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https://www.gao.gov/cg/2003/humancap03/HumanCapital03.html[11/20/2019 3:41:49 PM]

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## Transformation in the Government Workplace, 2003 and Beyond

2003 and Beyond

transformation in the GOVERNMENT WORKPLACE

David M. Walker
Comptroller General of the United States

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# The Case for Change

- **Government is on a "burning platform," and the status quo way of doing business is unacceptable for a variety of reasons, including:**

  - Rising public expectations for demonstrable results and enhanced responsiveness
  - Selected trends and challenges having no boundaries
  - Past fiscal trends and significant long-range challenges
  - Additional resource demands due to recent terrorism events in the United States
  - Government performance/accountability and high risk challenges, including the lack of effective human capital strategies

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"In today's world, organizations that do not change may find themselves headed for extinction. At the same time, every organization should have a set of core values that can stand the test of time."

"Transformation is about creating the future rather than perfecting the past."

People: Enabler of Transformation

- In knowledge-based organizations, people:
  - Define an agency's character.
  - Drive its capacity to perform.

- Effective strategic human capital management approaches serve as the cornerstone of any serious change management initiative.

- Requires a long-term commitment to valuing human capital as a strategic asset.

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# Revamp Human Capital Planning and Management Practices

- Strategic human capital management is a high-risk issue for the government. Human capital challenges threaten the capacity of some agencies to perform missions economically, efficiently, and effectively both now and in the future.

- Government employees are not the problem. The problem is a lack of strategic planning, along with outdated policies and practices.

- GAO, OMB, OPM, and Congress have underscored the importance of this issue and we are starting to see progress in addressing this challenge, but much more needs to be done.

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# Efforts are Beginning to Build Momentum for Change

- GAO designated strategic human capital management as a governmentwide high-risk area in 2001 and 2003.

- President Bush placed human capital at the top of his management agenda, August 2001.

- OMB "stop light" scorecard for the strategic management of human capital, October 2001.

- OMB, OPM, and GAO worked together on human capital dimensions of success, October 2002.

- Homeland Security Act of 2002 enacted in December, giving the new department government-wide flexibility and increased personnel flexibility.

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# Efforts to Address GAO'S Human Capital Challenges

## Administrative

* HQ realignment & field office restructuring
* Self-assessment checklist
* Human capital profile
* Workforce & succession planning
* Employee feedback survey & suggestion program
* Employee Advisory Council
* Enhanced employee communications & participation
* Skills & knowledge inventory
* Employee preference survey
* Frequent flyer miles

* Recruiting & college relations
* Training/development
* Recognition & rewards
* Flexitime & flexiplace
* Business casual dress & business cards
* Enabling technologies
* Opportunity/inclusiveness
* Mentor/buddy programs
* Commuting subsidy (pending)
* College loan repayment
* Competency-based employee appraisal system

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# Human Capital : The Next Steps

The Administration and the Congress should consider legislative actions that would help federal employees attract, retain, and motivate skilled employees in areas such as the following:

- Broad-banding and performance-based pay
- Phased Retirement
- Critical Occupations
- Recruiting & Teambuilding

- Fellowships
- Professional Development
- Pay Compression
- Cafeteria Benefits

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GAO's Human Capital Profile FY 1989, 1998, 2001, and Estimated FY 2002

| | FY 1989 | FY 1998 | FY 2001 | Estimated FY 2002 |
|---|---|---|---|---|
| Mission SES/SL | 2.4 | 3.4 | 3.3 | 3.5 |
| Band III | 8.0 | 12.2 | 13.1 | 12.1 |
| Band II | 34.1 | 45.6 | 41.4 | 38.1 |
| Band I | 26.8 | 13.1 | 17.4 | 22.8 |
| Other[1] | 3.1 | 4.2 | 4.4 | 4.0 |
| Mission Support | 25.6 | 21.5 | 20.4 | 19.5 |

Figures in Percentage

Mission Staff Strength (Percent of all staff)
(FY 1989 – 74.4%)
(FY 1998 – 78.5%)
(FY 2001 – 79.6%)
(FY 2002 – 80.5%)

Notes:
[1]Attorneys and criminal investigators

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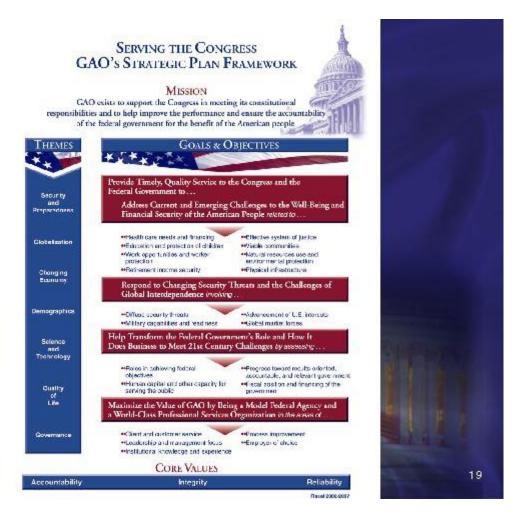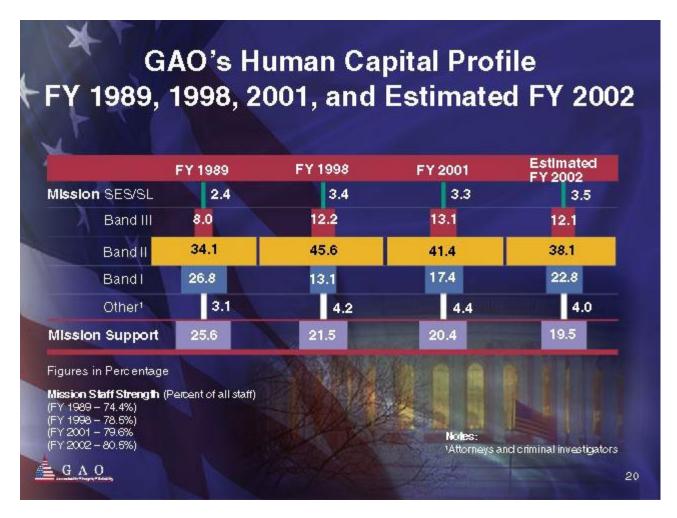Evaluator Appraisal Scores (1984-2001)

**Competency-Based Performance Appraisal**

Objective of new system are to provide a:

- Clear link to our strategic plan and core values

- Fair, honest, accurate and non-discriminatory assessment of performance based on standards that are valid, properly applied, and transparent to employees

- A sound basis for enhancing the performance capacity of all staff, rewarding high-performing staff, and dealing with "below expected" performers

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| High Risk Areas | Year Designated High Risk |
|---|---|
| **Addressing Governmentwide High-Risk Areas** | |
| Strategic Human Capital Management | 2001 |
| Information Security Weaknesses | 1997 |
| **Ensuring Major Technology Investments Improve Services** | |
| FAA Air Traffic Control Modernization | 1995 |
| IRS Tax Systems Modernization | 1995 |
| DOD Systems Modernization Efforts | 1995 |
| **Providing Basic Financial Accountability** | |
| DOD Financial Management | 1995 |
| Forest Service Financial Management | 1999 |
| FAA Financial Management | 1999 |
| IRS Financial Management | 1995 |
| **Reducing Inordinate Program Management Risks** | |
| Medicare | 1990 |
| Supplemental Security Income | 1997 |
| Earned Income Credit Noncompliance | 1995 |
| Collection of Unpaid Taxes | 1990 |
| DOD Infrastructure Management | 1997 |
| DOD Inventory Management | 1990 |
| U.S. Postal Service Long-Term Outlook and Transformation | 2001 |
| HUD Single-Family Mortgage Insurance and Rental Housing Assistance Programs | 1994 |
| Student Financial Aid Programs | 1990 |
| Asset Forfeiture Programs | 1990 |
| **Managing Large Procurement Operations More Efficiently** | |
| DOD Weapon Systems Acquisition | 1990 |
| DOD Contract Management | 1992 |
| Department of Energy Contract Management | 1990 |
| NASA Contract Management | 1990 |

GAO's High Risk List

Homeland Security:
Transition and Transformation in Action

- **President Proposes the Creation of a Cabinet-level Department of Homeland Security – Congress Agrees with General Concept**
  - Primary missions:
    - Prevent terrorist attacks within the US
    - Reduce vulnerability to terrorism at home
    - Minimize damage and assist in recovery if attacked
  - Primary responsibilities and possible divisions:
    - Information analysis - Intelligence
    - Critical infrastructure protection
    - Chemical, biological, radiological and nuclear countermeasures
    - Science and Technology
    - Border and transportation security
    - Emergency preparedness and response
- **Timetable for 2002:**
  - House adopts legislation consistent with President on July 25th
  - Senate considered, on September 3, similar legislation reported by Senate Governmental Affairs Committee on July 26th
  - Goal was to achieve consensus by September 11th

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**Provisions of Homeland Security Legislation HR 5005:**

- Chief Human Capital Officer
- Direct hire authority
- Categorical ranking
- Voluntary separation incentives
- Voluntary early retirement
- Transit subsidies
- Repeal of SES re-certification
- SES total pay cap
- Payment for academic degrees

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