



Highlights of [GAO-09-632T](#), a testimony before the Subcommittee on Federal Workforce, Postal Service, and the District of Columbia, Committee on Oversight and Government Reform, House of Representatives

Why GAO Did This Study

In 2001, GAO identified 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. Progress has been made. However, the area remains high-risk because of a continuing need for a governmentwide framework to advance human capital reform.

The importance of a top-notch federal workforce cannot be overstated. The federal government is facing new and growing challenges coupled with a retirement wave and the loss of leadership and institutional knowledge at all levels. The issues facing agencies are complex and require a broad range of technical skills that are also highly sought after by the private sector.

This testimony, based on a large body of completed work issued from January 2001 through March 2009, focuses on executive branch agencies' and the Office of Personnel Management's (OPM) progress in addressing strategic human capital management challenges in four key areas: (1) leadership; (2) strategic human capital planning; (3) acquiring, developing, and retaining talent; and (4) results-oriented organizational culture. In prior reports, GAO has made a range of recommendations to OPM and agencies in the four areas. GAO is reporting on progress in addressing these recommendations and is making no new recommendations.

[View GAO-09-632T](#) or [key components](#). For more information, contact Yvonne D. Jones at (202) 512-6806 or jonesy@gao.gov.

HUMAN CAPITAL

Sustained Attention to Strategic Human Capital Management Needed

What GAO Found

Congress, executive branch agencies, and OPM have taken action to reform federal human capital management, but federal agencies are facing new challenges. The recent need to quickly hire staff to carry out and oversee the Troubled Asset Relief Program and expanded agency responsibilities under the American Recovery and Reinvestment Act of 2009 point to the need for sustained attention to help ensure that agencies have the right people with the right skills to meet new challenges.

Leadership: Top leadership in agencies across the federal government must provide committed and inspired attention needed to address human capital and related organizational transformation issues. OPM has made strides in transforming itself as a strategic partner to help lead human capital reform efforts. For example, at the agency level, OPM works with the Chief Human Capital Officers council to develop and disseminate human capital guidance and relies upon the council members to communicate OPM policy and other human capital information throughout their agencies.

Strategic human capital planning: Integrating succession planning and management efforts that focus on strengthening both current and future organizational capacity to obtain or develop the knowledge, skills, and abilities agencies need to meet their missions continues to be important. For example, GAO has reported on a challenge in the acquisition workforce where the workload and complexity of responsibilities have been increasing without adequate attention to the workforce's size, skills and knowledge, and succession planning.

Acquiring, developing, and retaining talent: Faced with a workforce that is becoming more retirement eligible and the need for a different mix of knowledge, skills, and competencies, it is important that agencies strengthen their efforts and use available flexibilities. Agencies have developed strategies to recruit needed talent, including turning to older experienced workers to fill knowledge and skills gaps. For example, the National Aeronautics and Space Administration has used a combination of techniques to recruit workers with critical skills, including targeted recruitment activities, educational outreach programs, improved compensation and benefits packages, and streamlined hiring authorities.

Results-oriented organizational culture: In addition to promoting high performance and accountability to foster results-oriented cultures, it is important for agencies to develop and maintain inclusive and diverse workforces that reflect all segments of society. Agencies can benefit from strategies that offer a diverse pool of talent for selecting the agencies' future leaders and recruiting new employees so that agencies can get a wider variety of perspectives and approaches.