

# GAO Highlights

Highlights of [GAO-19-723T](#), a testimony before the Subcommittee on Government Operations, Committee on Oversight and Reform, House of Representatives

## Why GAO Did This Study

The federal workforce is critical to federal agencies' ability to address the complex social, economic, and security challenges facing the country. However, the federal government faces long-standing challenges in strategically managing its workforce. We first added federal strategic human capital management to our list of high-risk government programs and operations in 2001. Although Congress, OPM, and individual agencies have made improvements since then, federal human capital management remains a high-risk area because mission-critical skills gaps within the federal workforce pose a high risk to the nation.

This testimony focuses on (1) key hiring and other human capital management challenges facing federal agencies, and (2) talent management strategies identified from GAO's prior work that agencies can use to be more attractive employers in a tight labor market.

This testimony is based on GAO's large body of work on federal human capital management issued primarily between July 2014 and July 2019. To conduct these studies, GAO reviewed government-wide employment data and interviewed officials from OPM and subject matter specialists from think tanks, academia, government employee unions, and other areas.

## What GAO Recommends

Of the 29 recommendations to OPM that GAO has designated as priorities for implementation, 21 are aimed at improving strategic human capital management efforts government-wide. OPM agreed or partially agreed with most of these recommendations, of which 11 are still open. GAO will continue to monitor OPM's progress in addressing them.

View [GAO-19-723T](#). For more information, contact Robert Goldenkoff at (202) 512-2757 or [GoldenkoffR@gao.gov](mailto:GoldenkoffR@gao.gov).

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## FEDERAL WORKFORCE

### Talent Management Strategies to Help Agencies Better Compete in a Tight Labor Market

## What GAO Found

Outmoded approaches to personnel functions such as job classification, pay, and performance management are hampering the ability of agencies to recruit, retain, and develop employees. At the same time, agency operations are being deeply affected by a set of evolving trends in federal work, including how work is done and the skills that employees need to accomplish agency missions.

### Key Trends Affecting Federal Work



**Technological advances** will change the way work is done.



**An increased reliance on nonfederal partners (e.g., contractors or grantees)** to achieve policy goals will require new skills and competencies for which agencies will need to identify, recruit, and hire.



**Fiscal constraints** require agencies to reexamine and reprioritize what the federal government does, how it does business, and as appropriate, who conducts its business.



**Evolving mission requirements** challenge agencies to adapt their work and workforces.



**Changing demographics and shifting attitudes toward work** may require new skills to manage a diverse workforce that seeks purpose, autonomy, and career mobility.

Source: GAO analysis. | GAO-19-723T

Given these challenges and trends, federal agencies will need to apply talent management strategies such as the following:

#### **Align human capital strategy with current and future mission requirements.**

Agencies need to identify the knowledge and skills necessary to respond to current and future demands. Key practices include identifying and assessing existing skills, competencies, and skills gaps.

**Acquire and assign talent.** To ensure the appropriate capacity exists to address evolving mission requirements, agencies can use internships, cultivate a diverse talent pipeline, highlight their respective missions, and recruit early in the school year.

**Incentivize and compensate employees.** While agencies may struggle to offer competitive pay in certain labor markets, they can leverage existing incentives that appeal to workers' desire to set a schedule and to work in locations that provide work-life balance.

**Engage employees.** Engaged employees are more productive and less likely to leave, according to the Office of Personnel Management (OPM). Agencies can better ensure their employees are engaged by managing their performance, involving them in decisions, and providing staff development.