Closing Skills Gaps Initiative Closeout Report 2016 — 2020

Table of Contents

I. Background and Executive Summary

Background

In 2001, GAO placed Strategic Human Capital Management (SHCM) on its High-Risk List. GAO noted the Federal Government's challenges in several key areas: leadership; strategic human capital planning; acquiring, developing, and retaining staff; and creating results-oriented organizational cultures.

In February 2011, GAO's High-Risk Report Update narrowed the scope of the high-risk area to closing current and emerging critical skills gaps. GAO reduced the scope due to substantial progress made by OPM and the agencies in addressing the Government's human capital challenges.

Executive Summary

OPM's Closing Skills Gaps Team in partnership with CHCO Council accomplished much and saw steady improvement from 2015-2020 and laudable progress in a high percentage of the CHCO Act Agencies that participated in Closing Skills Gaps Initiative. OPM has met key GAO requirements and designed outreach efforts and processes in such a fashion that we anticipate skill gaps closure methodologies will become an institutionalized part of agencies' human capital workforce planning processes.

In 2015, OPM and the CHCO Council took the challenge to close and/or mitigate skill gaps by designing and implementing a data-driven approach to the Closing Skills Gaps effort:

OPM created a governance structure to ensure accountability: OPM partnered with CHCOs and high-ranking occupational leaders to lead Federal Action Skills Teams (FAST) to address Governmentwide high-risk MCOs. OPM required each agency to form internal FASTs to address high risk agency-specific MCOs.

OPM developed a methodology and risk assessment model that used a data-driven approach to assist agencies in identifying high risk MCOs: OPM developed the Multi-Factor Model (MFM) based on feedback from agency partners to assess the risk of agencies' MCOs and identify those MCOs at greatest risk, as well as identify Governmentwide MCOs at the greatest risk. Using the MFM assessment, OPM identified four Governmentwide MCOs to be targeted for skills gaps closure: Acquisition, Auditor, Economist, HR Specialists and later added Cybersecurity functional area.

OPM implemented a rigorous environmental scanning (e-scan) effort: The Governmentwide environmental scan included over 55 representatives from different Federal agencies. The e-scan provided the qualitative analysis supporting the quantitative findings from the MFM.

OPM revised 5 C.F.R. 250 subpart B, which now supports closing skills gaps: The revised regulation went into effect April 2017, and requires agencies to submit a Human Capital Operating Plan (HCOP) to OPM, which must detail how agencies will address skills and competency gaps. The regulation also institutionalizes quarterly HRStat Reviews where agencies review progress quarterly on measures outlined in their HCOP, including closing skills gaps.

OPM monitored agency and Governmentwide progress: OPM required the Governmentwide FAST and CFO Act agencies to submit root cause analysis findings, action plans, and metrics. Agencies were also required to submit a quarterly report to OPM on the progress they were making on closing agency-specific skills gaps. The Occupational Leaders of the Governmentwide effort briefed the OPM Director bi-annually on their progress.

OPM provided continuous 'On-Call' support to agencies in this effort: OPM conducted training for each CHCO agency and their staff on how to conduct a root cause analysis, develop action plans, and develop measures to monitor progress. OPM trained approximately 140 agency personnel on the OPM designed methodology needed to close skills gaps. OPM experts worked individually with agencies and Governmentwide FASTs to ensure they had the support needed to identify root cause and develop meaningful action plans, as well as appropriate metrics and measures including providing on-going data analytics support.

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Results and Accomplishment

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GAO's January 2015 High-Risk Report Update noted OPM and agencies had taken important steps to better position the Government to close current and emerging critical skills gaps. GAO reported OPM and agencies partially met four of the five high-risk criteria by demonstrating a leadership commitment to address the issue, developing capacity and action plans outlining appropriate strategies, as well as taking the initial steps to monitor progress. [1]

GAO's updated February 2017 High Risk Report on Strategic Human Capital Management acknowledged OPM's leadership in this initiative and awarded a "met" score for the leadership criteria, which was an improvement from the "partially met" score in 2015.[2]

October 2018 OPM issued Direct Hire Authority to agencies for a number of STEM occupations to include Economist and Cybersecurity which were both Governmentwide high risk MCOs.

September 2019 OPM elevated closing skills gaps to an agency priority goal (APG) and issued several tools to support the closing skills gaps effort.

November 2019 OPM released for implementation the final Job Family Position Classification and Qualification Standards for professional and administrative occupations in the Accounting, Auditing, and Budget Group, 0500, which established the Performance Auditor classification.

April 2020, GAO closed out all OPM priority recommendations in GAO-15-223, Federal Workforce: OPM and Agencies Need to Strengthen Efforts to Identify and Close Mission-Critical Skills Gaps. OPM and agencies successfully closed out all open recommendations, thus successfully closing this engagement.

December 2020: OPM informed agencies that 86% of agencies had closed one or more factors in agency-specific high risk MCOs.

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[1] GAO-15-290, pg.122
[2] GAO-17-317, pg.62

Closing Skills Gaps 2021: The next four-year cycle of the closing skills gaps initiative launched and features a revised Multi-Factor Model with updated "core metrics" agencies will use to identify high risk MCOs.

II. Agency-specific Results

Agency FASTs are comprised of agency occupational subject matter experts who work alongside the agency's HR, staffing, and workforce planners to address agency-specific high risk MCOs. FASTs are responsible for:

- conducting root cause analysis;
- developing action plans with strategies, milestones, outcome-oriented metrics;
- ensuring implementation begins by appropriate parties; and
- providing updates to OPM.

Agency FASTs did an outstanding job mitigating and/or closing their identified skill gaps:

- Of the 21 CFO Act agencies that participated, 19 agencies – **90% – actively institutionalized the closing skills gaps methodology** (i.e., conducted root cause analysis, submitted an action plan, developed targets, and submitted quarterly reports).
- **18 of those 21 agencies – 86% – successfully accomplished a reduction in one or more** of the MFM factors (2-year retention, quit rate, retirement rate, applicant quality) from their 2015 baseline.
- Agencies made progress or continued to maintain levels exceeding the Governmentwide average in 43 of the 51 factors that they focused on from the MFM.
- A **total of 32 unique agency-specific MCOs** were addressed during this Closing Skills Gaps Initiative.

III. Governmentwide Results

An essential element in the success of the Closing Skills Gaps Initiative was the work done by the Governmentwide FASTs. These five teams were led by an Occupational Leader and assisted by either an Agency's CHCO or CHCO designee, as well as other select stakeholders. The OPM Director, Acting OPM Director, or Acting Deputy Director was briefed bi-annually on the progress of these five teams.

The five Governmentwide High Risk MCOs identified were:

- 1102- Acquisition
- 0511- Auditor
- 0110- Economist

- 0201- Human Resource Specialist
- Cybersecurity

With the resources and focus brought to bear on the complex nature of the five Governmentwide occupations, to include the OPM Director's attention and input, these Governmentwide FASTs made impressive progress:

Acquisitions

OPM's ongoing work with the Acquisition FAST helped contracting front-line supervisors partner more effectively with their HR support specialists. Another important mitigating process was the Acquisitions FAST monitoring of 1102 certification rates. This is important because certification builds foundational competencies for contracting professionals across the Federal Government. The Acquisition FAST assisted:

- Contracting hiring managers across Government to partner more effectively with their HR support teams;
- Building skills and providing resources to contracting professionals across Government, including:
    - o offering a number of new acquisition courses, such as supply chain management, cybersecurity, and emergency contracting;
    - o developing a Periodic Table of Acquisition Innovations to offer specific examples of innovative acquisition techniques at various points in the acquisition process;
    - o piloting an adaptive learning course of critical thinking in the acquisition process; 1102 career path roadmaps;
    - o experience development and tracking tools; and an acquisition section within the Open Opportunities portal where professionals can gain experience through short-term projects; and
- Collaborating with contracting office supervisors across the Government to build high-performing contracting organizations.

Results: Though the Acquisition FAST made significant progress, there is still work to do. **OPM is recommending Acquisition remain a high-risk Governmentwide MCO.**

Auditor

The Auditor FAST determined, after research and stakeholder data, an additional classification series for Performance Auditors was needed to address the Auditor skills/competency gap and their talent acquisition pipeline was not aligned with current employment needs. The Auditor FAST:

- promoted university partnerships and recruiting strategies; and

- review of classification and qualification standards for 0511 occupational series resulted in **OPM issuing new classification standards for the 0511 occupation**.

Results: The 0511 Occupational series is no longer a Governmentwide High Risk MCO based on the work done by Governmentwide Occupational Leaders and Governmentwide FAST with OPM's support.

Cybersecurity

To help build a modern Federal Cybersecurity Workforce, the **Federal Cybersecurity Workforce Strategy** was developed with these five essential elements:

- **Executive Order 13870**: America's Cybersecurity Workforce (May 2, 2019);
- **Executive Order 13800**: Strengthening the Cybersecurity of Federal Networks and Critical Infrastructure (May 11, 2017);
- **National Cyber Strategy**;
- **Federal Cybersecurity Workforce Assessment Act**; and
- President's Management Agenda: **Modernize IT & Developing a Workforce for the 21st Century**

As a result of the implementation and collaborative efforts of the agencies, more than 42,500 Federal Cybersecurity and IT Professionals were hired between FY15 and July 2020. As of the beginning of FY21, Federal Cybersecurity and IT Professionals now account for 7% of the Federal workforce.

Results: Though the Cybersecurity FAST made significant progress, there is still work to do. **OPM is recommending cybersecurity remain a high-risk functional area.**

Economist

The Economist FAST Team developed a survey, which was administered to 3,781 Economists Governmentwide with a response rate of 58% and representation from 44 Agencies. It was determined the major contributor to the Economist skill gap was inadequate pay.

In response OPM, in collaboration with the Economist FAST, has:

- **implemented Direct Hire Authority for Economists**; and
- consulted with Occupational and Agency leaders on Designing Special Occupational Pay for Economist, to mitigate its skill and competency gaps.

Results: The Economist FAST made good progress. However, there is still work to do on special pay efforts. **OPM is recommending the Economist occupation be removed as a Governmentwide MCO**,

based on qualitative and quantitative analysis, but that the specific agencies with Financial Economists continue to work on mitigating on-going skills gaps issues.

Human Resources

The Governmentwide HR FAST created a strategic framework designed to mitigate the 0201 skills/competency gap and to develop highly functioning HR/HC professionals by providing tools and resources to maximize their effectiveness and value to the agencies they serve. The HR FAST continues to work towards:

- increasing Federal HR professionals' core knowledge and capability;
- enabling consistent quality in HR ability to recruit, develop, manage, and retain the best and brightest for Government;
- establishing a certification framework for Federal HR professionals across selected specialty areas; and
- creating tools and resources for HR professionals to use across the Federal landscape to hire, develop, manage, and retain a workforce for the 21st century.

Results: The HR FAST developed a strategy supported by OPM executive leadership and over time will contribute directly to skills gaps mitigation. **At this time, OPM is recommending that HR Specialist remain as high risk MCO.**

IV. Next Steps and Conclusion

OPM is working with agencies to close out the previous cycle for the closing skills gaps initiative, which officially ended on December 31, 2020. OPM communicated with agency CHCOs that we are beginning the next cycle of the closings skills gaps initiative and requested updated points of contacts (POC) from each CFO Act agency. Agency POCs were briefed on the timeline for the next skills gaps cycle. OPM, using agency input and feedback, updated the MFM (a tool designed by OPM, in collaboration with multiple Federal Agency stakeholders), to identify the next set of high risk MCOs.

The updated MFM uses the following criteria to identify MCOs most likely to be high risk:

- o   2 Year Retention Rate
- o   Separation Rate
- o   Retirement Eligibility
- o   Time to Hire
- o   MCO Resource Chart Staffing Gaps
- o   EVS Engagement Index

The Closing Skill Gaps cycle began in Q2 FY 21:

- Agencies validate multi-factor model results for high risk MCOs;
- Agencies identifying FAST team members;
- OPM conducted training for FAST members on:
    - o   conducting root cause analysis;
    - o   developing action plans;
    - o   identifying metrics and targets; and
    - o   quarterly reporting;
- Agencies began implementation of their action plans in Q4 FY 21; and
- FY 22-FY 25: Agencies will outline which MCOs they will focus on for this cycle in the Human Capital Operating Plan (HCOP) along with strategies, targets and measures. OPM will collect the agency HCOPs to assess the closing skills gaps strategies and provide formal feedback to the agency CHCOs. Agencies will monitor progress through HRStat and provide updates through the HRStat Community of Practice. OPM will work with agencies to evaluate efforts on closing skills gaps through the annual Human Capital Reviews.

Conclusion

The Office of Personnel Management's Closing Skills Gaps Team, along with agencies and the support of the CHCO Council, accomplished much and has seen steady and laudable progress in many of the agencies that used the institutionalized Closing Skills Gaps methodology. OPM followed the GAO Criteria, as outlined in the GAO High Risk Report, and believes this methodology has led to the success

of the latest cycle. Agencies' commitment to implementing the methodology is key to having a data-driven repeatable process that provided proven results. OPM is excited and proud of the efforts that have already occurred and is looking forward to the next cycle of this initiative.

Appendices

Appendix A: Agency High-Risk MCO Results

Agency-specific MCOs indicated that 86% of agencies mitigated skills gap factors in one or more high risk MCOs. The chart below highlights agencies progress on the element from the multi-factor model targeted for intervention.

Light Green*	Indicates improvement in one or more MFM area
Dark Green	Indicates improvement in the targeted area or closed
Yellow	Indicates that though there was not improvement the result still outperformed the Governmentwide average
Red	Indicates that there was a decline in that element

Agency	MCO	Focus Area	FY 14	FY 19	Result
SSA*	1510	Closed			Improved
OPM*	1810	Closed			Improved
DOT*	0873	Closed			Improved
	2121	Closed			Improved
DOC*	0201	2-year Retention	52.78	73.33	Improved
DoD	0081	Quit Rate	1.41	2.17	Out-Performed
	0620	Quit Rate	12.79	12.93	Declined
DOE*	0840	2-year Retention	76.92	93.33	Improved
	0840	Retirement Rate	3.52	5.43	Declined
DOI*	0401	2-year Retention	89.52	88.33	Out-Performed
	0401	Applicant Quality	7.72	8.15	Improved
	0881	2-year Retention	88.00	82.35	Out-Performed
	0881	Retirement Rate	3.13	3.09	Improved
	1350	Quit Rate	4.51	1.84	Improved
DOJ*	0950	Quit Rate	3.37	1.85	Improved
	0986	Quit Rate	2.73	4.85	Declined
DOL	0690	2-year Retention	88.89	85.71	Out-Performed
DHS*	1802	2-year Retention	62.68	77.92	Improved
	1895	2-year Retention	89.59	91.52	Improved
	1896	2-year Retention	76.21	71.58	Declined
	1802	Quit Rate	8.78	7.78	Improved
	1895	Quit Rate	0.43	0.57	Out-Performed
	1896	Quit Rate	1.05	2.04	Out-Performed

Closing Skill Gaps Initiative 2016-2020 Closeout Report

Agency	MCO	Focus Area	FY 14	FY 19	Result	
ED*	1720	2-year Retention	77.78	100.00	Improved	
	1720	Retirement Rate	7.14	4.18	Improved	
EPA*	0819	2-year Retention	71.43	91.23	Improved	
GSA	0201	2-year Retention	84.62	76.92	Declined	
HHS*	0610	2-year Retention	62.95	64.25	Improved	
	0610	Quit Rate	8.23	8.58	Declined	
HUD*	1101	Applicant Quality	7.07	8.04	Improved	
SBA*	0201	Quit Rate	2.38	0.00	Improved	
	0201	Retirement Rate	10.71	1.89	Improved	
	0340	Quit Rate	2.31	4.40	Declined	
	0340	Retirement Rate	10.65	7.14	Improved	
	1101	Quit Rate	2.28	2.15	Improved	
	1101	Retirement Rate	8.44	5.52	Improved	
	1102	Quit Rate	1.49	2.90	Declined	
	1102	Retirement Rate	17.91	4.40	Improved	
	1165	Quit Rate	2.05	0.39	Improved	
	1165	Retirement Rate	4.52	3.94	Improved	
	2210	Quit Rate	1.89	3.61	Improved	
State*	0130	Quit Rate	4.29	3.47	Improved	
Treasury*	0512	2-year Retention	76.34	No Hires	N/A	
	0512	Quit Rate	1.10	0.63	Improved	
USAID*	0301	2-year Retention	83.72	81.71	Out-Performed	
	0343	2-year Retention	86.67	90.91	Improved	
	0560	2-year Retention	100.00	No Hires	N/A	
USDA*	0404	Quit Rate	16.58	2.25	Improved	
	0701	Retirement Rate	4.87	4.01	Improved	
VA*	0180 Psychiatrists	Quit Rate	3.21	2.94	Improved	
	0180 Psychologists	Quit Rate	3.21	2.94	Improved	
	0602	Quit Rate	5.55	3.51	Improved	
NASA	No Gaps					
NSF	No Gaps					
NRC	No Gaps					

Appendix B: GAO Criteria

OPM aligned the closing skills gaps strategy to the GAO Criteria (listed) to determine progress in high-risk areas. OPM's actions to address each criterion are as follows:

Leadership commitment- Demonstrated strong commitment and top leadership support.

- The Office of Personnel Management (OPM) continues to demonstrate top leadership commitment through numerous efforts to assist agencies in addressing mission-critical skills gaps within their workforces. OPM's update of 5 CFR 250 Subpart B which took effect in April 2017, requires CFO Act agencies to develop human capital operating plans that, in part, must describe the agencies' skills gaps and the strategies to be used for closing these gaps.
- GAO noted that the revised regulation provides that agency human capital policies and programs must monitor and address skills gaps within Governmentwide and agency-specific mission-critical occupations (MCO) by using comprehensive data analytic methods and gap closure strategies. The revised regulation also requires that agency leadership to participate in a quarterly, data-driven review process known as HRStat.
- OPM continues to provide guidance, training, and on-going support for agencies on the use of comprehensive data analytic methods for identifying skills gaps and the development of strategies to address these gaps.
- OPM elevated closing skills gaps to an agency priority goal (APG) and issued 49 tools or flexibilities to support this effort.
- OPM has sustained continuity in this area even during times of transition by having Acting Deputy Director and then Acting Director Michael Rigas provide leadership to the initiative through bi-annual meetings with Occupational Leaders.
- OPM issued Direct Hire Authority to specifically support STEM and Cybersecurity occupations.
- OPM issued new classification standards for the 0500 job series including the designation for a Performance Auditor.

Capacity- Agency has the capacity (i.e., people and resources) to resolve the risk(s).

- OPM has dedicated funding and staff to develop a competency assessment tool known as Competency Exploration for Development And Readiness (CEDAR) that will be available to agencies to conduct competency assessments of for their mission critical occupations.
- OPM has dedicated staff and resources to conduct research and development to improve the multi-factor model (MFM) and provide on-going data analysis to agencies.
- Agencies continue to support this effort by providing staff and resources to implement the agency's closing skills gaps efforts, attend trainings and participate in on-going webinars.

Action Plan- A corrective action plan exists that defines the root cause, solutions, and provides for substantially completing corrective measures, including steps necessary to implement solutions we recommended.

- OPM developed an action plan template for agencies to use and trained over 140 agency representatives on developing an action with milestones and metrics.
- Each agency submitted an action for each of their high risk MCOs.
- On a quarterly basis, the Closing Skills Gaps team review and provide feedback to FASTs on the content of their action plans, such as the identification of the root causes for the skills gap, assignment of roles and responsibilities for implementing strategies, and the creation of outcome-oriented performance metrics.
- Additionally, the Closing Skills Gaps team continues to train FAST members on applying OPM's MFM, developing a sound action plan, and identifying strategies for addressing identified skills gaps.

Monitoring- A program has been instituted to monitor and independently validate the effectiveness and sustainability of corrective measures.

- OPM developed a template for agencies to submit quarterly updates to OPM and monitor progress on their efforts to mitigate skills gaps.
- Occupational leaders for the Governmentwide MCOs brief the OPM Director bi-annually on their progress to mitigate skills gaps in Governmentwide high risk MCOs.
- In the summer of 2019, OPM developed a mid-cycle review template for agencies to provide an update on their progress that they had made in mitigating skills gaps as well as identify any barriers.
- Agencies are required to monitor progress on the closing skills gaps effort during their quarterly HRStat Reviews.

Demonstrated progress- Ability to demonstrate progress in implementing corrective measures and in resolving the high-risk area.

- Great progress has been made in mitigating skills gaps as 86% of agencies have closed one or more of their high risk MCOs and three agencies have completely closed their skills gaps in their high risk MCOs.
- OPM is recommending that two of the Governmentwide high risk MCOs (Auditor and Economist) be removed from the Governmentwide list based on the progress that has been made.
- OPM has demonstrated that sustainable, repeatable methodology (root cause analysis, action plan, quantifiable targets and metrics and quarterly reporting) will lead to agencies' ability to mitigate skills gaps.

- OPM issued a regulation (5 CFR 250 Subpart B) and has developed tools and processes that help agencies better identify and address current and emerging skills gaps.

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