The Department of Labor has made progress in implementing actions to address its management challenges, such as by improving some of its performance measurement systems. However, future improvements will increasingly demand more strategic management, more proactive support for state and local entities, additional improvements in performance measurement systems, and greater attention to human capital issues.

- **Manage employment and training programs to meet the demands for the workforce of the 21st century.** Labor has taken actions to resolve some of the performance measurement problems that constrain its ability to determine the success of employment and training programs—such as by establishing a new Office of Performance and Results. However, Labor must continue this progress in improving its performance measurement systems and also address other areas. To develop effective strategies for addressing the worker and skills shortages the nation is projected to face in coming decades, Labor must take a more strategic, cross-program perspective, and work more closely with other agencies. In addition, Labor needs to be more proactive in facilitating state and local implementation of employment and training programs under the nation's new workforce development system, such as by providing additional guidance and sharing information on promising practices.

- **Protect the pensions and benefits of workers.** The financial collapse of Enron and other companies has highlighted Labor's critical role in protecting pensions and other employee benefit plans estimated to have assets in excess of $5 trillion. Labor agencies have begun to address human capital issues that could constrain their efforts to protect these assets as the agencies face a surge in expected retirements within their workforces. However, weaknesses in Labor's strategic targeting of its compliance efforts for protecting workers' benefits and wages limit Labor's ability to maximize the impact of its limited resources.

- **Foster safe and healthy workplaces.** Labor’s enforcement agencies lack management information on the impacts of their various compliance activities that is essential for determining how to best allocate compliance resources in protecting vulnerable populations, such as children who work and day laborers. Furthermore, Labor has not always leveraged the impact of its limited resources by coordinating effectively with other agencies that also share responsibilities for protecting workers, such as in enforcing safety regulations at hazardous material facilities.