



Highlights of [GAO-03-1099](#), a report to congressional requesters

Why GAO Did This Study

The success of the transformation and implementation of the Department of Homeland Security (DHS) is based largely on the degree to which human capital management issues are addressed. Recognizing this, the legislation creating DHS provided it with significant flexibility to design a modern human capital management system.

Congressional requesters asked GAO to describe the process DHS has in place to design its human capital system and involve employees, and analyze the extent to which this process reflects elements of successful transformations.

What GAO Recommends

As the process to develop and implement a new human capital system at DHS moves forward, we recommend that the Secretary of DHS and Director of OPM ensure that the human capital management system is designed to accomplish the mission, objectives, and goals of the department. In addition, we are recommending that the Secretary ensure that the communication strategy used to support the human capital system maximizes opportunities for employee involvement.

DHS and OPM commented on a draft of this report and generally agreed with its content. The report was revised to reflect agency comments.

www.gao.gov/cgi-bin/getrpt?GAO-03-1099.

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.

HUMAN CAPITAL

DHS Personnel System Design Effort Provides for Collaboration and Employee Participation

What GAO Found

The effort to design a human capital management system for DHS generally reflects important elements of effective transformations.

- **Leadership.** One of the strengths of the effort to transform the culture of organizations going into DHS has been the on-going commitment of both DHS and Office of Personnel Management (OPM) leaders to stimulate and support the effort to design a human capital system.
- **Strategic Goals.** DHS is currently developing a strategic plan. Although DHS human resource leaders are included on the strategic planning team, it will not be complete until the end of September 2003. Consequently, DHS will need to ensure that the development of the human capital policy options is integrated with the accomplishment of DHS programmatic goals as defined in the forthcoming strategic plan. Such integration is important to ensure that the human capital system enables the department to acquire, develop, and retain the core competencies necessary for DHS to accomplish its programmatic goals.
- **Key Principles.** The DHS Secretary and OPM Director outlined four principles to serve as a critical framework for the human capital system. These principles appropriately identify the need to support the mission and employees of the department, protect basic civil service principles, and hold employees accountable for performance.
- **Timeline.** Agency officials established an ambitious 9- to 10-month timeline for completing the design process, aiming to issue final regulations in early 2004. Some DHS stakeholders we interviewed expressed concerns about the compressed schedule. Officials leading the design effort report the aggressive schedule is necessary to relieve employee anxiety and maximize the time available for implementation.
- **Design Team.** The design team includes staff from multiple organizational units within DHS, OPM, and the three major unions.
- **Communication.** DHS recently finalized a communication plan that provides a structured and planned approach to communicate with DHS stakeholders regarding the human capital system. Moving forward, DHS will need to provide adequate opportunities for feedback once the options are released.
- **Employee Involvement.** Employees are provided multiple opportunities to be included in the design process, including participation in the Core Design Team, the Town Hall meetings, the field team, the focus groups, and an e-mail mailbox for employee comments.

Experience has shown that in making major changes in the cultures of organizations, how it is done, when it is done, and the basis on which it is done can make all the difference in whether it is ultimately successful. The analysis of DHS's effort to design a human capital system can be particularly instructive in light of legislative requests for agency-specific human capital flexibilities at the Department of Defense and the National Aeronautics and Space Administration.