Government Accountability Office (GAO) Responses to Questions for the Record
Committee on Oversight and Reform, U.S. House of Representatives
Subcommittee on Government Operations Hearing
"NextGen Feds: Recruiting the Next Generation of Public Servants"
September 25, 2019

Chairman Gerald E. Connolly

1. **The changing nature of the workforce, historically low unemployment rates in the United States, and increased use of technology will require an agile federal workforce that can better adapt to and leverage constantly evolving technology and mission requirements. What are some of the key demographic and technological trends affecting attitudes toward federal work?**

The federal workforce is aging, with many eligible for retirement. The high percentage of employees eligible for retirement could produce gaps in leadership and institutional knowledge. For example, 31.6 percent of permanent federal employees who were on board as of September 30, 2017, will be eligible to retire in the next five years, with some agencies, such as the Department of Housing and Urban Development (44.9 percent) and the Environmental Protection Agency (43.8 percent), having particularly high levels of employees eligible to retire. While retirements can aggravate the problems created from existing skills gaps, they also present an opportunity for agencies to realign their workforce with needed skills and leadership levels to better meet existing and emerging mission requirements.

Technological advances will change the way work is done. Advances in automation, artificial intelligence, robotics, and information and communication technology have the potential to accelerate changes in federal work beyond any past experience, but they also involve risks. These advances are changing the way that work is done by altering the balance between what tasks are completed by humans and those completed by machines. The federal workforce will need to develop new skill sets and expertise to effectively utilize and manage these technological advances.

2. **How are those trends affecting how federal work is done and the skills and competencies workers need to accomplish agency missions?**

In 2017, we convened a forum that highlighted several applications of artificial intelligence, many of which could affect agencies and federal work.[1] For example, robots enabled by artificial intelligence could assist patients with medication management and mobility support in clinical settings; developments in automated vehicles could affect work related to government vehicle pools, safety, and transportation management; the use of artificial intelligence in criminal justice and cybersecurity applications could bring benefits but would need to be carefully managed with regard to privacy protection, among other concerns; and the accelerated pace of change associated with artificial intelligence may strain workforce systems' capacity to train and hire individuals with appropriate skill sets.

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[1]GAO, *Technology Assessment: Artificial Intelligence: Emerging Opportunities, Challenges, and Implications*, GAO-18-142SP (Washington, D.C.: Mar. 28, 2018).

Federal work is also being affected by increased use of virtual communication, which provides flexibility in where employees can do their work. We have previously reported that the federal government has increasingly recognized telework as an important human capital strategy that can give employees more work-life balance and help agencies continue operations during emergency events.[2] However, federal agencies also face costs associated with administering and monitoring telework, including training staff, ensuring supervisors have the necessary skills to manage remote staff, and ensuring compliance and reducing the risk of fraud.

To attract a diverse workforce, agencies will need to adapt and meet employees where they are at different phases of their lives. Work-life balance programs must align with employees' needs. Employees may value different benefits and incentives depending on their stage in life. By better understanding the desires of the workforce at various life stages, agencies can better tailor benefits packages and incentives to their employees. For some, valued benefits and incentives may include health and wellness programs or paid parental leave. Others may value sabbaticals or subsidies for training.

3. Why does GAO think internships are an important mechanism for strategic human capital management?

Internships are an important tool for agencies to use to establish a diverse talent pipeline. Consulting firm representatives we interviewed stated that they cultivate a talent pipeline by building a brand on campus, developing relationships with college students, and recruiting on campuses for entry-level positions and internship programs. Similarly, Chief Human Capital Officers (CHCOs) and federal employee and management group representatives we interviewed noted that internships are important for establishing a pipeline for recruitment.[3]

4. What lessons or best practices can we learn from agencies that are effectively operating and leveraging their internship programs?

Our prior work has found that some organizations with internship programs take the following actions:

- Extend full-time job offers to interns who successfully complete academic and program requirements;
- Assign interns with challenging and meaningful projects; and
- Expand the intern talent pool by developing strategic partnerships with such entities as trade schools, apprentice programs, and affinity organizations from across the country.

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[2]GAO, *Federal Telework: Better Guidance Could Help Agencies Calculate Benefits and Costs*, GAO-16-551 (Washington, D.C.: July 15, 2016) and *Human Capital: Telework Programs Need Clear Goals and Reliable Data*, GAO-08-261T (Washington, D.C.: Nov. 6, 2007).
[3]GAO, *Federal Workforce: Key Talent Management Strategies for Agencies to Better Meet Their Missions*, GAO-19-181 (Washington, D.C.: Mar. 28, 2019).

5. **Does the Office of Personnel Management publish the data needed for your organization to assess the effectiveness and use of the Pathways program in serving as a talent pipeline across the federal government?**

We have ongoing access to the Office of Personnel Management's (OPM) Enterprise Human Resources Integration (EHRI) data, which could be analyzed to report on the use of the Pathways program. A thorough assessment of the effectiveness of the Pathways program would require additional data sources (for example, surveys of managers and employees with direct experience with Pathways) and/or qualitative research. In August 2016, OPM issued a report on the use and effectiveness of the Pathways programs.[4] However, this report presented data on the programs from fiscal year 2014 and has not been publically updated since then.

6. **Could paid family leave help the federal government recruit a younger generation of federal employees? If so, how?**

We have not conducted work on paid family leave. However, CHCOs we interviewed stated that paid parental leave could be a powerful retention tool for federal workers. Representatives from consulting firms we interviewed said that they have observed positive impacts from paid parental leave benefit programs. For example, representatives from one firm said that providing employees with peace of mind when managing life events helps them feel more committed to the organization.

7. **What are some primary barriers to attracting and retaining qualified individuals to the federal government and what are some strategies Congress and federal agencies can take to address those challenges?**

The government's system of current employment policies was designed generations ago for a workforce and types of work that largely no longer exist. Much has changed since two essential laws—the Civil Service Reform Act of 1978 and the Classification Act of 1949—laid the foundation for today's federal personnel system.[5] We have identified several structural challenges within the federal human capital system that impede the ability of agencies to recruit, retain, and develop employees, both today and in the future.[6] For example:

- **Classification system.** The General Schedule classification system—which defines and organizes federal positions, primarily to assign rates of pay—has not kept pace with the government's evolving requirements.
- **Recruiting and hiring.** Federal agencies need a hiring process that is applicant friendly and flexible, and meets policy requirements.
- **Pay system.** Employees are compensated through an outmoded system that (1) rewards length of service rather than individual performance and contributions, and (2) automatically provides across-the-board annual pay increases, even to poor performers.

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[4] US Office of Personnel Management, *The Pathways Programs: Their Use and Effectiveness Two Years After Implementation*, (Washington, D.C.: August 2016).
[5] Civil Service Reform Act of 1978, Pub. L. No. 95-454, 92 Stat. 1111 (Oct. 13, 1978) and Classification Act of 1949, Pub. L. No. 81-429, 63 Stat. 954 (Oct. 28, 1949).
[6] GAO-19-181.

- **Performance management.** Federal agencies have faced long-standing challenges developing modern, credible, and effective employee performance management systems and dealing with poor performers.

In March 2019, we reported on key strategies and practices for managing the current and future workforce.[7] Table 1 summarizes the actionable strategies we identified in that report. We noted that while these strategies are not an exhaustive list, collectively they suggest basic steps that agencies can take within existing authorities to position themselves to meet their talent needs. These practices are based on our review of related reports, group interviews with CHCOs, and interviews with selected private organizations and foreign governments.

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[7]GAO-19-181.

Table 1: Key Strategies and Practices for Managing the Current and Future Federal Workforce

Function	Strategy	Practice
Align human capital strategy with current and future mission requirements	Set workforce goals and assess skills and competencies needed to achieve them	Identify existing skills and competencies
		Assess gaps in existing and future skills and competencies
		Monitor progress toward closing skills gaps
Acquire and assign talent	Source and recruit talent	Cultivate a diverse talent pipeline
		Highlight agency mission
		Recruit continuously and start the hiring process early in the school year
		Strategically leverage available hiring flexibilities
		Write user-friendly vacancy announcements
	Assess and screen candidates	Use relevant assessment methods and share hiring lists
		Improve the security clearance process
	Assign employees where needed	Develop a culture of agility
Incentivize and compensate employees	Leverage benefits and incentives	Increase awareness of benefits and incentives, such as work-life programs
		Tailor benefits and incentives to employees' needs
		Address barriers to telework
	Leverage existing pay authorities	Use special payment authorities strategically
Engage employees	Manage employee performance and create a "line of sight" between individual performance and organizational results	Improve selection and training of supervisors and managers
		Link agency's mission and employees' work
		Implement meaningful rewards programs
		Share innovative approaches to performance
	Involve employees in decisions	Increase support for an inclusive work environment
	Develop employees	Prioritize training for employees and managers
		Encourage details, rotations, and other mobility opportunities

Source: GAO-19-181.