



# PRESIDENTIAL AND CONGRESSIONAL TRANSITION

## Management Agenda: *Strengthen Human Capital Capabilities to Enhance Performance*

**The Presidential Transition Act** points to the U.S. Government Accountability Office (GAO) as a resource for incoming administrations as well as new Congresses.

GAO's **Management Agenda** is a streamlined tool for new leaders to quickly learn about critical management challenges and risks facing the federal government and the actions needed to address those challenges.



**Strengthen Human Capital Capabilities to Enhance Performance** is one of the eight management challenges highlighted in the Management Agenda.

Strategic federal human capital management is fundamental to maximizing the government's performance and assuring its accountability to the nation as a whole. Challenges for Congress and the incoming administration include addressing mission critical skills gaps, recruiting and retaining a skilled workforce, aligning human capital strategies across government, and changing agency cultures.

Read on to learn more about the following challenges:

1. Manage the Workforce Strategically
2. Improve Talent Management
3. Foster Human Capital Leadership
4. Build Results-Oriented Cultures

# Manage the Workforce Strategically

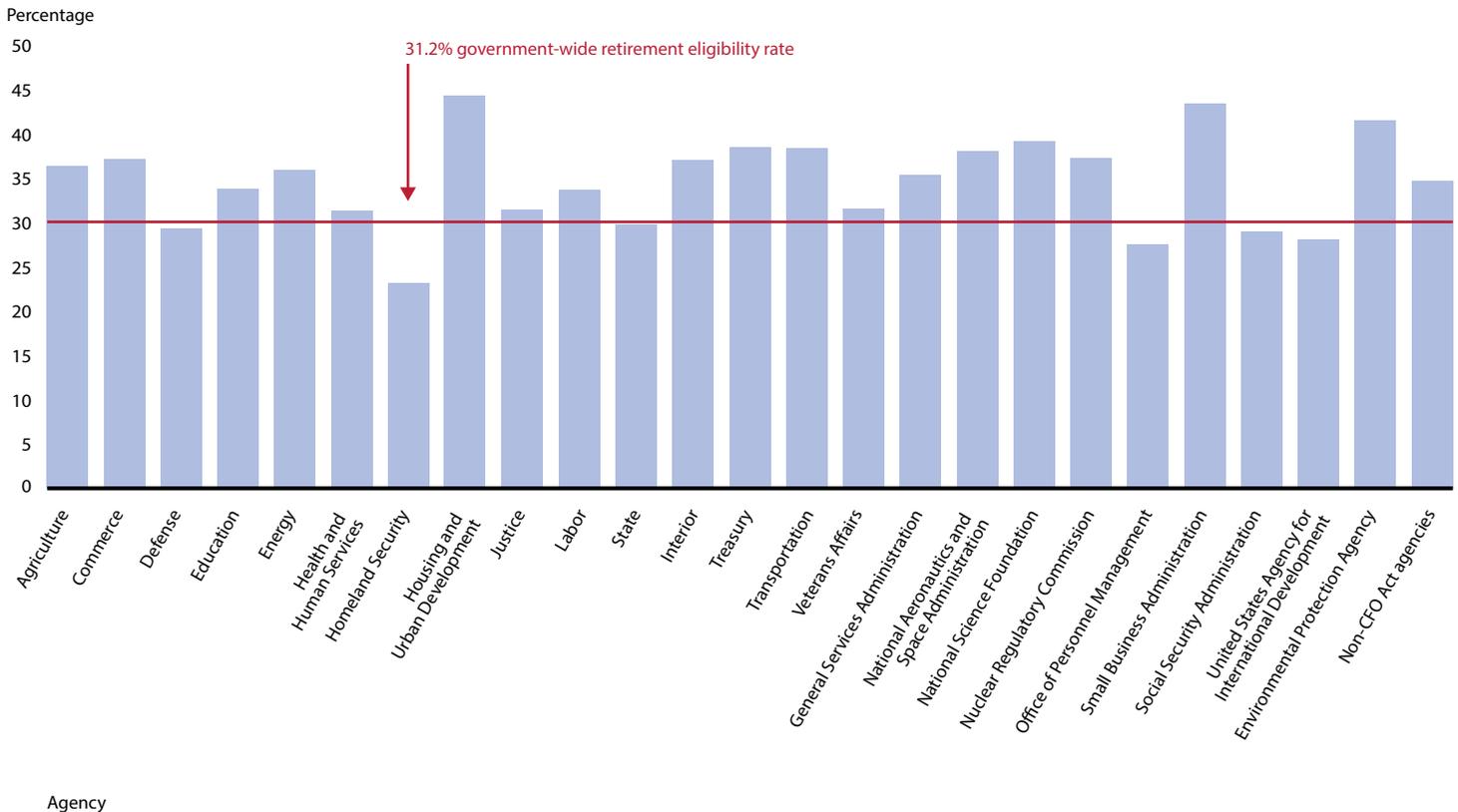
## Related GAO Work

- Strategic Management of Human Capital – High Risk Issue
- DHS Management - High Risk Issue

## Challenge: Mission Critical Skills Gaps

When agencies include human capital planning in their organizational strategic planning, it helps ensure that they have the talent and skill mix they need to accomplish their goals and execute their mission cost-effectively. New capabilities are needed to address existing and emerging government wide skills gaps.

### Percentage of Career Permanent Employees on Board as of September 30, 2014, Eligible to Retire by 2019 by Agency



Source: GAO analysis of data from the OPM Enterprise Human Resources Integration Statistical Data Mart. | GAO-15-619T

Note: This graphic was posted on 2/1/17 to correct a labeling error on the previous version.

Our work has shown that skill shortages exist in areas such as cybersecurity, acquisition management, and foreign language capabilities. These skills gaps undermine agencies' abilities to achieve their missions. Anticipated retirements could make these skills gaps even worse if the federal workforce isn't managed strategically.

## Contacts



Robert Goldenkoff  
 Director, Strategic Issues  
[goldenkoff@gao.gov](mailto:goldenkoff@gao.gov)  
 202-512-6806



Yvonne Jones  
 Director, Strategic Issues  
[jonesy@gao.gov](mailto:jonesy@gao.gov)  
 202-512-6806

## Key Actions Needed

1. Integrate human capital planning with broader organizational strategic planning involving top management, employees, and other stakeholders.
2. Examine retirements and other forms of turnover, with an eye toward strengthening both current and future organizational capacity.
3. Develop systems with the predictive capacity to identify newly emerging skills gaps.

# Improve Talent Management

## Challenge: Building and Motivating a Skilled Workforce

Recruiting, developing, and retaining personnel with the necessary skills are essential to maintaining a workforce that meets each agency's vital mission.

Employee engagement—the sense of purpose and commitment employees feel toward their employer and its mission—can lead to better organizational performance.

### Strongest Drivers of the Employee Engagement Index, 2014

Driver of engagement	FEVS question
 <b>Constructive performance conversations</b>	My supervisor provides me with constructive suggestions to improve my job performance (Q46).
 <b>Career development and training</b>	I am given a real opportunity to improve my skills in my organization (Q1).
 <b>Work-life balance</b>	My supervisor supports my need to balance work and other life issues (Q42).
 <b>Inclusive work environment</b>	Supervisors work well with employees of different backgrounds (Q55).
 <b>Employee involvement</b>	How satisfied are you with your involvement in decisions that affect your work (Q63)?
 <b>Communication from management</b>	How satisfied are you with the information you receive from management on what's going on in your organization (Q64)?

Source: GAO analysis of Office of Personnel Management (OPM) Federal Employee Viewpoint Survey (FEVS) data, 2014. | GAO-15-585

### Related GAO Work

- Strategic Management of Human Capital – High Risk Issue

### Contacts



Robert Goldenkoff  
 Director, Strategic Issues  
[goldenkoffr@gao.gov](mailto:goldenkoffr@gao.gov)  
 202-512-6806



Yvonne Jones  
 Director, Strategic Issues  
[jonesy@gao.gov](mailto:jonesy@gao.gov)  
 202-512-6806

### Key Actions Needed

1. Modernize the current employee classification system to meet agencies' needs for flexible talent management tools that enable the government to align employees with mission requirements.
2. Tailor recruitment, retention, training, workforce flexibilities, and other strategies to address identified skills gaps.
3. Manage agency training and development programs as part of overall performance and include processes to assess and ensure the training's effectiveness.
4. Create a work environment in which people are empowered and driven to continuous improvement and mission accomplishment.

# Foster Human Capital Leadership

## Challenge: Fragmented Human Capital Community

The Office of Personnel Management (OPM) is responsible for implementing civil service laws, rules, and regulations as well as helping agencies shape their human capital management programs. To fulfill these responsibilities, OPM has sought to position itself as a consultant and strategic partner with federal agencies. OPM's leadership is particularly important as 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. OPM will also need to ensure that its own workforce has the capacity to assist agencies and lead government-wide efforts addressing various federal human capital management challenges.

Additionally, it will be important for individual agencies to sustain attention to human capital management efforts and manage their employees strategically to help their agencies become high performing organizations.

### The Federal Human Capital Community is Fragmented



Source: GAO analysis. | GAO-14-168

### Related GAO Work

- Best Practices and Leading Practices in Human Capital Management
- Strategic Management of Human Capital – High Risk Issue

### Contacts



Robert Goldenkoff  
Director, Strategic Issues  
[goldenkoff@gao.gov](mailto:goldenkoff@gao.gov)  
202-512-6806



Yvonne Jones  
Director, Strategic Issues  
[jonesy@gao.gov](mailto:jonesy@gao.gov)  
202-512-6806

### Key Actions Needed

1. Strengthen coordination efforts to address a fragmented human capital community and ensure that OPM has the internal capacity to help agencies bolster their human capital policies and programs.
2. Cultivate effective partnerships among OPM, agencies, and the Chief Human Capital Officers Council to build consensus and develop momentum to address various cross-cutting human capital management issues.
3. Explore expanded use of enterprise solutions such as shared service centers to more efficiently and effectively address shared challenges.

## Build Results-Oriented Cultures

### Challenge: Create Accountable and Inclusive Organizations

Leading organizations have results-oriented, customer-focused, and collaborative cultures. Several human capital strategies can help agencies change their cultures:

- **Organizational and individual performance management:** Effective performance management creates a “line of sight” that aligns individual and team efforts with the results the organization needs to achieve and helps agencies retain top talent and address poor performance.
- **Diversity planning:** Having a diverse, highly professional, motivated and multidisciplinary staff helps agencies fulfill their missions and helps improve the performance and accountability of government for the benefit of the American people.
- **Telework:** Benefits of telework programs include enhanced continuity of operations during emergency events and potential environmental, energy, and other societal benefits. Also, telework offers a greater work-life balance to better manage work and family obligations.

### Related GAO Work

- [Best Practices and Leading Practices in Human Capital Management](#)
- [Federal Telework](#)

### Contacts



Robert Goldenkoff  
Director, Strategic Issues  
[goldenkoffr@gao.gov](mailto:goldenkoffr@gao.gov)  
202-512-6806



Yvonne Jones  
Director, Strategic Issues  
[jonesy@gao.gov](mailto:jonesy@gao.gov)  
202-512-6806

### Key Actions Needed

1. Ensure performance management systems have a “line of sight” showing how individual and unit performance contribute to overall organizational goals.
2. Develop and implement diversity initiatives that are aligned with each organization’s strategic plan.
3. Develop action steps and milestones to demonstrate progress towards establishing and evaluating telework participation and outcome goals.