



Testimony

Before the Subcommittee on Oversight of Government
Management, Restructuring, and the District of Columbia
Committee on Governmental Affairs
U.S. Senate

**For Release on Delivery
Expected at
10:00 a.m., EDT
on Thursday
May 18, 2000**

HUMAN CAPITAL

Design, Implementation, and Evaluation of Training at Selected Agencies

Statement of Michael Brostek, Associate Director
Federal Management and Workforce Issues
General Government Division

Human Capital: Design, Implementation, and Evaluation of Training Programs at Selected Agencies

Mr. Chairman and Members of the Subcommittee:

I am pleased to be here today to discuss how training programs have been designed, implemented, and evaluated at four federal agencies. As social, economic, and technological changes continue to affect the way in which the government does business, agencies will need to place special emphasis on how they develop their employees—or human capital—in order to maximize their ability to successfully perform their missions and achieve their strategic goals. Training programs play a key role in how agencies develop their human capital and improve performance. Agencies must design and implement these programs to address any identified gaps in the knowledge and skills that agencies believe are needed to achieve their missions and goals. Agencies must also evaluate their training programs to ensure that they are indeed increasing workforce knowledge and skills and improving individual and agency performance.

During the 1990s, many federal agencies cut back on hiring new staff in order to reduce the number of employees and meet downsizing goals. As a result, these agencies also reduced the influx of new people with new knowledge and skills that agencies needed to help build and sustain excellence. Moreover, anecdotal evidence regarding overall federal expenditures on training indicates that, in trying to save on workforce-related costs, agencies cut back on the training investments needed if their smaller workforces were to make up for institutional losses in knowledge and skills. Agencies may need to take a fresh look at their training resource needs. If additional resources are indeed needed and cannot be secured through the appropriations process, agencies may need to explore budget-neutral options, such as reprogramming resources from other operations accounts, for providing adequate training for their employees.

As part of your Subcommittee's efforts to improve federal agencies' human capital management, you requested that we provide information on (1) how high-performing organizations approach the design and implementation of their training and development programs and (2) the design, implementation, and evaluation of training and development programs at four federal agencies—the Defense Finance and Accounting Service (DFAS), the Health Care Financing Administration (HCFA), the Immigration and Naturalization Service (INS), and the Department of State (State).

My statement makes four main points:

- First, high-performing organizations we contacted consistently approached the design and implementation of their training and development programs by (1) identifying the knowledge, skills, abilities, and behaviors employees need to support organizational missions and goals, and measuring the extent to which employees actually possess those competencies; (2) designing and implementing training programs to meet any identified gaps in those needs; and (3) evaluating the extent to which training programs actually increase employees' individual competencies and performance levels as well as overall organizational performance.
- Second, the four agencies we reviewed recognized the importance of identifying the knowledge and skills needed by their employees to support the agencies' missions and strategic goals. The agencies told us that they were developing a comprehensive approach for identifying mission critical competencies and measuring the extent to which all of their employees had these competencies. However, each agency's progress in this effort varied. The agencies used or planned to use this information to design (or update) their training programs in order to address any gaps between needed and existing knowledge and skills.
- Third, the four agencies all had training curricula for developing employee skills in selected occupations; required or recommended that employees complete training on specific topics or meet a minimum number of training hours; and made training slots available each year on the basis of estimated needs, priorities, and available resources. The agencies generally gave higher priority to entry-level employees because of limited resources (in terms of training funds as well as coverage of employees' work duties while they were attending training).
- Finally, the four agencies each recognized the importance of measuring the extent to which their training programs contributed to increased employee skills and improved support of agency missions and strategic goals. However, the agencies generally relied on standard end-of-course evaluations to collect information on participant satisfaction rather than increased knowledge and skills. Most were still developing more comprehensive evaluation techniques to determine the extent to which training was actually increasing employees' knowledge, skills, and job performance.

My statement today is based on our interviews with officials from the four agencies and our review of relevant training documents provided by those

agencies. As agreed with the Subcommittee staff, the four agencies included in this review represent a subset of the agencies being directly contacted by the Subcommittee regarding federal training practices. Their training policies and practices may not be typical and are not generalizable to all federal agencies. We also reviewed information from our previous work on training and development programs and human capital management in high-performing public and private sector organizations. We did not collect quantitative data related to these training programs, since the Subcommittee collected this data directly from these and other agencies. We performed our review in Washington, D.C., between December 1999 and April 2000, in accordance with generally accepted government auditing standards.

Background

The Defense Finance and Accounting Service is responsible for making all payments, including payroll and contracts, and for maintaining the core finance and accounting records for the Department of Defense (DOD). DFAS is also responsible for the consolidation, standardization, upgrading, and integration of DOD's central finance and accounting operations, procedures, and systems. DFAS is headquartered in Arlington, VA, and also has 5 centers and 20 operating locations that employed approximately 18,000 people as of January 2000.

The Health Care Financing Administration is an agency within the Department of Health and Human Services responsible for administering much of the federal government's multibillion-dollar investment in health care—primarily the Medicare and Medicaid programs. As of January 2000, HCFA had about 4,500 employees, approximately 65 percent of whom were located in HCFA's central office in Baltimore, MD, and the remainder in the agency's 10 regional offices. In addition to its workforce, HCFA oversees Medicare claims administration contractors.

The Immigration and Naturalization Service is an agency of the Department of Justice responsible for both administering immigration-related services and enforcing immigration laws and regulations. INS is headquartered in Washington, D.C., and administers its functions through a network of 3 regional offices, 33 district offices, and 21 Border Patrol sectors throughout the United States. As of January 2000, INS had about 31,500 employees and was working to hire at least 1,000 new border patrol agents each year through 2001. INS trains its border patrol agents at the Border Patrol Academy in Glynco, GA, and at a temporary training facility in Charleston, SC.

The Department of State is the principal agency for advancing and protecting U.S. interests overseas. State maintains a worldwide network of operations at over 250 overseas locations to support its mission and those of about 35 other U.S. agencies that operate overseas. As of January 2000, State had about 31,000 employees. State's Foreign Service Institute is the federal government's primary training institution for officers and support personnel of the foreign affairs community. In addition to State, the Institute provides training for employees from more than 40 other government agencies. State's Diplomatic Security Training Center also provides specialized training for diplomatic security agents to supplement training they receive from the Institute.

Training and Development Programs in High-Performing Organizations

High-performing organizations we contacted recognize the need to invest in their human capital to achieve their missions and strategic goals. One fundamental form of that investment consists of providing continuous training and development opportunities that support personal development as well as organizational results. Based upon our previous human capital work, we found that, while their actual programs, policies, and practices varied, high-performing organizations generally follow certain key steps in developing training programs they believe to be effective.¹ Specifically, as shown in the following figure, these organizations

- identify the competencies—commonly defined as knowledge, skills, abilities, and behaviors—needed to achieve organizational missions and goals, and measure the extent to which their employees possess these competencies,
- implement training and development programs to address any identified competency gaps, and
- evaluate the extent to which their programs actually increase employees' individual competencies and performance levels as well as the organization's overall performance.

We examined the training programs of the four agencies included in this review in light of these key steps to developing effective training programs.

¹ For examples of our previous work noting the human capital management practices of high-performing organizations, see [Human Capital: Managing Human Capital in the 21st Century](#) (GAO/T-GGD-00-77, Mar. 9, 2000), [Human Capital: Key Principles From Nine Private Sector Organizations](#) (GAO/GGD-00-28, Jan. 31, 2000), [Human Capital: A Self-Assessment Checklist for Agency Leaders—Discussion Draft](#) (GAO/GGD-99-179, Sept. 1999), and [Transforming the Civil Service: Building the Workforce of the Future—Results of a GAO-Sponsored Symposium](#) (GAO/GGD-96-35, Dec. 20, 1995).

Figure 1: Key Steps in Developing Training Programs

Identifying and Measuring the Knowledge and Skills Needed to Support Missions and Goals

The four agencies included in our review recognized that identifying and measuring the knowledge and skills needed by their employees to support missions and goals were important steps in developing their training programs. The degree to which the agencies had actually completed these steps for all of their employees varied. The agency officials described several tools that they were developing or using to identify and measure their employees' knowledge and skills, including workforce planning models, needs assessments, knowledge and skills inventories, and individual development plans (IDP). Officials from each of the agencies told us that they planned to work with the Office of Personnel Management (OPM) or outside contractors to assess the reliability and validity of these tools.

Federal agencies may encounter certain challenges in their efforts to identify and measure the knowledge and skills that their employees must

possess to support missions and goals. For example, the four agencies in our review employed individuals across diverse occupations, some of which required knowledge and skills that may be more easily measured than others. For example, border patrol agents could be tested for certain knowledge and skills, such as their foreign language proficiency, physical fitness, and marksmanship, whereas some of the knowledge and skills needed to be an effective contract administrator might not be so readily determined. Another challenge for agencies may be finding the staff and resources needed to identify what knowledge and skills are needed for high performance and to measure in a reliable, valid, and comprehensive manner the extent to which employees have those competencies.

DFAS

As noted in the agency's current career development and training plan, in 1996 GAO as well as the Department of Defense (DOD) Inspector General found that DFAS lacked a comprehensive strategy or program for training its employees to support the financial and accounting needs of DOD. As a result, the Office of the Secretary of Defense provided DFAS with additional training funds and directed that the agency develop and implement a centralized training program to respond to the developmental needs of its employees. DFAS officials told us that the agency now uses its strategic plan, human resources directors' performance contracts, and an annual training needs assessment to identify the knowledge and skills that employees must possess to support the agency's mission and goals. Moreover, the officials said that DFAS was piloting a new process to identify which knowledge and skills gaps could be addressed through training. This pilot involved assessing training needs 5 years into the future; systematically collecting managers' and supervisors' views on training needs using interviews, focus groups, and surveys; and requiring all employees to complete IDPs. To this end, DFAS developed detailed career development plans for all its occupations that (1) outline the knowledge and skills employees must possess to support the agency's mission and goals, and (2) guide employees as they identify and prioritize their own training and developmental needs.

HCFA

Last year, we testified that HCFA's staff had not been sufficiently trained to effectively support its missions and goals to provide services to Medicare and Medicaid beneficiaries, as well as to promote the fiscal integrity of those programs.² The agency officials told us that HCFA developed a learning plan for its employees that established training needs and priorities on the basis of input collected from managers and focus

²HCFA Management: Agency Faces Multiple Challenges in Managing Its Transition to the 21st Century (GAO/T-HEHS-99-58, Feb. 11, 1999).

Statement

Human Capital: Design, Implementation, and Evaluation of Training Programs at Selected Agencies

groups from across the agency. Moreover, HCFA officials stated that the agency was developing a workforce planning process that would identify the knowledge and skills employees must possess to support strategic staffing and training and development that would be aligned with the agency's mission and goals. The officials said that the agency was using guidance from the Department of Health and Human Services, the Office of Management and Budget, and our human capital self-assessment checklist, to develop a workforce planning process consisting of four phases: analyzing the current and future workload, developing current and future competency frameworks, identifying existing workforce competencies, and conducting an analysis of any gaps between current and future requirements and the existing workforce.³

INS

Agency officials told us that, in an attempt to ensure that employees have the knowledge and skills needed to administer immigration-related services and enforce immigration laws and regulations, INS made an effort to identify and measure the knowledge and skills that border patrol agents, investigators, and immigration specialists must possess to execute the tasks INS considers necessary for mission accomplishment. According to the officials, every 5 years, INS' research and evaluation unit reviewed the knowledge and skills that these employees must possess and determined whether the agency was providing the training and development opportunities needed to ensure that those core skills were developed. The agency's most recent review was completed in 1998. The officials said that the agency primarily relied upon post-training tests to determine the extent to which employees actually possessed the identified core skills. The officials also said that they did not make similar efforts to identify and measure the knowledge and skills needed for headquarters, administrative, and other support staff, because the agency did not have the staff or resources to do so.

State

Agency officials told us that, to identify and measure the knowledge and skills State's foreign service officers and diplomatic security agents must possess to support the agency's mission of advancing and promoting U.S. interests overseas, the agency completed (1) a job analysis of its foreign service generalist corps in 1998 to identify the tasks and activities performed by those employees as well as the human attributes and foreign language proficiency required for high performance, and (2) a formal baseline needs assessment for its diplomatic security agents in the mid-1980s, which has been informally updated in the intervening years. The agency officials also said that State had adopted OPM's leadership

³GAO/GGD-99-179.

competencies for senior executives. State now measures employees' existing knowledge and skills by testing periodically for language proficiency, requiring certain employees to pass tests to fulfill agency certification requirements, and providing leaders access to 360-degree self-assessment instruments that allowed them to identify areas where they may need further development. New diplomatic security agents are required to achieve certain baseline test scores at the completion of their training programs. State is also developing competency-based models for several occupations—including passport agents, information technology support staff, and human resource management occupations—that will identify the competencies needed for high performance, measurement methods for determining the extent to which staff have these competencies, and suggested training courses and developmental activities.

Implementing Training Programs That Develop Employees' Knowledge and Skills

The four agencies we reviewed had training curricula for developing employee knowledge and skills in selected occupations, and the agencies generally required that employees complete training on specific topics (and/or complete a specified minimum number of training hours) included in those curricula. The agencies generally made training slots available each year on the basis of estimated needs, priorities, and available resources. All of the agencies' training budgets were funded at least in part from the central agency budget, and all but DFAS also funded a portion of their training programs by offering courses on a fee-for-service basis (i.e., explicitly charging organizational units or other agencies an established fee for each unit of training provided to their employees).

Officials of the four agencies in our review told us that their agencies had encountered certain challenges to implementing training programs that strategically developed the knowledge and skills of all of their employees. For example, agency officials indicated that limited training resources often necessitated prioritizing the training for new employees (who may need training to understand an agency's unique missions, goals, and job performance expectations) over training for more senior employees. Moreover, some of the officials also told us that current staffing levels prevented them from offering employees more training opportunities because the agencies believed that their staffing levels did not allow for proper coverage of the employees' mission-related job responsibilities while they were attending training.

DFAS

DFAS officials told us that the agency had multiple training programs with curricula that were specifically focused on increasing the skills of particular groups of employees. For example, the agency's largest

Statement

Human Capital: Design, Implementation, and Evaluation of Training Programs at Selected Agencies

program focused on financial management and financial systems skills. The agency also had a career development curriculum focused on professional and executive development and managerial skills. The agency also had a goal (but not a requirement) that each employee complete 40 hours of training each fiscal year.⁴ DFAS asked first-line supervisors to determine what their employees' training needs were, and this information was incorporated into the development of the agency's training needs assessment as well as decisions on how many training slots should be funded each year. DFAS training was centrally funded out of its operations and maintenance and defense working capital funds appropriations.

HCFA

HCFA officials told us that the agency had identified curricula that included basic skills, desktop computer skills, program policy and operations, management development, and contract/grants certification. However, according to the officials, much of this core knowledge and many of these skills were learned by employees before they obtained employment at HCFA and were maintained through such continuing education efforts as attending conferences, reading professional literature, and belonging to professional associations. Thus, training requirements varied by occupation. For example, systems administrators and contract/grants officers had specific training requirements, and new managers were required to receive 40 hours of training upon being promoted. The agency estimated its training budget needs on the basis of prior years' needs and projected needs. The agency funded central training from its administrative budget, and also provided agency units with discretionary funds that allowed them the flexibility to purchase external training or additional internal training slots on a fee-for-service basis.

INS

INS officials told us that the agency had a curriculum for its border patrol and other law enforcement employees, but not for the agency's nonspecialist employees. Specifically, new border patrol agents were sent to the Border Patrol Academy for a required 19-week basic training program, where employees received training in six subjects—physical training, firearms, driving, operations, law, and Spanish. The agency required managers and supervisors to complete basic management training classes, and also developed advanced training courses for experienced

⁴ In 1998, we recommended that DFAS adopt minimum training requirements, particularly for financial management employees, because such requirements would help ensure that as many employees as possible were provided the up-to-date, technical training needed to carry out their responsibilities. See [Financial Management: Training of DOD Financial Managers Could Be Enhanced](#) (GAO/AIMD-98-126, June 24, 1998).

Statement**Human Capital: Design, Implementation, and Evaluation of Training Programs at Selected Agencies**

(journeyman) special agents. According to INS officials, the agency ensured that it had sufficient slots for new-hire training by developing modular costs for budgeting that included the cost of recruiting, hiring, and training each new hire. The officials told us that the agency could not provide the same assurance of sufficient slots for journeyman agents; however, the agency was considering making greater use of distance learning where appropriate or feasible (firearms training, for example, could not be offered through distance learning) to ensure that employees received the training they need while also being able to continue their on-the-job assignments—a concern of agency supervisors.⁵ INS' fixed training costs (which represented about 25 percent of the training budget) were funded from the agency's central budget, while the remaining variable costs were funded by providing courses to INS units and divisions on a fee-for-service basis.

State

State officials told us that the agency had an extensive training curriculum, which included profession-specific areas of study (e.g., acquisitions) and training on foreign languages, information technology, overseas briefings, leadership and management, and diplomatic security. The agency also required certain employees to complete specific training courses. For example, new diplomatic security agents received approximately 24 weeks of training in such areas as firearms, criminal investigations, and the law. According to the officials, the agency made initial or entry level training a higher priority than advanced training for foreign service and diplomatic security agents, because of a concern that extensive training requirements could cause experienced employees to be called in from their field assignments and thus endanger the agency's ability to accomplish its mission. The officials told us that the agency determined the number of training slots to be offered by looking at hiring plans, past enrollments, assignment projections, and available resources. Each organization within the agency determined its own training budget, and the agency's primary training unit was funded by a direct budget allocation and fees from agency units and other agencies that sent employees to State training classes.

⁵ In 1998, INS contracted out for an assessment of the advanced training needs of its journey-level employees, including border patrol agents and immigration inspectors. The assessment included a survey of journeyman-level employees and their supervisors; however, the response rates were fairly low for border patrol agents and immigration inspectors, at 23 percent and 32 percent, respectively. The assessment showed that the agency's competency models for both occupations were valid, the percentage of employees who received training varied greatly by job classification, and significant performance gaps existed for several competencies and tasks. Both supervisors and journeyman-level employees selected training as the best solution for eliminating most of the performance gaps.

Evaluating Training Programs

The four agencies we reviewed each recognized the importance of measuring the extent to which its training programs contributed to increased employee knowledge and skills and improved mission accomplishment; however, the agencies' primary means of evaluation generally consisted of using end-of-course evaluations to collect information on participant satisfaction for specific training courses. On a more positive note, the agencies either had or were developing more comprehensive evaluation techniques to determine the extent to which (1) training courses taught employees new knowledge and skills; (2) these knowledge and skills were actually being applied on the job; and (3) training courses had any long-term impact on overall agency performance. The agencies also told us that they used central databases to track the training that their employees had completed.

The four agencies included in our review have encountered several challenges to evaluating their training and development programs, which may be attributed in part to the general difficulty associated with measuring the impact of training on individual and organizational performance for any organization. Measurement difficulties aside, agencies may also lack the staff and resources needed to complete in-depth evaluations. Moreover, even in those instances where an agency might have staff and resources to complete training evaluations, low participation on the part of employees and managers in surveys and focus groups may limit an agency's access to the data needed to complete valid, useful evaluations.

DFAS

DFAS officials told us that they evaluated their training programs by asking participants to complete end-of-course evaluations. The agency was also developing an evaluation model that would allow it to determine more comprehensively the effectiveness of its various training programs. The officials described this model as including the means to collect not only information on participant satisfaction with training courses, but also information on the extent to which participants had acquired specific knowledge and skills, improved their performance on the job, and contributed to improved business results. The officials stated that the agency had contracted with OPM to help it develop valid measurement instruments for its financial management training efforts in order to pilot its new training evaluation model. The officials also stated that the agency used a central database to track the specific training completed by employees.

Statement

Human Capital: Design, Implementation, and Evaluation of Training Programs at Selected Agencies

HCFA

HCFA officials stated that the agency generally used end-of-course evaluations to determine the extent to which their training courses improve individual and organizational performance and mission accomplishment. Additionally, the officials stated that the agency developed an annual learning plan process that included a qualitative review of the effectiveness of existing training classes and career development programs. However, the officials also stated that the agency recognized the need for improving its evaluation of on-the-job and long-term impacts of its training courses on employee and organizational performance. As a result, the officials stated that they were working with a contractor to develop additional tools and guidance for evaluating training courses and career development programs. For example, the officials told us that the agency was purchasing a software application that would provide an automated means for conducting customized end-of-course and follow-up evaluations that addressed the value of training and subsequent performance improvements. The officials also told us that the agency had a database to track all employee training that was at least 1 day in length, and that those units that had established a training requirement also tracked the extent to which their employees had completed those requirements.

INS

INS officials told us that their agency evaluated and validated their training and development programs for border patrol agents, investigators, and immigration specialists at several levels. First, the officials stated that INS administered end-of-course evaluations to training participants that allowed them to assess participants' views on the training facilities, materials, and instructors. They also said that INS administered tests and practical exercises as part of its training programs that allowed the agency to make general assessments as to the participants' increase in knowledge or skills as a result of the training. For example, border patrol agents were tested on their physical fitness, marksmanship, foreign language abilities, and reaction times. Finally, the agency officials stated that INS used operations data and feedback collected through periodic surveys and focus groups to determine the effectiveness of training programs in preparing participants to perform specific tasks. While INS evaluated the training and development of its border patrol agents, investigators, and immigration specialists, the officials stated that the agency did not comprehensively evaluate the training and development that headquarters, administrative, and other support staff receive due to staff and resources limitations. INS told us that they used a database to track the specific training completed by its employees.

State

State officials told us that the agency regularly sought input and feedback from its various units as well as from other agencies that used its training services to determine whether the courses met their training needs and were believed to have improved individual and organizational performance. The officials stated that the agency asked its employees to complete end-of-course evaluations not only for State training, but also for external training they attended. The officials also told us that State's Inspector General was responsible for inspecting and auditing training programs as part of their overall mission. Diplomatic security officials said that they had previously completed long-term course evaluations, but because of downsizing within their training operations, this capability was now limited. To improve the extent to which State can evaluate on-the-job and long-term individual and organizational benefits of training courses on mission accomplishment, the agency was developing methods to obtain post-training assessment data from both participants and their supervisors. The officials indicated that State was also working on explicitly linking training to the agency's mission and strategic goals. The agency used a registration and enrollment database to track internal and external training—a similar, but separate database was used to track diplomatic security agents' training and certifications.

Conclusions

As part of adopting more strategic and performance-based management practices, agencies must be prepared to focus on how best to invest in their people, or human capital, to achieve high performance of their missions and strategic goals. To achieve this high performance, agencies may need to place particular emphasis on the training and development of their employees to ensure that they have the competencies—knowledge, skills, abilities, and behaviors—needed to successfully perform and contribute to agencies' mission-critical activities. To design and implement effective training programs, agencies must (1) identify the competencies needed to achieve their specific mission and goals and measure the extent to which their employees exhibit those competencies; (2) identify training and development needs to be addressed; and once those training opportunities are in place; (3) evaluate the extent to which their programs are actually increasing employees' individual competencies and individual and overall organization performance levels.

Our review of the training programs of DFAS, HCFA, INS, and the State Department suggests that agencies recognize the importance of, and are in the early stages of seeking to improve, their training and development programs using these basic steps. However, these agencies also face a number of challenges that could make the execution and completion of these steps difficult, including a reported lack of staff and resources

Statement

Human Capital: Design, Implementation, and Evaluation of Training Programs at Selected Agencies

needed to apply the steps across all groups of employees and with sufficient rigor. If agencies determine that additional training resources are needed and they are unable to obtain these resources through the appropriations process, they may need to consider budget neutral options, such as reprogramming resources from other operations accounts, for providing adequate training for all of their employees.

Mr. Chairman and Members of the Subcommittee, this concludes my prepared statement. At this time, I would be pleased to answer any questions you may have.

GAO Contacts and Acknowledgements

For further information regarding this testimony, please contact Michael Brostek, Associate Director, Federal Management and Workforce Issues, at (202) 512-8676. Individuals making key contributions to this testimony included Charlesetta Bailey, Jennifer Cruise, and Thomas Fox.

Viewing GAO Reports on the Internet

For information on how to access GAO reports on the INTERNET, send e-mail message with “info” in the body to:

info@www.gao.gov

or visit GAO's World Wide Web Home Page at:

<http://www.gao.gov>

Reporting Fraud, Waste, and Abuse in Federal Programs

To contact GAO's Fraud Hotline use:

Web site: <http://www.gao.gov/fraudnet/fraudnet.htm>

E-Mail: fraudnet@gao.gov

Telephone: 1-800-424-5454 (automated answering system)
