



Highlights of [GAO-04-800T](#), a testimony before the Subcommittee on Civil Service and Agency Organization, Committee on Government Reform, House of Representatives

## Why GAO Did This Study

Congress recognized the critical leadership role the agency Chief Human Capital Officers (CHCOs) and the CHCO Council must play in the fundamental changes that need to take place across the executive branch. A range of 21st century challenges are driving the need for a fundamental transformation of the federal government. People strategy must be a key element of this overall transformation effort. People define an organization's culture, drive its performance, and embody its knowledge base. Congress has provided agencies across the executive branch with additional tools and authorities needed to strategically manage their workforces. The success of these and related initiatives will depend in large measure on the existence of high-quality CHCOs and a strategic and effective CHCO Council.

At the request of the subcommittee, GAO discussed (1) the different approaches agencies used in selecting CHCOs and creating the CHCO position, (2) the key responsibilities of the CHCOs, and (3) the initial steps taken by the CHCO Council and some suggested next steps.

[www.gao.gov/cgi-bin/getrpt?GAO-04-800T](http://www.gao.gov/cgi-bin/getrpt?GAO-04-800T).

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

# Observations on Agencies' Implementation of the Chief Human Capital Officers Act

## What GAO Found

The inaugural CHCOs appointed since May 2003 varied in the positions they were holding prior to their selection by the agency head, the responsibilities assigned to them when they became CHCOs, whether they were political appointees or career executives and whether they reported directly to the agency head.

According to the CHCOs, their efforts are primarily focused on the human capital efforts needed to address the President's Management Agenda (PMA). In our discussions with the CHCOs, they cited strategic human capital management and, to a lesser extent, competitive sourcing as the two primary PMA initiatives on which they are focusing.

The CHCO Council's activities during its first year have largely revolved around start-up activities including organizing the council and establishing subcommittees. For example, the Council created subcommittees to address and recommend change for five key areas—the hiring process, performance management, leadership development and succession planning, employee conduct and poor performers, and emergency preparedness.

At the request of this subcommittee and others in Congress, we have undertaken a large body of work in recent years that should prove helpful to the Council and its subcommittees as they develop their initiatives in the five areas. For example, as we reported in May 2003, there is widespread recognition that the current federal hiring process does not meet the needs of agencies in achieving their missions, managers in filling positions with the right talent, and applicants for a timely, efficient, transparent, and merit-based process. We made a number of recommendations to the Office of Personnel Management (OPM) to address various parts of the hiring process. In addition, in March 2004, GAO issued a guide for assessing strategic training and development efforts in the federal government.

In addition to the important areas already receiving priority attention by the Council, our work suggests that the Council should ensure that as it moves forward, its efforts address agencies' need for guidance, assistance, knowledge, and leading practices in several other key crosscutting areas such as:

- developing the capabilities required for successful implementation of human capital reform,
- strategic human capital planning, and
- transforming the human capital office and its processes to more fully contribute to key agency decisions.

We believe that our work should prove helpful to the Council as they address these and other areas.