

Why GAO Did This Study

Given the budgetary and long-term fiscal challenges facing the nation, agencies must identify options to meet their missions with fewer resources. However, if agencies do not pay careful attention to strategic workforce planning and other approaches to personnel management, then reduced investments in human capital can have lasting, detrimental effects on their capacity to meet their mission. GAO was asked to review the actions taken by selected agencies to manage their workforces and plan for future needs in an era of flat or declining budgets. This report assesses (1) key strategic human capital challenges federal agencies face in an era of highly constrained resources and identifies strategies for addressing them, and (2) the extent to which OPM ensures agencies have the assistance that CHCOs considered most important to mitigate human capital challenges.

What GAO Recommends

GAO recommends that OPM work with the CHCO Council to: (1) strengthen coordination and leadership on government-wide human capital issues, (2) explore expanded use of enterprise solutions to more efficiently and effectively address shared challenges, (3) review the extent to which new capabilities are needed to promote agile talent management, and (4) evaluate the communication strategy for and effectiveness of tools, guidance, or leading practices OPM provides for addressing human capital challenges. OPM and the CHCO Council concurred with GAO's recommendations.

View [GAO-14-168](#). For more information, contact Robert Goldenkoff at (202) 512-2757 or goldenkoffr@gao.gov.

HUMAN CAPITAL

Strategies to Help Agencies Meet Their Missions in an Era of Highly Constrained Resources

What GAO Found

GAO convened a forum of chief human capital officers (CHCO) who described a number of difficulties their agencies face in maintaining the capacity to meet their missions during lean fiscal times. GAO's analysis identified three broad recurring human capital challenges and strategies to address them. While these challenges were not new nor exclusively a result of constrained budgets, reduced resources exacerbated the challenges and also created a willingness among agencies to consider nontraditional strategies for addressing them, namely:

- 1. Strengthening coordination to address a fragmented human capital community.** Our analysis found that the federal human capital community is highly fragmented with multiple actors inside government informing and executing personnel policies and initiatives in ways that are not always aligned with broader, government-wide human capital efforts. The CHCO Council was established to improve coordination across federal agencies on personnel issues, but according to the CHCOs, the council is not carrying out this responsibility as well as it could. This challenge manifests itself in two ways: across organizations, with many actors making human capital decisions in an uncoordinated manner, and within agencies, excluding CHCOs and the human capital staff from key agency decisions.
- 2. Using enterprise solutions to address shared challenges.** Our analysis found that agencies have many common human capital challenges, but they tend to address these issues independently without looking to enterprise solutions that could resolve them more effectively. Across government, there are examples of agencies and the Office of Personnel Management (OPM) initiating enterprise solutions to address crosscutting issues, including the consolidation of federal payroll systems into shared-services centers. The CHCOs highlighted human resource information technology and strategic workforce planning as two areas that are ripe for government-wide collaboration.
- 3. Creating more agile talent management to address inflexibilities in the current system.** Our analysis found talent management tools lack two key ingredients for developing an agile workforce, namely the ability to (1) identify the skills available in their existing workforces, and (2) move people with specific skills to address emerging, temporary, or permanent needs within and across agencies.

The CHCOs said OPM needs to do more to raise awareness and assess the utility of the tools and guidance it provides to agencies to address key human capital challenges. The CHCOs said they were either unfamiliar with OPM's tools and guidance or they fell short of their agency's needs. OPM officials said they had not evaluated the tools and guidance they provide to the agencies. As a result, a key resource for helping agencies improve the capacity of their personnel offices is likely being underutilized.