

June 2005

# HUMAN CAPITAL

## Selected Agencies Have Opportunities to Enhance Existing Succession Planning and Management Efforts



G A O

Accountability \* Integrity \* Reliability



Highlights of [GAO-05-585](#), a report to congressional requesters

## Why GAO Did This Study

As the federal government confronts an array of challenges in the 21<sup>st</sup> century, it must employ strategic human capital management, including succession planning, to help meet those challenges. Leading organizations go beyond a succession planning approach that focuses on replacing individuals and engage in broad, integrated succession planning and management efforts that focus on strengthening current and future organizational capacity.

GAO reviewed how the Census Bureau, Department of Labor (DOL), the Environmental Protection Agency (EPA) and the Veterans Health Administration (VHA) are implementing succession planning and management efforts.

## What GAO Recommends

GAO made specific recommendations to enhance agencies' succession efforts. The Department of Veterans Affairs agreed with our recommendations. The Census Bureau agreed with two recommendations and in response to a third, stated that its existing monitoring approach is effective. However, without strengthened monitoring, the Bureau is at increased risk that it will not have the skills it needs for the 2010 Census. DOL did not take issue with our findings and will consider our recommendations. EPA did not comment on our recommendations. DOL and EPA provided technical comments.

[www.gao.gov/cgi-bin/getrpt?GAO-05-585](http://www.gao.gov/cgi-bin/getrpt?GAO-05-585).

To view the full product, including the scope and methodology, click on the link above. For more information, contact Eileen Larence at (202) 512-6806 or [larencee@gao.gov](mailto:larencee@gao.gov).

## HUMAN CAPITAL

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## What GAO Found

The Census Bureau, DOL, EPA, and VHA have all implemented succession planning and management efforts that collectively are intended to strengthen organizational capacity. However, in light of governmentwide fiscal challenges, the agencies have opportunities to enhance some of their succession efforts.

- While all of the agencies have assigned responsibility for their succession planning and management efforts to councils or boards, VHA has established a subcommittee and high-level positions that are directly responsible for its succession efforts. Also, VHA and the Census Bureau specifically mention succession planning and management as performance expectations in their executives' performance plans.
- The four agencies have begun to link succession efforts to strategic planning. For example, DOL plans to shift from a historical enforcement role to a compliance assistance and consulting role, requiring stronger skills in communication and analysis. To attract and retain employees with such skills, DOL launched the Masters in Business Administration Fellows program in 2002, which it considers one of its major succession training and development programs.
- Monitoring mission-critical workforce needs helps make informed planning decisions. DOL, EPA, and VHA have identified gaps in occupations or competencies, have undertaken strategies to address these gaps, and are planning or are taking steps to monitor their progress in closing these gaps. The Census Bureau could strengthen the monitoring of its mission-critical occupations more closely and at a higher level to ensure it is prepared for the 2010 Decennial Census.
- Effective training and development programs can enhance the federal government's ability to achieve results. All of the agencies' succession efforts include training and development programs at all organizational levels. However, in the current budget environment, there are opportunities to coordinate and share these programs and create synergies through benchmarking with others, achieving economies of scale, limiting duplication of efforts, and enhancing the effectiveness of programs, among other things. Performance measures for these programs can also help agencies evaluate these programs' effects on organizational capacity and justify their value.
- Finally, agencies have recognized the importance of diversity to a successful workforce and use succession planning and management to enhance their workforce diversity.

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**Abbreviations**

CHCO	Chief Human Capital Officers (Council)
DOC	Department of Commerce
DOL	Department of Labor
EEOC	Equal Employment Opportunity Commission
EPA	Environmental Protection Agency
Fed CDP	Federal Candidate Development Program
MBA	Masters in Business Administration
MSPB	Merit Systems Protection Board
OPM	Office of Personnel Management
SES	Senior Executive Service
VA	Department of Veterans Affairs
VHA	Veterans Health Administration
VISN	Veterans Integrated Service Network

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United States Government Accountability Office  
Washington, D.C. 20548

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June 30, 2005

The Honorable George V. Voinovich  
Chairman  
Subcommittee on Oversight of Government Management,  
the Federal Workforce, and the District of Columbia  
Committee on Homeland Security and Governmental Affairs  
United States Senate

The Honorable Jon Porter  
Chairman  
Subcommittee on the Federal Workforce and Agency Organization  
Committee on Government Reform  
House of Representatives

The Honorable Jo Ann Davis  
House of Representatives

Large, escalating, and persistent deficits that are unsustainable over the long term are among an array of challenges that the federal government confronts in the 21<sup>st</sup> century.<sup>1</sup> To help meet government's challenges, we have reported that agencies must employ strategic human capital management. We also continue to designate strategic human capital management as a high-risk area, one that threatens the federal government's ability to serve Americans effectively, because federal human capital strategies are still not appropriately constituted to meet current and emerging challenges or drive the transformations necessary for agencies to meet these challenges.<sup>2</sup> More specifically, agencies need to identify, develop, and select the appropriate leaders, managers, and workforce to meet 21<sup>st</sup> century challenges, and one critical step is through effective succession planning and management. Leading organizations go beyond a succession planning approach that focuses on simply replacing individuals and engage in broad, integrated succession planning and management efforts that focus on strengthening both current and future organizational capacity. Particularly in an environment of likely continued budget constraints, federal agencies must implement human capital strategies,

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<sup>1</sup> GAO, *21<sup>st</sup> Century Challenges: Reexamining the Base of the Federal Government*, GAO-05-325SP (Washington, D.C.: February 2005).

<sup>2</sup> GAO, *High-Risk Series: An Update*, GAO-05-207 (Washington, D.C.: January 2005).

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including succession planning and management, to transform their cultures to achieve their long-term goals.

Congress has recognized the important role of succession planning and management in preparing federal workers for the future. The Federal Workforce Flexibility Act of 2004 requires the head of each agency to establish, in consultation with the Office of Personnel Management (OPM), a comprehensive management succession program to provide training for employees and develop future managers for the agency.<sup>3</sup> In addition, the Chief Human Capital Officers Act led to the creation of a governmentwide Chief Human Capital Officers (CHCO) Council, which subsequently established a leadership and succession planning subcommittee.<sup>4</sup> This subcommittee's intended focus is on reviewing leadership development, moving leaders from technicians to strategic thinkers, and meeting future workforce needs in a planned manner. The act also calls for OPM to design measures to assess, among other issues, the continuity of effective leadership through the implementation of succession plans.

We previously identified how agencies in Australia, Canada, New Zealand, and the United Kingdom are adopting a more strategic approach to managing the succession of senior executives and other employees with critical skills.<sup>5</sup> We found that these agencies' succession planning and management efforts (1) receive active support of top leadership; (2) link to the agencies' strategic planning; (3) identify talent from multiple organizational levels, early in their careers, or with critical skills; (4) emphasize developmental assignments for high-potential employees in addition to formal training; (5) address specific human capital challenges, such as diversity; and (6) facilitate broader transformation efforts.<sup>6</sup> We observed that these experiences may prove valuable to agencies in the United States.

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<sup>3</sup> 5 U.S.C. §4121.

<sup>4</sup> 5 U.S.C. §1401.

<sup>5</sup> GAO, *Human Capital: Insights for U.S. Agencies from Other Countries' Succession Planning and Management Initiatives*, [GAO-03-914](#) (Washington, D.C.: Sept. 15, 2003).

<sup>6</sup> For more information on transformation, see GAO, *Forum: High-Performing Organizations: Metrics, Means, and Mechanisms for Achieving High Performance in the 21<sup>st</sup> Century Public Management Environment*, [GAO-04-343SP](#) (Washington, D.C.: Feb. 13, 2004).

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As a follow up to that report, we reviewed how selected U.S. agencies are implementing succession planning and management efforts. For purposes of this report, we specifically address the first five practices given the selected agencies' immediate succession challenges. We selected agencies based on the nature of these succession challenges as well as their diverse organizational structures and missions.

Specifically, we reviewed the

- Census Bureau, which has a unique, event-driven requirement, namely the 2010 Decennial Census, and projected that 45 percent of its workforce will be eligible to retire by 2010;
- Department of Labor (DOL), which has reported a Senior Executive Service (SES) retirement eligibility rate of more than 60 percent by the beginning of fiscal year (FY) 2010;
- Environmental Protection Agency (EPA), which has reported that almost 60 percent of its SES will be eligible to retire by 2008 and projected a loss of at least 20 percent of its supervisors in 10 of 18 priority occupations; and
- Veterans Health Administration (VHA), which reported a 38 percent SES retirement eligibility rate through 2008 and projects that 24 percent of its Nurse Executives will be eligible for regular retirement in 2005.

To meet this objective, we analyzed strategic, human capital, workforce, succession, and training and development plans; guidance for managers' performance agreements; human capital team charters; and diversity information from the selected agencies. In addition, we reviewed policies and guidance on succession-related issues from OPM, as well as the Equal Employment Opportunity Commission (EEOC) and the Merit Systems Protection Board (MSPB) because of their responsibilities for ensuring the fair application of personnel decisions, such as selection for training and development programs. We also interviewed agency, OPM, EEOC, and MSPB officials involved with strategic, human capital, and succession planning and management. To get the varied perspectives of agencies' staff located in headquarters and regional offices, we interviewed agency officials in Washington, D.C.; Charlotte, North Carolina; and Los Angeles and San Francisco, California. Appendix I provides additional information on our scope and methodology. We conducted our study from June 2004

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through April 2005 in accordance with generally accepted government auditing standards.

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## Results in Brief

The Census Bureau, DOL, EPA, and VHA have all implemented selected succession planning and management efforts that collectively are intended to strengthen both current and future organizational capacity. Generally, these efforts receive top leadership support and commitment, link with strategic planning, identify critical gaps in occupations or competencies, offer training and development programs, and enhance diversity. However, each of the agencies should enhance some succession efforts to better position themselves for the future.

All four agencies have the support and commitment of their organizations' top leadership. For example, they have established councils or boards with responsibility for human capital that involve top agency leadership. Specifically, VHA has a dedicated subcommittee as well as high-level positions that are directly accountable for succession planning and management, while the other three agencies have councils or boards that are responsible for human capital more broadly, including succession. Furthermore, all four agencies include a performance expectation that in general holds executives accountable for human capital management in their performance plans. However, VHA and the Census Bureau include an expectation that specifically holds executives accountable for succession planning and management.

All four agencies have also begun to link their succession efforts to their strategic goals. DOL states that to meet its strategic goal of ensuring a competitive 21<sup>st</sup> century workforce, it plans to identify skill gaps, assess training needs, and recruit new employees. For example, DOL plans to shift from a historical enforcement role to compliance assistance and consultation, requiring stronger skills in communication and analysis. DOL seeks to develop more skills in technology and project management as well as in strategic planning, quantitative analysis, and analytical thinking for a more "business-like" management approach. To attract and retain employees with such skills, DOL launched the Masters in Business Administration (MBA) Fellows program in 2002, which it considers one of its major succession development programs.

These agencies have identified the talent, and specifically the mission-critical occupations or competencies required to achieve their goals. For example, VHA projects the number of employees needed to fill the gaps in



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mission-critical occupations and monitors changes in its mission-critical workforce. EPA has projected gaps by mission-critical occupations, identified technical and cross-occupational competencies, and plans to monitor its progress in closing these gaps. DOL assesses its mission-critical requirements through skills inventories and monitors the turnover of its workforce. The Census Bureau, on the other hand, has also identified its mission-critical occupations, but does not monitor its progress in closing gaps because decisions to fill vacancies are delegated to line managers. However, without monitoring the readiness of its mission-critical workers more closely and at a higher level than line managers, the Bureau may not know overall if it is acquiring the skills it needs to be prepared to conduct the 2010 Decennial Census.

Effective training and development programs can enhance the federal government's ability to prepare its workforce and thereby achieve results. Further, effective succession planning and management efforts identify talent from multiple organizational levels and early in their careers as well as provide both formal and developmental training to strengthen high-potential employees' skills and to broaden their experience. All four agencies have core succession training and development programs for entry-level employees, middle-level management, and senior executives. However, in the current budget environment, there are opportunities for agencies to coordinate and share these programs and create synergies through benchmarking with others, achieving economies of scale, limiting duplication of efforts, and enhancing the effectiveness of programs, among other things. Examples of such coordinated and shared training include a partnership across three agencies to share best practices among their acquisition workforces and OPM's program to help agencies meet their senior executive succession goals and create a leadership corps. The selected agencies generally had not sought out such opportunities for their core succession programs.

Given this environment, agencies also need credible information to evaluate how training and development programs affect organizational capacity. All four agencies are able to report on measures such as participant number and program cost. However, the Census Bureau, VHA, and EPA could better demonstrate their programs' value in providing future talent by identifying outcome-oriented measures and evaluating the extent to which these programs enhance their organizations' capacity. For example, DOL has identified measures that are intended to provide the department with an understanding of the programs' impact on organizational capacity, such as its SES "bench strength," a ratio of senior

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executives who are in training or have completed training to those projected to leave.

Finally, all four agencies report using their succession planning and management efforts to enhance diversity. For example, VHA has integrated diversity planning into its succession and workforce planning process. Initially, each regional office that has primary responsibility for health care—or Veterans Integrated Service Network (VISN)—submits a regional succession plan that includes diversity information. VHA then analyzes these data, highlights underrepresentation of certain demographic groups in specific mission-critical occupations, and provides guidance to focus recruiting efforts to enhance diversity.

To improve and refine their succession planning and management efforts, we are recommending that all four agencies actively seek opportunities to coordinate and share their core succession training and development programs with other outside agencies. By doing so, agencies can enhance efficiency and increase the effectiveness of their programs, among other things. We are also making other recommendations to individual agencies to enhance their succession planning and management efforts.

We provided a draft of this report to the Acting Director of OPM and the CHCO Council's Leadership and Succession Planning Subcommittee for their information. We also provided a draft of this report to the Secretaries of Commerce, Labor, and Veterans Affairs (VA) and the Administrator of EPA for their review and comment. VA agreed with our findings and recommendations, and we present their written comments in appendix II. The Department of Commerce (DOC) and the Census Bureau agreed with our findings and our recommendations to seek opportunities to coordinate core succession training and development programs and to evaluate the extent to which these programs enhance organizational capacity. In response to our recommendation to strengthen the monitoring of its mission-critical workforce, the Census Bureau stated that its existing approach is effective. However, without strengthened monitoring of its mission-critical workforce, the Census Bureau is at increased risk that it will not have the skills it needs to be prepared to conduct the 2010 Census as efficiently or effectively as possible. For example, a lesson from the 2000 Census was that while contracts for various projects supported decennial census operations, they did so in many instances at a higher cost than necessary because the Census Bureau did not have sufficient contracting and program staff with the training and experience to manage them. We present DOC's and the Census Bureau's written comments in appendix III.

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DOL did not take issue with our findings, stated that it will consider our recommendations, and provided technical comments, which we incorporated as appropriate. EPA did not comment on our recommendations, but provided a technical comment, which we incorporated.

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## Background

We have found that other countries are experiencing challenges in managing their human capital, and their experiences may prove valuable to federal agencies in the United States. For example, they are using their performance management systems to connect employee performance with organizational success to help foster a results-oriented culture.<sup>7</sup> They are also implementing succession planning and management initiatives that are designed to protect and enhance organizational capacity.<sup>8</sup> Collectively, these agencies' initiatives demonstrated the following practices.

- *Receive active support of top leadership.* Top leadership actively participates in, regularly uses, and ensures the needed financial and staff resources for key succession planning and management initiatives. New Zealand's State Services Commissioner, whose wide-ranging duties include the appointment and review of public service chief executives, formulated a new governmentwide senior leadership and management development strategy.
- *Link to strategic planning.* To focus on both current and future needs and to provide leaders with a broader perspective, the Royal Canadian Mounted Police's succession planning and management initiative figures prominently in the agency's multiyear human capital plan and provides top leaders with an agencywide perspective when making decisions.
- *Identify talent from multiple organizational levels, early in their careers, or with critical skills.* For example, the United Kingdom's Fast Stream program targets high-potential individuals as well as recent college graduates, and aims to provide individuals with experiences and training linked to strengthening specific competencies required for admission to the Senior Civil Service.

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<sup>7</sup> GAO, *Results-Oriented Cultures: Insights for U.S. Agencies from Other Countries' Performance Management Initiatives*, [GAO-02-862](#) (Washington, D.C.: Aug. 2, 2002).

<sup>8</sup> [GAO-03-914](#).

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- *Emphasize developmental assignments in addition to formal training.* Initiatives emphasize developmental assignments in addition to formal training to strengthen high-potential employees' skills and broaden their experiences. For example, Canada's Accelerated Executive Development Program temporarily assigns executives to work in unfamiliar roles or subject areas, and in different agencies.
  - *Address specific human capital challenges, such as diversity, leadership capacity, and retention.* For example, the United Kingdom created a centralized development program that targets minorities with the potential to join the Senior Civil Service.
  - *Facilitating broader transformation efforts.* The United Kingdom launched a wide-ranging reform program known as Modernising Government, which focused on improving the quality, coordination, and accessibility of the services government offered to its citizens and restructured the content of its leadership and management development programs to reflect this new emphasis on service delivery. In Australia, to find individuals to champion recent changes in how it delivers services and interacts with stakeholders, the Family Court of Australia identifies and prepares future leaders who will have the skills and experiences to help the organization successfully adapt to agency transformation.

We at GAO have also undertaken a variety of succession planning and management initiatives consistent with these leading practices to strengthen our own internal efforts. For example, we have constructed a detailed workforce planning model and analyzed it to ensure that it hired, retained, and contracted for the appropriate number of staff with the needed competencies. In addition, we have developed certain "people measures" to assess its performance in human capital management, including measures for the attraction and retention of staff, staff utilization and development, and organizational leadership.

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## Agencies Reinforce Top Leadership Support by Assigning Responsibility for Succession Efforts

Effective succession planning and management programs have the support and commitment of their organizations' top leadership. Our past work has shown that demonstrated commitment of top leaders is perhaps the single most important element of successful management reform.<sup>9</sup> We have reported that to demonstrate its support of succession planning and management efforts, top leadership actively participates in and regularly uses these initiatives to develop and promote individuals, and ensures that these programs receive sufficient resources.<sup>10</sup> As a next step, federal agencies are to hold their senior executives accountable to address human capital issues, such as succession.<sup>11</sup> We found that VHA has assigned responsibility for succession planning and management initiatives to a dedicated subcommittee, while DOL, the Census Bureau, and EPA have councils or boards that are responsible for human capital more broadly, including succession efforts.

VHA has established a subcommittee and high-level positions that are directly responsible for succession planning and management. The Succession and Workforce Development Management Subcommittee reports to the Human Resources Committee of the National Leadership Board, as illustrated in figure 1. VHA's Chief Executive Officer—the Department of Veterans Affairs' Undersecretary for Health—chairs the board, which consists of VISN directors, chief officers, and heads of offices.

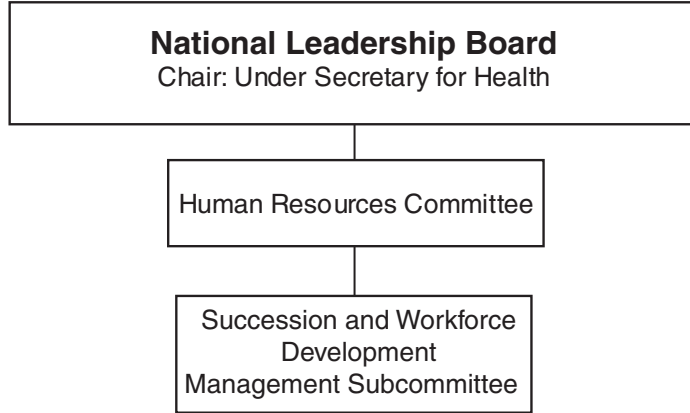
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<sup>9</sup> GAO, *Management Reform: Elements of Successful Improvement Initiatives*, [GAO/T-GGD-00-26](#) (Washington, D.C.: Oct. 15, 1999).

<sup>10</sup> [GAO-03-914](#).

<sup>11</sup> GAO, *Results-Oriented Cultures: Using Balanced Expectations to Manage Senior Executive Performance*, [GAO-02-966](#) (Washington, D.C.: Sept. 27, 2002).

**Figure 1: VHA's Assigned Responsibility for Succession**



Source: GAO.

In addition, VHA has established (1) a workforce planner position to help coordinate and manage VHA workforce planning activities, and (2) a nurse workforce planner position to help respond to its nursing shortage and consult with the workforce planner on certain issues, such as regional-specific recruiting challenges and training. Also, this year, VHA seeks to establish a director of succession management, a senior executive-level position. According to a VHA human capital official, the new director's duties will include overseeing national coordination of VHA's succession activities.

At DOL, the Management Review Board, chaired by the Assistant Secretary for Administration and Management, is responsible for a variety of business issues, including human capital. The board is composed of top senior leaders from each of the agencies within DOL. According to DOL, the board's senior leaders helped garner support for departmentwide succession planning and management efforts. For example, the board recommended funding the development of departmentwide competencies required for mission-critical occupations.

The Census Bureau's Human Capital Management Council, consisting of representatives from each of the Census Bureau's directorates, reports to the Deputy Director of Census. According to Census Bureau human resource officials, the Council plays a key role in involving and advising top leadership on human capital issues. For example, the Council developed

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and presented a succession management plan that recommended, among other things, piloting job rotations and assignments to address mission-critical priorities and resources. In addition, according to a Census Bureau human resource official, the Council assesses various succession-related issues, such as recruiting and competency development for the Bureau's senior management. In turn, senior management recently tasked a Council representative to provide monthly updates on succession-related issues.

EPA's Human Resources Council, composed of senior leaders who are to advise the EPA Administrator on human capital issues, released EPA's "Strategy for Human Capital," a planning document outlining EPA's long-term human capital goals. The strategy names the offices responsible for leading each of its goals. For example, the Office of Human Resources, the Executive Resources Board, and human resources officers are to implement a strategy to "Ensure the Continuity of Leadership, Critical Expertise, and Agency Values through Succession Planning and Management/Executive Development." According to agency human capital officials, EPA's assistant and regional administrators and their senior managers are responsible for executing succession planning initiatives.

As a next step, federal agencies are to hold their senior executives accountable for human capital issues, thus explicitly aligning individual performance expectations with organizational goals. VHA and the Census Bureau specifically mention succession planning and management in their executives' performance plans. DOL and EPA senior executive performance expectations also include aspects of succession planning and management as part of more general human capital management responsibilities.

- At VHA, in their FY 2005 performance plans, chief officers and program officials are to assure that the regional strategic plans address workforce development, including a succession plan that projects workforce needs. A VHA official also stated that VHA is considering including specific succession-related performance measures, such as turnover rates for selected priority occupations, in applicable executive performance plans.
- The Census Bureau's FY 2005 executive performance plans state that each senior executive "effectively develops and executes plans to accomplish strategic goals and organizational objectives, setting clear priorities and acquiring, organizing, and leveraging available resources (human, financial, budget, etc.) and succession planning to ensure

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timely delivery of high quality services and products in compliance with applicable laws, regulations and policies.” Senior executives are also to demonstrate a planned approach to workforce development for managers and staff.

- At DOL, executives are to ensure that “staff are appropriately selected, utilized, appraised, and developed...” Executives are also to develop the talents of the staff and qualified candidates for positions in the organization, according to DOL’s latest senior executive performance management plan, revised in 2004.
- EPA’s FY 2004 performance plan for senior executives states that executives should identify current and projected skill gaps and develop strategies for addressing these gaps. According to an EPA executive resource policy official, the FY 2005 senior executive performance plan is under revision, but the expectations concerning skill gaps will not change.

We have also reported that to demonstrate its support of succession planning and management, top leadership ensures that these programs receive sufficient financial and staff resources and are maintained over time.<sup>12</sup> DOL uses a centrally managed “crosscut fund” to supplement its succession planning and management initiatives. Component agencies within DOL submit project proposals, which DOL evaluates against established criteria, such as supporting initiatives in the department’s Human Capital Strategic Plan. According to DOL, from FY 2003-2004, the agency allocated about \$6.1 million for 18 human capital projects, such as competency assessments for mission-critical occupations, and the Management Development Program, one of DOL’s major succession development programs. The Census Bureau, EPA, and VHA allocate money to various programs, including succession efforts, intended to contribute to human capital goals, but detailed funding information was not readily available from the agencies.

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<sup>12</sup> [GAO-03-914](#).



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## Agencies Have Begun to Link Succession Efforts to Their Strategic Goals

Leading organizations use succession planning and management as a strategic planning tool that focuses on current and future needs and develops pools of high-potential staff in order to meet the organization's mission over the long term. That is, succession planning and management is used to help the organization become what it needs to be, rather than simply to recreate the existing organization. We have previously reported on the importance of linking succession planning and management with the forward-looking process of strategic planning.<sup>13</sup> Specifically, discussing how workforce knowledge, skills, and abilities will contribute to the achievement of strategic and annual performance goals, how significant gaps are identified, and what mitigating strategies are proposed (such as hiring and training) can show the connection between succession planning and strategic planning. All four agencies have begun to link their succession planning to their strategic goals.

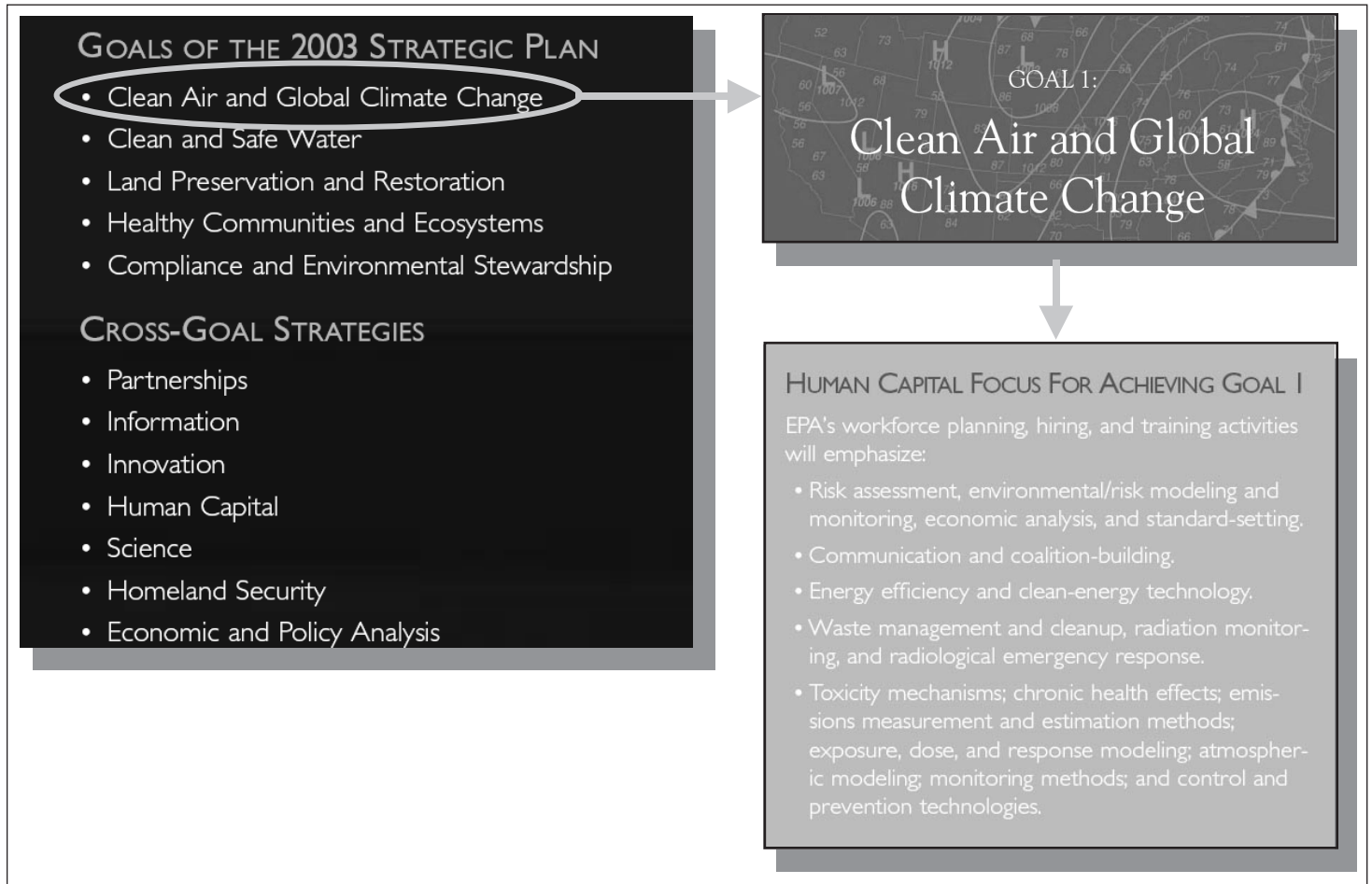
We previously reported that EPA's human capital strategy lacked some key elements, including the linking of human capital objectives to strategic goals.<sup>14</sup> Since then, EPA's current strategic plan recognizes that human capital management spans its 5 strategic goals and identifies specific workforce knowledge, skills, and abilities to achieve each goal. For example, as illustrated in figure 2, to achieve its goal for "Clean Air and Global Climate Change," EPA states that its workforce planning, hiring, and training activities will emphasize risk assessment, including environmental-risk modeling and monitoring, economic analysis, and standard setting, among other factors.

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<sup>13</sup> GAO, *Human Capital: A Self-Assessment Checklist for Agency Leaders*, [GAO/OCG-00-14G](#) (Washington, D.C.: September 2000).

<sup>14</sup> GAO, *Human Capital: Implementing an Effective Workforce Strategy Would Help EPA to Achieve Its Strategic Goals*, [GAO-01-812](#) (Washington, D.C.: July 31, 2001).

Figure 2: EPA's Strategic Goals and Associated Human Capital Focus



Source: EPA.

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Separately, the succession plan states that the agency faces a number of future challenges, such as global pollution, and identifies key drivers shaping the agency's future work, such as science and technology advancements, budget constraints, administration priorities, agricultural practices, public expectations, and the media's influences. To respond to these drivers, EPA states that its employees must have the capacity to build stronger working partnerships, increase on-site problem solving, and enhance internal and external communication practices.

As a component of VA, VHA recognizes VA's strategic objective to "recruit, develop and retain a competent, committed and diverse workforce that provides high quality service to veterans and their families" in its *Workforce Succession Strategic Planning Guide*. To achieve this objective, VHA identifies a number of strategic assumptions about the future of veterans' health care. For example, it states that health care delivery will become more patient centered, that patients will be seen based on need instead of a predetermined schedule, and the use of in-home and interactive technology will increase, along with noninstitutional long-term care. Although VHA states that technological advances will improve access and quality of care for veterans, it does not anticipate significant impacts on the need for health care professionals over the next 5 years, and expects to continue to compete for scarce health care professionals in certain occupations.

DOL states that to meet its strategic goal of ensuring a competitive 21<sup>st</sup> century workforce, it plans to identify skill gaps, assess training needs, and recruit new employees. For example, DOL plans to shift from a historical enforcement role to compliance assistance and consultation, requiring stronger skills in communication and analysis. DOL seeks to develop more skills in technology and project management as well as in strategic planning, quantitative analysis, and analytical thinking for a more "business-like" management approach. To attract and retain employees with such skills, DOL launched the MBA Fellows program in 2002, which it considers one of its major succession development programs. The 2-year developmental program includes rotational assignments, mentoring, and promotional opportunities for successful graduates. In FY 2004, DOL reported retaining 89 percent of its MBA Fellows after 2 years.

Among the Census Bureau's strategic goals is its unique requirement to conduct the Decennial Census. According to the agency strategic plan, the Bureau plans to reengineer the 2010 Census so that it "is cost-effective, provides more timely data, improves coverage accuracy, and reduces operational risk." The agency will accomplish this by collecting

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information on a yearly basis, enhancing address databases, using local geographic information, and undertaking operational tests of these new sources and methods. In its human capital plan, the Bureau acknowledges that reengineering the 2010 Census requires new skills in project, contract, and financial management; advanced programming and technology; and statistics, mathematics, economics, quantitative analysis, marketing, demography, and geography. To help obtain these skills, the Bureau has established training programs and developed competency guides. For example, it has instituted a Project Management Master's Certificate Program and an Information Technology Master's Certificate Program. All program managers now are to receive project management training.

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## Monitoring Mission-Critical Workforce Needs Helps Make Informed Succession Planning Decisions

Leading organizations use succession planning and management to identify the talent required to achieve their goals. We have also identified key principles for effective workforce planning including determining the critical skills and competencies that will be needed to achieve current and future programmatic results; developing strategies that are tailored to address gaps in number, deployment, and alignment of human capital approaches for enabling and sustaining the contributions of all critical skills and competencies; and monitoring and evaluating the agency's progress toward its human capital goals and the contribution that human capital results have made toward achieving programmatic results.<sup>15</sup>

VHA, EPA, and DOL have identified gaps in occupations or competencies in their mission-critical workforce to achieve their goals, have undertaken strategies to address these gaps, and plan to or are taking steps to monitor their progress. By doing so, they can make more informed planning decisions and help appropriately focus succession efforts. While the Census Bureau has identified and is recruiting for its mission-critical occupations, it could achieve similar benefits if it more closely monitors its mission-critical workforce as it plans for the 2010 Decennial Census.

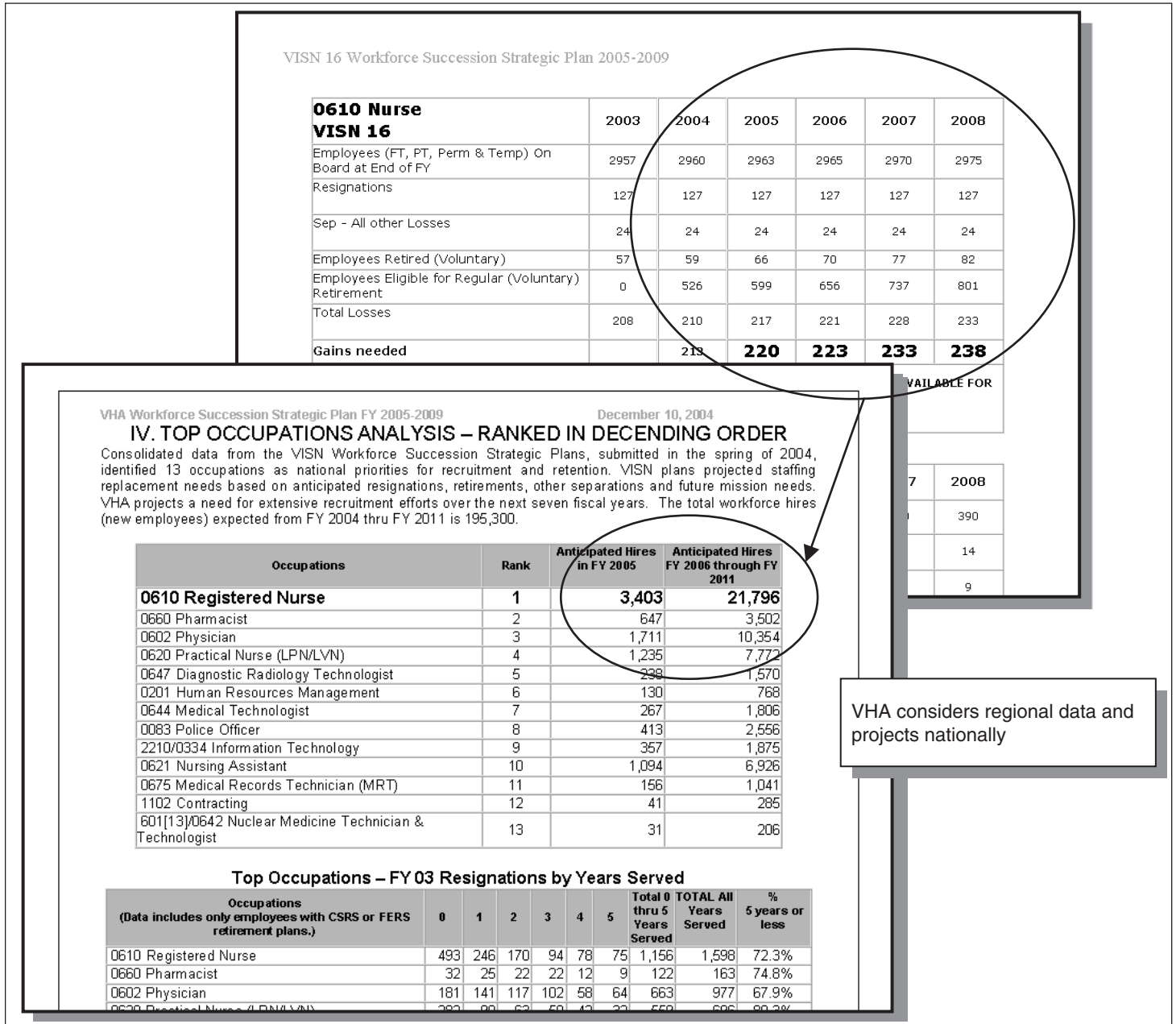
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<sup>15</sup> GAO, *Human Capital: Key Principles for Effective Strategic Workforce Planning*, GAO-04-39 (Washington, D.C.: Dec. 11, 2003).

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VHA has identified 13 occupations it deems as national priorities for recruitment and retention, including registered nurses, physicians, and nuclear medicine technicians, among others. VHA uses a Web-based tool with a workforce strategic planning template to help project its needs in these mission-critical occupations. Each VISN completes a comprehensive and detailed regional workforce assessment that projects staffing needs for priority occupations for at least the next 5 years. These projections are based on anticipated resignations, retirements, other separations, and future mission needs. VHA's workforce planner considers these data when projecting national staffing needs. For example, as illustrated in figure 2, VHA anticipates hiring 3,403 nurses in FY 2005 and 21,796 nurses from FY 2006 through FY 2011. This national projection includes, for example, the VISN 16 assessment that it will need from 220 to 238 nurses from FY 2005 to FY 2008.

**Figure 3: VISN 16 Workforce Assessment and VHA's National Succession Plan**



Source: VHA.

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VHA also monitors and reports changes in its mission-critical workforce based on these data. For example, VHA reports that it increased the total nurses it had on-board by 6.2 percent or 2,184 from FY 1999 to FY 2004. VHA states that the succession programs implemented since 1999 have helped it to meet these mission-critical needs and, therefore, it does not plan to implement additional programs.

We previously recommended that EPA comprehensively assess its workforce needs.<sup>16</sup> Subsequently, EPA identified 18 priority occupations, including physical scientists, biologists, chemists, and attorneys. EPA projects each occupation's retirement, attrition, and accession rates based on historical averages. For example, EPA estimates that approximately 20 percent of the managers and supervisors in 10 of the 18 priority occupations will leave by 2008, mostly due to retirements. In addition, human capital officials stated that the agency's strategy has been on strengthening mission-critical competencies among their priority occupations. For example, EPA has identified 12 technical competencies, such as information management and sciences and biological sciences, and 12 cross-occupational competencies, such as teamwork and oral communication, that are essential for the agency to acquire, retain, or develop to accomplish its future mission. EPA plans to address emerging mission-critical competencies and gaps in priority occupations through recruitment and development. EPA also plans to update its 2004 strategic workforce planning effort on a cyclical basis to monitor progress in closing any gaps, but the agency did not indicate specific time frames for these updates.

DOL has identified 27 mission-critical occupations, such as investigators, workforce development specialists, and mining engineers as well as the skills needed for each occupation, which it specifies in competency models. For example, for criminal investigators, DOL identified skills such as external awareness and interpersonal communication in addition to the knowledge and conduct of investigations. DOL has also inventoried the skills of its on-board mission-critical workers through the department's mission-critical Skills Assessment Initiative. DOL reports that its component agencies are developing action plans to reduce or close skill gaps which DOL is incorporating into its human capital planning and reporting process.

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<sup>16</sup> [GAO-01-812](#).

In addition, DOL has developed performance measures that are designed to help it gauge its organizational capacity, as illustrated in figure 4. For example, for FY 2004 DOL reported a 5 percent turnover rate of its mission-critical employees during their first year, meeting its goal of less than 10 percent. Likewise, DOL reported a 19.5 percent turnover rate during their first 3 years, meeting its goal of less than 25 percent. In addition, DOL reported a 95.4 percent FTE utilization rate, the percentage of filled and authorized, full-time equivalent positions, for FY 2004, compared with a 98 percent goal.

Figure 4: Selected DOL Performance Measures Designed to Gauge Organizational Capacity

DOL Human Capital Metrics							DOL Human Capital Metrics						
Metric	Definition	Standard or Goal	Baseline	Source	Frequency	Status	Metric	Definition	Standard or Goal	Baseline	Source	Frequency	Status
<b>Strategic Alignment</b>							<b>Results-Oriented Performance Culture</b>						
FHCS #2 - Managers review/ evaluate organization's progress toward meeting its goals and objectives.	Percent who agree or strongly agree	75% favorable	72.8%	FHCS	Biennial	Next survey in FY 2004	Improvement in pockets of under-representation among management, professional, and mission-critical occupations	Percentage showing improvement	Improve in 20% of pockets	FY 2003	Brio	Quarterly	Ongoing
FHCS #5 - I know how my work relates to the agency's mission and goals.	Percent who agree or strongly agree	80% favorable	89.1%	FHCS	Biennial	Next survey in FY 2004	Diversity measures for minority groups and women	Percentage of employment compared with OLF	Improve in general	FY 2003	Brio	Quarterly	Ongoing
<b>Workforce Planning and Deployment</b>							<b>Leadership and Knowledge Management</b>						
Agency Scorecard - restructuring and delayering	Percent receiving green rating	90% on target	Q3 / FY 2003	Scorecard reports	Semi-annually	1 <sup>st</sup> and 3 <sup>rd</sup> quarters	Performance standards linked to organizational goals	Percentage of managers and employees with linkage	60%	TBD FY 2004	Survey	Annual	Survey in FY 2004
Usage of HC dashboard	Number of hits	TBD	FY 2004	...	Annually	Begin in FY 2004	FHCS #36 - Our organization's awards program provides me with an incentive to do my best.	Percent who agree or strongly agree	35% favorable	28.9%	FHCS	Biennial	Next survey in FY 2004
Vacancy announcements with automated rating and ranking	Percentage of total	60% automated	TBD	TBD	Quarterly	TBD	FHCS #39 - I am held accountable for achieving results.	Percent who agree or strongly agree	80% favorable	83.4%	FHCS	Biennial	Next survey in FY 2004
<b>Leadership and Knowledge Management</b>							<b>Talent</b>						
Bench strength for SES	Number in training or who have completed training	70% of projected gap	TBD in FY 2004	Brio	Annually	Begin in FY 2004	1 and 3-year turnover rates for mission-critical occupations	1 and 3 year separations divided by total hired in FY	1 yr rate < 10%, 3 yr < 25%	TBD in FY 2004	Brio	Annual	FY 2004
Bench strength for mid-level management	Number in training or who have completed training	70% of projected gap	TBD in FY 2004	Brio	Annually	Begin in FY 2004	Count of those hired	Increase in count	TBD in FY 2004	Brio	Annual	FY 2004	
Placement rates for SES and MDP programs	Number of graduates placed or promoted within 2 years	80%	TBD	Brio	Annually	Begin in FY 2004		52 of 155, 33.5%		Brio	Annual	FY 2004	
Retention rate for MBA Fellows	3 year retention rate	75%									Annual	FY 2004	
Number participating in mentoring programs	Count of...												
FHCS #17 - Supervisors' team leads in my work unit provide employees with the opportunities to demonstrate their leadership skills.													
FHCS #20 - Leaders generate high levels of motivation and commitment in the workforce.													
FHCS #46 - My training needs are assessed.													
FHCS #67 - How satisfied are you with the training you receive?													
FHCS #68 - How satisfied are you with your job?													

Metric	Definition	Standard/ Goal	FY 2004 (actual)	Frequency Measured
<b>1 and 3-Year Turnover for Mission-Critical Occupations</b>	1 and 3-Year separations divided by total hired in FY	1-year rate < 10% 3-year rate < 25%	1-year rate = 5% 3-year = 19.5%	Annually
<b>FTE Utilization</b>	FTE Utilized/FTE authorized	98%	95.4%	Annually

Source: DOL.



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The Census Bureau has identified its mission-critical occupations and is recruiting for statisticians, mathematical statisticians, information technology specialists, cartographers, and geographers on its employment Web site. According to an agency human capital official, the Census Bureau does not monitor or assess gaps in numbers by mission-critical occupation, but focuses on “building infrastructure” by recruiting and developing competencies. The same official stated that the Bureau delegates decisions to line managers to fill vacancies, and thus there is no need to assess workers by mission-critical categories. To assist these managers, the Bureau reports that an electronic hiring system allows them to identify competencies for each vacancy, and that line managers engage in a continuing dialogue with senior managers, the Hiring Coordinators Group, and the Human Capital Management Council to address hiring needs. Nevertheless, while line managers are appropriately concerned with filling vacancies, as noted earlier, the Bureau has also acknowledged that reengineering the 2010 Decennial Census requires new competencies. By not monitoring its mission-critical occupations more closely and at a higher level, Census may not know overall if it is acquiring the skills it needs to be prepared to conduct the 2010 Decennial Census as efficiently or effectively as possible.

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## Enhanced Coordination and Evaluation of Training and Development Programs Could Help Leverage Scarce Resources

Effective training and development programs can enhance the federal government’s ability to achieve results. Further, effective succession planning and management efforts identify talent from multiple organizational levels, early in their careers, or with critical skills as well as provide both formal training and opportunities for rotational, developmental, or “stretch” assignments, to strengthen high-potential employees’ skills and to broaden their experience and perspective.<sup>17</sup> While all four agencies offer core succession training and development programs, they each can seek opportunities to achieve efficiencies through more coordination and sharing of these programs. In addition, establishing valid measures to better evaluate how these programs affect organizational capacity can give agency decision makers credible information to justify training and development programs’ value.

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<sup>17</sup> GAO-03-914.

**Agency Succession Efforts Include Training and Development for Employees across Organizational Levels**

All four agencies offer programs to train and develop their entry-, middle-, and senior-level employees. These programs provide opportunities for formal training, and all but one program offers rotational or developmental assignments.<sup>18</sup> Table 1 provides a summary of core succession training and development programs by agency.

**Table 1: Agencies’ Core Succession Training and Development Programs**

Program	Level of training		
	Entry	Middle	Senior
<b>Census Bureau (DOC Programs)</b>			
Aspiring Leaders Development Program	x	x	
Executive Leadership Development Program	x	x	
SES Candidate Development Program			x
<b>DOL</b>			
MBA Fellows Program	x	x	
Management Development Program		x	
SES Candidate Development Program			x
<b>EPA</b>			
EPA Intern Program	x		
EPA Rotational Program	x		
Mid-level Development Programs	x	x	
SES Candidate Development Program			x
<b>VHA</b>			
Facility LEAD Program	x		
VISN LEAD Program		x	
Executive Career Field Candidate Development Program			x

Source: Census Bureau, DOC, DOL, EPA, and VHA.

Note: Agency human capital officials identified these as their core succession training and development programs.

<sup>18</sup> EPA’s Mid-level Development Programs do not offer formal rotational assignments but rotations are available to all employees.

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At the senior level, all four agencies have succession training and development programs intended to enhance leadership skills, primarily through SES candidate development programs. For example, EPA's SES Candidate Development Program—designed to prepare a cadre of leaders to fill future vacant executive positions in the agency and to maintain valuable institutional knowledge—requires candidates to complete an executive development plan and work with an SES mentor and executive coach to help define career goals and provide guidance. The program also requires participants to complete at least 80 hours of formal leadership development training, as well as complete a 4-month developmental assignment. DOL and VHA have similar programs in place. The Census Bureau, as a component of DOC, participates in DOC's SES Candidate Development Program.

The four agencies also have programs intended to develop the leadership and supervisory skills for middle-level managers. For example, VHA's program named "VISN LEAD" provides an opportunity for high-potential employees in field locations to receive coaching and mentoring, create a personal development plan, and join with special VISN-wide project task teams, while retaining their current responsibilities. EPA's Mid-level Development Programs, DOL's Management Development Program, and DOC's Executive Leadership Development Program—in which the Census Bureau participates—all offer similar opportunities.

At the entry level, all agencies have programs intended to develop employees and provide them with the foundation for future leadership. For example, DOL's MBA Fellows program requires participants to take a minimum of four rotational assignments and core training classes, complete a personal development plan, and work with a senior-level mentor, among other activities. Targeting recent MBA graduates, DOL established its program not only to address increased departmentwide needs for business and project-management skills, but also to create a cadre of future department leaders. EPA's Intern Program and Rotational Program, VHA's Facility LEAD Program, and DOC's Aspiring Leaders Development Program, in which the Census Bureau participates, are similar in nature.

According to agency human capital officials, other programs also contribute to their succession efforts. For example, the Census Bureau has established certificate programs in project management and leadership for all employees to develop and enhance these specific skills. The Bureau also has a mathematical statisticians program, which, according to the Deputy

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Director, provides career enhancement opportunities designed to help develop and retain employees in this critical occupation. Similarly, DOL has a Career Assistance Program that provides employees at all levels with career planning advice and other development assistance. In addition, the agencies use formal mentoring or coaching programs to help guide employees throughout their career.

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### Coordination and Sharing of Training and Development Programs Can Achieve Efficiencies

As agencies implement their core succession training and development programs, they must plan and prepare for the possibility of significant and recurring constraints on their resources, in light of fiscal and budgetary constraints. Recognizing this, leading agencies look for opportunities to coordinate and share their efforts and create synergies through benchmarking with others, achieving economies of scale, limiting duplication of efforts, and enhancing the effectiveness of programs, among other things.<sup>19</sup> An example of such a coordinated and shared training effort is the recent announcement of a new partnership by the Office of Federal Procurement Policy, Department of Defense, and the General Services Administration. The initiative is geared toward the civilian and defense acquisition workforces, and is intended to provide similar training and development opportunities for acquisition personnel across all three agencies with the goal of sharing best practices, among other things.

OPM has begun to serve as a bridge for agencies to seek opportunities to coordinate their succession training and development programs as it shifts its role from less of a rule maker and enforcer to more of a strategic partner in leading and supporting agencies' human capital management. For example, OPM established a governmentwide Federal Candidate Development Program (Fed CDP). OPM expects the 14-month program to help agencies meet their SES succession planning goals and contribute to the government's efforts to create a high-quality SES leadership corps. Participating agencies may select, without further competition, people who have successfully completed the Fed CDP training program. In addition, we have testified that approaches to interagency collaboration, such as the CHCO Council, have emerged as an important central leadership strategy

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<sup>19</sup> GAO, *Human Capital: A Guide for Assessing Strategic Training and Development Efforts in the Federal Government*, [GAO-04-546G](#) (Washington, D.C.: March 2004).

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and that agency collaboration can serve to institutionalize many management policies governmentwide.<sup>20</sup> The Leadership and Succession Planning Subcommittee of the CHCO Council is charged with reviewing leadership development, among other things, and is a possible mechanism to help agencies coordinate succession training and development programs.

While some agencies' human capital officials acknowledged the potential benefits of coordinating succession training and development programs with other agencies or departments, they all could do more to seek coordination and sharing opportunities. Cognizant human capital and training officials stated that they had not actively sought opportunities to coordinate core succession training and development programs. Although EPA plans to select one senior executive through the Fed CDP, human capital officials stated they had not extensively explored the idea of coordinating with other agencies for their core succession training and development. VHA human capital officials said they did not coordinate further because they have specialized skill needs. DOL and Census Bureau human capital managers also stated that they had not partnered with other outside agencies to coordinate their core succession training and development programs. By not actively seeking to coordinate and share core succession training and development programs, agencies may miss a potentially valuable opportunity to gain efficiency, which may be especially important in the current budget environment.

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## Performance Measures Can Help Agencies Assess Programs' Effects on Organizational Capacity

Decision makers need credible information to justify training and development programs' value. We have also reported that agencies need credible information to assess how their training and development programs affect organizational performance and enhance organizational capacity.<sup>21</sup> We have observed in our guide for assessing strategic training and development that while not all training and development programs require, or are suitable for, higher levels of evaluation, establishing valid performance measures can ensure that agencies adequately address their development objectives. Moreover, our guide states that such measures

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<sup>20</sup> GAO, *Human Capital: Observations on Agencies' Implementation of the Chief Human Capital Officers Act*, [GAO-04-800T](#) (Washington, D.C.: May 18, 2004) and *Posthearing Questions Related to Agencies' Implementation of the Chief Human Capital Officers (CHCO) Act*, [GAO-04-897R](#) (Washington, D.C.: June 18, 2004).

<sup>21</sup> [GAO-04-546G](#).

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should go beyond input and output data, and can include data on quality, costs, and time. We also recognize, however, that agencies need to scale their efforts depending on the program. Factors to consider when deciding on the appropriate level of evaluation include the estimated costs of training efforts, size of training audience, and program visibility, among other things.

All four agencies are able to report on participation and cost related to their succession training and development programs. For example, 12 Census Bureau employees participated in DOC's Aspiring Leaders Development Program in FY 2004, with an average cost of \$6,267 per participant, according to the Bureau. In addition, the Census Bureau and DOL have also identified outcome measures related to the performance of some of their succession-related training and development programs. For example, the Census Bureau evaluates, among other things, the extent to which certified project managers are using the skills they have learned in the Project Management Masters Certificate Program. Only DOL has identified measures intended to provide an understanding of core succession training and development programs' effects on organizational capacity. Figure 5 illustrates a selection of these measures.

Figure 5: Selected DOL Human Capital Measures Related to Succession Planning and Management

DOL Human Capital Metrics					DOL Human Capital Metrics								
Metric	Definition	Standard or Goal	Baseline	Source	Frequency	Status	Metric	Definition	Standard or Goal	Baseline	Source	Frequency	Status
<b>Strategic Alignment</b>													
FHCS #2 - Managers review/evaluate organization's progress toward meeting its goals and objectives.	Percent who agree or strongly agree	75% favorable	72.8%	FHCS	Biannual	Next survey in FY 2004	Improvement in pockets of under-representation among management, professional, and ministerial occupations	Percentage showing improvement	Improve in 20% of pockets	FY 2003	Bio	Quarterly	Ongoing
FHCS #5 - I know how my work relates to the agency's mission and goals.	Percent who agree or strongly agree	80% favorable	89.1%	FHCS	Biannual	Next survey in FY 2004	Diversity measures for minority groups and women	Percentage of employment compared with OLF	Improve in general	FY 2003	Bio	Quarterly	Ongoing
<b>Workforce Planning and Deployment</b>													
Agency Scorecard - restructuring and delaying	Percent meeting or exceeding ratings	90% on target	CG / FY 2003	Scorecard reports	Semi-annually	1 <sup>st</sup> and 2 <sup>nd</sup> quarters	Performance standards linked to organizational goals	Percentage of management and employees with linkage	80%	TBD FY 2004	Survey	Annual	Survey in FY 2004
Usage of HC dashboard	Number of hits	TBD	FY 2004	---	Annually	Begin in FY 2004	FHCS #96 - Our organization's awards program provides me with an incentive to do my best.	Percent who agree or strongly agree	35% favorable	28.9%	FHCS	Biannual	Next survey in FY 2004
Vacancy announcements with automated rating and ranking	Percentage of total	60% automated	TBD	TBD	Quarterly	TBD	FHCS #99 - I am held accountable for achieving results.	Percent who agree or strongly agree	80% favorable	83.4%	FHCS	Biannual	Next survey in FY 2004
<b>Leadership and Knowledge Management</b>													
Bench strength for SES	Number in training or who have completed training	70% of projected gap	TBD in FY 2004	Bio	Annually	Begin in FY 2004	1 and 3-year turnover rates for mission-critical occupations	1 and 3-year separations divided by total hired in FY	1 yr rate < 10%, 3 yr < 25%	TBD in FY 2004	Bio	Annual	FY 2004
Bench strength for mid-level management	Number in training or who have completed training	70% of projected gap	TBD in FY 2004	Bio	Annually	Begin in FY 2004	Number of hires through targeted hiring programs.	Count of those hired	Increase in count	TBD in FY 2004	Bio	Annual	FY 2004
Placement rate	Number of graduates placed or promoted within 2 years/ Number of graduates	80%	68% <sup>a</sup>	MDP	Annually	MDP - 51% <sup>a</sup>	Conversion rate for SCEP	Number of conversions divided by total SCEP employment	40%	52 of 155, 33.5%	Bio	Annual	FY 2004
							Number of positions filled	Count of number of positions utilized	Increase over baseline	TBD in FY 2004	Bio	Annual	FY 2004
									75% favorable	73.4%	FHCS	Biannual	Next survey in FY 2004
									4% favorable	43%	FHCS	Biannual	Next survey in FY 2004
<b>Accountability</b>													
									Green	Green	OMB, HRC	Quarterly	Ongoing
									TBD	TBD	TBD	Quarterly	TBD
									10% in 30 days	FY 2002	Bio	Quarterly	Ongoing
									96%	97%	OPM	Annual	Ongoing
									98%	97.3%	OB	Annual	Ongoing

Metric	Definition	Standard/Goal	FY 2004	Frequency Measured
<b>Bench Strength for SES</b>	Number in training or completed training/ Number projected to leave	70%	96%	Annually
<b>Placement Rate for SES and Management Development (MDP) Programs</b>	Number of graduates placed or promoted within 2 years/ Number of graduates	80%	SES - 68% placed MDP - 51% <sup>a</sup>	Annually
<b>Retention Rate for MBA Fellows</b>	3-year retention rate	75%	89% <sup>b</sup>	Annually
<b>Number Participating in Mentoring Program</b>	Number in mentoring program	100	119	Annually

Source: DOL.

<sup>a</sup>Promoted to date. Candidates are eligible for promotion through February 2006.

<sup>b</sup>Currently retained after 2 years.

For example, by considering the retention rate for MBA Fellows, DOL can make informed planning decisions about the potential availability of certain skill sets in the department as well as when to initiate a new program and how many students to include in it. DOL reported that in FY 2004, it retained 89 percent of its MBA fellows after 2 years and has a

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goal of 75 percent after 3 years. DOL also tracks SES “bench strength,” a ratio of senior executives who are in training or have completed training to those projected to leave. DOL reported a 96 percent “bench strength” for its senior executives in FY 2004, exceeding its goal of 70 percent. The Census Bureau, VHA, and EPA could better demonstrate their programs’ value in providing future talent by identifying outcome-oriented measures and evaluating the extent to which these programs enhance their organizations’ capacity.

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## Agencies Use Succession Efforts to Enhance Workforce Diversity

Leading organizations recognize that diversity, ways in which people in a workforce are similar and different from one another, is an organizational strength and that succession planning is a leading diversity management practice.<sup>22</sup> Given the retirement projections for the federal government that could create vacancies, agencies can use succession planning and management as a critical tool in their efforts to enhance diversity in their leadership positions. All of the selected agencies have recognized the importance of diversity to a successful workforce and use succession planning and management efforts to enhance their workforce diversity.

VA requires all of its administrative staff offices to produce workforce and succession plans aligned with overall VA strategic planning. VHA states that although its overall workforce is fairly diverse, women and minorities are not well represented in leadership positions nor are they well represented in the pipeline to such positions. We have reported that VHA has integrated diversity planning into its succession efforts.<sup>23</sup> As part of their regional succession plans, VISNs submit diversity information to VHA for national planning. VHA then analyzes the diversity of its top-priority occupations, highlights underrepresentation of certain demographic groups in specific mission-critical occupations, and provides guidance to focus recruiting efforts to enhance diversity. For example, VHA states that White females and American Indian/Alaskan Native females are underrepresented in the nurse occupation and advises that recruitment efforts should focus on them. In addition, VHA tracks applicant diversity for the Executive Career Field Candidate Development Program, one of

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<sup>22</sup> GAO, *Diversity Management: Expert-Identified Leading Practices and Agency Examples*, [GAO-05-90](#) (Washington, D.C.: Jan. 14, 2005).

<sup>23</sup> [GAO-05-90](#).



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VHA's core succession training and development programs, and reports that applicants to this program are drawn from a diverse pool.

EPA has stated in its human capital plan that a diverse workforce makes the agency a more effective and healthy organization that is better able to relate to the American people and develop more creative and workable solutions. EPA credits its Intern Program, one of its core succession training and development programs, with attracting and retaining a diverse group of employees based on a 2003 assessment of the program. For example, the assessment found that EPA interns were more ethnically diverse than other comparable groups of hires. As part of its diversity action plan, EPA reports that it is expanding targeted recruitment initiatives to identify well-qualified candidates for mission-critical occupations. In addition, regional offices report succession-related efforts intended to enhance diversity initiatives, such as mentoring, leadership, and career development programs, and workforce demographic analyses, among other activities.

DOL identifies a strategic initiative to enhance diversity in management and mission-critical occupations in its human capital plan. To help it achieve this initiative, DOL monitors and evaluates diversity information for its mission-critical occupations annually, and has identified "pockets of low participation" for certain minority groups, such as Hispanics. In addition, DOL has reported a higher percentage of women and Hispanics in its three core succession training and development programs than in its general workforce.

The Census Bureau has established a diversity program office to manage the Bureau's diversity efforts. Bureau officials stated that because of the highly specialized nature of the Bureau's work, such as the use of statistics and mathematics, and the relatively small pool of people trained in these areas, it is difficult to enhance diversity in several critical occupation categories. As part of its combined diversity and recruiting initiative, the Bureau has established a specific recruiting team for mathematical statisticians, one of its highlighted mission-critical occupations. The Bureau also has various targeted recruiting efforts at academic institutions and community organizations with high Hispanic and other minority enrollment, and various Hispanic or Latino Chambers of Commerce.

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## Conclusions

The Census Bureau, DOL, EPA, and VHA have all implemented succession planning and management efforts that collectively are intended to strengthen organizational capacity. Generally, these efforts receive top leadership support, link with strategic planning, identify critical skills gaps and strategies to fill them, offer training and development programs for high-potential employees, and enhance diversity. Nevertheless, given the nation's large current budget deficit and long-range fiscal imbalance, Congress is likely to place increasing emphasis on agencies to exercise fiscal restraint.

Given this environment, these agencies can look for opportunities to coordinate and share their succession training and development programs to achieve economies of scale, limit duplication of efforts, increase efficiency, and enhance the effectiveness of their programs. For example, all four agencies emphasize rotational or developmental assignments and formal training, and they may have opportunities to coordinate and share these assignments and training with each other or other federal agencies or departments. Agencies can also work with OPM and the CHCO Council to determine how they can better leverage other agencies' succession training and development programs.

Furthermore, it is increasingly important for agencies to evaluate their training and development programs to be able to demonstrate how these efforts enhance organizational capacity. While the Census Bureau, EPA, and VHA have some information on their succession training and development programs, such as participation and cost, they can take additional steps, such as enhanced evaluations, to justify these programs' value. DOL has identified measures intended to provide an understanding of these programs' effects on organizational capacity.

Finally, although the Census Bureau has identified and is recruiting for its mission-critical occupations, it can better monitor its mission-critical workforce. By not monitoring more closely and at a higher level than line managers, the Bureau may not know how to best focus its succession planning efforts, and ultimately how well it is prepared for major tasks, such as the 2010 Decennial Census.

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## Recommendations for Executive Action

To help agencies reinforce their succession planning and management efforts, and make well informed planning decisions, we recommend a number of actions.

The Secretary of Commerce should ensure that the Director of Census takes the following three actions:

- Strengthen the monitoring of its mission-critical workforce by identifying mission-critical workforce gaps, developing strategies to address gaps, evaluating progress toward closing gaps, and adjusting strategies accordingly.
- Seek appropriate opportunities to coordinate and share core succession training and development programs with other outside agencies to achieve economies of scale, limit duplication of efforts, benchmark with high-performing agencies, keep abreast of current practices, enhance efficiency, and increase the effectiveness of its programs.
- Evaluate core succession training and development programs to assess the extent to which programs contribute to enhancing organizational capacity. When deciding the appropriate analytical approach and level of evaluation, the Bureau should consider factors such as estimated costs of training efforts, size of training audience, and program visibility, among other things.

The Administrator of EPA should take the following two actions:

- Seek appropriate opportunities to coordinate and share core succession training and development programs with other outside agencies to achieve economies of scale, limit duplication of efforts, benchmark with high-performing agencies, keep abreast of current practices, enhance efficiency, and increase the effectiveness of its programs.
- Evaluate core succession training and development programs to assess the extent to which programs contribute to enhancing organizational capacity. When deciding the appropriate analytical approach and level of evaluation, EPA should consider factors such as estimated costs of training efforts, size of training audience, and program visibility, among other things.

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The Secretary of Labor should take the following action:

- Seek appropriate opportunities to coordinate and share core succession training and development programs with other outside agencies to achieve economies of scale, limit duplication of efforts, benchmark with high-performing agencies, keep abreast of current practices, enhance efficiency, and increase the effectiveness of its programs.

The Secretary of VA should take the following two actions:

- Seek appropriate opportunities to coordinate and share core succession training and development programs with other outside agencies to achieve economies of scale, limit duplication of efforts, benchmark with high-performing agencies, keep abreast of current practices, enhance efficiency, and increase the effectiveness of its programs.
- Evaluate core succession training and development programs to assess the extent to which programs contribute to enhancing organizational capacity. When deciding the appropriate analytical approach and level of evaluation, VHA should consider factors such as estimated costs of training efforts, size of training audience, and program visibility, among other things.

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## Agency Comments and Our Evaluation

We provided a draft of this report to the Secretaries of Commerce, Labor, and VA and the Administrator of EPA for their review and comment. In addition, we provided a draft of this report to the Acting Director of OPM and the CHCO Council's Leadership and Succession Planning Subcommittee for their information.

VA agreed with our findings and recommendations. In response to our recommendation to seek opportunities to coordinate and share core succession training and development programs, VA suggested that OPM could act as a "clearinghouse" by gathering and publishing curricula and other relevant training information from agencies, thus enabling agencies to identify existing training programs across the government. We present VA's written comments in appendix II. DOC and the Census Bureau agreed with our findings and our recommendations to seek opportunities to coordinate core succession training and development programs and to evaluate the extent to which these programs enhance organizational capacity. In response to our recommendation to strengthen the monitoring

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of its mission-critical workforce, the Census Bureau stated that its existing approach is effective in meeting its needs. However, as we discussed earlier, the Census Bureau acknowledges that reengineering the 2010 Decennial Census requires new competencies. By not strengthening the monitoring of its mission-critical workforce, the Census is at increased risk that it will not have the skills it needs to be prepared to conduct the 2010 Census as efficiently or effectively as possible. For example, a lesson from the 2000 Census was that while contracts for various projects supported decennial census operations, they did so in many instances at a higher cost than necessary because the Census Bureau did not have sufficient contracting and program staff with the training and experience to manage them.<sup>24</sup> We present DOC's and the Census Bureau's written comments in appendix III. DOL did not take issue with our findings, stated that it will consider our recommendations, and provided technical comments, which we incorporated as appropriate. EPA did not comment on our recommendations, but provided a technical comment, which we incorporated.

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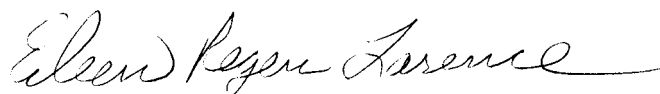
As agreed with your offices, unless you publicly announce its contents earlier, we plan no further distribution of this report until 30 days after its date. At that time, we will provide copies of this report to other interested congressional parties; the Secretaries of Commerce, Labor, and VA; the Administrator of EPA; the Director of Census; the Acting Director of OPM; and the CHCO Council's Leadership and Succession Planning Subcommittee. We will also make this report available at no charge on the GAO Web site at <http://www.gao.gov>.

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<sup>24</sup> U.S. Department of Commerce's Office of Inspector General, *What Census 2000 Can Teach Us in Planning for 2010*, Report No. OIG-14431 (Spring 2002).

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If you or your staff have any questions about this report, please contact me on (202) 512-6806 or at [larencee@gao.gov](mailto:larencee@gao.gov). Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made major contributions to this report are listed in appendix IV.

A handwritten signature in black ink that reads "Eileen Larence". The signature is written in a cursive style with a long, sweeping tail on the last letter.

Eileen Larence  
Director, Strategic Issues

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# Objectives, Scope, and Methodology

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To review how federal agencies are implementing succession planning and management efforts, we selected the Department of Labor (DOL), the Veterans Health Administration (VHA), the Environmental Protection Agency (EPA), and the Census Bureau for our review. We considered the nature of their succession challenges, agency missions, and prior GAO human capital work conducted at these agencies. These agencies represent an array of organizational structures, missions, and succession challenges.

We analyzed strategic, human capital, workforce, succession, and training and development plans, performance contracts, human capital team charters, and diversity information from the selected agencies. In addition, we reviewed policies and guidance on succession-related issues from the Office of Personnel Management (OPM), the Equal Employment Opportunity Commission (EEOC), and the Merit Systems Protection Board (MSPB) because of their responsibilities for ensuring the fair application of personnel decisions, such as selection for training and development programs. We also interviewed agency, OPM, EEOC, and MSPB officials involved with strategic, human capital, and succession planning and management.

The scope of our work did not include independent evaluation or verification of the effectiveness of the succession planning and management initiatives used in the four agencies, including any performance results that agencies attributed to specific practices or aspects of their programs. We assessed the reliability of staffing and projection data provided to us by the Census Bureau, DOL, EPA, VHA, and OPM to ensure the data we used in this report were complete and accurate by (1) interviewing agency officials knowledgeable about the data and (2) performing manual and electronic testing, when applicable. We determined that these data were sufficiently reliable for the purposes of this engagement.

To get the varied perspectives of agencies' staff located in headquarters and regional offices, we interviewed agency officials in Washington, D.C.; Charlotte, North Carolina; and Los Angeles and San Francisco, California. We conducted our study from June 2004 through April 2005.

# Comments from the Department of Veterans Affairs



THE DEPUTY SECRETARY OF VETERANS AFFAIRS  
WASHINGTON

June 13, 2005

Ms. Eileen Larence  
Director  
Strategic Issues  
U. S. Government Accountability Office  
441 G Street, NW  
Washington, DC 20548

Dear Ms. Larence:

The Department of Veterans Affairs (VA) has reviewed the Government Accountability Office's (GAO) draft report, ***HUMAN CAPITAL: Selected Agencies Have Opportunities to Enhance Existing Succession Planning and Management Efforts***, (GAO-05-585). The Department agrees with GAO's overall conclusions and concurs with the recommendations. The enclosures provide additional discussion on the recommendations.

VA appreciates the opportunity to comment on your draft report.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Gordon H. Mansfield".

Gordon H. Mansfield

Enclosures



Enclosure

THE DEPARTMENT OF VETERANS AFFAIRS (VA) COMMENTS  
TO GOVERNMENT ACCOUNTABILITY OFFICE (GAO)  
DRAFT REPORT  
**HUMAN CAPITAL: Selected Agencies Have Opportunities to Enhance  
Existing Succession Planning and Management Efforts**  
(GAO-05-585)

- **To help agencies reinforce their succession planning and management efforts, and make well informed planning decisions, we recommend a number of actions. Specifically, the Secretary of VA should take the following actions:**

**Seek appropriate opportunities to coordinate and share core succession training and development programs with other outside agencies to achieve economies of scale, limit duplication of efforts, benchmark with high-performing agencies, keep abreast of current practices, enhance efficiency, and increase the effectiveness of its programs.**

Concur – The Department of Veterans Affairs (VA) agrees with GAO's underlying rationale that improved coordination among and between federal agencies would strengthen training programs across the federal sector. As an alternative means of implementation, the Department suggests that the Office of Personnel Management (OPM) serve as a clearinghouse for information sharing. For example, VA could provide information to OPM on the target audience, a description of its training programs, and the curricula. OPM, in turn, would publicize such information, allowing other agencies to pick and choose best practices for adoption into their own organizations. This would maximize each agency's ability to identify existing training programs throughout the government that might provide targeted training content for occupational, professional, technical or supervisory skills, and would achieve the objectives contemplated in the recommendation efficiently and effectively.

**Evaluate core succession training and development programs to assess the extent to which programs contribute to enhancing organizational capacity. When deciding the appropriate analytical approach and level of evaluation, VHA should consider factors such as estimated costs of training efforts, size of training audience, and program visibility, among other things.**

Concur - In January 2005, the Veterans Health Administration (VHA) established a method for evaluating its succession planning and leadership development programs. A detailed action plan describing this evaluation process, as well as

Enclosure

THE DEPARTMENT OF VETERANS AFFAIRS (VA) COMMENTS  
TO GOVERNMENT ACCOUNTABILITY OFFICE (GAO)  
DRAFT REPORT  
***HUMAN CAPITAL: Selected Agencies Have Opportunities to Enhance  
Existing Succession Planning and Management Efforts***  
(GAO-05-585)

other actions being taken to implement the recommendation, is included as an enclosure to this response.

VETERANS HEALTH ADMINISTRATION (VHA)  
Action Plan

GAO Draft Report: *HUMAN CAPITAL: Selected Agencies Have Opportunities to Enhance Existing Succession Planning and Management Efforts*, (GAO-05-585)

**Recommended Improvement Action(s):** The Secretary of VA should take the following action to evaluate core succession training and development programs to assess the extent to which programs contribute to enhancing organizational capacity. When deciding the appropriate analytical approach and level of evaluation, VHA should consider factors such as estimated costs of training, size of training audience, and program visibility, among other things.

Concur

**Goal:** To ensure VHA's succession training and development plans enhance the organization's ability to face current and future organization challenges.

**Strategy:**

Detailed information concerning VHA's workforce planning efforts, including the VHA succession strategic planning guidance and Veterans Integrated Service Network (VISN) plans for 2006-2010, and the VHA 2005-2009 workforce succession strategic plans is available to the Department of Veterans Affairs (VA) entities on the VHA Succession Planning Web Site. Enhancements to this website are continually being made and information is updated on an ongoing basis. VHA's three major succession training and development programs are: the Executive Career Field (ECF) Development program, the VISN Leadership Effectiveness Accountability and Development (LEAD) program, and the facility LEAD program.

In May 2005, VHA's National Leadership Board (NLB) began reviewing the fiscal year (FY) cost proposals and mid-year status of the national programs on a bi-annual basis. These are reported to NLB by the VHA Succession and Workforce Development Management Subcommittee through the VHA Human Resource Committee (HRC). Also in May 2005, VHA initiated bi-annual reviews of the participant size and scope, based on retirement and other losses. The findings are also reported to NLB by the VHA Succession and Workforce Development Management Subcommittee through VHA HRC.

The ECF Candidate Development program uses the eight VHA core High Performance Development Model (HPDM) competencies as a framework for VHA to develop a highly skilled, customer-centered workforce. Research was implemented in January 2005 by the Management Support Office in collaboration with the VHA Center for Organization Leadership and Management Research (COLMR) to establish criteria to evaluate the mentoring and precepting process of

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**Appendix II**  
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the candidate's development program (CDP). The research will be completed in the summer of 2005 and presented to the VHA Succession and Workforce Development Management Subcommittee and forwarded on to HRC and NLB for feedback and approval.

The Management Support Office and COLMR are also researching the ECF CDP rating and selection process (to validate the selection process), the ECF CDP's acceptance to the program with the HPDM 360 degree assessment of their critical core competencies/critical skills set, and the effects of ECF CDP on their manager's evaluation, their career advancement and turnover rates. Results of this research will be completed in summer 2006, although elements of it will be completed sooner. The results will be forwarded to the NLB for feedback and approval prior to implementation. When possible, research findings associated with the VHA leadership Development and Succession Planning program will be published.

The VISN LEAD program is based on six key elements designed to establish criteria for a successful leadership development program that will develop leaders and meet VHA's organizational goals for succession and diversity. The criteria were defined by the VHA LEAD steering committee that consists of all the VISN education coordinators. Annual assessment against these criteria served as a national performance measure for each VISN in FY 2004 and FY 2005 and will continue. Status and progress of the program is reported to the VHA Succession & Workforce Development Subcommittee by the VHA LEAD steering committee and Management Support Office. Attached are the criteria VISNs are measured on for the performance measure (Attachment A). A report summarizing findings of the LEAD assessment goes to the VHA Succession & Workforce Development Subcommittee. The VHA LEAD Steering Committee holds quarterly meetings to coordinate and share training information and programs. Since the establishment of this committee in 2004, VISNs across the system have partnered in the management of leadership development and this is ongoing. Participants in VISN LEAD programs are entered into the VHA Leadership and Workforce Development database for succession planning purposes.

The VHA LEAD Steering Committee also oversees the guidance and monitoring of the facility level LEAD programs. Status and progress is reported by the VHA LEAD Steering committee and Management Support Office to the VHA Succession & Workforce Development Subcommittee. An annual national performance measure for the facility level LEAD will be established for the FY 2006 performance cycle. Similar criteria as those used in the VISN LEAD program are being developed and are expected to be ready for use in the FY 2006 performance cycle. Sharing of information across the system concerning this program is already ongoing. Participants in facility LEAD programs will be entered into the VHA Leadership and Workforce Development Database for succession planning purposes.

**Appendix II**  
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**ATTACHMENT A**  
**LEAD**  
**PROGRAM CERTIFICATION**

<b>CRITERIA</b>	<b>MINIMUM ELEMENTS</b>	<b>YES*</b>	<b>NO*</b>
Needs Assessment	1) Outcomes from Workforce Strategic Planning (WF SP) process were driven by and linked to strategic planning. (i.e., curriculum and selection process linked to strategic plan).		
Program Design	2) Course curriculums will include training in all eight (8) HPDM core competencies.		
Program Design	3) Program design includes a variety of learning and instructional methodologies.		
Program Design	4) Formal mentoring and/or coaching is included in the program.		
Program Design	5) Program participants complete a Personal Development Plan (PDP) with the collaboration of both their supervisor and mentor and/or coach		
Program Design	6) At least one individual assessment tool is used.		
Selection Process	7) Programs are widely announced thru a variety of mechanisms.		
Selection Process	8) A formal application process allows employees to self-nominate to the program with the endorsement of their supervisor.		
Evaluation	9) Program has a formal evaluation process in place that assesses the reactions of the participants to the program.		
Evaluation	10) Participants are asked to make recommendations for changes in the program		
Leadership Support	11) Evidence of resources to support program		
Leadership Support	12) Supervisors endorse participant application to the program		
Leadership Support	13) Senior Leaders (ELC members, Triad) are involved in the program		
Reward and Recognition	14) Participants are acknowledged by executive leadership that they were part of the program		

\* A statement of "yes" certifies that the minimal criteria of LEAD are in place and relates to a score of one (1) or greater on the self-assessment tool. A statement of "no" equals a score of zero on the self-assessment tool.

\_\_\_\_\_  
**SIGNATURE OF FACILITY/VISN DIRECTOR**

\_\_\_\_\_  
**DATE**

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**BEST PRACTICE PROGRAM ASSESSMENT GUIDE**

CRITERIA CATEGORY	ELEMENTS	EVALUATION	SCORE	SELF ASSESSMENT
<b>NEEDS ASSESSMENT</b>	1) Outcomes from WF SP process were driven by and linked to strategic planning	None	0	
		Present	3	
<b>PROGRAM DESIGN</b>	1) Curriculum shows evidence of training in all eight (8) HPDM core competencies.	None	0 Points	
		Present	3 Point	
	2) Program design includes a variety of learning and instructional methodologies. (stretch assignments – projects)	No specific design identified	0 POINTS	
		The program design follows adult learning principles for classroom or didactic instruction.	1 POINT	
		The program design includes the use of a variety of learning methodologies (i.e., distance learning, independent learning experiences, case studies)	2 POINTS	
		The program design includes opportunities for participants to apply skills outside the classroom. (i.e., assignments, projects, action learning projects)	3 POINTS	

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<b>CRITERIA CATEGORY</b>	<b>ELEMENTS</b>	<b>EVALUATION</b>	<b>SCORE</b>	<b>SELF ASSESSMENT</b>
		<b>SCORE:</b>		
	3) Formal mentoring and/or coaching is included in the program	No mentoring or coaching component	0 POINTS	
		-An application process is in place to select mentors and coaches. -A matching process is utilized to pair mentors and coaches based on skill, interests and expertise. -Coaches and mentors are trained and/or demonstrate basic skill requirements are met.	1 POINT	
		There is ongoing training offered in the facility and/or VISN for the purposes of continuing to improve and increase the skills of coaches and mentors.	2 POINTS	
		The coaching and mentoring program is evaluated and feedback is utilized to improve the program.	3 POINTS	
		<b>SCORE:</b>		
	4) Program participants complete a Personal Development Plan (PDP) with the collaboration of both their supervisor and mentor and/or coach.	None	0	

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<b>CRITERIA CATEGORY</b>	<b>ELEMENTS</b>	<b>EVALUATION</b>	<b>SCORE</b>	<b>SELF ASSESSMENT</b>
		Program participants complete a Personal Development Plan (PDP) with the collaboration of both their supervisor and mentor and/or coach	1	
		The PDP incorporates/includes assessment and/or feedback	2	
		Evidence of ongoing collaboration and implementation (review, updates)	3	
		<b>SCORE:</b>		
	5) At least one individual assessment tool is used.	None	0	
		At least one assessment tool.	3	
		<b>SCORE:</b>		
<b>SELECTION PROCESS</b>				
	1) Advertising strategy - How the organization publicizes and attracts candidates to the program	One method of communication (i.e., postmaster) is used to announce the program.	0 POINTS	
		Programs are widely announced thru a variety of mechanisms (i.e., postmaster, intranet, brochures, staff meetings)	1 POINT	



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CRITERIA CATEGORY	ELEMENTS	EVALUATION	SCORE	SELF ASSESSMENT
		In addition to the announcement to solicit participants, information is available all year to establish continuous awareness of the program.	2 POINTS	
		In addition to multiple posting and announcements, leaders routinely encourage and develop employees to be successful candidates. There is also evidence of efforts to assure a diverse applicant pool (i.e., the special emphasis coordinators are actively involved in the recruitment for the program, career counseling centers are established that serve as feeders for the talent pool, career fairs are regularly held)	3 POINTS	
		<b>SCORE:</b>		
	2) Selection - The process by which applicants are selected	No Formal process	0 POINTS	
		Formal application process allows employees to self-nominate to the program with the endorsement of their supervisor. (see footnote)	1 POINT	
		The formal selection process includes a performance/ competence-based approach for screening applicants. The pool of selected participants represents the diversity and the succession needs of the organization.	2 POINTS	

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<b>CRITERIA CATEGORY</b>	<b>ELEMENTS</b>	<b>EVALUATION</b>	<b>SCORE</b>	<b>SELF ASSESSMENT</b>
		The formal application and selection process includes the items above and provides individualized feedback to all non-selected protégée. The effectiveness of the selection process is continually assessed to assure that it produces successful program graduates. Uses all elements of the ECF process (vaww.med.gov/succession)	3 POINTS	
		<b>SCORE:</b>		
<b>EVALUATION</b>	1) Program has a formal evaluation process in place.	No evaluation process in place	0 POINTS	
		Level 1 – Reaction How well did the participants like the program? Examples of ways to assess: Evaluation sheets, interviews, or focus groups that measure participant's reactions to content relevancy and use, speaker quality, format, location, etc.	1 POINT	
		Level 2 – Learning What principles, facts and techniques were learned? What attitudes were changed? Examples of ways to assess: End-of-course mastery test, attitudinal assessments, projects, presentations, participant self-report.  Level 3 – Behavior What changes in job behavior resulted from the program?	2 POINTS	

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CRITERIA CATEGORY	ELEMENTS	EVALUATION	SCORE	SELF ASSESSMENT
		Examples of ways to assess: Observation of on-the-job performance, completion of action plans, work samples, interviews.		
		<p>Level 4 – Results/Business Impact            What were the tangible results of the program in terms of reduced cost, improved quality, improved quantity, timesaving, etc.?            Examples of ways to assess: Control groups, pre-and-post training comparison of data, e.g., number of errors, waiting times, time to fill leadership vacancies.</p> <p>Level 5* - Return on Investment            Did the program produce return-on-investment?            Examples of ways to assess: Calculate the dollar value of benefits and compare with total cost of training.</p> <p>*Not in original model by Kirkpatrick</p>	3 POINTS	
		<b>SCORE:</b>		
	2) Program has built in feedback loop (i.e., evaluation results fed into continuous - improvement)	No evidence of feedback	0 POINTS	
		Participants are asked to make recommendations for changes in the program	1 POINT	

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CRITERIA CATEGORY	ELEMENTS	EVALUATION	SCORE	SELF ASSESSMENT
		Developers and faculty review and analyze evaluations data to make program improvements based on that data	2 POINTS	
		There is a comprehensive collaborative analysis of the LEAD program compared with best practices (VHA/Community) resulting in subsequent improvements	3 POINTS	
		<b>SCORE:</b>		
<b>LEADERSHIP SUPPORT</b>	1) Evidence of dedicated resources – staff time and dollars	No dedicated resources – (i.e., no assigned responsibilities, no staff assigned)	0 POINTS	
		Collateral staff provide casual support with no dedicated funding	1 POINT	
		Collateral staff support with dedicated funding	2 POINTS	
		Consistent/dedicated core staff responsible for the LEAD program. Dedicated funding for the program – the dollars spent as they were intended to be at the end of the year.	3 POINTS	
		<b>SCORE:</b>		
	2) Supervisors involved and supportive	No Support –	0 POINTS	
		Supervisors endorse participant application to the program	1 POINT	
		Evidence of supervisory support for their subordinates' participation in the program. (i.e., recommend people consistently and are in	2 POINTS	

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CRITERIA CATEGORY	ELEMENTS	EVALUATION	SCORE	SELF ASSESSMENT
		involved in planning educational programs.		
		Supervisors demonstrate involvement and or support for the program and its participants. (i.e., reinforces training, PDP, continually suggest learning opportunities).	3 POINTS	
		<b>SCORE:</b>		
	3) Senior Leaders are involved in the program (ELC members - Triad/Quad	No evidence of Senior Leadership involvement	0 POINTS	
		Appropriate leaders serve as coaches and/or mentors for the LEAD programs and ensure there are sufficient mentors for the programs.	1 POINTS	
		Senior Leaders serve as coaches and/or mentors and faculty.	2 POINTS	
		Senior leaders are champions for these programs. They are actively involved in the development, implementation, and evaluation of the program.	3 POINTS	
		<b>SCORE:</b>		
<b>Reward and Recognition</b>	1) There is a defined procedure for recognizing and acknowledging all contributors to the LEAD program	Not present	0 POINTS	
		Participants are acknowledged by executive leadership that they were part of the program	1 POINT	

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<b>CRITERIA CATEGORY</b>	<b>ELEMENTS</b>	<b>EVALUATION</b>	<b>SCORE</b>	<b>SELF ASSESSMENT</b>
		Participants, faculty, coaches/mentors colleagues, staff and supervisors are publicly acknowledged by leadership	2 POINTS	
		Entire organization celebrates and is recognized for merits, including LEAD outcomes.	3 POINTS	
		<b>SCORE:</b>		
		<b>OVERALL SCORE:</b>		

**Footnote:**

The ECF application is structured on VHA's HPDM eight core competencies and requires applicants to describe their experience in a performance-based interviewing (PBI) format. It also includes a history of educational and work experience. Applications require management endorsement and are rated and ranked by a diverse panel of VHA senior executives. All applicants receive timely feedback on their application including areas of improvement.

# Comments from the Department of Commerce



**THE DEPUTY SECRETARY OF COMMERCE**  
Washington, D.C. 20230

June 7, 2005

Ms. Eileen Larence  
Director  
Strategic Issues  
U.S. Government Accountability Office  
Washington, DC 20548

Dear Ms. Larence:

The U.S. Department of Commerce appreciates the opportunity to comment on the Government Accountability Office draft report entitled *Human Capital: Selected Agencies Have Opportunities to Enhance Existing Succession Planning and Management Efforts (GAO-05-585)*.

I enclose the Department of Commerce's comments on this report.

Sincerely,

A handwritten signature in black ink, appearing to read "David A. Sampson".

David A. Sampson  
(Acting)

Enclosure

**U.S. Department of Commerce**  
**Comments on**  
**Government Accountability Office Draft Report,**  
***Human Capital: Selected Agencies Have Opportunities to Enhance Existing***  
***Succession Planning and Management Efforts (GAO-05-585)***

The U.S. Department of Commerce thanks the Government Accountability Office for the opportunity to review the draft report, *Human Capital: Selected Agencies Have Opportunities to Enhance Existing Succession Planning and Management Efforts* (GAO-05-585). This report discusses an important issue of concern to the Census Bureau -- human capital management and in particular succession management.

**GENERAL COMMENTS**

Since 2000, the U.S. Census Bureau has carefully studied and improved its approaches to succession management. The report highlights some of the critical succession management practices the Census Bureau is employing. These, as well as other key practices, need to be seen within the broader context of the Census Bureau's succession management framework. Understanding this framework is important because it is the diversity and adaptability of approaches as a whole, rather than individual techniques, that have been the key to the Census Bureau's success in planning and meeting succession challenges.

The Census Bureau has created a matrix of broad succession planning practices that is used to structure succession management efforts, disseminate best practices across the organization, and provide a point of reference for gauging progress in succession management practices. The matrix consists of 13 categories: (1) setting strategic goals; (2) collecting and analyzing work force data; (3) assessing employees for management and leadership; (4) orienting new employees at junior, mid- and senior levels; (5) mentoring; (6) continuous career-long learning based on individual development plans; (7) rotational assignments; (8) stretch assignments; (9) formal and informal training (particularly in terms of technical and core competencies); (10) formal management and leadership development programs integrated with on-the-job training; (11) individual development plans and critical performance elements; (12) use of management flexibilities; and (13) knowledge management, including the use of transition positions to allow for overlapping periods of transition for critical retirements.

The Census Bureau refined its recruitment, development, training, and human capital management programs to support a strategic approach to succession management. These refinements included different approaches to meet the varied succession challenges relating to senior management, mathematical statisticians, information technology specialists, and other mission-critical job categories.

Succession management programs are critical for senior executives and other key staff who, as the federal civil service continues to age, are projected to retire in large numbers. The Census Bureau's strategy for succession, particularly for key staff, focuses on building a solid pool of candidates from which to select. This strategy also focuses on building external relationships and outreach to attract diverse and well-qualified



applicants. The Census Bureau recognizes the constraints placed on agencies and bureaus by not knowing when people will actually retire and the inability to preselect successors. The individuals themselves cannot commit to a certain retirement date very far in advance of actual retirement. Personal circumstances change and with them, retirement decisions. Unlike private sector positions, the merit system limits the designation of an “heir apparent” as a tool for making smoother leadership transitions.

For mathematical statisticians, the pool of highly qualified applicants in the marketplace is diminishing. The report mentions one tool used by the Census Bureau to address this issue, which is the mathematical statisticians recruiting team. The recruiting team is part of the Methodology and Standards Council which, in addition to recruiting, leads the management and development of critical technical and leadership talent for mathematical statisticians across the entire organization. The efforts of the Council in building recruiting relationships; attracting candidates; and then selecting, developing, and retaining leading professionals, are critical and could serve as a useful model for other bureaus or agencies facing similar challenges for highly technical professionals.

The field of information technology changes rapidly and affects the competencies and work methods that are needed. To meet this challenge, the Census Bureau uses a strategy of hiring and developing professionals and complementing the capabilities of that work force by acquiring specialized skills and expertise through contracts. Contracting is used in areas where it has been determined, after an assessment of internal resources and capabilities, to be more effective than developing in-house talent. On a much broader scale, the Census Bureau is making the most extensive use of contracting in its history for the 2010 Census. The Census Bureau is contracting for data capture and processing services, geographic systems and support, as well as support for field automation systems. Collectively, these are very large contracts that represent strategic decisions to ‘buy’ rather than ‘build.’

#### **SPECIFIC COMMENTS ON THE REPORT’S TEXT AND RECOMMENDATIONS**

P. 15, para. 2 “According to an agency human capital official, ...”

The Census Bureau’s strategy for ensuring its mission-critical capabilities is an anticipatory one. As the report correctly states, it focuses on building infrastructure by recruiting and developing competencies.

The “delegation of line managers to fill vacancies” refers to the ability of managers to use a proven electronic hiring system that allows them to identify and request a unique blend of competencies for each vacancy. This approach allows the organization to continuously update the competencies it seeks and select staff for competencies that match emerging, as well as established, needs. Front-line managers are engaged in a continuing dialogue with senior managers and interdirectorate councils (e.g., Hiring Coordinators Group and Human Capital Management Council) to identify, plan for, and address skill and competency needs at all organizational levels. The line managers use the flexibility and precision of the hiring system (and the robust pool of applicants who

have been recruited) to address both their specific hiring needs, as well as select for competencies that are of increasing importance to the Census Bureau as a whole.

The report recommends that the Secretary of Commerce should ensure that the Director of the Census take three actions. The Census Bureau's comments on each of these recommendations follow.

**Recommendation 1—“Strengthen the monitoring of its mission critical workforce by identifying mission critical workforce gaps, developing strategies to address gaps, evaluating progress toward closing gaps, and adjusting strategies accordingly.”**

The Census Bureau agrees that monitoring and assuring the necessary competencies of its mission-critical work force is essential and requires close and continuing attention. The Census Bureau has found that its existing approach to succession management is effective in meeting mission-critical requirements. The practices described in the general comments section above are designed to anticipate skill needs and ensure that those needs are met through diverse and flexible approaches. Contracting is also used strategically to meet mission-critical objectives. The Census Bureau has found that its present methods of assessing and ensuring appropriate levels of critical work force capabilities are more efficient and effective than attempting to categorize and quantify 'gaps' within mission-critical occupations.

**Recommendation 2—“Seek appropriate opportunities to coordinate and share core succession training and development programs with other outside agencies to achieve economies of scale, limit duplication of efforts, benchmark with high-performing agencies, keep abreast of current practices, enhance efficiency, and increase the effectiveness of its programs.”**

The Census Bureau agrees with this recommendation. As described in the report, the Census Bureau takes advantage of opportunities to partner and participate in succession development programs with its parent organization, the Department of Commerce. The Census Bureau will continue to explore opportunities to join with other bureaus and agencies in designing and conducting cost-effective training and development programs.

**Recommendation 3—“Evaluate core succession training and development programs to assess the extent to which programs contribute to enhancing organizational capacity. When deciding the appropriate analytical approach and level of evaluation, the Bureau should consider factors such as estimated costs of training efforts, size of training audience, and program visibility, among other things.”**

The Census Bureau agrees with this recommendation. While, as the report notes, the Census Bureau tracks training and development program participation rates, costs, and outcome measures, a more comprehensive approach to evaluations is being planned. The Census Bureau has aligned its Planning and Evaluation Branch, along with its Work Force Development Branch, under the direction of a single Assistant Division Chief in its Human Resources Division. The report's recommendation reinforces the importance of these organizations working closely together to increase the efficiency and effectiveness of the Census Bureau's training and development programs.

# GAO Contact and Staff Acknowledgments

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