

# GAO Highlights

Highlights of [GAO-19-696T](#), a testimony to the Subcommittee on Regulatory Affairs and Federal Management, Committee on Homeland Security and Governmental Affairs, U.S. Senate

## Why GAO Did This Study

Strategic human capital management plays a critical role in maximizing the government's performance and assuring its accountability to Congress and to the nation as a whole.

GAO designated strategic human capital management as a government-wide, high-risk area in 2001. Since then, important progress has been made. However, retirements and the potential loss of leadership and institutional knowledge, coupled with fiscal pressures, underscore the importance of a strategic and efficient approach to acquiring and retaining individuals with critical skills. As a result, strategic human capital management remains on GAO's High-Risk List.

This testimony is based on a large body of GAO work issued from May 2008 through May 2019. This testimony, among other things, focuses on key human capital areas where some actions have been taken but attention is still needed by OPM and federal agencies on issues including: (1) addressing critical skills gaps and (2) recruiting and hiring talented employees.

## What GAO Recommends

Over the years, GAO has made numerous recommendations to agencies and OPM to improve their strategic human capital management efforts. Agencies have taken actions to implement some of these recommendations, but many remain open. GAO encourages OPM and the agencies to fully implement the recommendations.

View [GAO-19-696T](#). For more information, contact Yvonne D. Jones at (202) 512-6806 or [jonesy@gao.gov](mailto:jonesy@gao.gov).

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## HUMAN CAPITAL

### Improving Federal Recruiting and Hiring Efforts

#### What GAO Found

GAO, along with the Office of Personnel Management (OPM) and individual agencies, has identified skills gaps in numerous government-wide occupations. According to GAO's 2019 analysis of federal high-risk areas, skills gaps played a role in 17 of the 35 high-risk areas. Causes vary but these skills gaps often occur due to shortfalls in one or more talent management activities such as robust workforce planning. Staffing shortages and the lack of skills among current staff not only affect individual agencies but also cut across the entire federal workforce in areas such as cybersecurity and acquisition management. Additionally, the changing nature of federal work and the high percentage of employees eligible for retirement could produce gaps in leadership and institutional knowledge, and threatens to aggravate the problems created from existing skills gaps. For example, 31.6 percent of permanent federal employees who were on board as of September 30, 2017, will be eligible to retire in the next 5 years with some agencies having particularly high levels of employees eligible to retire.

GAO's work has identified a range of problems and challenges with federal recruitment and hiring efforts. Some of these problems and challenges include unclear job announcements and a lengthy hiring process. Further, the federal workforce has changed since the government's system of current employment policies and practices were designed. Strategies that can help agencies better manage the current and future workforces include:

**Manage the timing of recruitment.** To address issues of funding uncertainty at the beginning of the fiscal year, agencies should recruit continuously, starting the hiring process early in the school year.

**Write user-friendly vacancy announcements.** GAO has reported that some federal job announcements were unclear. This can confuse applicants and delay hiring. OPM stated that when hiring managers partner with human resources staff, agencies can develop more effective vacancy announcements.

**Leverage available hiring and pay flexibilities.** To help ensure agencies have the talent they need, they should explore and use all existing hiring authorities. A variety of special pay authorities can help agencies compete in the labor market for top talent, but GAO has found that agencies only use them for a small number of employees.

**Increase support for an inclusive work environment.** An increasingly diverse workforce can help provide agencies with the requisite talent and multidisciplinary knowledge to accomplish their missions.

**Encourage rotations and other mobility opportunities.** Upward and lateral mobility opportunities are important for retaining employees, but few employees move horizontally because managers are sometimes reluctant to lose employees.

Without these measures, the federal government's ability to address the complex social, economic, and security challenges facing the country may be compromised.