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Subject: Human Capital: Complete Information and More Analyses Needed to Enhance DOD's Civilian Senior Leader Strategic Workforce Plan

The ability of the Department of Defense (DOD) to achieve its mission and carry out its responsibilities depends in large part on whether it can sustain a civilian senior leader workforce that possesses necessary skills and competencies. Managing civilian senior leaders effectively is imperative, especially in light of DOD's plans to reduce at least 150 civilian senior leader positions, the department's current cap on civilian personnel numbers, and the existing pay freeze.¹ Further, as DOD faces fiscal constraints, implements its efficiency initiatives, and prepares for an anticipated drawdown in Afghanistan, the department is faced with the complex task of re-shaping its workforce to meet future needs. This includes assessing the requirements for approximately 2,900 civilian senior leaders who help manage DOD's overall civilian workforce of more than 780,000 personnel. In managing these senior leaders, the department must ensure that they are sufficient in number and properly prepared to achieve DOD's mission. One particular challenge, noted in DOD's 2010-2018 strategic workforce plan, is that more than 60 percent of DOD's civilian senior leader workforce will be eligible to retire by 2015.²

Accordingly, section 115b Title 10 of the United States Code, enacted in October 2009, requires DOD to submit to congressional defense committees, on a recurring basis,³ a strategic workforce plan to shape and improve its civilian senior leader workforces. While this law does not specify a date for DOD to submit the plan, it does stipulate several requirements for the plan. These include an assessment of

- the critical skills and competencies⁴ of the existing workforce of the department and projected trends in that workforce based on expected losses due to retirement and other attrition, and

¹ DOD froze the number of full time equivalent civilian employees for fiscal years 2011 and 2012 at fiscal year 2010 budgeted levels, subject to certain exceptions. Additionally, in December 2010 Congress enacted legislation to prohibit statutory pay adjustments for most federal civilian employees that would otherwise take effect in calendar years 2011 and 2012.

² Department of Defense, *Strategic Workforce Plan 2010-2018* (Mar. 27, 2012). In its 2009 strategic workforce plan, DOD reported that over 80 percent of its civilian senior leaders would be eligible to retire by 2018.

³ Previously, section 115b required DOD to report annually. In December of 2011, section 115b was amended to require this report on a biennial basis rather than an annual basis, among other changes. See National Defense Authorization Act for Fiscal Year 2012, Pub. L. No. 112-81, § 935 (2011).

⁴ While Title 10 does not define competencies in this context, DOD Instruction 1430.16, *Growing Civilian Senior Leaders* (Nov. 19, 2009), states that a competency is an observable, measurable pattern of knowledge, skills, abilities, behaviors, and other characteristics that an individual needs to perform work roles or occupational functions successfully.

- gaps in the existing or projected workforce of the department that should be addressed to ensure that the department has continued access to the critical skills and competencies it needs.

DOD's mandate previously required that the department's assessments cover a 7-year period following the year in which the plan is submitted to Congress.⁵ Therefore, DOD's latest civilian senior leader workforce plan covered the period 2010-2018.

Following the enactment of this legislation, the Secretary of Defense, in August 2010, announced an efficiency initiative to eliminate unnecessary overhead costs by, among other things, reviewing DOD's entire senior leader workforce and reducing the total number of civilian senior leader positions by at least 150.⁶ The Secretary's guidance called for these reductions to take place in fiscal years 2011 and 2012. After the Secretary's announcement, DOD's Office of the Under Secretary of Defense for Personnel and Readiness created the Civilian Senior Executive Study Group, and directed the group to conduct a DOD-wide survey of the number, placement, skills, and competencies of civilian senior leader positions and to provide recommendations for restructuring civilian senior leader positions to best align with missions and responsibilities. The Office of the Under Secretary of Defense for Personnel and Readiness also directed the group to consider how to inform follow-on efforts to further analyze civilian senior leader appointment, management, and renewal policies. The Civilian Senior Executive Study Group, which consisted of Senior Executive Service and General Schedule-15 representatives from the Office of the Secretary of Defense, each of the military departments, the Joint Staff, and the Office of the Under Secretary of Defense for Intelligence, issued its final report to the Secretary on November 23, 2010.⁷ The Secretary of Defense announced his decisions based on recommendations developed as part of the efficiency initiative, including recommendations made in this report on March 14, 2011.⁸

Subsequently, on March 27, 2012, DOD issued its 2010-2018 Strategic Workforce Plan, and GAO, as mandated by the National Defense Authorization Act for Fiscal Year 2010,⁹ is required to report on that plan within 180 days of its submission to Congress.¹⁰ For this report on DOD's 2010-2018 plan we (1) reviewed DOD's approach for determining its civilian senior leader projections to meet future requirements and (2) evaluated the extent to which DOD's assessment of the critical skills, competencies, and gaps in the existing and future civilian senior leader workforces identified areas that will require increased focus to help the department meet its vital missions.

⁵ Section 935 of the 2012 National Defense Authorization Act for Fiscal Year 2012 amended this requirement to a 5-year period, which corresponds to the current Future-Years Defense Program. Prior to 2009, section 1122 of the National Defense Authorization Act for Fiscal Year 2006, Pub. L. No. 109-163 (2006), which contained the original legislative requirement for DOD to develop a strategic workforce plan, required DOD's assessments to cover a 10-year period.

⁶ DOD Memorandum, *Department of Defense Efficiency Initiatives* (Aug. 16, 2010).

⁷ DOD, *CSE Study Group Findings and Recommendations* (Nov. 23, 2010).

⁸ DOD, *Track Four Efficiency Initiatives Decisions* (Mar. 14, 2011).

⁹ The National Defense Authorization Act for Fiscal Year 2010, Pub. L. No. 111-84, § 1108 (2009) also requires GAO to report on DOD's overall civilian strategic workforce plan. This GAO report is scheduled to be issued in late September, 2012. DOD's 2010-2018 strategic workforce plan for its civilian senior leaders is actually an appendix to DOD's overall Strategic Workforce Plan for Fiscal Years 2010-2018. As such, its late submission was due to the late submission of DOD's entire Strategic Workforce Plan for Fiscal Years 2010-2018.

¹⁰ For GAO's prior work on DOD's strategic human capital planning efforts see *Human Capital: Further Actions Needed to Enhance DOD's Civilian Strategic Workforce Plan*, GAO-10-814R (Washington, D.C.: Sept. 27, 2010); *Human Capital: Opportunities Exist to Build on Recent Progress to Strengthen DOD's Civilian Human Capital Strategic Plan*, GAO-09-235 (Washington, D.C.: Feb. 10, 2009); and *Human Capital: The Department of Defense's Civilian Human Capital Strategic Plan Does Not Meet Most Statutory Requirements*, GAO-08-439R (Washington, D.C.: Feb. 6, 2008).

For both objectives, we reviewed and analyzed documents related to DOD's efforts to assess civilian senior leader workforce requirements, including the 2010-2018 strategic workforce plan, and our previous work on DOD's workforce planning. For our first objective, to review DOD's approach for determining its civilian senior leader projections to meet future requirements, we analyzed DOD's report on its civilian senior leader efficiency initiative and internal briefings on the methodology, findings, and recommendations resulting from this initiative. We also reviewed the response from the Secretary of Defense. In addition, we interviewed DOD officials responsible for developing the civilian senior leader plan and the report on the efficiency initiative. These included officials from the Office of the Under Secretary of Defense for Personnel and Readiness, the Office of the Under Secretary of Defense for Intelligence, and the military departments. For our second objective, to evaluate the extent to which DOD's assessment of the critical skills, competencies, and gaps in the existing and future civilian senior leader workforces identified areas that will require increased focus to help the department meet its vital missions, we interviewed officials responsible for managing DOD's civilian senior leader workforces and for identifying critical skills, competencies, and gaps in these workforces. These included officials from the Defense Civilian Personnel Advisory Service within the Office of the Under Secretary of Defense for Personnel and Readiness and the Office of the Director of Administration and Management.

We conducted this performance audit from July 2011 to September 2012 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 objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. For more information about our scope and methodology, see enclosure I.¹¹

Results in Brief

DOD's approach for determining its civilian senior leader workforce projections to meet future requirements incorporated the results of two separate assessments. In its 2010-2018 strategic workforce plan, DOD presented data that projected reductions of 178 civilian senior leader positions within its five career civilian senior leader workforces during fiscal years 2011 and 2012.¹² To conduct its assessment for the strategic workforce plan, DOD used a computer modeling system that is managed by the Office of Personnel Management (OPM) and used by several agencies across the federal government. The system models significant career events, such as promotions, reassignments, and retirements, to produce projections. During this same time period, DOD also completed an efficiency initiative at the direction of the Secretary of Defense to, among other things, ensure that DOD's senior leader workforce is properly sized and aligned with DOD's mission and priorities. For its efficiency initiative, the department devised an internal DOD methodology in which it rank ordered positions in terms of higher and lower priority in order to identify reductions. This assessment identified a reduction of 178 civilian senior leader positions within DOD's civilian senior leader workforce for fiscal years 2011 and 2012. From the plan, it is not clear how these two efforts fit together, or how DOD drew from the strengths of each analysis. DOD officials explained to us, however, that they incorporated the results of the efficiency initiative into the strategic workforce plan when they issued that plan, so that the projections of the workforce plan and the results of the efficiency initiative would be consistent.

¹¹ We began this engagement in July 2011, when DOD provided us with a draft of its 2010 Strategic Workforce Plan and indicated that the final version would be issued soon thereafter. We suspended this work when we did not receive the final plan and resumed our review when DOD submitted its final Strategic Workforce Plan to Congress on March 27, 2012.

¹² DOD's strategic workforce plan projected a net reduction of 117 positions over the longer term from fiscal year 2010 to fiscal year 2018.

DOD assessments of the critical skills, competencies, and gaps of its career civilian senior leader workforces did not identify areas that will require increased focus to help the department meet its vital missions. Most of DOD's civilian senior leader workforce can be categorized into five separate workforces, and our review found that DOD conducted assessments of skills, competencies, and gaps for two of them—the Senior Executive Service and Defense Intelligence Senior Executive Service workforces. However, the department did not include the results of either assessment in its 2010-2018 strategic workforce plan and only discussed the processes it used for conducting the assessment of its Senior Executive Service workforce. Further, DOD did not conduct assessments of skills, competencies, and gaps for the remaining three career civilian senior leader workforces—its Senior Level, Senior Technical, and Defense Intelligence Senior Level workforces. Officials told us that they did not assess these three workforces because the skills and competencies of these workforces are position-specific. However, section 115b of Title 10 of the United States Code requires that DOD conduct assessments of the skills, competencies, and gaps within all its senior leader workforces. Without conducting such assessments and reporting on them, it is difficult to identify those areas that will require increased focus on recruiting, retention, and training. Therefore, we are recommending that DOD conduct assessments of the skills, competencies, and gaps within all five of its career senior leader workforces and report the results in its future strategic workforce plans.

In written comments on a draft of this report, DOD concurred with our recommendation. DOD's comments are reprinted in enclosure II.

Background

To operate and oversee nearly every activity in its department, DOD relies primarily on five career civilian senior leader workforces.¹³ These include the:

- Senior Executive Service workforce. Most of the department relies on these officials to fill positions with managerial, supervisory, or policy advisory responsibilities;
- Senior Level workforce. These officials fill positions that require less than 25 percent of their time to be spent on supervisory or related managerial responsibilities;
- Senior Technical workforce.¹⁴ These officials perform high-level research and development in the physical, biological, medical, and engineering science fields;
- Defense Intelligence Senior Executive Service workforce. These officials fill positions with managerial, supervisory, or policy advisory responsibilities in the intelligence community that falls within DOD; and the
- Defense Intelligence Senior Level workforce. These officials fill senior positions within DOD's intelligence community that require less than 25 percent of the time to be spent on managerial or supervisory responsibilities.

The total number of Senior Executive Service, Senior Level, and Senior Technical positions is allocated to the department by OPM, in consultation with the Office of Management and Budget (OMB). Every 2 years, in accordance with statutory guidelines, OPM, in consultation with OMB, allocates Senior Executive Service positions to federal departments and agencies across the

¹³ This report does not cover limited term or temporary appointment DOD civilian senior leaders to include: (1) limited term or temporary appointments within the Senior Executive Service; (2) certain temporary appointment of highly qualified experts; and (3) certain temporary appointments of scientists and engineers. Due to the limited term appointment of these civilian senior leader categories we did not include them in the scope of our work.

¹⁴ For the purposes of this report, Senior Technical workforce is used when referring to DOD's senior scientific/professional workforces.

executive branch. This biennial allocation process provides OPM and OMB the opportunity to review organizational missions, plans, and structures and assess whether executive resources are being used in the most efficient manner. To facilitate strategic management of the federal government's total executive resources pool, OPM uses this same process to allocate positions in the Senior Level and Senior Technical workforces.

In contrast, since the establishment of the Defense Intelligence Senior Executive Service in fiscal year 1997, Congress has set the total number of positions in the Defense Intelligence Senior Executive Service by statute.¹⁵ The number of Defense Intelligence Senior Level positions is set as a percentage of the intelligence community's total civilian personnel workforce.¹⁶ The defense intelligence community does not have a "Defense Intelligence Senior Technical" or equivalent workforce.

Prior reports by GAO¹⁷ have shown that successful public and private organizations use strategic management approaches to prepare their workforces to meet present and future mission requirements. Strategic human capital management—which includes workforce planning—helps ensure that agencies have the talent and skill mix they need to address their current and emerging human capital challenges. Since 2001, we have listed federal human capital management as a governmentwide high-risk area because of the federal government's long-standing lack of a consistent approach to human capital management, and, in 2009, we stated that ample opportunities remained for improving strategic human capital management to respond to 21st century challenges.¹⁸ Today, while agencies and Congress have taken steps to address the federal government's human capital shortfalls, strategic human capital management remains a high-risk area because of the continuing need for a governmentwide framework to advance human capital reform. Specifically, in our 2011 High-Risk Series report,¹⁹ we identified the need to conduct gap analysis of critical skills as a significant challenge within the federal government.

DOD's Approach for Determining its Civilian Senior Leader Projections to Meet Future Requirements Incorporated the Results of Two Different Assessments

Section 115b of Title 10 of the United States Code requires DOD to include in its strategic workforce plan a plan of action to address, among other things, an assessment of any changes in the number of personnel authorized in certain categories of personnel that may be needed to address gaps and effectively meet the needs of the department. DOD's 2010-2018 strategic workforce plan included the results of two separate assessments—for both the 2010-2018 strategic workforce plan and DOD's efficiency initiative—of projected changes in the number of personnel for each category of DOD's civilian senior leader workforces.

¹⁵ The maximum number of Defense Intelligence Senior Executive Service positions is established by 10 U.S.C. § 1606(a).

¹⁶ According to a January 7, 2009, memorandum signed by the Under Secretary of Defense for Intelligence, the defense intelligence components are authorized to establish up to 1.35 percent of their authorized civilian end strength as Defense Intelligence Senior Level positions. Office of the Secretary of Defense for Intelligence, *Defense Intelligence Senior Level Staffing as a Percentage of Authorized Civilian End Strength* (Jan. 7, 2009).

¹⁷ See GAO, *Human Capital: Key Principles for Effective Strategic Workforce Planning*, GAO-04-39 (Washington, D.C.: Dec. 11, 2003) and *High Risk Series: Strategic Human Capital Management*, GAO-03-120 (Washington, D.C.: January 2003).

¹⁸ GAO, *High-Risk Series: An Update*, GAO-09-271 (Washington, D.C.: January, 2009).

¹⁹ GAO, *High Risk Series: An Update*, GAO-11-278 (Washington, D.C.: February, 2011).

DOD included in its 2010-2018 strategic workforce plan projected requirements for its civilian senior leader workforces for fiscal years 2010-2018. According to DOD's plan, the department conducted its assessment of projected requirements for its civilian senior leader workforces in early 2011 using 2010 data. DOD used OPM's Workforce Analysis Support System and Civilian Forecasting System to develop its workforce projections. The Workforce Analysis Support System is a computer modeling system that evaluates workforce trends and can perform simple to complex analyses from counts and averages to trend analyses, using such characteristics as employee age, retirement plan participation, and historical retirement data. The Civilian Forecasting System is a life cycle modeling and projection tool developed by OPM in conjunction with 19 federal agencies, including DOD. The system models significant career events, including personnel actions such as promotions, reassignments, and retirements. The Civilian Forecasting System was adapted for civilian use in 1987 from an Army military forecasting model, and uses data from DOD's Defense Civilian Personnel Data System.²⁰ Officials can use a default projection model or create their own, which can be tailored to examine issues such as projected vacancies of hard-to-fill occupations or turnover in specific regions by occupation. We have previously reported on DOD's use of OPM's workforce forecasting system and found the systems to be sufficiently reliable for DOD to use in its workforce planning.²¹ DOD's workforce projections showed no change between fiscal year 2010 and 2011, a reduction of 178 positions from fiscal years 2011 to 2013, and, overall, a slight increase from fiscal years 2013 to 2018—with a net total decline from fiscal year 2010 to fiscal year 2018 of 117 civilian senior leader positions. Table 1 shows the results of DOD's civilian senior leader workforce projections for fiscal years 2010-2018 for each category of its civilian senior leader workforce. The table further shows the net near-term change for fiscal years 2010-2013 and also the total long-term change for fiscal years 2010-2018.

²⁰ The Defense Civilian Personnel Data System is a human resource system that supports civilian personnel operations in DOD. It allows DOD to use a single information management system for DOD civilian employees.

²¹ GAO-09-235.

Table 1: DOD's Projected Civilian Senior Leader Workforce Requirements for Fiscal Years 2010-2018.

Fiscal Year											Total Change from 2010 to 2018	Percent Change from 2010 to 2018
	2010	2011	2012	2013	Total Change from 2010 to 2013	2014	2015	2016	2017	2018		
Senior Executive Service	1423	1423	1368	1323	-100	1333	1342	1352	1364	1373	-50	-4%
Senior Technical	149	149	135	132	-17	133	133	135	135	136	-13	- 9%
Senior Level	57	57	55	53	-4	58	60	61	62	63	+6	+11%
Defense Intelligence Senior Executive Service	594	594	594	591	-3	588	588	588	588	588	-6	-1%
Defense Intelligence Senior Level	759	759	759	705	-54	705	705	705	705	705	-54	-7%
Total	2982	2982	2911	2804	-178	2817	2828	2841	2854	2865	-117	-4%

Source: GAO analysis of DOD's 2010 Strategic Workforce Plan

During the same time period that DOD was preparing its 2010-2018 strategic workforce plan, the department was also undertaking its efficiency initiative reviews. According to August 16, 2010 guidance issued by the Secretary of Defense, the efficiency initiative review was to include a comprehensive assessment of the numbers and locations of all of the department's senior leaders. At a minimum, this assessment was to result in a reduction of at least 150 senior civilian executive positions across DOD.²² Accordingly, the department evaluated which civilian senior leader positions could be eliminated, starting with this pre-set objective.

During its efficiency initiative review, DOD's Civilian Senior Executive Efficiency Study Group evaluated all of the department's civilian senior leader positions to identify eliminations to reduce duplication, overhead, and excess.²³ In conducting its review, the study group first looked at vacant civilian senior leader positions, positions already scheduled for elimination, and positions already identified for downgrade to General Schedule-15 level positions. The group then used a three-step process to evaluate the remaining civilian senior leader positions for possible reductions. First, DOD's components²⁴ rank ordered all of their civilian senior leader positions

²² DOD Memo, *Department of Defense Efficiency Initiatives* (Aug. 16, 2010).

²³ DOD, *CSE Study Group on Civilian Senior Executives* (Nov. 23, 2010).

²⁴ The components consisted of the Departments of the Army, Navy, and Air Force, Washington Headquarters Service, and the Office of the Under Secretary of Defense for Intelligence.

based on factors such as the amount of budgetary authority the position has, chain of command, and influence on the mission, and provided the study group with a list of positions that fell within the bottom third. Next, the study group applied an algorithm that used criteria such as the positions' priority in relation to the mission and budget to create a master rank-ordered list of all the positions provided by the components. Finally, the working group conducted a bottom-up review of the lowest third of the master rank-ordered list of positions. At the conclusion of the three-step process the co-chairs of the study group conducted a follow-up review that resulted in the addition and removal of some positions.²⁵ This assessment identified the reduction of 178 senior leader positions within DOD's civilian senior leader workforces for fiscal years 2011 and 2012.

From DOD's 2010-2018 strategic workforce plan, it is unclear how the two efforts fit together, or how DOD drew from the strengths of each analysis. DOD officials responsible for the plan explained to us, however, that in the course of conducting their assessments, they incorporated the work of the efficiency initiatives into the strategic workforce plan by subtracting the results of the efficiency initiative from the original projections in the strategic workforce plan. Officials added that they did this so that the projections of the workforce plan and the results of the efficiency initiative would be aligned and consistent.

DOD's Assessments of the Skills, Competencies, and Gaps of Its Civilian Senior Leader Workforces Did Not Identify Areas That Will Require Increased Focus to Help the Department Meet Its Vital Missions

DOD conducted assessments of the critical skills, competencies, and gaps of two of its civilian senior leader workforces in its 2010-2018 strategic workforce plan, but DOD only discussed the processes it used to conduct these assessments for one of its five career civilian senior leader workforces, and did not report the results of this assessment. As a result, the 2010-2018 strategic workforce plan does not identify areas that will require increased focus to help the department meet its vital missions. Specifically, the plan described the assessment that the Office of the Under Secretary of Defense for Personnel and Readiness undertook of the skills, competencies, and gaps in its Senior Executive Service workforce. Further, while DOD's intelligence agencies conducted similar assessments of the skills, competencies, and gaps within the Defense Intelligence Senior Executive Service workforce, DOD did not include discussion of their processes in the plan. In addition, officials responsible for developing the plan told us that DOD did not assess the skills and competencies of and gaps in the Senior Level, Senior Technical, or Defense Intelligence Senior Level workforces. Section 115b of Title 10 of the United States Code, however, requires DOD to assess the critical skills, competencies, and gaps of all of its civilian senior leader workforces. Without assessing and reporting on the critical skills and competencies of and gaps in all of these workforces it may be difficult for DOD to conduct effective workforce planning for these positions. Further, the plan's function as an oversight tool for those with such authority is greatly reduced.

Senior Executive Service Workforce

The Office of the Under Secretary of Defense for Personnel and Readiness identified and assessed the skills and competencies of and gaps in DOD's Senior Executive Service, and described the process it used to conduct this assessment in its 2010-2018 strategic workforce plan. In a directive issued in 2007,²⁶ DOD states that career Senior Executive Service leadership

²⁵ DOD, *CSE Study Group Findings and Recommendations* (Nov. 23, 2010).

²⁶ DOD Directive 1403.03, *The Career Lifecycle Management of the Senior Executive Service Leaders within the Department of Defense* (Oct. 25, 2007).

capability will be sustained to meet mission requirements, and that these positions will be managed using a comprehensive strategic planning process. The directive also states that both organizational and individual Senior Executive Service capability will be assessed at least annually to understand the competencies available in the career Senior Executive Service workforce to meet mission requirements.

DOD used the Defense Talent Management System—a data system developed by DOD to align senior leader resources and talent to the department’s best advantage—to assess the critical skills and competencies of its Senior Executive Service workforce. According to draft DOD documentation, this system supports the department’s objective to optimally develop, apply and align resources and talent.²⁷ As part of the Defense Talent Management System, Senior Executive Service members use the system to assess themselves to identify areas of strength and weakness. Once executives have completed their self-assessments, their supervisors use the system to assess and identify developmental opportunities for these executives. The supervisors are responsible for providing a readiness rating and competency assessment for the executives within their chain of command. Once the supervisors have completed their assessments of the executives, an endorser—another senior executive or a panel of senior executives—uses the system to validate the executives’ assessments and identify any additional developmental opportunities.²⁸

To facilitate these assessments within the Defense Talent Management System, DOD used the five Executive Core Qualifications (core competencies) that OPM uses as criteria for admission into the Senior Executive Service, plus one additional DOD-unique core competency—enterprise-wide perspective—that has been validated and approved by OPM. The department defines enterprise-wide perspective as a broad point of view of the department’s mission and an understanding of individual or organizational responsibilities in relation to the department’s larger strategic priorities. Further, the perspective is shaped by experience and education and characterized by a strategic, top-level focus on broad requirements, joint experiences, fusion of information, collaboration, and vertical and horizontal integration of information. Table 2 provides a description of the five OPM core competencies for all federal Senior Executive Service, as well as DOD’s unique core competency.

²⁷ DOD, *Defense Talent Management System Business Rules and Logic: Guide for Administrators, Developers and Interested Observers* (n.d. draft).

²⁸ DOD, *Defense Talent Management System Demo* (June 7, 2011).

Table 2: Competencies for DOD's Senior Executive Service and Defense Intelligence Senior Executive Service Workforces

Core Competency	Description of Core Competency
Leading Change	The ability to bring about strategic change, both within and outside the organization, to meet organizational goals. Inherent to this competency is the ability to establish an organizational vision and to implement it in a continuously changing environment.
Leading People	The ability to lead people toward meeting the organization's vision, mission, and goals. Inherent to this competency is the ability to provide an inclusive workplace that fosters the development of others, facilitates cooperation and teamwork, and supports constructive resolution of conflicts.
Results Driven	The ability to meet organizational goals and customer expectations. Inherent to this competency is the ability to make decisions that produce high-quality results by applying technical knowledge, analyzing problems, and calculating risks.
Business Acumen	The ability to manage human, financial, and information resources strategically.
Building Coalitions	The ability to build coalitions internally and with other federal agencies, state and local governments, nonprofit and private sector organizations, foreign governments, or international organizations to achieve common goals.
Enterprise-wide Perspective (DOD-unique core competency)	A broad point of view of the DOD mission and an understanding of individual or organizational responsibilities in relation to the larger DOD strategic priorities. The perspective is shaped by experience and education and characterized by a strategic, top-level focus on broad requirements, joint experiences, fusion of information, collaboration, and vertical and horizontal integration of information.

Source: OPM and DOD

DOD's Defense Talent Management System further breaks down the 6 core competencies into 18 sub-competencies to provide more detail in its skills and competencies assessments.²⁹ Table 3 shows the 18 sub-competencies according to their corresponding core competency.

Table 3: Competencies and Sub-Competencies for DOD's Senior Executive Service and Defense Intelligence Senior Executive Service Workforces

Core Competency	Sub-competency
Leading Change	<ul style="list-style-type: none"> • Creativity and Innovation • External Awareness • Strategic Thinking • Vision
Leading People	<ul style="list-style-type: none"> • Leveraging Diversity • Developing Others • Team Building
Results Driven	<ul style="list-style-type: none"> • Accountability • Decisiveness • Customer Service • Problem Solving
Business Acumen	<ul style="list-style-type: none"> • Financial Management • Human Capital Management • Technology Management
Building Coalitions	<ul style="list-style-type: none"> • Political Savvy • Influencing and Negotiating
Enterprise Perspective (DOD-unique core competency)	<ul style="list-style-type: none"> • Joint Perspective • National Security

Source: DOD

According to the 2010-2018 strategic workforce plan, DOD also used its civilian senior leader talent management process to identify gaps in the critical skills and competencies of its existing and projected Senior Executive Service workforce. Specifically, DOD used the Defense Talent Management System to assess its current workforce and conduct Senior Executive Service readiness assessments to identify candidates for future civilian senior leader vacancies. Officials in the Defense Civilian Personnel Advisory Service told us that they used a slating process, which provides DOD's Senior Executive Service members the opportunity to identify future positions for which they might be interested when those positions become vacant. During the slating process, a talent management panel consisting of top-level members of the Senior Executive Service and General of Flag Officers assesses each member against the Senior Executive Service core competencies. According to DOD officials, the use of talent management panels allows the department to measure the level of proficiency of its current Senior Executive Service workforce and identify and understand the skills and competencies available in the workforce to ensure visibility of talent and promote career opportunities across the department. This process, in turn, also enables DOD to identify gaps within its Senior Executive Service workforce across the department. According to DOD's 2010-2018 strategic workforce plan, this process allowed DOD to assess competency and skill gaps in its Senior Executive Service workforce up to 7 years into the future. Our analysis found, however, that DOD did not report the results of this assessment in its plan. In discussion with agency officials, they did not specify reasons for not doing so, and stated that information on gaps could be included in future strategic workforce plans.

²⁹ DOD Instruction 1430.16, *Growing Civilian Leaders* (Nov. 19, 2009).

Defense Intelligence Senior Executive Service Workforce

Although the plan is silent on whether DOD assessed the skills, competencies, and gaps assessments for the other workforces, we reviewed assessments conducted by the defense intelligence components. The Office of the Under Secretary of Defense for Intelligence used a decentralized approach to initiate its strategic workforce planning and consolidate its submission for the 2010-2018 strategic workforce plan. In so doing, it requested data from the nine separate defense intelligence components and the Defense Security Service³⁰ which, at the time, retained the responsibility for conducting the baseline reviews of the skills, competencies, and gaps in the defense intelligence civilian senior leader workforce within the intelligence components. Officials within this office explained that this has been the practice over time, given the sensitive nature of the missions of the components. These components used the same core competencies and sub-competencies that the department used to assess its Senior Executive Service workforce. However, they did not use the Defense Talent Management System and, instead, used their own human capital database systems. During the course of our review, the Office of the Under Secretary of Defense for Intelligence completed work to integrate the nine defense intelligence components' processes for evaluating their Defense Intelligence Senior Executive Service workforces. Regardless of any changes to the process, our analysis of DOD's 2010-2018 strategic workforce plan shows that DOD did not report the results of any assessments of the skills, competencies, and gaps within the defense intelligence community, either at the individual or organizational level. In discussions with officials in the Office of the Under Secretary of Defense for Intelligence, they stated that they planned to report these numbers separately in conjunction with other intelligence community reporting requirements. However, they did acknowledge the requirement to report these numbers in DOD's strategic workforce plan.

Senior Level and Senior Technical Workforces

DOD did not identify skills, competencies, and gaps for its Senior Level and Senior Technical workforces and did not report on the skills and competencies of and gaps in these workforces in its 2010-2018 strategic workforce plan. Officials in the Office of the Under Secretary of Defense for Personnel and Readiness's Office of Defense Civilian Personnel Advisory Service told us that the skills and competencies required for these workforces are unique to the individual positions that members of these workforces fill. For the same reason, the department did not assess gaps in its Senior Level and Senior Technical workforces.

OPM defines Senior Level and Senior Technical positions as positions that are classifiable above the General Schedule-15 level but do not meet the Senior Executive Service criteria.³¹ Senior Technical positions involve performance of high-level research and development³² in the physical,

³⁰ The nine defense intelligence components are: the Defense Intelligence Agency; the National-Geospatial Intelligence Agency; the National Reconnaissance Office; the National Security Agency; the Office of the Under Secretary of Defense for Intelligence; and the intelligence elements of the Army, Navy, Marine Corps, and Air Force. The Defense Security Service also employs Defense Intelligence Senior Executive Service personnel and for the purpose of this report is included as an intelligence component.

³¹ Office of Personnel Management, *Senior Executive Service Desk Guide* (January 2010).

³² OPM defines research and development positions as those positions consisting of systematic investigation of theory, experimentation, or simulation of experiments; application of the scientific method, including problem exploration and definition, planning of the approach and sequence of steps, execution of experiments or studies, interpretations of findings, and documentation or reporting of findings; and exercise of creativity and critical judgment, variation in which may materially affect the nature of the end product.

biological, medical, or engineering sciences or a closely related field. Senior Level positions are classified as above the General Schedule-15 level but meet neither the executive criteria characteristics of the Senior Executive Service nor the fundamental research and development responsibilities that are characteristics of the Senior Technical workforce. Neither Senior Level nor Senior Technical positions may include supervisory and managerial related duties that occupy more than 25 percent of the position's time.

While DOD has not identified a common set of skills and competencies that would apply to all of its Senior Level and Senior Technical positions, the department has identified a number of position-specific skills, such as auditing, research, acquisitions, and legal skills. Despite identifying these position-specific skills, DOD does not centrally track or assess these positions as it does the Senior Executive Service workforces. DOD officials told us that they have not done so because tracking and monitoring of individual Senior Level and Senior Technical positions would be resource intensive and result in a limited return on investment. At the time of our review, however, DOD had 206 Senior Level and Senior Technical positions. These represent many of the most important positions of technical expertise in DOD in a number of critical areas. As noted previously, Section 115b of Title 10 of the United States Code requires DOD to assess the critical skills and competencies of and gaps in all of its civilian senior leader workforces. Without assessing the critical skills and competencies of and gaps in these workforces it may be difficult for DOD to conduct effective workforce planning for these positions.

Defense Intelligence Senior Level Workforce

Interim guidance provided by the Office of the Under Secretary of Defense for Intelligence³³ states that Defense Intelligence Senior Level positions are similar to DOD's Senior Level and Senior Technical positions, and, similarly, the 2010-2018 plan did not include an assessment of critical skills, competencies, or gaps for this workforce. An individual serving in a Defense Intelligence Senior Level position is a functional or technical expert who is recognized as a leader and authority figure in a specialized field or functional area, but exercises no more than minimal supervisory responsibilities that are performed less than 25 percent of the time. The difficulty and complexity of this work requires creativity, mastery of subject-matter, and recognition by the professional community. Officials in the Office of the Under Secretary of Defense for Intelligence told us that the defense intelligence community did not assess the individual skills and competencies of their Defense Intelligence Senior Level workforce for the same reason that DOD did not assess the skills, competencies, or gaps of their Senior Level and Senior Technical workforces—because the skills and competencies of those workforces are unique to the individual positions to which they are assigned. As mentioned previously, however, the National Defense Authorization Act for Fiscal Year 2010 requires DOD to assess the critical skills, competencies and gaps of all of its civilian senior leader workforces. Without assessing the critical skills, competencies, and gaps of all of its civilian senior leader workforces it may be difficult for DOD to conduct effective workforce planning for these positions.

³³ Interim DOD 1400.25-M, *Defense Intelligence Senior Level Program* (May 2005); and Office of the Under Secretary of Defense for Intelligence, *Defense Intelligence Senior Level Staffing as a Percentage of Authorized Civilian End Strength* (Jan. 7, 2009).

Conclusions

A strategic workforce plan that contains relevant and timely information and analyses is critical for DOD to manage its civilian senior leader workforces and position itself to meet the demands of the future. However, DOD did not conduct competency, skill, and gap assessments for all of its civilian senior leader workforces and did not include the results of specific assessments that it had conducted for its plan. As a result, the plan's usefulness for guiding workforce planning is limited. In the absence of complete reporting, users of DOD's 2010-2018 senior leader workforce plan will have limited information concerning the size, composition, and needs of the department's civilian senior leader workforce. Strategic workforce information will likely grow in importance as DOD implements initiatives to reduce overhead and makes difficult budget decisions. As such, it is essential that DOD strategically manage and plan for its civilian senior leader workforces to ensure it understands its future workforce needs and uses resources effectively.

Recommendation for Executive Action

To help ensure that Congress has the necessary information to provide effective oversight over all of DOD's civilian senior leader workforces, we recommend that the Secretary of Defense direct the Under Secretary of Defense for Personnel and Readiness and the Under Secretary of Defense for Intelligence to conduct assessments of the skills, competencies, and gaps within all five career civilian senior leader workforces and report them in DOD's future strategic workforce plans.

Agency Comments

In written comments on a draft of this report, DOD concurred with our recommendation. DOD stated that the department fell short of conducting assessments of skills, competencies, and gaps within three of the five civilian senior leader workforces as a result of their technical roles in the DOD leadership hierarchy, and that, as roles are refined, this work will be reflected in future plans as appropriate. DOD's comments are reprinted in enclosure II.

We are sending copies of this report to the Secretary of Defense, the Under Secretary of Defense for Personnel and Readiness, the Under Secretary of Defense for Intelligence, and appropriate congressional committees. In addition, this report will also be available at no charge on the GAO Web site at <http://www.gao.gov>.

If you or your staff have any questions regarding this report, please contact me at (202) 512-3604 or farrellb@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made major contributions to this report are listed in enclosure III.



Brenda S. Farrell
Director,
Defense Capabilities and Management

List of Committees

The Honorable Carl Levin
Chairman
The Honorable John McCain
Ranking Member
Committee on Armed Services
United States Senate

The Honorable Daniel K. Inouye
Chairman
The Honorable Thad Cochran
Ranking Member
Subcommittee on Defense
Committee on Appropriations
United States Senate

The Honorable Howard P. "Buck" McKeon
Chairman
The Honorable Adam Smith
Ranking Member
Committee on Armed Services
House of Representatives

The Honorable C.W. Bill Young
Chairman
The Honorable Norman D. Dicks
Ranking Member
Subcommittee on Defense
Committee on Appropriations
House of Representatives

Enclosure I: Scope and Methodology

For this engagement, we obtained and reviewed the Department of Defense (DOD) strategic workforce plan for the department's civilian senior leader workforce for fiscal years 2010-2018.³⁴ We interviewed officials in DOD's Defense Civilian Personnel Advisory Service within the Office of the Under Secretary of Defense for Personnel and Readiness, the military departments, Washington Headquarters Service, and the Office of the Under Secretary of Defense for Intelligence. Further, we reviewed prior GAO reports that address human capital challenges within DOD as well as our previous work on strategic workforce planning.

For our first objective, to review DOD's approach for determining its civilian senior leader projections to meet future requirements, we evaluated the contents of DOD's 2010-2018 strategic workforce plan and related documents. In addition, we reviewed documents and interviewed officials with the Office of Personnel Management (OPM) who are responsible for OPM's Workforce Analysis Support System and Civilian Forecasting System that DOD used to develop the department's overall civilian workforce forecasts and projections. We also interviewed DOD officials responsible for developing the department's report on the efficiency initiatives as they related to DOD's civilian senior leader workforces. These included officials from the Office of the Under Secretary of Defense for Personnel and Readiness, the Defense Civilian Personnel Advisory Service within the Office of the Under Secretary of Defense for Personnel and Readiness, the Office of the Under Secretary of Defense for Intelligence, the military departments, and Washington Headquarters Service. Additionally, we reviewed and analyzed DOD's final report on its senior leader efficiency initiative and internal briefings on the methodology, findings, and recommendations resulting from this initiative. We also reviewed the response from the Secretary of Defense.

For our second objective, to determine the extent to which DOD's assessment of the critical skills, competencies, and gaps in the existing and future civilian senior leader workforces identified areas that will require increased focus to help the department meet its vital missions, we evaluated the contents of DOD's 2010-2018 strategic workforce plan and supporting documentation. We interviewed officials responsible for managing DOD's civilian senior leader workforces, to include those who identify critical skills and competencies and assessed gaps in the department's civilian senior leader workforces. These included officials from the Office of the Under Secretary of Defense for Personnel and Readiness, the Defense Civilian Personnel Advisory Service within the Office of the Under Secretary of Defense for Personnel and Readiness, the Office of the Under Secretary of Defense for Intelligence, and Office of the Director of Administration and Management. In addition, we met with knowledgeable officials to ascertain how DOD used the Defense Talent Management System to conduct specific skills, competencies, and gap analyses. Finally, we met with officials from OPM to gain an understanding of the Senior Executive Service core qualifications that are used across the federal government.

We conducted this performance audit from July 2011 to September 2012 in accordance with generally accepted government auditing standards. Those standards require that we plan and

³⁴ We began this engagement in July 2011, when DOD provided us with a draft of its 2010-2018 Strategic Workforce Plan and indicated that the final version would be issued soon thereafter. We suspended this work when we did not receive the final plan and resumed our review when DOD submitted its final Strategic Workforce Plan to Congress on March 27, 2012.

perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Comments from the Department of Defense



DEPARTMENT OF DEFENSE
DEFENSE CIVILIAN PERSONNEL ADVISORY SERVICE
4800 MARK CENTER DR
ALEXANDRIA, VA 22350-1100

14 SEP 2012

Ms. Brenda Farrell
Director, Defense Capabilities and Management
U.S. Government Accountability Office
441 G Street, NW, Washington, DC 20548

Dear Ms. Farrell:

This is the Department of Defense (DoD) response to the U.S. Government Accountability Office (GAO) Draft Report, GAO-12-990R, "Human Capital: Complete Information and More Analyses Needed to Enhance DoD's Civilian Senior Leader Strategic Workforce Plan" dated August 16, 2012 (GAO Code 351633).

The Department appreciates GAO's thorough review and assessment of the DoD's Senior Leader strategic workforce plan. The Department has concurred with GAO's recommendation to assess and report gaps for all five career civilian senior leader workforces and report them in future strategic workforce plans. Please see Attachment 1 for DoD's responses to GAO's recommendation.

If you have any additional questions regarding this issue, please feel free to contact Suzie Torres, by email at suzanne.torres@cpms.osd.mil, or by telephone at 571-372-2286.

Sincerely,


Lynne E. Baldrigh

**ATTACHMENT 1.
GAO DRAFT REPORT DATED AUGUST 16, 2012
GAO-12-990R (GAO CODE 351633)**

**“HUMAN CAPITAL: COMPLETE INFORMATION AND
MORE ANALYSES NEEDED TO ENHANCE DOD'S
CIVILIAN SENIOR LEADER STRATEGIC
WORKFORCE PLAN”**

**DEPARTMENT OF DEFENSE COMMENTS
TO THE GAO RECOMMENDATION**

RECOMMENDATION: The GAO recommends that the Secretary of Defense direct the Under Secretary of Defense for Personnel and Readiness and the Under Secretary of Defense for Intelligence to conduct assessments of the skills, competencies, and gaps within all five career civilian senior leader workforces and report them in DOD's future strategic workforce plans.

DoD RESPONSE: The Department concurs with this recommendation. The Department fell short of conducting assessments of the skills, competencies and gaps within three of the five civilian senior leader workforces (Senior Level, Senior Technical and Defense Intelligence Senior Level) as a result of their technical roles in the DoD leadership hierarchy. As we refine that role, work will be reflected in future plans as appropriate.

Enclosure III

GAO Contact and Staff Acknowledgments

Contact

Brenda S. Farrell, (202) 512-3604 or farrellb@gao.gov

Staff Acknowledgments

In addition to the individual named above, Marion Gatling, Assistant Director; David Moser, Assistant Director; Chris Miller; Brian Pegram; Terry L. Richardson; Erik Wilkins-McKee; and Michael Willems made key contributions to this report.

Related GAO Products

DOD Civilian Workforce: Observations on DOD's Efforts to Plan for Civilian Workforce Requirements. GAO-12-962T. Washington, D.C.: July 26, 2012.

Defense Workforce: DOD Needs to Better Oversee In-sourcing Data and Align In-sourcing Efforts with Strategic Workforce Plans. GAO-12-319. Washington, D.C.: February 9, 2012.

Streamlining Government: Key Practices from Select Efficiency Initiatives Should Be Shared Governmentwide. GAO-11-908. Washington, D.C.: September 30, 2011.

DOD Civilian Personnel: Competency Gap Analyses and Other Actions Needed to Enhance DOD's Strategic Workforce Plans. GAO-11-827T. Washington, D.C.: July 14, 2011.

Government Operations: Opportunities to Reduce Potential Duplication in Government Programs, Save Tax Dollars, and Enhance Revenue. GAO-11-318SP. Washington, D.C.: March 1, 2011.

High Risk Series: An Update. GAO-11-278. Washington, D.C.: February, 2011.

Human Capital: Opportunities Exist for DOD to Enhance Its Approach for Determining Civilian Senior Leader Workforce Needs. GAO-11-136. Washington, D.C.: November 4, 2010.

Human Capital: Further Actions Needed to Enhance DOD's Civilian Strategic Workforce Plan. GAO-10-814R. Washington, D.C.: September 27, 2010.

High-Risk Series: An Update. GAO-09-271. Washington, D.C.: January, 2009.

Human Capital: Opportunities Exist to Build on Recent Progress to Strengthen DOD's Civilian Human Capital Strategic Plan. GAO-09-235. Washington, D.C.: February 10, 2009.

The Department of Defense's Civilian Human Capital Strategic Plan Does Not Meet Most Statutory Requirements. GAO-08-439R. Washington, D.C.: February 6, 2008.

High Risk Series: An Update. GAO-07-310. Washington, D.C.: January, 2007.

DOD Civilian Personnel: Comprehensive Strategic Workforce Plans Needed. GAO-04-753. Washington, D.C.: June 30, 2004.

Human Capital: Key Principles for Effective Strategic Workforce Planning. GAO-04-39. Washington, D.C.: December 11, 2003.

High-Risk Series: Strategic Human Capital Management. GAO-03-120. Washington, D.C.: January, 2003.

Human Capital: Strategic Approach Should Guide DOD Civilian Workforce Management. GAO/T-GGD/NSIAD-00-120. Washington, D.C.: March 9, 2000.

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