



Highlights of [GAO-04-127T](#), testimony before the Subcommittee on Civil Service and Agency Organization, Committee on Government Reform, House of Representatives

## Why GAO Did This Study

Leading public organizations here and abroad recognize that a more strategic approach to human capital management is essential for change initiatives that are intended to transform their cultures. To that end, organizations are looking for ways to identify and develop the leaders, managers, and workforce necessary to face the array of challenges that will confront government in the 21<sup>st</sup> century.

The Subcommittee requested GAO to identify how agencies in four countries—Australia, Canada, New Zealand, and the United Kingdom—are adopting a more strategic approach to managing the succession of senior executives and other public sector employees with critical skills. The Subcommittee is releasing this report—*Human Capital: Insights for U.S. Agencies from Other Countries' Succession Planning and Management Initiatives* (GAO-03-914)—at today's hearing.

[www.gao.gov/cgi-bin/getrpt?GAO-04-127T](http://www.gao.gov/cgi-bin/getrpt?GAO-04-127T).

To view the full product, including the scope and methodology, click on the link above. For more information, contact J. Christopher Mihm at (202) 512-6806 or [mihmj@gao.gov](mailto:mihmj@gao.gov).

## HUMAN CAPITAL

# Succession Planning and Management Is Critical Driver of Organizational Transformation

## What GAO Found

As part of a reexamination of what the federal government should do, how it should do it, and in some cases, who should be doing it, it is important for federal agencies to focus not just on the present but also on future trends and challenges. Succession planning and management can help an organization become what it needs to be, rather than simply to recreate the existing organization.

Leading organizations go beyond a succession planning approach that focuses on simply replacing individuals and engage in broad, integrated succession planning and management efforts that focus on strengthening both current and future organizational capacity. As part of this broad approach, these organizations identify, develop, and select successors who are the right people, with the right skills, at the right time for leadership and other key positions.

Governmental agencies around the world anticipate the need for leaders and other key employees with the necessary competencies to successfully meet the complex challenges of the 21<sup>st</sup> century. To this end, the experiences of agencies in Australia, Canada, New Zealand, and the United Kingdom can provide insights to federal agencies, many of which have yet to adopt succession planning and management initiatives that adequately prepare them for the future. Collectively, agencies in other countries implemented the practices shown below.

### Selected Practices Used by Agencies in Other Countries to Manage Succession

- **Receive active support of top leadership.**
- **Link to strategic planning.**
- **Identify talent from multiple organizational levels, early in careers, or with critical skills.**
- **Emphasize developmental assignments in addition to formal training.**
- **Address specific human capital challenges, such as diversity, leadership capacity, and retention.**
- **Facilitate broader transformation efforts.**