for their participation during the fall or spring semesters or over the summer.

¹⁷GAO, *The Federal Workforce: Additional Insights Could Enhance Agency Efforts Related to Hispanic Representation*, GAO-06-832 (Washington, D.C.: Aug. 17, 2006).

¹⁸GAO-05-90.

¹⁹GAO-05-90.

Use of Existing Flexibilities

Additionally, the appropriate use of human capital flexibilities is crucial to making further improvements in agencies' efforts to recruit, hire, and manage their workforces. Federal agencies often have varied statutory authorities related to workforce management.²⁰ These authorities provide agencies with flexibility in helping them manage their human capital strategically to achieve results. In previous reports and testimonies, we have emphasized that in addressing their human capital challenges, federal agencies should first identify and use the flexibilities already available under existing laws and regulations and then seek additional flexibilities only when necessary and based on sound business cases. Our work has found that the insufficient and ineffective use of these existing flexibilities can significantly hinder the ability of federal agencies to recruit, hire, retain, and manage their human capital.²¹

The ineffective use of available hiring flexibilities represents a lost opportunity for agencies to effectively manage human capital. In 2002, Congress provided agencies with two new hiring flexibilities.²² One of these hiring flexibilities, known as category rating, permits an agency to select best-qualified job candidates for a position rather than being limited to the three top-ranked job candidates. The other hiring flexibility, often referred to as direct hire, allows an agency to appoint people to positions without adherence to certain competitive examination requirements when there is a severe shortage of qualified candidates or a critical hiring need. However, we have found that agencies were making limited use of these available flexibilities.²³ Various agency officials from across the federal government often had previously cited both of these hiring flexibilities as needed tools to help in improving the federal hiring process.

Agencies need to reexamine the flexibilities provided to them under current authorities and identify those that could be used more extensively or more effectively to meet their workforce needs. Our prior work has

²⁰GAO, *Human Capital: Selected Agencies' Statutory Authorities Could Offer Options in Developing a Framework for Governmentwide Reform*, [GAO-05-398R](#) (Washington, D.C.: Apr. 21, 2005).

²¹GAO, *Human Capital: Effective Use of Flexibilities Can Assist Agencies in Managing Their Workforces*, [GAO-03-2](#) (Washington, D.C.: Dec. 6, 2002).

²²These hiring flexibilities are contained in the Chief Human Capital Officers Act of 2002, Title XIII of the Homeland Security Act of 2002. Pub. L. No. 107-296 (Nov. 25, 2002).

²³GAO, *Human Capital: Increasing Agencies' Use of New Hiring Flexibilities*, [GAO-04-959T](#) (Washington, D.C.: July 13, 2004).

identified several human capital flexibilities that agency officials and union representatives frequently cited as most effective for managing their workforces.²⁴ These flexibilities encompass broad areas of personnel-related actions that could be especially beneficial for agencies' recruiting and hiring efforts. They include monetary recruitment and retention incentives; special hiring authorities, such as student employment programs; and work-life programs, such as alternative work schedules, child care assistance, and transit subsidies.

OPM Leadership

As part of its key leadership role, OPM has taken significant steps in fostering and guiding improvements in recruiting and hiring in the executive branch. Still, OPM must continue to assist—and as appropriate, require—the building of the infrastructures within agencies needed to successfully implement and sustain human capital reforms to strengthen recruitment and hiring. OPM can do this in part by encouraging continuous improvement and providing appropriate assistance to support agencies' recruitment and hiring efforts. Innovative and best practices of model agencies need to be made available to other agencies in order to facilitate the transformation of agency hiring practices from compliance based to agency mission based. OPM, working with and through the Chief Human Capital Officers Council, has made progress in compiling information on effective and innovative practices and distributing this information to help agencies in determining when, where, and how the various flexibilities are being used and should be used. OPM must continue to work to ensure that agencies take action on this information.

Moreover, in leading governmentwide human capital reform, OPM has faced challenges in its internal capacity to assist and guide agencies' readiness to implement change. In October 2007, we issued a report on the extent to which OPM has (1) addressed key internal human capital management issues identified through employee survey responses and (2) put in place strategies to ensure that it has the mission-critical talent it needs to meet current and future strategic goals.²⁵ We found that OPM has taken positive actions to address specific concerns raised by its employees and managers in the employee surveys. We also found that OPM has strategies in place, such as workforce and succession management plans,

²⁴GAO-03-2.

²⁵GAO, *Office of Personnel Management: Opportunities Exist to Build on Recent Progress in Internal Human Capital Capacity*, GAO-08-11 (Washington, D.C.: Oct. 31, 2007).

that are aligned with selected leading practices relevant to the agency's capacity to fulfill its strategic goals. However, OPM lacks a well-documented agencywide evaluation process of some of its workforce planning efforts. In a relatively short time, there will also be a presidential transition, and well-documented processes can help to ensure a seamless transition that builds on the current momentum.

Equally important is OPM's leadership in federal workforce diversity and oversight of merit system principles. In our review of how OPM and the Equal Employment Opportunity Commission (EEOC) carry out their mutually shared responsibilities for helping to ensure a fair, inclusive, and nondiscriminatory federal workplace, we found limited coordination between the two agencies in policy and oversight matters.²⁶ The lack of a strategic partnership between the two agencies and an insufficient understanding of their mutual roles, authority, and responsibilities can result in a lost opportunity to realize consistency, efficiency, and public value in federal equal employment opportunity and workplace diversity human capital management practices. We recommended that OPM and EEOC regularly coordinate in carrying out their responsibilities under the equal employment opportunity policy framework and seek opportunities for streamlining like reporting requirements. Both agencies acknowledged that their collaborative efforts could be strengthened but took exception to the recommendation to streamline requirements. We continue to believe in the value of more collaboration.

Finally, OPM and agency leaders need to be held accountable and should hold others accountable for the ongoing monitoring and refinement of human capital approaches to recruit and hire a capable and committed federal workforce. Leadership is critical for agencies to overcome their natural resistance to change, to marshal the resources needed in many cases to improve management, to build and maintain organizationwide commitment to improving their ways of doing business, and to create the conditions for effectively improving human capital approaches. Some agency officials have told us that OPM rules and regulations are rigid, yet agency officials are also often hesitant to implement new approaches without specific guidance. It will be important for agencies and OPM to define their appropriate roles and day-to-day working relationships as they

²⁶GAO, *Equal Employment Opportunity: Improved Coordination Needed between EEOC and OPM in Leading Federal Workplace EEO*, GAO-06-214 (Washington, D.C.: June 16, 2006).

collaborate on developing and implementing innovative and more effective recruitment efforts and hiring processes.

In conclusion, OPM and agencies have made progress in addressing the impediments to effective recruitment and hiring since we first designated strategic human capital management as a high-risk area in 2001. Still, as I have discussed today, more can be done. Faced with a workforce that is becoming more retirement eligible and finding gaps in talent because of changes in the knowledge, skills, and competencies in occupations needed to meet their missions, agencies must strengthen their recruiting and hiring efforts. Moreover, human capital expertise within the agencies must be up to the challenge for this transformation to be successful and enduring. With an ongoing commitment to continuous improvement and strong leadership in Congress, OPM, and the agencies, the federal government can indeed be an employer of choice.

Mr. Chairman and members of the subcommittee, this completes my prepared statement. I would be pleased to respond to any questions you may have at this time.

Contacts and Acknowledgments

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