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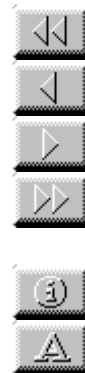
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Maximizing
HUMAN CAPITAL
IN THE GOVERNMENT WORKPLACE

DAVID M. WALKER
COMPTROLLER GENERAL
OF THE UNITED STATES

GAO
Accountability Integrity Reliability

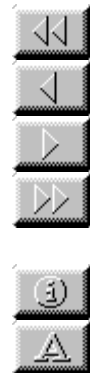
JFK School of Government
Harvard University



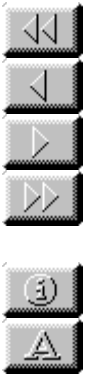
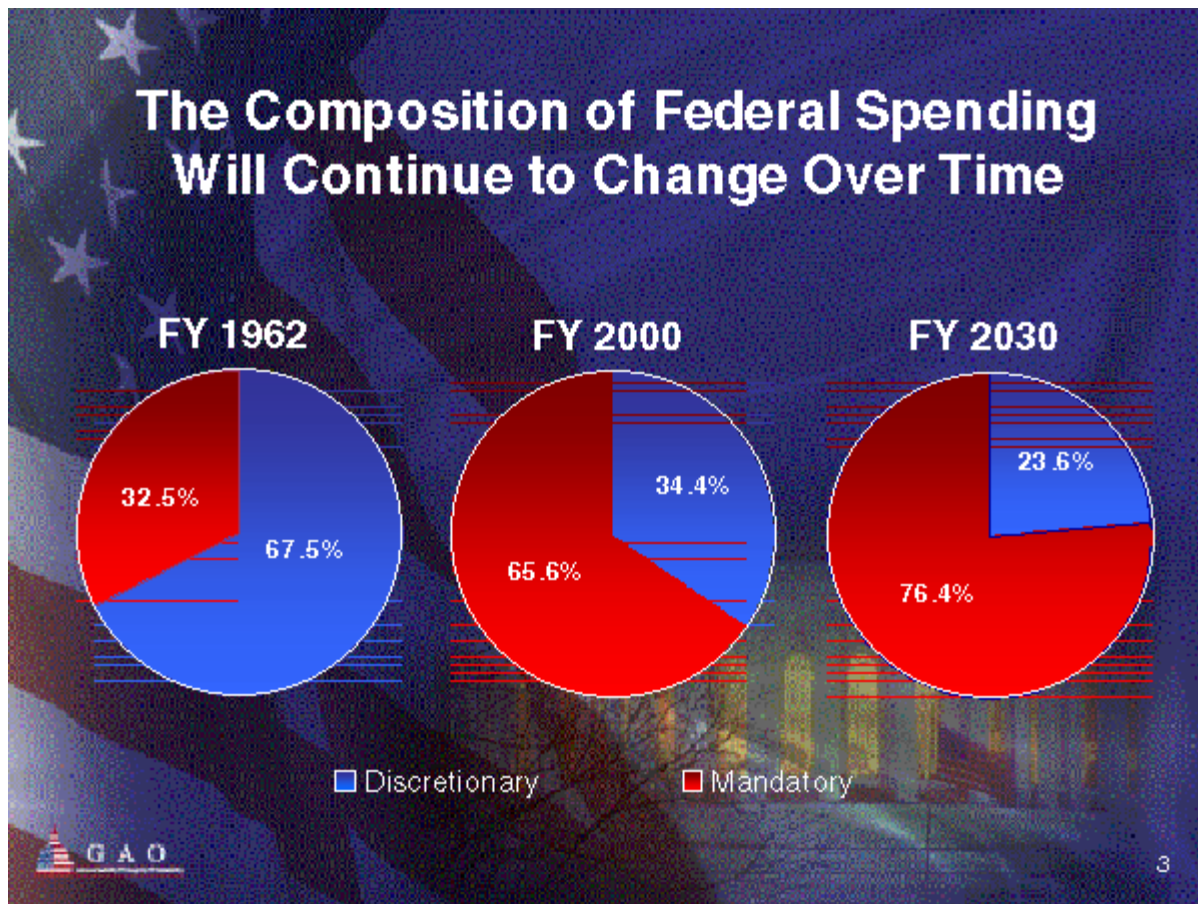
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The Case for Change

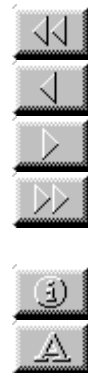
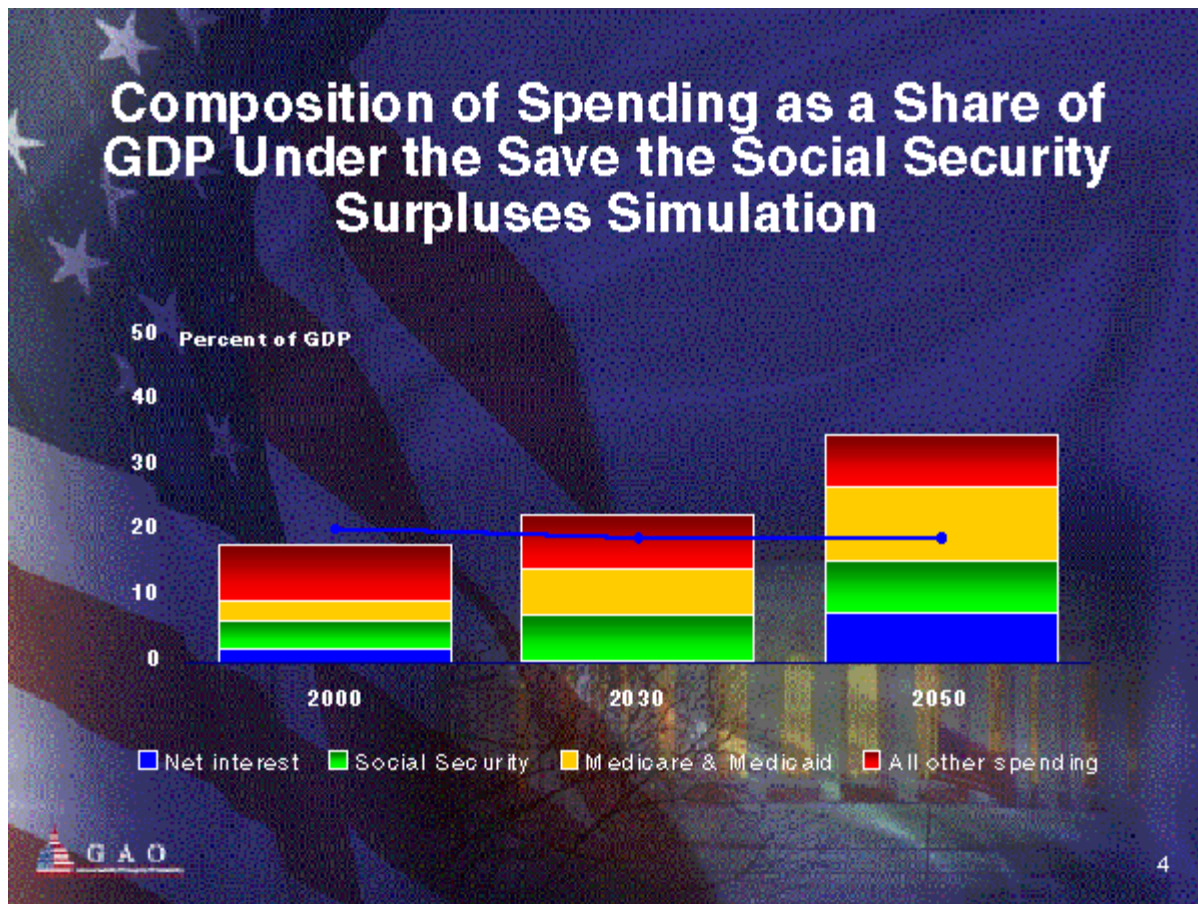
- Government is on a “burning platform,” and the status quo way of doing business is unacceptable for a variety of reasons, including:
 - Rising public expectations for demonstrable results and enhanced responsiveness
 - Past fiscal trends and significant long-range challenges
 - Additional resource 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



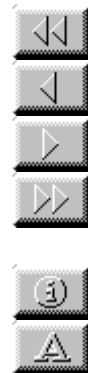
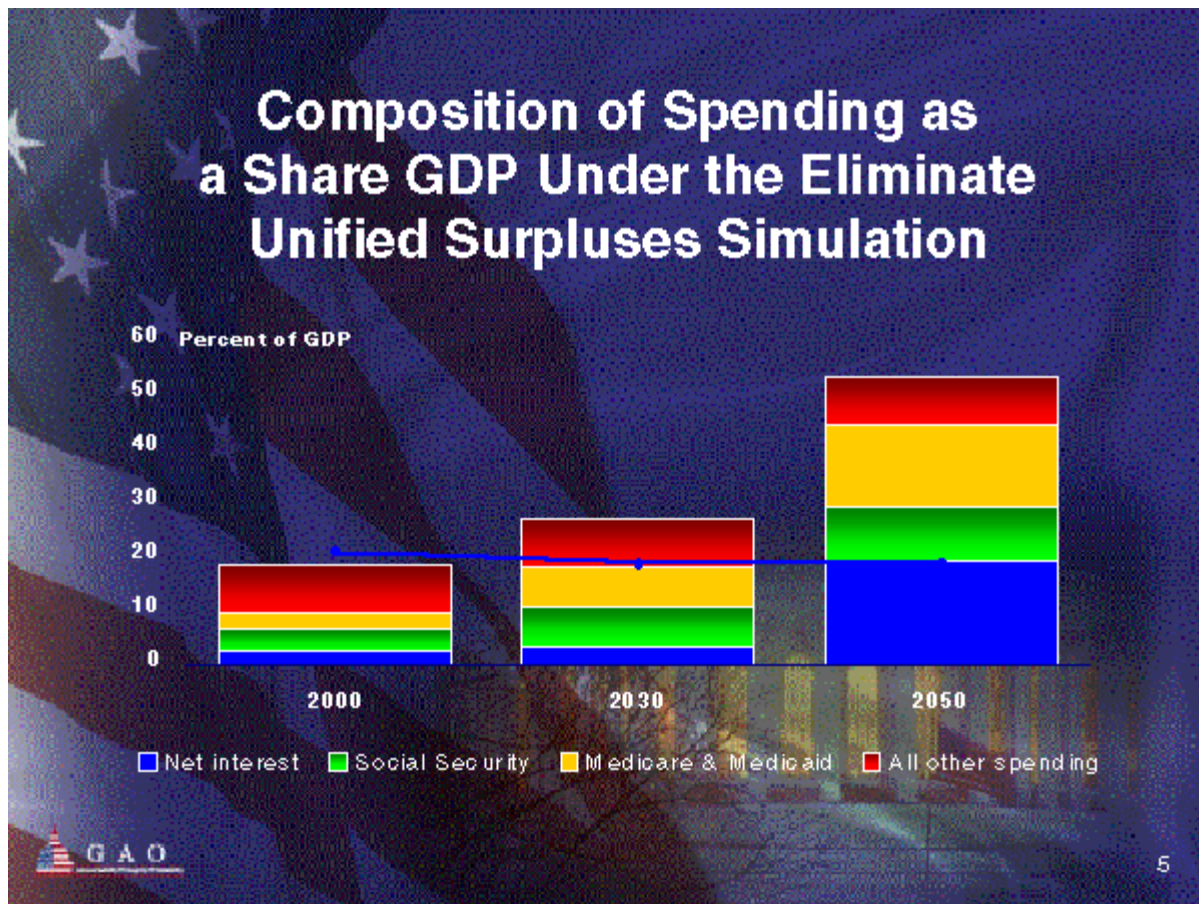
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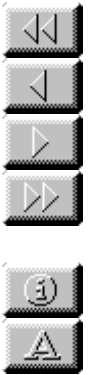
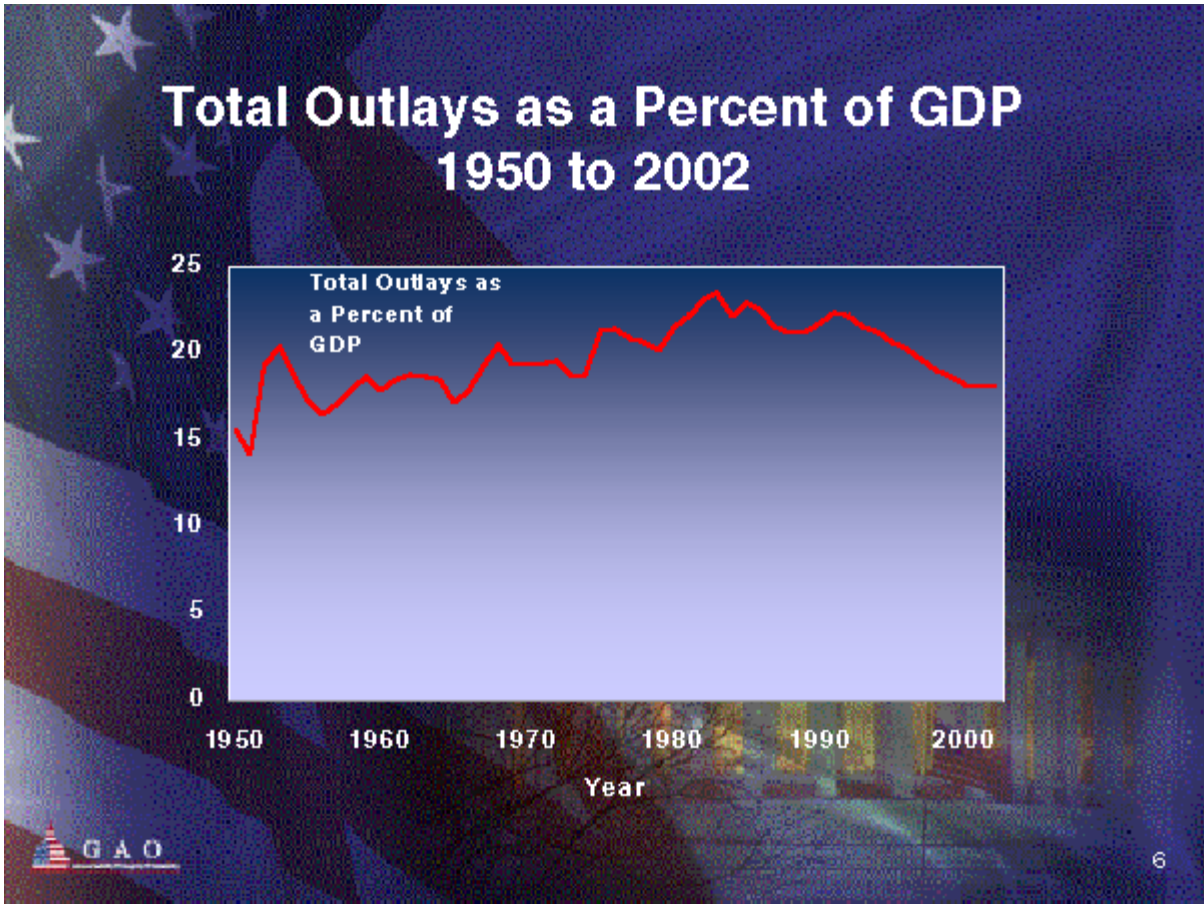
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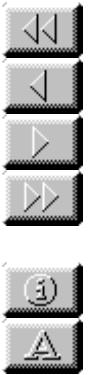
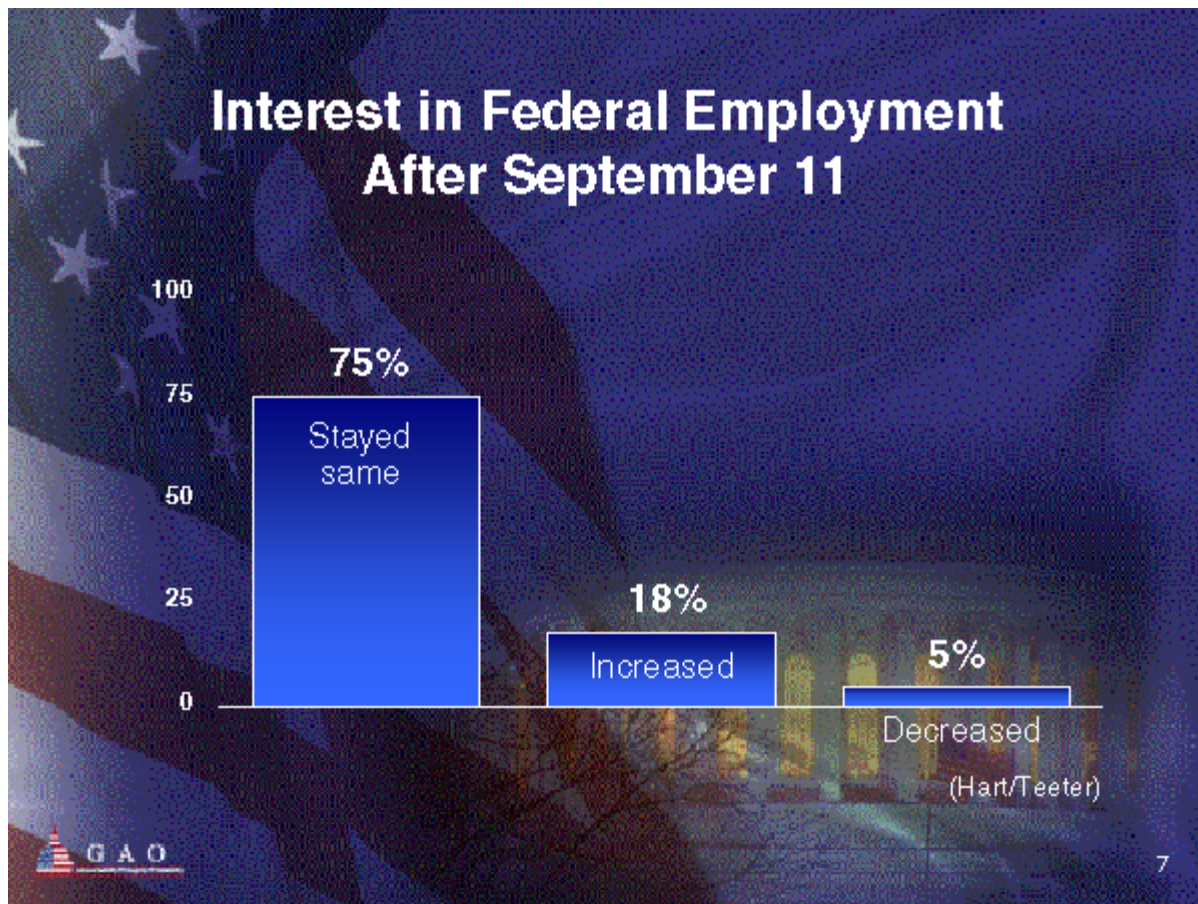
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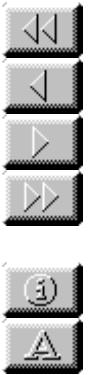


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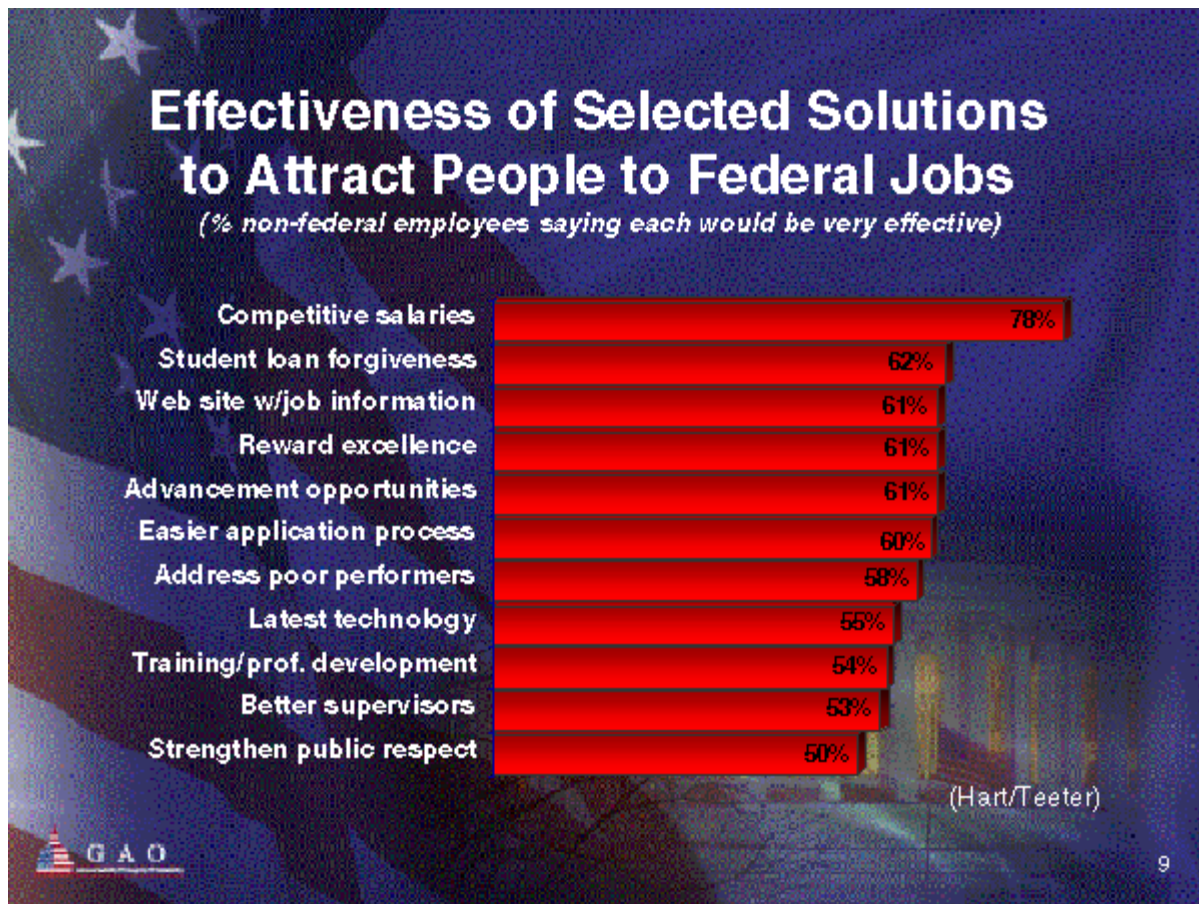
Federal Government Vs. Private Business on Selected Job Aspects

	Government Stronger %	Business Stronger %	Government Disadvantage %
Offers interesting and challenging work			
All non-federal workers	11	34	-23
College graduates	8	40	-32
Pays a good salary or wages			
All non-federal workers	27	36	-9
College graduates	16	55	-39
Rewards employees for outstanding work			
All non-federal workers	11	47	-36
College graduates	5	62	-57
Allows workers to take initiative and work independently			
All non-federal workers	6	58	-52
College graduates	3	69	-66

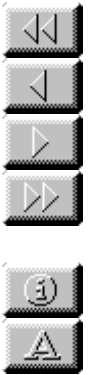
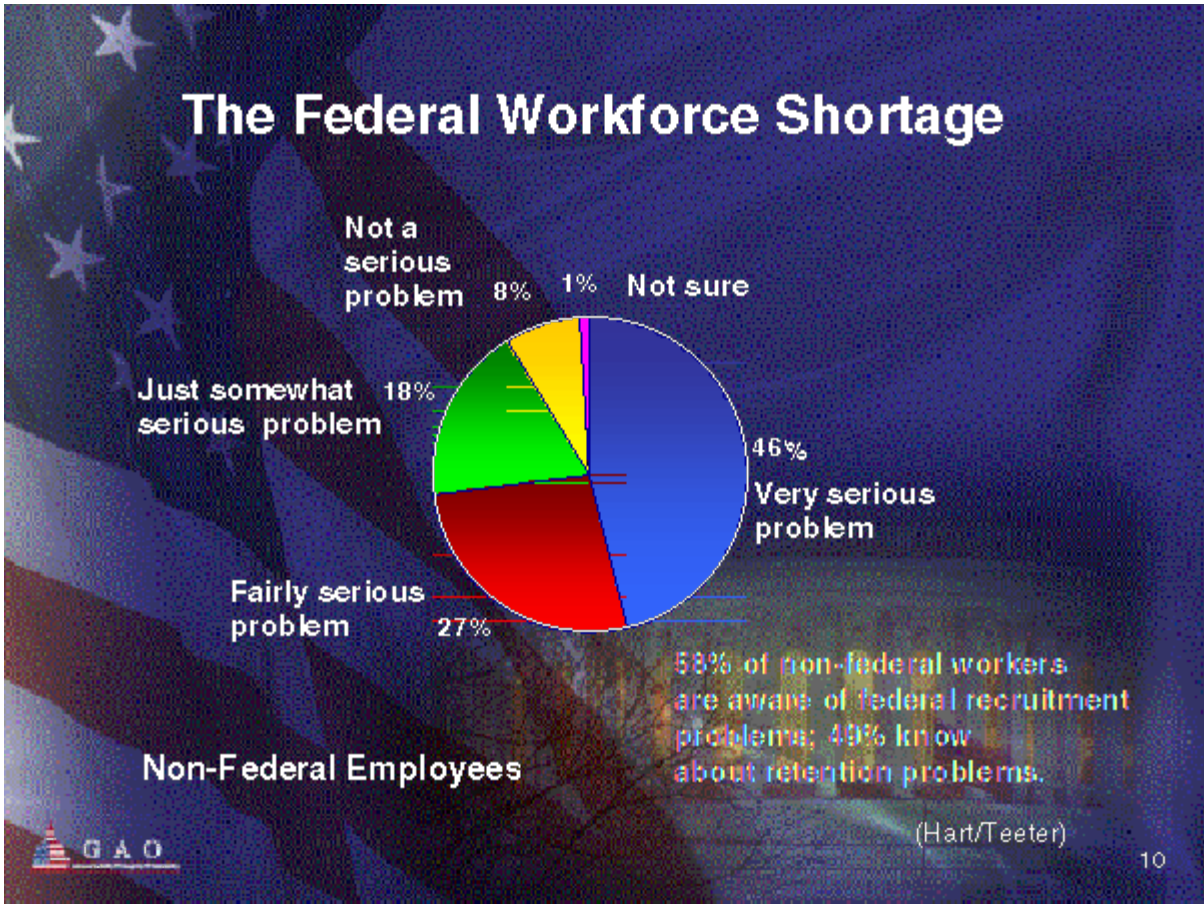
(Hart/Teeter)

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Key Enablers for Effective Performance Management

- People
- Process
- Technology

The most important of the three is PEOPLE — an agency's human capital.



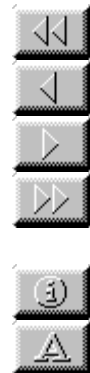
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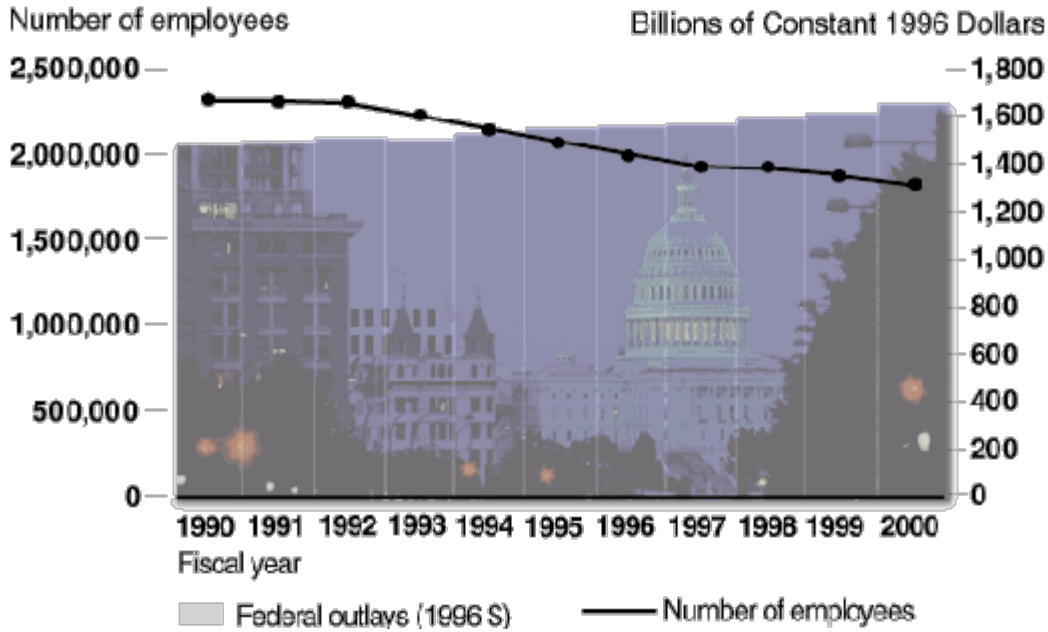
Revamp Human Capital Planning and Management Practices

- 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.



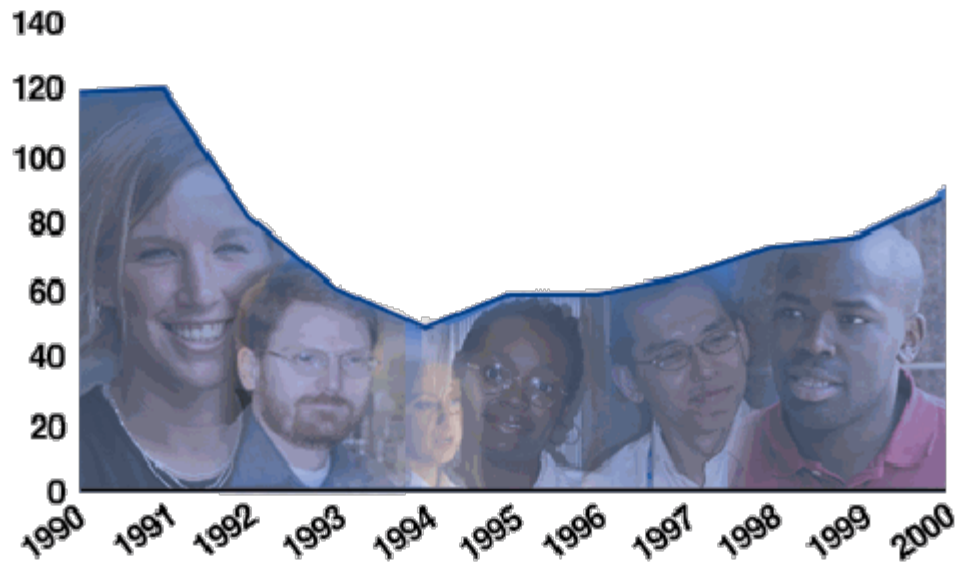
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Federal Government Doing More with Fewer People



Federal Permanent Hires FY 1990-FY1999

Permanent Hires (in thousands)

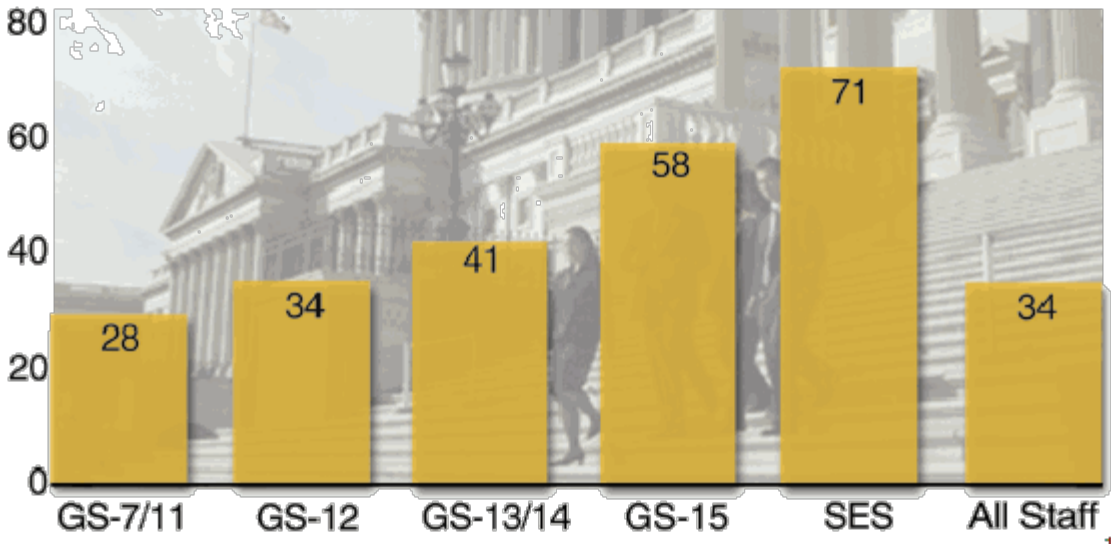


Federal Retirement Eligibility Rates

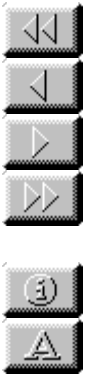
FY 1999 - FY 2005

Personnel eligible by end of FY 2005

Percentage



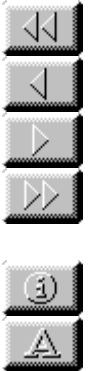
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Effects of Responses to Budgetary Cuts, Downsizing, and Outsourcing

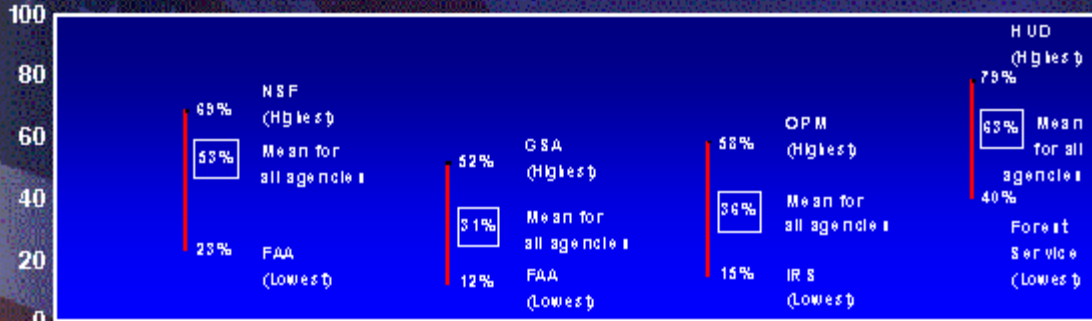
- Lack of strategic alignment
- Inadequate accountability for performance
- Skills imbalances
- Workload imbalances for remaining skilled workers
- Major succession planning challenges
- Outdated performance appraisal systems
- Reduced investments in people



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Agencies With Lowest and Highest Percentages of Federal Managers Who Agreed on Selected Statements About Their Agencies' Climates

Percentage responding to a 'great' or 'very great' extent from the 28 agencies included in GAO survey

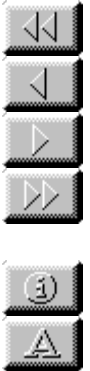


Agency's top leadership demonstrates a strong commitment to achieving results.

Employees in agency receive positive recognition for helping the agency accomplish its strategic goals.

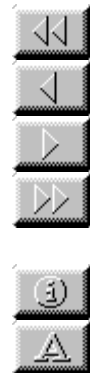
Agency managers have the authority and are held accountable to help agency accomplish strategic goals.

Agency managers are held accountable for the results of programs they are responsible for.



Cultural Transformation: A New Model for Government Organizations

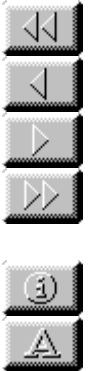
- Government organizations will need to become **less** hierarchical, process-oriented, stovepiped, and inwardly focused.
- They will need to become **more** partnerial, results-oriented, integrated, and externally focused.
- They will need to achieve a better balance between results, client/customer, and employee issues.
- They will need to work better with other governmental organizations, non-governmental organizations, and the private sector, both domestically and internationally, to achieve results.



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Keys to Making Change Happen

- Commitment and sustained leadership
- Demonstrated need for change
- Process (e.g., employee involvement)
- Identifiable and measurable progress over time
- Communication, communication, communication
- Several other actions needed:
 - Strategic Plan
 - Core values
 - Organizational alignment
 - Recruiting, development, and succession planning strategies
 - Performance measurement and reward systems



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SERVING THE CONGRESS GAO'S STRATEGIC PLAN FRAMEWORK



MISSION

GAO exists to support the Congress in meeting its Constitutive and responsibilities and to help improve the performance and accountability of the federal government for the benefit of the American people.

GOALS

<p>PROVIDE TIMELY, QUALITY SERVICE TO THE CONGRESS AND THE FEDERAL GOVERNMENT</p> <p>TO ADDRESS CURRENT AND EMERGING CHALLENGES THAT WILL BRING AND FINANCIAL SECURITY OF THE AMERICAN PEOPLE</p>	<p>SUPPORT THE TRIANGLE</p> <p>TO RESPOND TO CHANGING SECURITY THREATS AND THE CHALLENGES OF GLOBAL INTERDEPENDENCE</p>	<p>SUPPORT THE TRIANGLE</p> <p>TO A MORE RIGHTS-ORIENTED AND ACCOUNTABLE FEDERAL GOVERNMENT</p>	<p>MAXIMIZE THE VALUE OF GAO</p> <p>BY BEING A MODEL ORGANIZATION FOR THE FEDERAL GOVERNMENT</p>
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THEMES

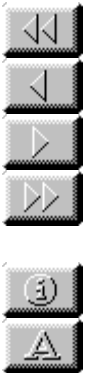
Demographics Remissions Quality of Life Security Technology
Government Performance and Accountability

OBJECTIVES

<p>Be first to needs and working Improve cybersecurity Solve delivery Protect our nation's laws Effective system of justice Oversee and control Make major decisions and Inform and supervise Physical infrastructure</p>	<p>Efficient security threats Military capabilities and Cyberforce New and emerging technologies Global market forces</p>	<p>First position in the Government and related accountability Oversee and control Participate in the Business systems and Information technology in federal agencies</p>	<p>Continuation Strategic and fiscal planning Research and Core business and supporting programs Internal and technology services</p>
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CORE VALUES

Accountability Integrity Reliability





GAO's Realignment and Restructuring

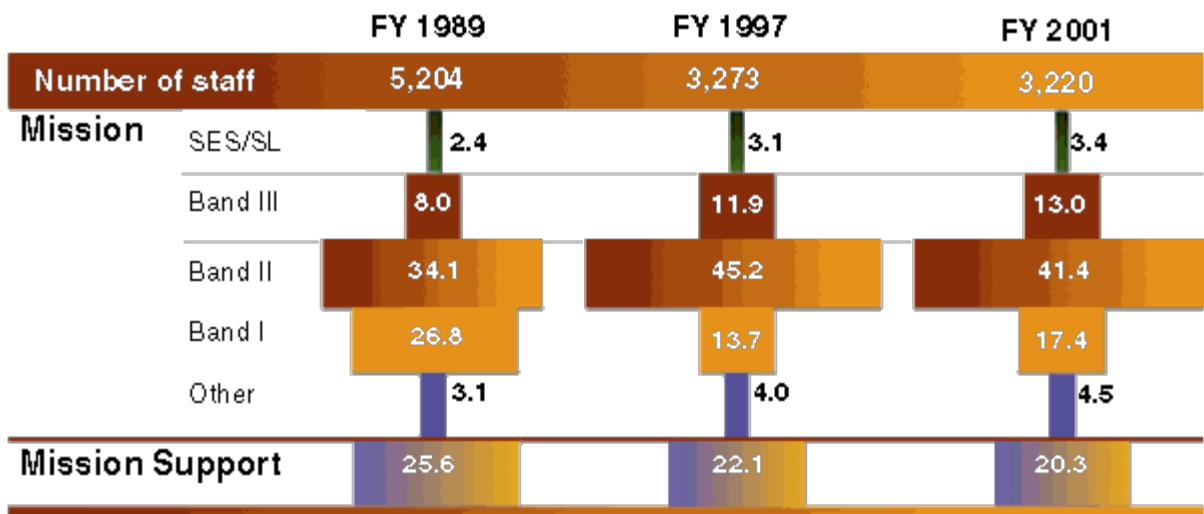
- Eliminated divisions
- Consolidated 35 issue areas into 13 teams
- Closed 5 of 16 field offices
- Redeployed resources to cross-agency, external, and higher demand areas

GAO 21

The slide features a dark blue background with a faint American flag pattern. On the right side, there is a vertical stack of six navigation icons: a double left arrow, a single left arrow, a single right arrow, a double right arrow, a circular arrow, and a triangle.

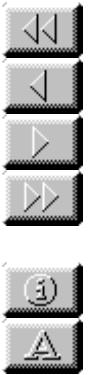
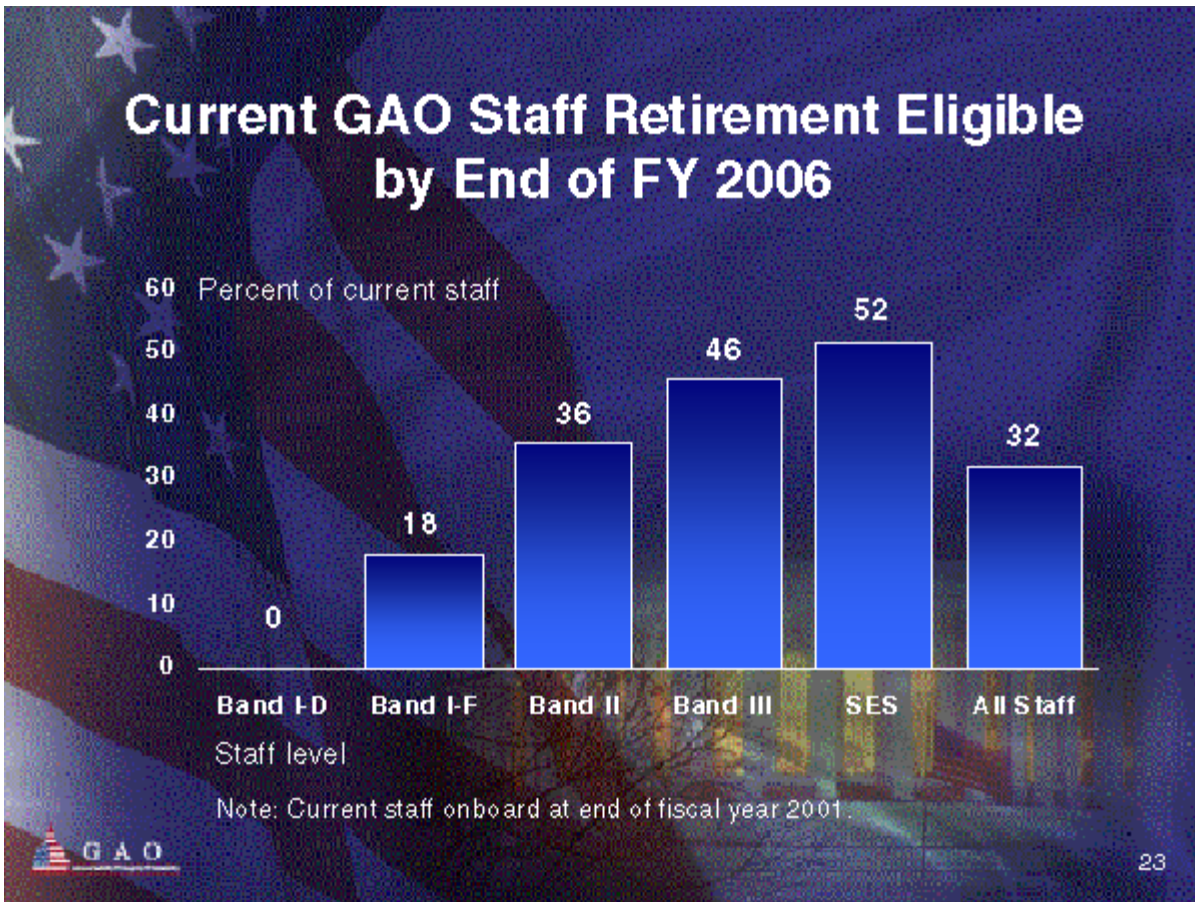
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Human Capital Profiles

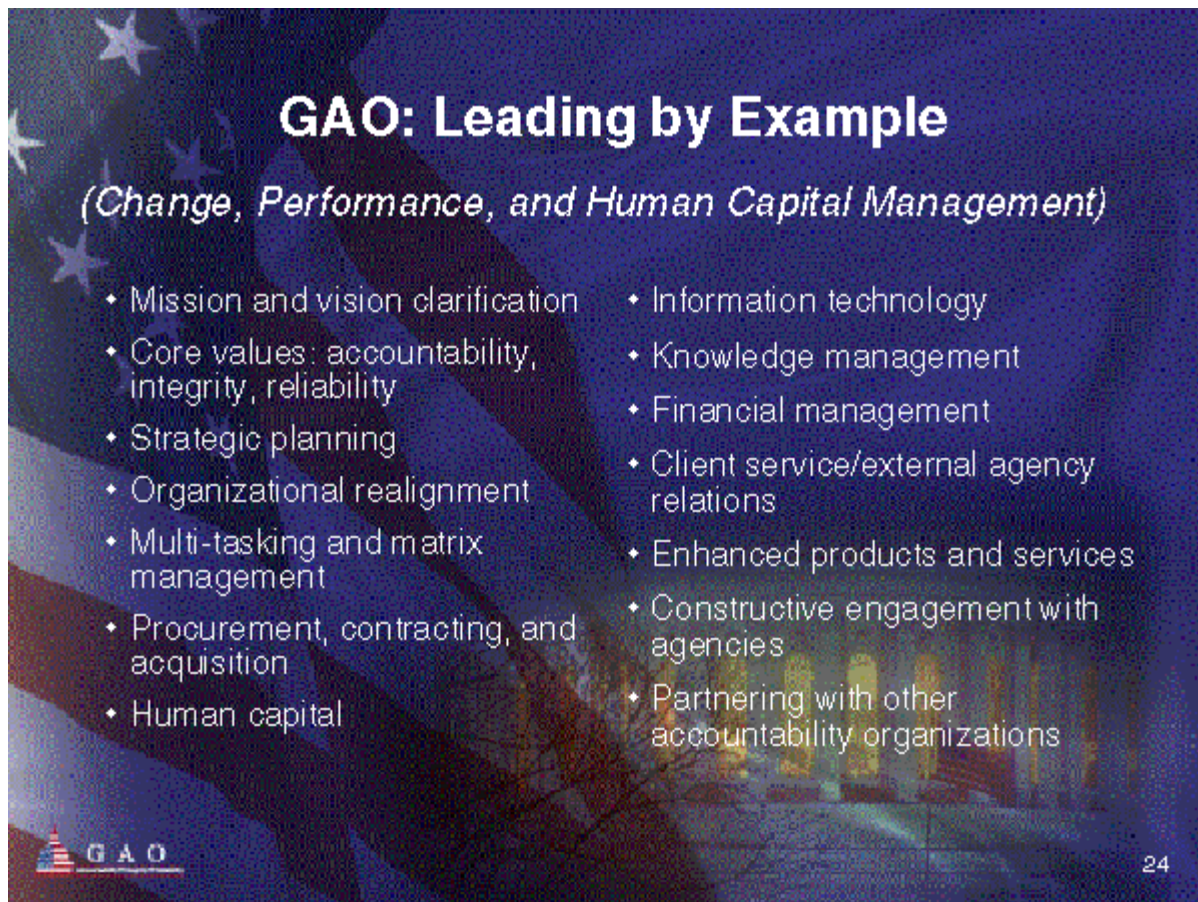


Figures in Percentage





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GAO: Leading by Example
(Change, Performance, and Human Capital Management)

- ♦ Mission and vision clarification
- ♦ Core values: accountability, integrity, reliability
- ♦ Strategic planning
- ♦ Organizational realignment
- ♦ Multi-tasking and matrix management
- ♦ Procurement, contracting, and acquisition
- ♦ Human capital
- ♦ Information technology
- ♦ Knowledge management
- ♦ Financial management
- ♦ Client service/external agency relations
- ♦ Enhanced products and services
- ♦ Constructive engagement with agencies
- ♦ Partnering with other accountability organizations

GAO 24

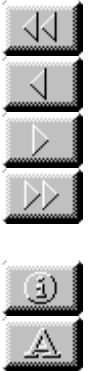
Navigation icons: back, forward, search, and other controls.

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Efforts to Address GAO's Human Capital Challenges

Administrative

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

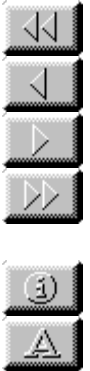


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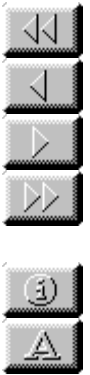
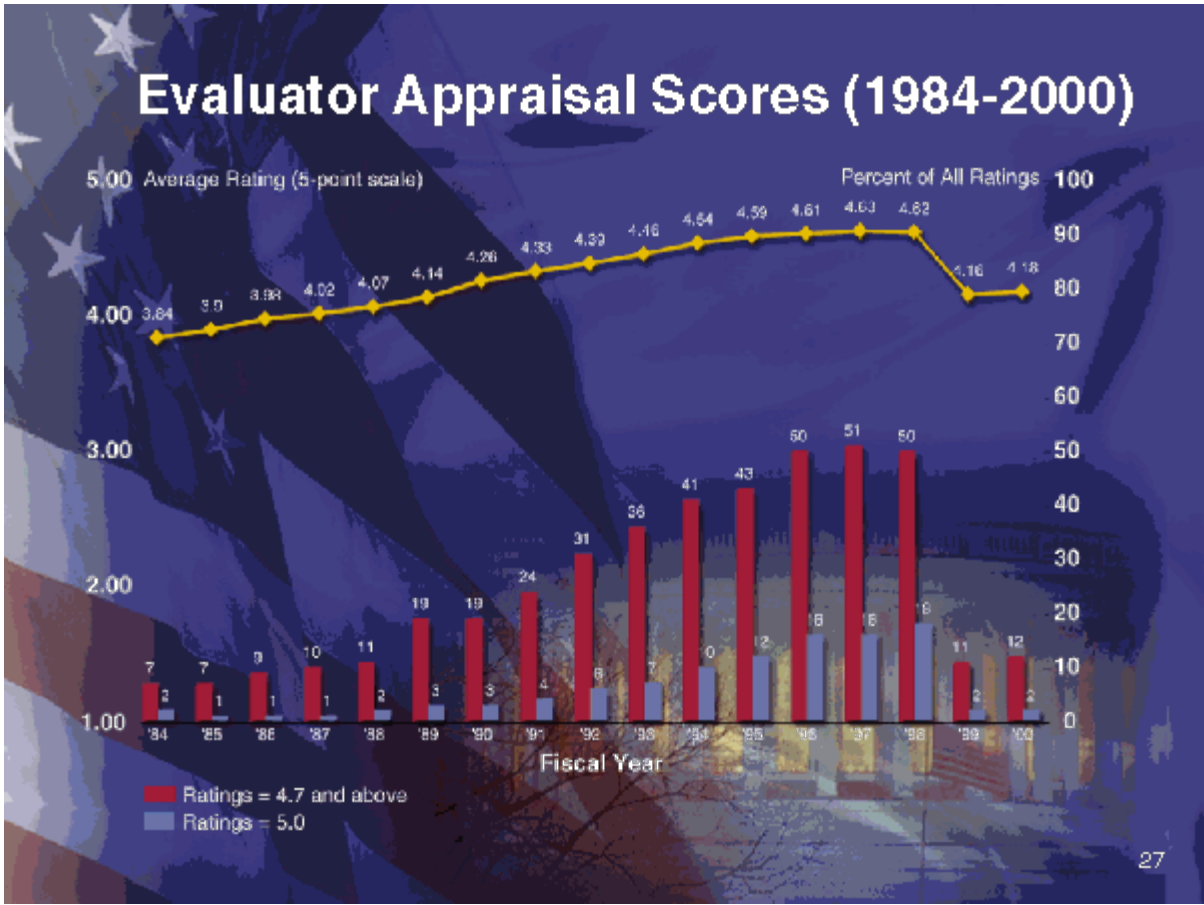
Efforts to Address GAO's Human Capital Challenges

Legislative

- Broadbanding system for mission staff
- Expedited hiring authority (e.g., internship program)
- Special pay rates
- Senior level for technical staff
- Targeted early out and buyout authority
- Revised RIF rules



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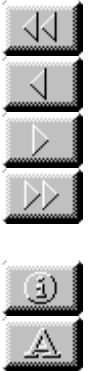


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Competency-Based Performance Appraisal

Objectives 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
- Sound basis for enhancing the performance capacity of all staff, rewarding high-performing staff, and dealing with “below expected” performers



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The diagram illustrates a competency-based performance management system. At the center is a red octagon labeled "Competency Model" containing 13 specific competencies. Surrounding this central model are various HR and performance management processes: Succession Planning, Promotions, Training, Career Planning, Pay Decisions, Performance Management, Work Assignments, and Recruitment. The background features a stylized American flag. The GAO logo is in the bottom left, and the number 29 is in the bottom right.

Competency-Based Performance Management System

Succession Planning

Training

Promotions

Career Planning

Pay Decisions

Performance Management

Work Assignments

Recruitment

Competency Model

- Achieving Results
- Maintaining Client and Customer Focus
- Developing People
- Thinking Critically
- Improving Professional Competence
- Collaborating with Others
- Presenting Information Orally
- Presenting Information in Writing
- Facilitating and Implementing Change
- Representing GAO
- Investing Resources
- Leading Others

GAO

29



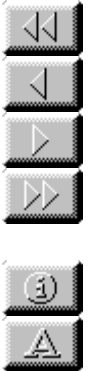
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Strategic Human Capital Management: Next Steps

- ♦ Establish human capital as a top priority
- ♦ Transition to a modern and high performance oriented human capital system
- ♦ Develop and implement updated human capital policies, practices, and information systems

Employ a three-phased approach:

- ♦ Do everything administratively possible
- ♦ Seek incremental legislative changes when necessary and base them on a sound business case
- ♦ Begin to build a consensus for comprehensive civil service reform based on an analysis of existing workforce challenges and selected demonstration projects



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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:

- ♦ Realignment Authority (e.g., voluntary early retirement and buyouts)
- ♦ Phased Retirement
- ♦ Critical Occupations
- ♦ Recruiting & Teambuilding
- ♦ Fellowships
- ♦ Professional Development
- ♦ Pay Compression
- ♦ Cafeteria Benefits
- ♦ Frequent Flyer Miles



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