May 18, 2004

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.