Evaluation of EXIM's Human Capital Function

OIG-EV-24-03
August 14, 2024

Office of Inspector General
Export-Import Bank of the United States

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MEMORANDUM

To:	Michelle Arias Chief Human Capital Officer
From:	Michael T. Ryan Assistant Inspector General for Special Reviews and Communications
Subject:	EXIM's Human Capital Function (Report No. OIG-EV-24-03)
Date:	August 14, 2024

This final report presents the results of our evaluation of EXIM's Human Capital Function. The objectives were to 1) assess the sufficiency and effectiveness of EXIM's human capital planning practices, to include addressing skill gaps and the agency's human capital resources; 2) determine the effectiveness of EXIM's recruitment and retention activities, to include EXIM's competitiveness in relation to other, similarly situated employers; and 3) assess whether EXIM implemented effective standards and guidelines for its human resources management. The evaluation covers the period from October 1, 2021, to April 30, 2024.

This report contains 18 recommendations. We consider management's proposed actions to be responsive. The recommendations will be closed upon completion and verification of the proposed actions.

We appreciate the cooperation and courtesies provided to this office throughout this review. If you have questions, please contact me at 202-565-3963 or at michael.ryan@exim.gov.

Office of Inspector General
Export-Import Bank of the United States

OIG-EV-24-03

What OIG Evaluated

Serco conducted this evaluation on behalf of EXIM's Office of Inspector General (OIG). This report presents the findings of Serco's independent evaluation. Our objectives were to: (1) assess the sufficiency and effectiveness of the Export-Import Bank of the United States' (EXIM) human capital planning practices, to include addressing skill gaps and the agency's human capital resources; (2) determine the effectiveness of EXIM's recruitment and retention activities, to include EXIM's competitiveness in relation to other, similarly situated employers; and (3) assess whether EXIM implemented effective standards and guidelines for its human resources management.

What OIG Recommends

OIG issued 18 recommendations to address these human capital challenges— to include developing formalized strategies and improving workforce planning. In its comments on the draft report, EXIM concurred with all 18 recommendations. OIG considers all 18 recommendations resolved. EXIM's response to each recommendation, and OIG's reply, can be found in the Recommendations section of this report. EXIM's formal response is reprinted in its entirety in Appendix B.

EXECUTIVE SUMMARY

Evaluation of EXIM's Human Capital Function
August 2024

What OIG Found

This evaluation found that EXIM's human capital function does not have the personnel, processes, or tools it needs to support the agency's mission. EXIM's Office of Human Capital (OHC) workforce is significantly understaffed; its processes and workflows are manual and labor intensive; and it lacks the tools it needs to manage human resources data. This key finding drives almost all the other challenges identified in this evaluation. Without an effective and sufficiently resourced human capital function, EXIM cannot successfully comply with all federal regulations, improve current human resource management programs, or develop and execute new initiatives.

This evaluation also found that EXIM's perceived culture affected the agency's employee engagement, retention, and attrition. EXIM employees' perceptions about leadership and how they delegate authority, demonstrate trust, collect employee feedback, and communicate decisions (specifically workforce flexibility policies) have directly impacted whether employees join, enjoy working for, or leave EXIM. Available data did not allow for a full analysis of EXIM's competitiveness with comparable agencies, but anecdotally, EXIM officials stated that the agency's telework policy, lack of special pay authority, and hiring timeline affected recruitment and retention.

In addition, the evaluation found that OHC has not formalized human capital strategies, properly aligned its strategic goals, or created a Human Capital Operating Plan pursuant to 5 CFR Part 250 Subpart B.

Finally, the evaluation found that EXIM lacks the strategic workforce planning and performance management programs needed to address organizational and workforce development needs.

The evaluation highlighted critical deficiencies in EXIM's human capital function and ability to accomplish its mission. Until addressed, EXIM may continue to face challenges with talent acquisition, retention, key agency vacancies, skills gaps, and employee engagement.

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OBJECTIVE

Serco conducted this evaluation on behalf of EXIM's Office of Inspector General (OIG). This report presents the findings of Serco's independent evaluation. Our objectives were to: (1) assess the sufficiency and effectiveness of the Export-Import Bank of the United States' (EXIM) human capital planning practices, to include addressing skill gaps and the agency's human capital resources; (2) determine the effectiveness of EXIM's recruitment and retention activities, to include EXIM's competitiveness in relation to other, similarly situated employers; and (3) assess whether EXIM implemented effective standards and guidelines for its human resources management.

See Appendix A for more information about the scope and methodology of this evaluation.

BACKGROUND

About EXIM

EXIM is the official export credit agency of the United States. EXIM was founded in 1934 to promote and support American jobs by providing competitive and necessary export credit financing to help U.S. companies compete for global sales through loan guarantee, direct loan, working capital guarantee, and export credit insurance programs. When private sector lenders are unable or unwilling to provide financing, EXIM fills in the gap for American businesses by equipping them with the financing tools necessary to compete for global sales.

EXIM's Office of Human Capital (OHC) provides strategic human capital leadership and support to managers and staff throughout their EXIM careers. The office is responsible for the development and management of agency-wide human capital policies, programs, and services. Among other programs and services, OHC oversees agency recruitment and hiring, employee benefits, training and development, performance management, payroll processing, position management and classification, and support for reasonable accommodations. OHC is divided into five teams: Division of Recruitment, Outreach, and Employee Benefits; Performance Management; Division of Organizational Culture and Effectiveness; Employee and Labor Relations; and Policy and Accountability. At the time of the evaluation, OHC was staffed by 15 full-time employees (including two full-time contractors) but was funded for a team of 19 full-time equivalent (FTE) positions. This team supports EXIM's entire employee population of over 375 employees.

Major Management Challenges

Every fiscal year, OIG identifies and reports on the major management and performance challenges facing EXIM. In Fiscal Years (FYs) 2022 and 2023, OIG identified EXIM's human capital function as facing major management challenges in three key areas: (1) recruiting and retaining a skilled workforce; (2) adapting to post-pandemic operations; and (3) filling key agency

vacancies.[1] OIG also identified competition for talent, limited human resources, and morale issues associated with post-COVID re-entry policies as additional challenges.

In the Major Management Challenges report for FY 2023, OIG added "Improving Organizational Culture" within EXIM as a challenge.[2] Our analysis conducted during this evaluation amplifies this finding: EXIM's current organizational culture contributes to attrition, low employee engagement, skills gaps, and vacancies in key positions.

EXIM faces ongoing human capital management challenges, especially in the areas of recruitment and retention, strategic workforce planning, organizational culture, skills gaps, and filling key vacancies. The pandemic dramatically accelerated and influenced transformational change in the workplace, against which these challenges are occurring. A retirement cliff, talent competition, skills gaps, human resource process deficiencies, and workplace flexibilities – such as telework and remote work options – contribute to these challenges. Advances in technology (including artificial intelligence), the increased prevalence of remote and hybrid work arrangements, rising wages, and record low unemployment require agencies to transform their human capital systems, processes, and strategies to keep pace with change.[3]

This report details multiple findings and causes that spotlight the challenges OHC has in effectively planning and executing essential human capital functions. OHC staff are aware of a number of these issues and have either developed or planned some goals, objectives, programs, and projects that may address some of the recommendations in this report; however, these are not yet implemented.

OARS Method

During this evaluation, Serco used its proprietary Organization Optimization and Alignment of Resources (OARS) model. By focusing on the work performed within a function, OARS analyzes the performance of tasks by the workforce, the linkage of work to mission and strategy requirements, and the required resources for mission success. It also measures sufficiency and effectiveness and identifies current and anticipated staffing gaps.[4]

Serco customized this application of OARS to align with the specific objectives and constraints communicated by EXIM during this evaluation. OHC human capital subject matter experts

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[1] OIG's Major Management Challenges 2022. Available at: https://www.oversight.gov/sites/default/files/oig-reports/EIB/EXIM-Major-Management-Challenges-FY-2022-OIG-O-22-01-S508.pdf; and OIG's Major Management Challenges 2023. Available at: https://img.exim.gov/s3fs-public/documents/exim-oig_fy_2023-major-management-challenges_oig-o-23-02_final.pdf.

[2] The report describes the challenge as a perceived lack of unity among the EXIM senior leadership team, bullying behaviors from leadership, a lack of leadership accountability, and declining employee morale.

[3] Federal Workforce Priorities Report – Promising Agency Practices. Available at: https://www.opm.gov/policy-data-oversight/human-capital-management/federal-workforce-priorities-report/#url=Promising-Practices.

[4] On an adjacent basis, data can be collected and analyzed to evaluate communications, discover organizational barriers, and identify potential improvements. For a fuller understanding of the OARS Method see Appendix D.

(SMEs) provided data on tasks to link work and the organization's critical tasks. Specifically, we focused on human capital management, and general administration and support services.

The OARS model identified and diagnosed gaps between the strategic goals, current effort, workforce, capacity, and available resources. [5] The results of the OARS model, which incorporates the workload assessment, support key findings throughout this report.

Federal Human Capital Regulations and Guidance

The federal government and the U.S. Office of Personnel Management (OPM) established three foundational criteria for federal agencies: 5 Code of Federal Regulations (CFR) Part 250 Subpart B, the Human Capital Framework (HCF), and the 2022 Federal Workforce Priorities Report (FWPR). [6,7,8] The regulation and frameworks identify the roles, responsibilities, and requirements for federal agencies in establishing and sustaining human capital programs. [9]

This anchoring regulation forms the basis for most of the critical criteria throughout the report and is the overarching guidance that is both a tool and roadmap for agencies to develop, align, plan, and execute sufficient and effective human capital programs. To support effective implementation and evaluation, 5 CFR Part 250.205 defines requirements for a Human Capital Operating Plan (HCOP), which is used as an implementation tool to achieve human capital strategies and goals. For essential and ongoing monitoring and evaluation functions, 5 CFR Part 250.202 defines a Human Capital Evaluation Framework.

The HCF and the FWPR, developed by OPM, further defines two frameworks that agencies must also incorporate into its agency strategic and human capital planning and HCOP. [10] The HCF provides comprehensive guidance on strategic human capital management in the federal government, and direction on human capital planning, implementation, and evaluation in the federal environment. Pursuant to 5 CFR Part 250, agencies must follow the HCF.

The 2022 FWPR establishes governmentwide human capital priorities based upon current and emerging workforce challenges. Agencies are required by 5 CFR Part 250.205 to engage in

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[5] To enhance data quality and support future analysis, the Serco study team used OARS to incorporate disparate qualitative, quantitative, structured, and unstructured data into an integrated data model. These connections were essential for computing staffing optimizations. The objective inputs, informed by the data, were analyzed in the context of EXIM's strategic goals, potential future scenarios, and the external environment.

[6] See the electronic Federal Register for all 5 CFR Part 250 requirements. Available at: eCFR :: 5 CFR Part 250 -- Personnel Management in Agencies.

[7] OPM's Human Capital Framework. Available at: https://www.opm.gov/policy-data-oversight/human-capital-framework/.

[8] 2022 Federal Workforce Priorities Report. Available at: https://www.opm.gov/policy-data-oversight/human-capital-management/federal-workforce-priorities-report/2022-federal-workforce-priorities-report.pdf.

[9] Pursuant to 5 CFR Part 250 Subpart B, federal agencies must comply with human capital strategic planning, management, operations, and evaluation standards. The regulation defines a set of systems, including standards and metrics, for assessing the management of human capital by federal agencies.

[10] Ibid.

activities to support the priorities, while maintaining flexibility and autonomy in how they do so. An agency's HCOP should document agency efforts to incorporate FWPR, including timeframes and performance measures.

FINDINGS

Finding 1: EXIM's Human Capital Function Does Not Have the Personnel, Processes, or Tools Needed to Effectively Support the Agency's Mission

The evaluation found that EXIM's OHC lacks adequate staffing, fully developed or documented processes, and necessary systems and tools to execute the goals outlined in EXIM's Strategic Plan. Specifically, the evaluation identified shortfalls in OHC's overall workforce capacity that limits its ability to complete all required tasks and hinders its ability to conduct effective strategic planning.[11] In addition, OHC does not have systems or processes for officewide succession planning and continuity of operations; OHC also does not have adequate systems or processes for hiring EXIM staff. Further, OHC lacks sufficient systems and tools to effectively track and monitor performance and enable data informed decision-making.

OPM requires both strategic and planning activities for agencies and offices of human capital as described in 5 CFR Part 410.201 and the HCF and FWPR.[12, 13, 14] EXIM's Strategic Plan outlines goals that require an effective OHC. EXIM has established goals for the agency that require effective planning processes and an adequately staffed OHC. In Goal 3 of the FY 2022-2026 EXIM Strategic Plan titled "Create a diverse, dynamic work environment where our teams thrive," the agency states that "EXIM has had human capital challenges which, if not addressed, could negatively impact our operations and mission-critical functions."[15] According to the Strategic Plan's Goal 4, EXIM aims to "promote the integrity and transparency of our operations and processes."[16] Furthermore, the plan states, "Fundamental to executing the EXIM mission are consistent processes and effective operations." Clearly defined, documented, and transparent human capital agency processes and OHC internal processes align to these goals.

In addition, Office of Management and Budget (OMB) Circular A-11, section 85.1 requires agencies to identify in their budget submission the human capital management and development objectives, key activities, and associated resources that are needed to support

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[11] Workforce capacity is the amount of work that a position or positions can reasonably perform in a standard workday, assumed to be eight hours.

[12] 5 CFR Part 410.201. Available at: https://www.ecfr.gov/current/title-5/chapter-I/subchapter-B/part-410.

[13] OPM Human Capital Framework. Available at: https://www.opm.gov/policy-data-oversight/human-capital-framework/.

[14] Federal Workforce Priorities Report. Available at: https://www.opm.gov/policy-data-oversight/human-capital-management/federal-workforce-priorities-report/.

[15] EXIM Strategic Plan FY 2022-2026. Available at https://img.exim.gov/s3fs-public/reports/EXIM+FY2022-2026+Strategic+Plan+FINAL.pdf.

[16] Ibid.

agency accomplishment of programmatic goals. Agency leaders have broad authority to organize work in an efficient, effective manner, and they are responsible for optimizing resources to carry out the missions of their organizations, according to OPM.[17] Key among these resources are adequate personnel and human capital tools necessary to manage and execute efficient processes. According to the Office of the Chair and the Chief Human Capital Officer (CHCO), the Chair had provided funding to support OHC resource needs as they were requested. Additionally, the Chair expressed a willingness to provide OHC with additional tools and resources necessary to accomplish its human capital strategic goals.

Sufficient staffing, fully developed and documented processes, and appropriate tools are essential to having an efficient and effective human capital function at EXIM. These deficiencies were an underlying cause for most of the findings throughout this report. Until these three elements are addressed in a meaningful way, EXIM's human capital function will be limited in its ability to improve any existing programs or implement any new initiatives. The following sections provide more information about the specific challenges in these areas.

EXIM's Office of Human Capital Has Insufficient Staffing to Complete All Current Tasks

A significant issue affecting EXIM's human capital function, among other factors cited in this report, is that EXIM has not allocated sufficient staffing resources to enable OHC to perform its current operational requirements and adequately address key strategic tasks. At the time of our evaluation, OHC had an insufficient workforce capacity to meet all its current tasks. OHC prioritized day-to-day operational tasks, and, as a result, could not conduct effective strategic workforce planning in support of EXIM's strategic goals.

EXIM's OHC is staffed by 15 full-time employees through a combination of government and contractor workforce (its "current capacity").[18] OHC is funded for 19 FTEs (its "funded capacity"), reflecting four FTE vacancies. These four vacancies resulted in OHC working at only 79 percent capacity during most of this evaluation period. Some of those vacancies lasted longer than nine months in duration (i.e., long term vacancies). For example, EXIM's CHCO position was vacant for approximately two years before being filled in May 2023.

According to the workload assessment data, OHC's workforce routinely worked between 45-60 hours per week.[19] Even with the surplus hours worked, OHC officials cited that items of critical importance were left undone for reasons including "not enough hours in the day." OHC leadership also reported concerns about burnout among its staff.

We used the workload assessment to evaluate where specific staffing shortfalls existed within OHC, and the severity of those shortfalls. Because OHC's funded positions are not fully staffed,

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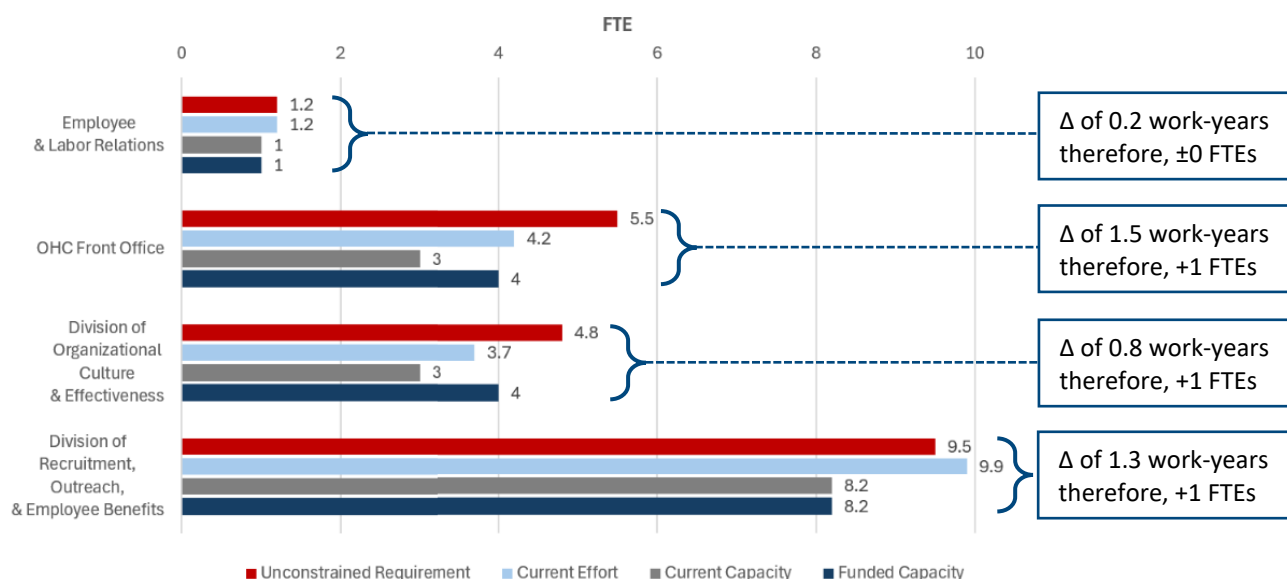[17] OPM.gov Workforce Reshaping. Available at: https://opm.gov/policy-data-oversight/workforce-restructuring/reshaping/planning-a-strategic-approach/.

[18] A full-time equivalent is a unit of measurement equivalent to the hours a full-time employee would work on an annual basis: 2,080 hours based on a 40-hour work week.

[19] See Appendix D for more information on OARS and workload assessment methodology, data, and results.

the current workforce expends extra effort to make up for the work of their four vacant positions. On top of that, the model indicated that OHC's workload exceeded its funded level of 19 FTEs by three FTEs. Figure 1, below, provides the results of the workload assessment for the four teams identified by OHC and shows the difference between the prescribed effort needed to complete the mission and compares them against current levels of effort, current filled positions (current capacity), and current funded positions (funded capacity). The difference between the Unconstrained Requirement and Funded Capacity are measured to calculate indicated additional FTEs.

Figure 1: OHC Capacity, Effort, & Unconstrained Requirement

Source: Serco workload assessment

[a] Unconstrained requirement is the model's output of how much effort is required to just meet expectations of performance for every task assessed.

[b] Current effort represents the equivalent work-years of effort being provided by the currently filled positions. This equates to the total hours worked plus any surplus hours worked across OHC.

[c] Current capacity measures the capacity available from all filled positions assuming they are working a standard 8-hour day (or less if part-time), to include contractors.

[d] Funded capacity represents the amount of work that should be able to be performed by all currently allocated positions that contribute work to OHC, to include contractors.

The workload assessment calculates additional personnel requirements by examining the funded capacity against the unconstrained requirement. The workload assessment identified shortfalls in staffing that implicated a need for additional FTEs in the OHC Front Office, the

Division of Organizational Culture & Effectiveness, and the Division of Recruitment, Outreach, & Employee Benefits.[20]

The workload assessment identified that supplementing the OHC workforce with the three additional FTEs (full-time equivalents, not to be confused with full-time positions) may increase OHC's capacity, enabling the workforce to perform current tasks sufficiently while reducing the work hours for current employees. However, simply increasing OHC staff by three FTEs may not address the key challenges and shortfalls identified throughout this report and may not be sufficient to address future tasks that result from new programs, projects, or initiatives. Without deliberate strategic workforce planning, which includes identifying needed staffing resources and the appropriate division of work, efforts to increase OHC's workforce may be insufficient to improve overall performance.

Due to the significant capacity gaps identified in our assessment, OHC has shortfalls in the performance and delivery of critical and strategic human capital tasks. Critical OHC tasks displayed significant shortfalls within the workload assessment.[21] For example: the "Manage Employee Engagement Program" task requires 1,525.7 effort hours but has a shortfall of 138.7 actual effort hours.[22, 23] The task to "Develop and Maintain Competency Modeling" has an effort hour shortfall of 106.7 hours, and the task allocated to "Analyze Performance Management Data and Create Reports" has a shortfall of 75.6 effort hours. Additionally, EXIM employees and management officials reported declines in human resource (HR) customer service due to OHC staff's focus on day-to-day operational tasks.[24] This impact on service delivery hinders achievement of EXIM's strategic goals.

To compensate for the capacity gaps, OHC employees work long hours (including overtime) to complete tasks deemed essential, which may lead to burnout and staff attrition. According to EXIM officials, OHC has a history of poor retention and frequent turnover; however, EXIM did not have data available to quantify the actual effect. Addressing these significant capacity gaps in OHC can help build the foundation for EXIM to carry out its human capital function.

Office of Human Capital Has Not Developed Systems for Office-Wide Succession Planning and Continuity of Operations

OHC does not have an office-wide succession plan that would help ensure continuity of operations because OHC had not developed the workforce planning and operational processes

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[20] The OHC Front Office comprised the remaining three positions of OHC: the Chief Human Capital Officer, the Deputy Chief Human Capital Officer, the lead for Policy & Accountability, and the lead for Performance Management.

[21] See Appendix D for details on how we identified critical tasks and associated shortfalls.

[22] "Required Effort Hours" shows how much effort is required to meet minimum expectations of performance for every task assessed, i.e., the prescribed hours for each task in an unconstrained environment.

[23] "Actual Effort Hours" shows the current effort the workforce is dedicating to the task by the summing the whole hours scaled and then normalizing the hours of effort.

[24] Reports gathered from EXIM Employee Survey, focus groups, and interviews.

required to support it. This evaluation found that OHC did not have a strategic workforce plan, to include office-level succession planning, workforce development, and knowledge management. In addition, the evaluation found that OHC has limited standard operating procedures (SOPs), process documentation, and desk guides, to include those needed to transfer knowledge to new employees or maintain continuity of operations.

The requirement for effective workforce planning processes comes from 5 CFR Part 250.204, which requires agencies to develop and implement human capital policies and programs based on comprehensive workforce planning and analysis.[25] OPM's Workforce of the Future Playbook and the Workforce Planning Guide provide guidance on how to execute effective workforce planning.[26] This requirement extends to OHC conducting succession planning, position restructuring, and training to close skills gaps.[27] In particular, we found that a potential retirement cliff within OHC, specialist positions that lack redundancy and knowledge management, and gaps in OHC competencies directly affect OHC's continuity of operations and overall succession planning efforts.

Potential Retirement Cliff: OHC faces the threat of 38 percent of the OHC workforce retiring within the next five years (i.e., a retirement cliff), which would exacerbate the effects of its succession planning gaps and negatively impact its continuity of operations. Three out of 13 OHC staff are currently retirement eligible, with two more eligible for retirement within the next five years. Some of these anticipated retirements are in single-person, mission critical human capital programs that will affect continuity of operations if they remain vacant. However, OHC did not have a documented succession plan or system to maintain continuity of operations in the event of these departures.

Generalist and Specialist Roles: Moreover, OHC has not planned and prepared for vacancies in "specialist" roles within the team. According to interviews with both EXIM and OHC officials, OHC has several OPM-designated specialist positions that are "single points of failure."[28] Using

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[25] Workforce planning is a systematic process for identifying and addressing gaps between the workforce of today and the human capital needs of tomorrow. This process includes identifying the human capital required to meet organizational goals, conducting analyses to identify and close competency and skills gaps, developing strategies to address human capital needs, and assessing the effectiveness of the organization's structure. See OPM's website on Workforce Reshaping; Available at: https://opm.gov/policy-data-oversight/workforce-restructuring/reshaping/planning-a-strategic-approach/.

[26] OPM 2024 Workforce of the Future: *Playbook for Implementing Strategies to Enable a Federal Workforce that is Inclusive, Agile and Engaged, with the Right Skills to Enable Mission Delivery*. Available at https://www.opm.gov/workforce-of-the-future/wof-playbook.pdf; and OPM Workforce Planning Guide. Available at https://www.opm.gov/policy-data-oversight/human-capital-framework/reference-materials/talent-management/workforce-planning-guide.pdf.

[27] Position restructuring would include transitioning non-OPM defined specialist positions to generalist positions. Training would include closing the competency skills gaps identified in the Competency Assessment, Appendix C.

[28] These OPM-designated specialist positions include Employee and Labor Relations, Performance Management, Workforce Data and Reporting (Information Systems), and Delegated Examining Unit Certified Classification

defined characteristics from federal guidelines, the evaluation determined that OHC had specialist-designated tasks that could be performed by generalists.[29] For example, Human Capital Management is considered a strategic and consultative competency that falls under "generalist" tasks; however, for task effort hours associated with this competency, OHC identified 85 percent of those tasks as specialist tasks, and only 15 percent of those tasks as generalist tasks.[30] In a 2003 Government Accountability Office (GAO) report, GAO identified the need to "transition from valuing narrowly focused specialists to requiring generalists."[31] Additionally, a 2020 Merit Systems Protection Board brief acknowledged the need for human resources within agencies to transition from specialist roles into roles more responsive to organizational needs.[32] According to the brief, the oversaturation of specialist roles and poor HR talent management practices to grow and develop staff, does not reflect a conscious or sustainable workforce planning strategy. When tasks are properly aligned to generalist positions, it allows for planned redundancy and coverage in the event of personnel loss.

OHC specialist positions that lack redundancy, misalign generalist job tasks and duties, are missing adequately documented processes, or lack knowledge sharing, may experience a heightened level of risk associated with staff departure or retirement. As indicated in the workload assessment results, transitioning specialist work to generalist tasks and duties could help mitigate succession planning risks and align work to the correct level and skill qualifications.

(Classification) according to OPM, *Administrative Work in the Human Resources Management Group, GS-0200*; December 2000. Available at: https://www.opm.gov/policy-data-oversight/classification-qualifications/classifying-general-schedule-positions/standards/0200/gs0200a.pdf.

[29] We used the following guidelines to define generalist vs. specialist tasks: OPM, *Administrative Work in the Human Resources Management Group, GS-0200; December 2000*. Available at: https://www.opm.gov/policy-data-oversight/classification-qualifications/classifying-general-schedule-positions/standards/0200/gs0200a.pdf; GAO *Human Capital: Selected Agency Actions to Integrate Human Capital Approaches to Attain Mission Results,* available at: https://www.gao.gov/products/gao-03-446; and US Merit Systems Protection Board: *The State of the Federal HR Workforce: Changes and Challenges*, available at: https://www.mspb.gov/studies/researchbriefs/State_of_the_Federal_HR_Workforce_Changes_and_Challenges_1724758.pdf.

[30] For the purposes of this report, Human Capital Management is defined as: understands and applies knowledge of federal sector human resources laws and regulations. Knowledge of HR concepts, principles, and practices related to determining workload projections and current and future competency gaps to align human capital with organizational goals.

[31] GAO *Human Capital: Selected Agency Actions to Integrate Human Capital Approaches to Attain Mission Results.* Available at: https://www.gao.gov/products/gao-03-446.

[32] US Merit Systems Protection Board: *The State of the Federal HR Workforce: Changes and Challenges*. Available at: https://www.mspb.gov/studies/researchbriefs/State_of_the_Federal_HR_Workforce_Changes_and_Challenges_1724758.pdf.

OHC Knowledge Gaps: The specialties mentioned above also have corresponding office-wide competency proficiency gaps.[33] These proficiency gaps cause skills gaps for mission critical functions. For example, it is considered a gap to have a sole SME for a competency.[34] The evaluation's competency assessment identified OHC office-wide proficiency gaps which measured as relative shortfalls.[35] The top five out of six office-wide competency proficiency shortfalls were for technical competencies related to OPM-designated specialist positions: Employee and Labor Relations, Position Classification, Workforce Development, Recruitment and Placement, and Employee Benefits.[36]

As discussed earlier, our workload assessment data show that OHC prioritizes day-to-day operational tasks (i.e., the "must-do" tasks required to keep all HR functions running, at the cost of conducting the strategic work necessary to optimize the overall health of the agency). As a result, OHC has not been able to prioritize strategic workforce planning, to include succession planning, which could balance required strategic and operational tasks and help OHC plan for overall continuity of operations as an office. Assigning generalists to performance management positions may provide the knowledge of employee and labor relations and workforce development to close some of these proficiency gaps.

EXIM's Hiring Process is not Fully Documented, Standardized, Measured, Tracked, or Communicated

EXIM's hiring process is not fully documented or standardized.[37] Additionally, since the hiring process is not measured, tracked, or communicated, OHC could not provide detailed, historical hiring data (including time-to-hire, time per hiring segment, offer rate, acceptance rate, etc.), which hindered a thorough analysis of the effectiveness of the hiring process. Furthermore, this evaluation uncovered inefficiencies and non-value-added steps within the hiring process.

As part of this evaluation, we conducted an End-to-End (E2E) Hiring Process mapping because no formalized documentation for this process existed in a current and complete state. The evaluation found that the early stages of EXIM's hiring process can take approximately 60 days to complete, with separate approval layers that can take anywhere from three days to almost

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[33] As previously noted, OPM-designated specialist positions include Employee and Labor Relations, Performance Management, Workforce Data and Reporting, Policy and Accountability, and Delegated Examining Unit Certified Classification

[34] Competency shortfalls do not represent proficiency gaps by position. For example, competency proficiency scores for the person in the Employee and Labor Relations position were at expert levels. The shortfalls take into account the Employee and Labor Relations proficiency levels of the entire OHC workforce.

[35] The relative level of shortfall is a measure against the expected competency. For a full explanation of Relative Shortfall, see the Competency Assessment in Appendix C.

[36] Source: workload assessment and competency assessment

[37] The evaluation team included a Lean Six Sigma Black Belt, Green Belt, and Yellow Belt. Process mapping sessions were conducted by the Lean Six Sigma Black Belt. All references to analysis and conclusions are based on team members' specific subject matter expertise.

three weeks to resolve.[38] While multiple approvals for a hiring need may be necessary, these may be considered "non-value-added steps," as they do not progress the process further or provide any additional quality to the end product. These non-value-added steps introduce inefficiency into the process and result in areas where the staffing resources and associated funding could be put to better use.

The OPM standard to complete an E2E hiring process is 80 days. The beginning two stages in EXIM's hiring process occur prior to the start of the OPM process and are estimated to take up to three months at EXIM, before the official OPM timeline begins (see Table 1).[39] The final stage of the hiring process is estimated to take around 60 days, and requires several labor intensive and manual sub-processes.

Table 1. EXIM's E2E Hiring Process Stages

Stage	Approximate Time	Process
1. Classify/Develop PDs / Recruitment Strategies	60 Days	The beginning of Stage 1 has one to two approval layers for a vacancy request that can take anywhere from three days to almost three weeks to accomplish. Stage 1 also includes OPM approvals and review. With OPM as an external force in this part of the process, there is a portion of this time that is out of EXIM's control.
2. Job Analysis / Assessment Tool	16 Days	In Stage 2, the hiring manager selects one to three SMEs familiar with the job requirements to be a part of the selection process. While this adds time to select and notify the SMEs and prepare the SMEs with rating and ranking documentation, it is a necessary and advisable step to hiring qualified candidates. The hiring manager has five days to complete and sign the job announcement and assessment/rating plan and provide a list of up to three SMEs to conduct rating and ranking.
3. OHC Stage	16 Days	In Stage 3 the OPM 80-day timeline begins, despite the hiring manager having identified a hiring need 76 days prior. Stage 3 consists mostly of developing, testing, and releasing the job announcement via USA Staffing. The evaluation identified a rework loop when OHC emails the assessment in PDF form and job announcement to the hiring manager for review and approval.
4. After Vacancy	60 Days	In Stage 4, the most labor-intensive step was identified as the one where OHC downloads resumes of eligible candidates from USA Staffing and prepares them for SME(s) to review by redacting personally identifiable information and converts to PDF for emailing. While the SME review is a positive step toward selecting qualified candidates, the methods used to ensure privacy are manual and time-consuming.
		Like Stage 1, there are multiple steps and multiple integration points and coordination between the OHC, hiring manager, security office, and candidate. Also, like Stage 1, there is an outside entity that has a

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[38] Based on estimated times for each process segment developed with OHC personnel.

[39] Based on OPM's End-to-End Hiring Initiative, March 2017. Available at: https://www.opm.gov/policy-data-oversight/human-capital-management/hiring-reform/reference/end-to-end-hiring-initiative.pdf.
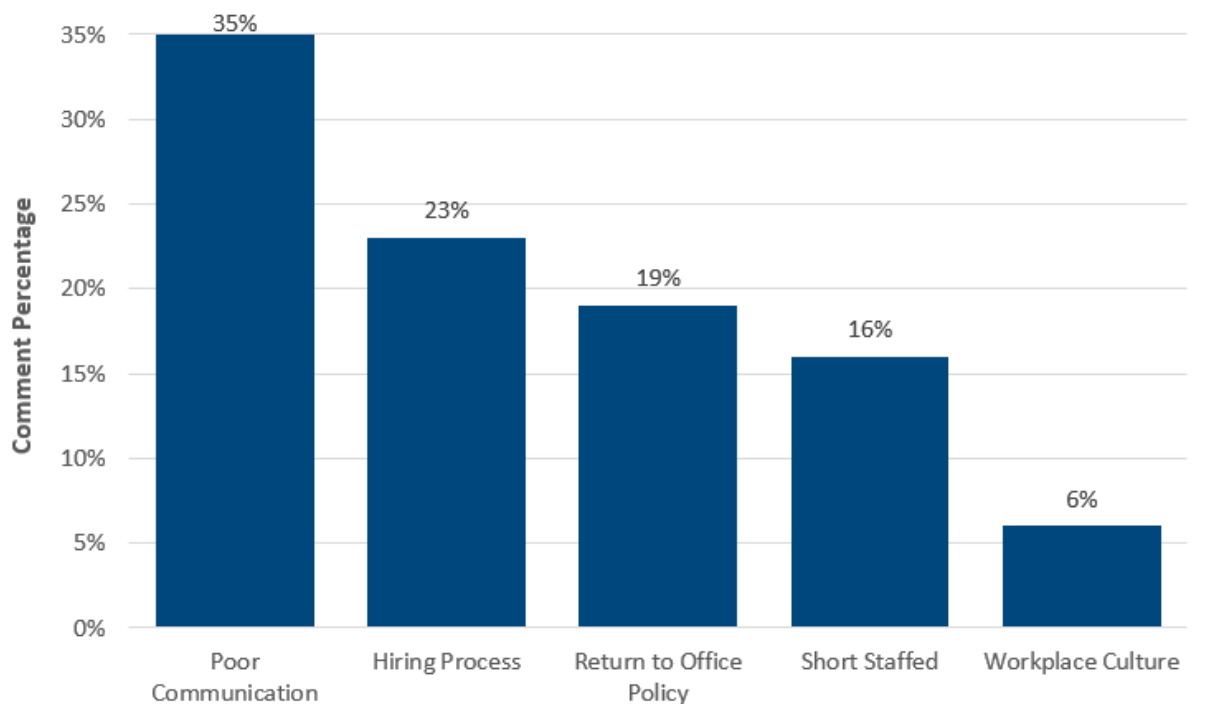
Stage	Approximate Time	Process
		part in this process. Stage 4 consists of multiple back and forth steps between the OHC and candidate and the OHC and hiring manager.

Source: Serco's Process Mapping Sessions

Stages 3 and 4 of EXIM's hiring process take approximately 76 days--which is four days fewer than the OPM requirement of 80 days. However, our process mapping found EXIM's overall E2E process takes approximately 152 days – leading to long vacancy times for EXIM positions. Additional estimates obtained during interviews with EXIM officials ranged anywhere from 180 to 360 days for the E2E process. Actual times may be considerably longer based on anecdotal reporting from hiring managers; however, the lack of an accurate tracking system precludes direct comparison. Additionally, communication between OHC and hiring managers during the process was reported to be inconsistent and poorly managed, with multiple avenues for communication and disparate tools being used.

Furthermore, EXIM employee survey data gathered during the evaluation identified poor communication and hiring process as the top two issues related to EXIM's OHC, as shown in Figure 2. From the 362 EXIM employees surveyed, out of 107 respondents, 37 (35 percent) provided negative comments regarding poor communication and 25 (23 percent) provided negative comments regarding EXIM's hiring process.

Figure 2: EXIM Employee Survey Comments (Negative)

Source: Serco's EXIM Employee Survey

During process mapping, we found that there are many manual steps in the hiring process that require interaction with multiple systems. For example, process owners must create and upload documents to EXIM's SharePoint throughout the hiring process. Additionally, six different systems were used to execute the hiring process: EXIM's Microsoft SharePoint, Outlook, and Excel; OPM's USA Staffing; the Department of the Interior's (DOI) Workforce Transformation and Tracking System and Entrance on Duty System (WTTS); and position description (PD) development resources from OPM. Poorly designed processes can lead to bottlenecks, delays, and frustration among candidates, employees, and hiring managers, which can reduce overall productivity and hinder the achievement of EXIM Strategic Goal 4: "Promote the integrity and transparency of our operations and processes." EXIM officials described the hiring process as "painful" and then indicated that the process was constantly changing without any explanation.

As noted earlier, OHC has insufficient staffing to complete all its required tasks. This insufficient staffing in OHC coupled with the lack of a defined process and accurate tracking tools creates a more laborious and time-consuming hiring process for EXIM and negatively affected its ability to onboard staff to further the agency's mission.

While reviewing EXIM's hiring process, we identified some indicators that may highlight concerns with broader OHC processes. For example, the evaluation found that, in general, OHC's processes were not fully documented or communicated to EXIM end-users (e.g., supervisors, employees). Although OHC provided more than 20 human capital-related documents, which were almost exclusively policies, there were no supporting SOPs or process guides. Additionally, OHC did not provide documented processes for employee development, training, employee and labor relations, or workforce planning.

EXIM Lacks Sufficient Tools and Technology to Provide Adequate Management of Human Resources Data to Enable Informed Decision-Making

The evaluation found that the human capital systems that OHC uses do not integrate for tracking, management, or combined analysis and reporting. Priority 1 of the FWPR ("Leveraging Technology & Modernizing IT Processes") states that agencies should manage, leverage, and share data and access efficient tracking and workflows. It is an agency's responsibility to research, acquire, and develop enterprise technology solutions to assist the federal human capital community with human capital analysis; increase data available to inform management decision-making; and to support the workforce.[40] However, EXIM has not provided OHC a means to warehouse personnel and workforce data for the capture, collection, analysis, and reporting needed to enable informed decision-making. Additionally, OHC does not use a centralized tool or solution, like a human resources information system (HRIS), to track and manage HR data. Data, processes, and workflows that an HRIS manages include recruitment, onboarding, talent management, performance management, staffing and classification,

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[40] Federal Workforce Priorities Report, Available at: https://www.opm.gov/policy-data-oversight/human-capital-management/federal-workforce-priorities-report/.

position management, and employee engagement activities. Below are a few examples of the challenges OHC faces without access to centralized or integrated tools.

Hiring Data: OHC uses two separate systems to track hiring data—OPM's USA Staffing and DOI's WTTS.[41] OHC does not exclusively use WTTS for time-to-hire tracking and reporting, nor has it integrated USA Staffing and WTTS which means the data sets cannot be consolidated or merged to report on status or timelines. Furthermore, OHC uses manual processes for tracking workflows and paperwork, instead of more efficient and cost effective automated or integrated systems. Since EXIM does not have an integrated system to track its E2E hiring process, there is no definitive way to accurately track and assess its timeline's performance against OPM's 80-day benchmark.[42] This lack of data also limits OHC's ability to properly analyze challenges within the hiring process that were identified in OIG's FY 2022 and FY 2023 Major Management Challenges reports.[43]

Talent Management: OHC currently uses several systems to implement training, including AgLearn, LinkedIn Learning, and DOI's training platform. Because none of these disparate systems are linked, OHC must manually track training. Additionally, the evaluation found that OHC had three separate ways for employees and supervisors to create an Individual Development Plan (IDP), with no central location for employee storage and access. Specifically, EXIM staff could use either AgLearn, DOI's training platform, or EXIM's SharePoint site to prepare and submit IDPs.

Personnel Records: Our evaluation found that EXIM does not use an electronic application to monitor and access electronic personnel records and process personnel actions, as directed by OPM in 2020.[44] Rather, OHC must manually print, scan, and email employee records for every Notice of Personnel Action Request. Additionally, OHC processes Standard Form (SF)-50, Notification of Personnel Action, records by manually scanning and emailing each individual form, instead of digitizing the process.[45]

Data from the workload assessment show that OHC spends 2,434 hours annually on the manual task "Provide HR Administrative Support," which includes the manual processing of all

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[41] USA Staffing is a talent acquisition tool available through OPM that tracks and manages some workflows in the federal government hiring process. This tool integrates with USA Jobs for candidate information.

[42] OPM's *End to End Hiring Initiative*, March 2017. Available at: https://www.opm.gov/policy-data-oversight/human-capital-management/hiring-reform/reference/end-to-end-hiring-initiative.pdf.

[43] OIG's Major Management Challenges FYs 2022 and 2023. Available at: https://img.exim.gov/s3fs-public/oig/reports/EXIM%20Major%20Management%20Challenges%20FY%202022%20OIG-O-22-01.pdf and https://img.exim.gov/s3fs-public/documents/exim-oig_fy-2023-major-management-challenges_oig-o-23-02_final.pdf.

[44] OPM eOPF Privacy Impact Assessment Guidance. Available at: https://www.opm.gov/information-management/privacy-policy/privacy-policy/eopf-pia.pdf.

[45] Standard Form (SF)-50, Notification of Personnel Action, Available at: https://www.opm.gov/forms/pdfimage/sf50.pdf.

personnel actions.[46] This task requires the highest level of effort by OHC, but was also indicated to have one of the lowest levels of Relative Importance based on the alignment with OHC strategic goals within the workload assessment.[47] The workload assessment data identified this manual activity as high effort—1.2 FTE positions worth of work—with low importance. The top six highest effort tasks all have low priority alignment. These tasks include: Provide HR Administrative Support, Provide Federal HR Advisory Services, Perform Retirement / Thrift Savings Plan / Offboarding Consultation, Manage Employee Engagement Program, Supervise Employees Directly and Through Subordinate Supervisors, and Provide HR Advisory Services.

Not only do these manual processes require more work by staff, but the manual, paper-based processes result in errors in personnel records, additional time required to fix those errors, and delays for employees in accessing their records. Also, automation of some of these processes may enable some funds and resources to be put to better use; however, assessing this impact requires further analysis. Further, these manual processes do not comply with broader paperwork reduction requirements. In 1995—more than 20 years ago—federal guidance directed agencies to begin automating more of their paper-based processes.[48] More recently, in 2020, OPM directed federal agencies to digitize all personnel actions in electronic Official Personnel Folders (eOPF).[49] This reliance on manual processes and lack of integrated tools is also inconsistent with the Foundations for Evidence-Based Policymaking Act of 2018 (Public Law 115-435), which requires agency data to be accessible and requires agencies to plan to develop statistical evidence to support policymaking.[50][51] In support of this broader federal mandate, OPM guidelines seek to assist agencies in modernizing the information technology systems supporting the workforce and increase the data available to enable better decision-making.[52]

An HRIS may offer significant benefits to EXIM by centralizing and automating HR data, tasks, and workflows; streamlining processes; consolidating data for analysis and reporting; and improving compliance with regulatory requirements.[53] Digitizing SF-50 records may allow for

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[46] Source: workload assessment

[47] Relative Importance was derived by alignment with OHC strategic goals and ranges from low to high importance. See Appendix D for more information regarding OARS.

[48] See the Paperwork Reduction Act of 1995. Available at: https://www.congress.gov/104/plaws/publ13/PLAW-104publ13.pdf.

[49] OPM eOPF Privacy Impact Assessment Guidance. Available at: https://www.opm.gov/information-management/privacy-policy/privacy-policy/eopf-pia.pdf.

[50] Public Law 115–435 Part 3511 Sections (b) as well as (c)(1) and (c)(2). Available at: https://www.congress.gov/bill/115th-congress/house-bill/4174.

[51] Ibid.

[52] 2022 Federal Workforce Priorities Report: Agencies must also, "adopt policies, processes, and platforms to ensure the gathering, curation, and analysis of data is effective, secure, and contributes to informed, timely, and data-informed strategic decisions." Available at: https://www.opm.gov/policy-data-oversight/human-capital-management/federal-workforce-priorities-report/2022-federal-workforce-priorities-report.pdf.

[53] FWPR Primary Priorities: Leveraging Technology and Modernizing IT Processes.

more workhours allotted to strategic or critical tasks, increase timely access by employees to their OPF, and reduce administrative errors.

In addition, an HRIS or integrated human capital platforms could facilitate collaboration between EXIM stakeholders by providing real-time access to recruitment, training, and position management data. This collaborative approach could foster faster decision-making and enhance overall efficiency of multiple processes. With OHC's current workload, significant backlogs in hiring process tasks could be remedied through modernized tools, technologies, and processes. For example, without an HRIS or integrated human capital platforms, it may not be possible for OHC to automate tasks and reduce manual effort for employee onboarding, performance evaluations, and talent management.

Recommendations

Recommendation 1: EXIM's Office of Human Capital should conduct a staffing needs analysis for its office to determine the appropriate staffing levels needed to support a human capital function in alignment with federal regulations and guidance and develop a plan to implement the results of its assessment.

Recommendation 2: EXIM's Office of Human Capital should develop a workforce succession plan to support the continuity of the agency's human capital operations, to include a comparative assessment of required specialist and generalist tasks and skills and identification of single points of failure.

Recommendation 3: EXIM's Office of Human Capital should establish an EXIM working group to research and provide recommended solutions to standardize, streamline, and track processes, including the hiring process.

Recommendation 4: EXIM's Office of Human Capital, in coordination with the Office of the Chief Information Officer, should conduct a business case analysis to assess the return on investment of acquiring and utilizing a Human Resources Information System or human resource platforms that can integrate with EXIM's existing human capital systems.

Recommendation 5: EXIM's Office of the Chair should identify the human capital functions that affect EXIM's ability to achieve its mission and develop a plan to measure and mitigate risks.

Finding 2: EXIM's Perceived Organizational Culture Affects Employee Engagement, Retention, and Attrition

The evaluation found that EXIM's current workplace culture is generally perceived as one of micromanagement in which agency leadership lacks trust in employees, and one where

employees' needs are not taken into consideration.[54] Additionally, the agency's posture coming out of the COVID-19 pandemic—on returning to the office and remote work—put further strain on the organizational culture and employees' well-being. In its FY 2023 Major Management Challenges report, OIG identified "improving organizational culture" as one of EXIM's current challenges, citing perceived problematic behaviors from some senior agency leaders, along with possible micromanagement.[55]

Employees' Views on EXIM's Leadership and Workplace Culture Has Affected Employee Engagement, Attrition, and Retention

The evaluation found that EXIM employees' views on the agency's leadership and workplace culture have contributed to issues with employee engagement, attrition, and retention. OPM's Workforce of the Future Playbook guidance identifies direct organizational benefits when an agency focuses on improving employee engagement, including improved levels of employee health and well-being as well as a reduction in low productivity and employee burnout, among other benefits.[56] However, EXIM's Federal Employee Viewpoint Survey (FEVS) scores reflect a decline in the agency's Employee Engagement Index and sub-indices after 2021.[57] From 2021 to 2023, EXIM's FEVS Employee Engagement Index dropped from 80 percent to 65 percent. According to EXIM's Chair, the agency's FEVS scores have historically been low since its inception in 2005. Furthermore, the Office of the Chair stated that, in cooperation with OHC, EXIM implemented multiple programs to increase employee engagement, including but not limited to: a mentorship program, honor awards, a Diversity, Equity, & Inclusion detailee, all-hands activities, reinstituted affinity groups, and a reinstated student loan program.

Additional FEVS results show a decline in senior leaders generating high levels of motivation and commitment to their workforce and communicating the goals of the organization with their teams. From 2021 to 2023, EXIM's FEVS Employee Engagement Subindices "Leaders Lead" fell from 66 percent to 41 percent while the "Supervisors" subindex remained relatively stable, moving from 88 percent to 85 percent. Having a high level of respect for the organization's senior leaders continues to decrease as well.[58] EXIM employees' response to its "organization's senior leaders maintaining high standards of honesty and integrity," EXIM experienced a decline

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[54] The objectives of this evaluation focused on human capital challenges and not culture or leadership challenges. As part of our analysis, we identified findings relating to culture and leadership, but did not further evaluate those challenges. One recommendation in this report is for EXIM to conduct a comprehensive culture assessment to obtain more data and causes affecting the organization, leadership, and employee engagement.

[55] EXIM FY 2023 Major Management Challenges. Available at: https://img.exim.gov/s3fs-public/documents/exim-oig_fy-2023-major-management-challenges_oig-o-23-02_final.pdf.

[56] OPM Workforce of the Future Playbook. Available at: https://www.opm.gov/workforce-of-the-future/wof-playbook.pdf.

[57] OPM's Federal Employee Viewpoint Survey (FEVS) is an annual organizational climate survey. Included in the FEVS are the items that make up the Annual Employee Survey. Available at: https://www.opm.gov/fevs/about/.

[58] EXIM FEVS data. Available at: https://www.opm.gov/fevs/reports/opm-fevs-dashboard/.

in 2023 compared to the previous two years, dropping from 69 percent in 2021 to 36 percent in 2023.

In addition to EXIM's FEVS scores showing overall declines in employee engagement, well-being, and satisfaction results starting in 2022, attrition also reflects this same trend. As seen in EXIM's attrition data, a spike in attrition from 12.63 percent in 2022 to 16.84 percent in 2023 reflects the highest percentage over the six-year period of calendar years (CY) 2018 through 2023, whereas the EXIM average attrition rate was 14.08 percent for the overall period.[59]

EXIM Employee Exit Survey data (Jul 2022 – Feb 2024) showed that 40 percent of those employees who departed EXIM left because of management or leadership, which is a key element of the overall culture of the agency. Thirteen percent said they left due to workplace culture, and 15 percent said they left due to the RTO policy.[60]

Through data analyses and EXIM interviews, the evaluation found two events that correlated to negative impacts in agency engagement and retention: (1) the shift back to in-office work in March 2022, and (2) changes to leadership positions within the Office of the Chair in the second and third quarters of FY 2022. Some EXIM employees tied these FY 2022 events to decreases in employee satisfaction and a desire to leave the agency.

Portions of EXIM's Workforce Perceived a Culture of Micromanagement and a Demonstrated Lack of Trust in Employees from EXIM Leadership

The evaluation found that some of EXIM's workforce perceived a culture where leadership micromanages work, is slow or fails to delegate work, and does not exhibit trust in the EXIM workforce. These perceptions mirror the issues regarding "Achieving Unity as a Senior Leadership Team" discussed in OIG's FY 2023 Major Management Challenges report. During interviews with non-OHC officials, some staff reported to us that the Office of the Chair required too many approvals, changed review requirements frequently, and micromanaged the human capital function specifically. These officials also reported that the additional processes and approvals required for OHC actions led to delays in HR processes, most specifically hiring. In addition, these officials felt that the Office of the Chair micromanaged staff in the following ways: through a lack of delegation, the removal of senior staff's discretion in making decisions, and by creating additional layers of approval for processes that were not previously required. They also reported that this had created an environment lacking trust.

Furthermore, the EXIM Employee Survey, conducted as a part of the evaluation, identified perceptions of micromanagement and trust issues. In the survey, EXIM employees reported high levels of stress due to supervisory or leadership micromanagement and felt management

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[59] Additional separation data can be obtained within OPM's FedScope database. Available at: https://www.fedscope.opm.gov/.

[60] EXIM Exit Survey (Jul 2022 through Feb 2024).

demonstrated a lack of trust in the workforce when they ignored employee input and suggestions.

Additionally, EXIM's 2019-2023 FEVS responses to the question "I recommend my organization as a good place to work" showed a sharp decline since 2021, as seen in Figure 3. In 2021, 75 percent of EXIM respondents recommended the agency as good place to work. However, in the last two years, that percentage has declined to 37 percent (nearly half the average across similar-sized agencies), with 2023 dropping below the previous five-year low of 41 percent.[61] Moreover, EXIM's response is 35 percent lower than the average response to that question from similar-sized agencies, where 72 percent of employees recommend their agency as a good place to work.

Figure 3: Question 46 2019-2023 FEVS Responses (EXIM and Similar-Sized Agencies)

Source: OPM FEVS Dashboard, available at: https://www.opm.gov/fevs/reports/opm-fevs-dashboard/.

A ten-year, academic study on company culture and performance found that employees who worked in high-trust environments versus low-trust environments were 50 percent more productive in their work, had 106 percent more energy in their work, were 50 percent more likely to stay with their employer over the next year, and 88 percent more said they would recommend the company. Furthermore, the study found eight measurable management behaviors that foster trust, including "[g]ive people discretion in how they do their work."[62] In contrast, only 37 percent of EXIM's survey respondents would recommend EXIM as a good

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[61] Similar-sized agencies range from 100-999 employees.

[62] Zak, J. Paul, *The Neuroscience of Trust: Management Behaviors That Foster Employee Engagement*. Harvard Business Review, January-February 2017 issue. Available at: https://hbr.org/2017/01/the-neuroscience-of-trust.

place to work (see Figure 3). In addition, OPM's HCF guidance directs agency leadership to promote cooperative relationships between employees and management in an open and collaborative environment.[63] Open and collaborative environments can work to countervail micromanaging and low-trust environments. The FWPR also establishes the requirements for agile methods of management to include agencies moving from process rigidity to employee empowerment.[64]

EXIM officials attributed the changes to delegation authority, required approvals, senior staff and workforce autonomy, and additional burdensome processes to changes to leadership positions within the Office of the Chair in the second and third quarters of FY 2022. EXIM has experienced declines in employee engagement and an increase in attrition that correlate to these same leadership changes.

EXIM's Return to Office, Telework, and Remote Work Policies Have Contributed to EXIM's Recruiting and Retention Challenges

The evaluation found that EXIM's telework and remote work policies caused candidate declinations to agency positions, and affected employee dissatisfaction and attrition. OPM guidance specifies that each agency can establish their own Return to Office (RTO) policy based on their specific needs.[65] OPM, OMB, and the General Services Administration (GSA) issued a joint memorandum in June 2021 providing agencies with steps for integrating planning for an RTO with post-reentry personnel policies and work environment.[66] In March 2022, EXIM implemented an RTO policy which directed non-supervisor employees to work in the office two days per week and supervisors three days per week. According to the Office of the Chair, in January 2024, EXIM amended the policy to raise in-office workdays for political appointees to four days per week--in response to new guidance from the Administration. Additionally, all EXIM headquarters positions had a mandatory duty location of Washington, DC and were not

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[63] OPM Performance Culture. Available at: https://www.opm.gov/policy-data-oversight/human-capital-framework/performance-culture/performance-culture-focus-areas.pdf.

[64] 2022 Federal Workforce Priorities Report. Available at: https://www.opm.gov/policy-data-oversight/human-capital-management/federal-workforce-priorities-report/2022-federal-workforce-priorities-report.pdf.
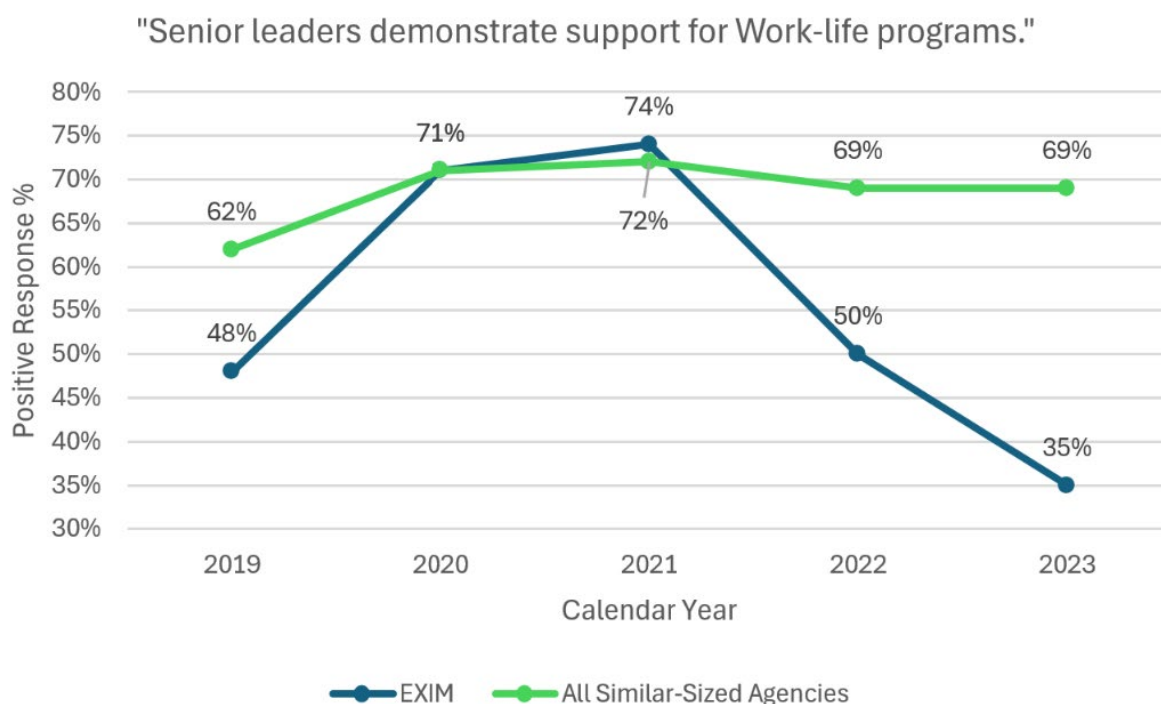
[65] OPM Frequently Asked Questions on Federal Workforce Management Related to the COVID-19 Pandemic Re-entry FAQ. Available at: https://www.opm.gov/frequently-asked-questions/future-of-work-faq/general/how-should-i-adjust-my-agency-s-telework-and-work-scheduling-policies-in-light-of-the-changes-that-have-occurred-during-the-covid-19-pandemic-pandemic/.

[66] OPM, OMB, and GSA Memorandum M-21-25 Integrating Planning for A Safe Increased Return of Federal Employees and Contractors to Physical Workplaces with Post-Reentry Personnel Policies and Work Environment. Available at: https://whitehouse.gov/wp-content/uploads/2021/06/M-21-25.pdf. The memo includes guidance on how agencies should develop phased plans for reentry and post-reentry, to include values-informed planning, guidelines to promote flexibility, making agile policy decisions with both supervisor and employee support, creating hybrid work environments, expanding remote work as appropriate, increasing alternative work schedules, and satisfying labor relations obligations.

eligible for remote work—thus limiting EXIM's eligible candidate pool for recruitment.[67, 68] The Office of the Chair stated that the RTO policy was based on direction from the current Administration and Congress.

OPM's 2022 Status of Telework Report to Congress found that telework fuels better employee engagement and retention.[69] In addition, OPM's government-wide 2023 FEVS report revealed that telework improved employees' engagement and correlated with an increased desire to remain at their agency, rather than retire or seek work elsewhere. OPM's HCF Talent Management guidance states that attractive and flexible work arrangements is one of the characteristics that help create a workplace that retains the talent needed to accomplish its mission.[70]

Figure 4: Question 63 2019-2023 FEVS Responses (EXIM and Similar-Sized Agencies)

"Senior leaders demonstrate support for Work-life programs."

Source: OPM FEVS Dashboard, https://www.opm.gov/fevs/reports/opm-fevs-dashboard/

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[67] OIG's Major Management Challenges report for FY 2022 included "Adapting EXIM's Post-Pandemic Operations" as a key area for the Human Capital Management challenge. According to OIG's report, the implementation of the RTO policy negatively affected employee morale and was viewed as inconsistent with previous agency guidance suggesting EXIM would maximize telework and remote work flexibilities.

[68] EXIM generally offers limited opportunities for remote work. The agency has approved remote work in certain circumstances, based on mission need.

[69] OPM's *Status of Telework in the Federal Government* Report to Congress, Fiscal Year 2022. Available at: https://www.opm.gov/telework/documents-for-telework/2023-report-to-congress.pdf.

[70] OPM Talent Management. Available at: https://www.opm.gov/policy-data-oversight/human-capital-framework/talent-management/talent-management-focus-areas.pdf.

As reflected in Figure 4, EXIM's FEVS result for "Senior Leaders Demonstrate Support for Work-Life Programs" dropped by nearly 40 percent in the last two years. In addition, EXIM's 2023 score is 34 percent lower than the average for similar-sized agencies.

According to EXIM Exit Survey data collected between CYs 2022-2023, 15 percent of respondents attributed their reason for leaving to EXIM's telework and remote work policies (refer back to Figure 2). When asked "What do you like least about EXIM" on the exit survey, 13.5 percent of the respondents wrote comments concerning the agency's telework restrictions. Moreover, during this evaluation, our EXIM Employee Survey revealed that 46 percent of survey respondents have considered leaving EXIM because of the telework and remote policies. Some interviewed EXIM employees cited that the RTO policy strained their home life and mental health and that more flexible telework options would keep them from seeking other fully remote positions with other agencies.

In addition to the potential retention and employee engagement challenges attributed to EXIM's telework and remote work policies, the evaluation found that these policies also impacted EXIM's ability to recruit talent. Specifically, according to EXIM's available employment declination data, some prospective candidates viewed EXIM's telework and remote work policies unfavorably. [71] In 2022, two out of nine candidates did not accept positions in EXIM due to lack of telework and remote work opportunities, or they accepted a fully remote position with another agency. In 2023, one out of six candidates provided similar feedback. Additionally, EXIM officials indicated that candidates often declined jobs once they discovered the policy was not flexible and could not be changed.

Remote work became normalized in the workplace during the pandemic, making flexibility in work location and schedule more appealing to employees. EXIM officials indicated that competing government agencies, such as the Department of Energy (DOE) and the Federal Deposit Insurance Corporation (FDIC), have more flexibility in their telework and remote work policies when compared to EXIM. [72] Specifically, it was noted that one agency's policies required no more than two days of in-office work per pay period. Moreover, one of the agencies included within the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) only required employees stationed within the National Capital Region to report to the office one day per pay period, with no required in-office work for field office staff. [73] At EXIM, non-supervisors

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[71] The data provided represents a very small sample size, 15 declination reasons for 2022-23. An analysis of the data would not be statistically significant, but the data does provide subjective value.

[72] Agencies identified with more flexible telework and remote policies by EXIM officials included the DOE, Development Finance Corporation, Consumer Financial Protection Bureau, and FDIC. Other than DOE and FDIC, we could not verify through publicly available information as part of our evaluation.

[73] The Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) agencies include the Commodity Futures Trading Commission, the Consumer Financial Protection Bureau, the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve Board, the National Credit Union Administration, the Office of the Comptroller of the Currency, and the Securities and Exchange Commission. These agencies oversee financial institutions and have been cited as agencies that require staff with similar skills and experiences as those needed by EXIM.

must be in the office four days per pay period, and supervisors must be in the office six days per pay period.

Given employees' perceptions on work-life balance and the agency's current posture on workplace flexibilities, EXIM may continue to experience challenges related to recruitment and retention. In addition, current policies may make it more difficult to compete with EXIM's peer agencies.

Recommendations

Recommendation 6: EXIM's Office of the Chair, in collaboration with EXIM's Office of Human Capital, should conduct an agency-wide culture assessment to identify ways to improve EXIM's culture, retention, and employee engagement.

Recommendation 7: EXIM's Office of the Chair should implement an advisory group, led by the Office of Human Capital, to identify organizational culture issues affecting EXIM's workforce and make appropriate recommendations aimed at mitigating the agency's human capital challenges.

Finding 3: EXIM's Office of Human Capital Has Not Formalized Human Capital Strategies, Properly Aligned Its Strategic Goals, or Created a Human Capital Operating Plan Pursuant to 5 CFR Part 250 Subpart B

EXIM is not in compliance with regulations that form the basis for offices of human capital to conduct strategic planning, alignment, and evaluation of its strategies, goals, and programs to support each agency's optimal mission performance. EXIM has not formalized its human capital strategies, nor has it aligned its strategic goals pursuant to OPM's HCF or the FWPR.[74] Furthermore, the agency has not created a Human Capital Operating Plan (HCOP). The evaluation found that EXIM's human capital strategies, strategic goals, operating plans, and evaluation frameworks either did not exist or were not properly aligned, making EXIM non-compliant with 5 CFR Part 250 Subpart B.[75]

As described throughout this report, the workload assessment identified that OHC either did not dedicate enough workhours, experienced performance shortfalls, or misaligned task effort needed to support the strategic tasks (and sometimes a combination of all three) required to develop and maintain human capital systems and activities pursuant to 5 CFR Part 250.[76] Specifically, OHC personnel collectively only invested 117 work hours annually on "Strategic

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[74] Human Capital Framework and the 2022 Federal Workforce Priorities Report. Available at: https://www.opm.gov/policy-data-oversight/human-capital-framework/ and https://www.opm.gov/policy-data-oversight/human-capital-management/federal-workforce-priorities-report/2022-federal-workforce-priorities-report.pdf.

[75] See the electronic Federal Register for all 5 CFR Part 250 requirements. Available at: eCFR :: 5 CFR Part 250 -- Personnel Management in Agencies.

[76] Additional detail on the workload assessment can be found in Appendix D.

Human Capital Planning", despite OHC SMEs ranking that task as the office's most important task.

As noted earlier, OHC's lack of sufficient workforce capacity prevents its workforce from meeting its current workload demands. Developing and maintaining human capital strategies and goals, an HCOP, and an evaluation framework represent new requirements not accounted for in previous staffing plans or in the tasks in the workload assessment.

EXIM's Current Human Capital Strategic Goals Do Not Align with OPM's HCF or the FWPR, and OHC Has Not Formalized Strategies to Achieve its Human Capital Goals

This evaluation found that EXIM's OHC has established human capital strategic goals for the agency that align to EXIM's Strategic Plan, but the goals do not align to the HCF or FWPR as required by regulation.[77,78] OHC officials articulated several human capital strategies that align to their current strategic goals, however, OHC has not formalized or documented those human capital strategies, to include demonstrating how the strategic goals would be achieved.

Human capital goals that do not align to the HCF and FWPR, and human capital strategies that do not align to goals may result in (1) human capital strategic goals that do not emphasize organizational performance, future planning, or the use of data and technology; (2) human capital strategies that may not optimize business outcomes, mission delivery, or organizational performance for EXIM; and (3) human capital strategies that will not enable EXIM to address future organizational challenges.

> **Leading Practice: Human Capital Strategic Plan**
> While the creation of a human capital strategic plan is not a legal or regulatory requirement, human capital strategic planning and developing human capital strategies and goals *are* required by regulation. Human capital strategies and goals must be reviewed with agency leadership, and developing a human capital strategic plan is a leading practice to promulgate and update strategic direction. A human capital strategic plan is typically a four-year plan that coincides with the Agency Strategic Plan period. According to OPM's *Key Components of a Strategic Plan, 2005*, implementation of a human capital strategic plan is a key step in an agency's progress to build a highly effective, performance-based organization.

According to change management frameworks, there are three critical phases for an agency like EXIM to leverage the required 5 CFR Part 250 human capital strategies and goals for organizational success. Phase one includes defining success, impact, and approach.[79] This phase

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[77] In the HCF, see specifically *Evaluation System* and in the FWPR, see specifically *Fostering an agile organization and the growth mindset, Enhancing customer experience, Preparedness and resilience, Developing an Agency foresight capability*.

[78] See the electronic Federal Register for all 5 CFR Part 250 requirements. Available at: eCFR :: 5 CFR Part 250 -- Personnel Management in Agencies.

[79] Prosci 3-Phase Process provides a framework for achieving change at the organizational level. Available at: https://www.prosci.com/methodology/3-phase-process.

would include defining and documenting clearly articulated human capital strategies, goals, and objectives, and would require participation from agency leadership and internal stakeholders. The second and third phases—manage change and sustain outcomes, respectively—require sponsorship and commitment, accountability, and ownership from leadership and key internal stakeholders. Effective change management may lead to agencies being more likely to achieve goals, stay on or ahead of schedule, and stay on or under budget.[80]

EXIM's Office of Human Capital is Not in Compliance with 5 CFR Part 250 Subpart B, which Requires a Human Capital Operating Plan and a Human Capital Evaluation Framework

This evaluation found that EXIM lacks an HCOP, which serves as a roadmap for human capital management, objectives, strategies, and evaluation mechanisms, and is a requirement established under 5 CFR Part 250. The HCOP requires a Human Capital Evaluation Framework. EXIM's OHC has not defined a central evaluation framework that integrates HRStat (a quarterly strategic human capital monitoring and evaluation process), independent audits, and human capital reviews to provide OPM and EXIM with an understanding of how its human capital policies and programs are supporting the agency's mission. Specifically, OHC does not conduct quarterly HRStat reviews with EXIM leadership to examine how human capital interventions advance performance objectives.[81] OHC also does not have an independent audit program that conducts critical reviews of HR programs.[82]

The evaluation also found that OHC does not engage in data-driven reviews of human capital areas that need program improvement, greater innovation, or improved cost effectiveness. According to the workload assessment data, OHC currently devotes only 93 workhours annually to the task "Evaluate HR Program Operations," and the data indicated that this task occasionally does not meet expectations.[83] This evaluation also found that OHC does not have access to the data it would need to conduct monitoring and evaluation activities due to its current workforce capacity, work prioritization, and a lack of a centralized data warehouse as well as analysis and reporting tools as described throughout this report.

Developing and sustaining an HCOP and a Human Capital Evaluation Framework presents particular challenges to EXIM. Establishing and updating an HCOP requires dedicated time and resources to develop and implement, including engaging with EXIM senior executives and other internal stakeholders. Creating a Human Capital Evaluation Framework with ongoing monitoring and evaluation functions is made more difficult by OHC's lack of access to the data

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[80] Ibid.

[81] HRStat is a quarterly strategic human capital monitoring and evaluation process for agencies to identify, measure, and analyze human capital data to inform agency leadership about how human capital is contributing to and supporting the accomplishment of agency goals and to inform the impact of an agency's human capital management on organizational results with the intent to improve human capital outcomes.

[82] OHC has a Policy & Accountability position that performs internal audits for compliance on specific personnel actions. This position does not perform audits on the efficacy of human capital strategies or programs, and these functions are not included in that position description.

[83] Per the workload assessment, we defined "Meeting Expectations" as a standard level of performance.

needed for evaluation, the tools to conduct monitoring and evaluation activities, the time and resources to dedicate to the tasks, and its current organizational structure. Moreover, OHC's current workforce does not have the required qualifications to meet the functional and task requirements outlined in 5 CFR Part 250.204-207 for an HCOP and a Human Capital Framework. Nor does OHC have current positions or position descriptions that would cover the required tasks in those sections. The requirements to develop an HCOP and develop and maintain a Human Capital Evaluation Framework would be new, unfunded work requirements for OHC.

The absence of an HCOP limits EXIM's senior leaders' ability to assess progress on EXIM's strategic human capital initiatives and ensure the CHCO has the resources and support needed to deliver on EXIM's annual goals and objectives while limiting OHC's ability to publish a clear agenda of its priorities that moves the agency forward toward achieving strategic goals. Without a Human Capital Evaluation Framework, OHC may miss opportunities to determine more efficient, innovative, and effective ways to perform human capital operations—which could free up time for HR practitioners to perform more strategic activities, such as, but not limited to, analyzing and evaluating high attrition rates, preparing for key agency vacancies and the pending retirement cliff, and closing skills gaps.

Recommendations

Recommendation 8: EXIM's Office of Human Capital should develop and formalize in writing human capital strategies and strategic goals that align with the Human Capital Framework and the Federal Workforce Priorities Report to meet regulatory compliance with 5 CFR Part 250.

Recommendation 9: EXIM's Office of Human Capital should develop a Human Capital Operating Plan in compliance with 5 CFR Part 250 Subpart B.

Recommendation 10: Pursuant to the Federal Workforce Priorities Report and in coordination with EXIM senior leadership, EXIM's Office of Human Capital should conduct a risk assessment to identify the most critical workforce and organizational risks facing the agency and develop an interim monitoring and evaluation program that informs the establishment of a Human Capital Operating Plan and Human Capital Evaluation Framework.

Finding 4: EXIM Lacks Adequate Strategic Workforce Planning and Performance Management Programs to Address Organizational and Workforce Development Needs

EXIM does not conduct holistic workforce planning, which is the strategic foundation for developing plans and programs to support the agency's current and future workforce needs. Within strategic workforce planning, agencies develop and execute plans and programs for succession planning, balanced position management and career pathways, performance management, workforce development, and leadership roles. Strategic workforce planning also drives recruitment and retention programs, targets outreach and hiring strategies for both

current and predicted needs, and manages the employee experience to ensure that agencies retain a high-performing workforce.

Effective strategic workforce planning helps identify and remedy skills gaps. Skills gaps show up in myriad ways, such as a lack of training, a lack of experience, a position vacancy, or a mis-classified position. Likewise, filling key agency vacancies is a part of sound strategic workforce planning, through targeted recruiting strategies, workforce development and training, retention initiatives, and leadership succession planning.

EXIM Lacks a Comprehensive Workforce Planning Strategy and Does Not Assess the Current or Future State of the Workforce or Organization

EXIM and OHC do not conduct strategic workforce planning to develop plans and programs that support organizational and workforce development, performance, and alignment. In addition, EXIM has not assessed current workforce needs based on the agency's current workload demands and organizational needs. The agency also does not predict future workforce and organizational needs. OHC lacks the tools and technology to easily capture and analyze the data required for collecting and assessing current needs and does not possess a capability for predicting future needs and requirements.

OPM defines Workforce Planning as, "the systematic process for identifying and addressing the gaps between the workforce of today and the human capital needs of tomorrow. It is based upon a set of workforce analyses which provide insight into how agencies can align their workforce to meet human capital goals and objectives that link to the agency's mission and strategic objectives."[84] Workforce planning provides the overarching framework that enables the underlying initiatives and programs, to include performance management (e.g., workforce development, and training and career development), succession planning, and position management (e.g., supervisor ratios, balanced grade levels, career progression).

OIG's FY 2023 Major Management Challenges report identified "filling key agency vacancies" as an important priority for EXIM.[85] However, EXIM does not have a prescribed definition or criteria to identify a "key vacancy". As required by OPM and the Equal Employment Opportunity Commission, EXIM identifies mission critical occupations (MCOs), but how this process works is unclear. If EXIM had strategic workforce planning processes, the agency would identify MCOs, to include key agency vacancies, based on specialized skills, hard-to-fill

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[84] OPM.GOV Workforce Reshaping. Available at: https://www.opm.gov/policy-data-oversight/workforce-restructuring/reshaping/planning-a-strategic-approach/.

[85] OIG's 2023 Major Management Challenges. Available at: https://img.exim.gov/s3fs-public/documents/exim-oig_fy-2023-major-management-challenges_oig-o-23-02_final.pdf.

positions, attrition and retirement modeling, along with existing OPM MCOs, leadership succession planning, and other data-informed analyses.[86]

As cited in earlier findings, 5 CFR Part 250.204 requires agencies to conduct comprehensive workforce planning.[87] OPM's Workforce Planning Guide and Workforce of the Future Playbook describe how workforce planning and performance management programs interrelate to enable effective talent management.[88] Strategic workforce planning is a process that assesses the demand for personnel and associated skills driven by the required work (both current and future state), assesses the supply of personnel and skills resident in the current workforce, and analyzes gaps to identify options to shape the workforce to best meet the agency's needs. This process minimizes risk to the agency, while improving career development opportunities for the individual.

To conduct meaningful strategic workforce planning, agencies must have access to data representing current and future supply and current and future demand. The FWPR requires agencies to develop foresight capabilities, which includes "conducting future scenario planning, identifying emerging skills, and implementing proven methodologies to identify future challenges."

OHC identified "Conduct Workforce and Succession Planning" as the number one most important task within the workload assessment.[89] However, as shown in Table 2, below, it also had the maximum backlog (six months) and the lowest allocated effort hours (33 hours annually). Consequently, the task never meets OHC's expectations.[90]

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[86] Submitting agency specific MCOs annually is an OPM requirement. Available at: https://www.chcoc.gov/content/mission-critical-occupation-resource-charts-guidance-and-submission-instructions and are reported annually to the Equal Employment Opportunity Commission through Table A on Management Directive (MD)-715. Available at: https://www.eeoc.gov/federal-sector/management-directive/instructions-federal-agencies-eeo-md-715-1.

[87] See the electronic Federal Register for all 5 CFR Part 250 requirements. Available at: eCFR :: 5 CFR Part 250 -- Personnel Management in Agencies.

[88] OPM's 2022 Workforce Planning Guide. Available at: https://www.opm.gov/policy-data-oversight/human-capital-framework/reference-materials/talent-management/workforce-planning-guide.pdf, and

2024 Workforce of the Future: *Playbook for Implementing Strategies to Enable a Federal Workforce that is Inclusive, Agile and Engaged, with the Right Skills to Enable Mission Delivery*. Available at: https://www.opm.gov/workforce-of-the-future/wof-playbook.pdf.

[89] Relative Importance was self-identified by OHC SMEs within the workload assessment.

[90] OHC SMEs self-identified Task Performance within the workload assessment. OHC SMEs considered quantity, quality, and schedule for delivery of the task when measuring Task Performance.

Table 2: OHC Most Important[a] Tasks with Hours, Performance, and Backlog

Task	Relative Importance	Annual Task Hours	Performance	Backlog (Months)
Conduct Workforce and Succession Planning	1.00	33	0) Never Meets	6
Develop and Maintain Competency Modeling	0.91	1067	2) Occasionally Does Not Meet	6
Develop and Disseminates Data Analytics Tools	0.84	137	1) Rarely Meets	6
Analyze and Report on Workforce Data	0.82	158	2) Occasionally Does Not Meet	0
Develop and Analyze Workforce Surveys	0.74	72	2) Occasionally Does Not Meet	2

Source: Serco workload assessment
[a] Relative Importance was evaluated across all OHC tasks and was self-identified by OHC SMEs within the workload assessment.

EXIM officials had different opinions regarding who is responsible for succession planning and career progression and advancement—two important elements for a holistic strategic workforce plan. This evaluation found that there were no OHC positions nor specific programs dedicated to succession planning or ensuring career progression – with the caveat that while OHC supports these activities, it is not responsible for them. In addition, EXIM does not have a program to examine current and future organizational needs and balance current position structures to prepare for future departures.

As cited in earlier findings, OHC does not currently have the staffing capacity to dedicate the required time to strategic workforce planning, succession planning, career progression and advancement, organizational performance, workforce development, and employee engagement tasks.[91] The office lacks dedicated resources for strategic workforce planning and performance management activities.

Due to ineffective strategic workforce planning, EXIM faces challenges with talent acquisition, retention, forecasting talent needs, planning for succession, and developing workforce skills. Without these strategic capabilities, EXIM will continue to operate in a reactive capacity regarding the agency's staffing.

EXIM's Performance Management Programs Do Not Adequately Address the Agency's Workforce or Organizational Development Needs

EXIM's performance management programs do not address the agency's enterprise-wide workforce and organizational needs, instead focusing on EXIM individual employees.[92]

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[91] Capacity is defined as the workforce required to complete a task to required standards.

[92] Performance management is a critical function for the health of every agency, and its programs drive the success of mission objectives.

More specifically, EXIM's performance management programs address individual training, end-of-year performance appraisals, and performance improvement plans, but do not comprehensively incorporate workforce development, to include agency-wide skills gaps and employee engagement, as well as organizational performance needs. In addition, EXIM does not have a deliberate or documented workforce development plan that incorporates current and future agency and workforce requirements. Furthermore, EXIM's human capital function cannot dedicate the strategic resources needed to address the systemic performance and engagement issues that continue to affect the agency.

According to 5 CFR Part 430, Subpart A, Performance Management is "the systematic process by which an agency involves its employees, as individuals and members of a group, in improving organizational effectiveness in the accomplishment of agency mission and goals." Performance management is more than evaluating employees; it is a comprehensive approach to connecting individual performance to the achievement of organizational goals.[93] Effective performance management requires a coordinated program to manage employee specific processes in the broader strategic context. Per OPM, at the employee level, performance management includes planning work and setting expectations, continually monitoring performance, developing the capacity to perform, periodically rating performance through feedback, and rewarding good performance.[94] OPM's HCF establishes requirements for agency programs under its Performance Culture and Talent Management standards, to include cultivating a high-performing workforce through skills gap closures, and acquiring, developing, and retaining a talented workforce in order to support mission objectives.[95] OPM provides additional guidance through its website and its Workforce of the Future Playbook.[96]

Furthermore, per the OPM handbook *"Employee Development and Training Flexibilities (Nov 2004)"*, a Workforce Development Plan is necessary to promote employee advancement. A standardized Workforce Development Plan may provide structured pathways for employees to

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[93] OPM Performance Management: OPM describes performance management as, "more than the end of year appraisal. It's about translating goals into results. Performance Management focuses not only on individual employees, but also on teams, programs, processes, and the organization as a whole." Available at: https://www.opm.gov/services-for-agencies/performance-management.

[94] A Handbook for Measuring Employee Performance, OPM, March 2017. Available at: https://opm.gov/policy-data-oversight/performance-management/measuring/employee_performance_handbook.pdf.

[95] The HCF states that a performance culture is a "system that engages, develops, and inspires a diverse, high-performing workforce by creating, implementing, and maintaining effective performance management strategies, practices, and activities that support mission objectives" and defines talent management (which is a part of performance management) as a system that promotes a high-performing workforce, identifies and closes skills gaps, and implements and maintains programs to attract, acquire, develop, promote, and retain quality and diverse talents."

[96] OPM's *Workforce of the Future: Playbook for Implementing Strategies to Enable a Federal Workforce that is Inclusive, Agile and Engaged, with the Right Skills to Enable Mission Delivery*, February 2024. "Defining and measuring organizational health and performance is a key practice for an agency to meet its mission and understand impediments to achieving its goals." Available at: https://www.opm.gov/workforce-of-the-future/wof-playbook.pdf.

enhance their skills, advance their careers, and ultimately contribute more effectively to EXIM's mission and objectives.

Regarding organizational development, this evaluation found that EXIM has not identified the skills it needs to support its current mission and to operate at peak performance, nor has it conducted assessments to determine skills gaps. EXIM does not have comprehensive data on the skills and capabilities of its current workforce, and thus does not have a baseline to measure whether the current workforce aligns to current organizational needs. OHC has begun the process of developing competency models for the purpose of eventually assessing skills gaps. To date, OHC has developed two competency models, with more planned for the future.[97] However, even with a plan to conduct a skills gap analysis based on the agency's competencies, EXIM does not have an evidence-based way to assess skills gaps across the agency. Identifying skills gaps and surpluses is important to understanding current workforce supply and to establish baseline data for workforce development.

Systematic and strategic performance management also includes effective workforce development and employee engagement. EXIM does not have a deliberate or documented Workforce Development Plan that incorporates current and future agency and workforce requirements. OHC has well-defined, mature, and beneficial employee engagement programs, but they do not target the engagement issues outlined in FEVS data, some of which are documented throughout this report.

According to our workload assessment, OHC has deficits in task performance for agency workforce development tasks, with almost half (49 percent) not meeting performance expectations.[98]

As set forth below, the performance management programs and activities within OHC are decentralized and divided among three groups, instead of within one comprehensive program:

- **Employee & Labor Relations**: Workforce conduct and performance issues
- **Operations**: Setting workforce performance goals and conducting annual performance reviews
- **Division of Culture and Effectiveness**: Workforce and organizational development

In typical federal HR structures, Performance Management is a consolidated program that falls under the "Strategy" section of human capital offices. According to organization design theory, aligning tasks, roles, and lines of authority creates efficiency, improves performance, and increases adaptability.[99] Specifically, a consolidated program could help align all performance

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[97] OHC has completed GS-1165 (loan specialists) and GS-1101 (small business development specialists) competency models with GS-0905 (attorneys), GS-0343 (management and program analysts), and GS-2210 (IT specialists) competency models planned in the future.

[98] Performance expectations were evaluated in the workload assessment (see Appendix D).

[99] Innovation Value Institute, Organization Design and Planning. Available at: https://portal.ivi.ie/+itcmf/16/business/ODP.

management activities toward common goals. As an example, directly linking performance appraisals, Performance Improvement Plans, skills gap assessments, and employee training plans may lead to training solutions that intentionally target both the employee's and the agency's needs.

This evaluation's workload assessment identified that OHC spent approximately 64 percent of annual performance management effort hours on tasks related to developing and maintaining competency modeling.[100] At 1,067 annual hours, this is approximately half of an FTE. At the current rate of its competency development effort, this program will not show a return to EXIM for years.[101] While identifying and remedying skills gaps are required by regulation, OHC has spent and will spend years working on this task for which any potential return on investment is years away. The effort applied to this task could potentially be put to better use in addressing other critical performance management activities, like organizational development and talent management, which are currently only allotted two percent and 18 percent of effort hours respectively.[102] While funds and resources currently expended on developing and maintaining competency modeling may be put to better use, quantifying the waste is complex and would require further analysis. Such analysis would need to examine overall contracted and OHC capacity; the efficiency of the approach to conducting agency-wide skills gap analysis (since this an agency requirement); and options for reprioritization of other performance management activities.

Comprehensive performance management programs can provide direct improvements to an organization's performance. By defining and measuring organizational health and performance, agencies are positioned to meet their mission and understand impediments to achieving their goals. Further, the lack of a consolidated and comprehensive performance management program could contribute to inconsistencies in planning work and setting expectations, evaluating performance, and rewarding good performance.

Deficiencies in EXIM's Training and Career Development Programs Contribute to Skills Gaps and Employee Engagement Challenges

The evaluation found that deficiencies in EXIM's training and career development programs have contributed to skills gaps and employee engagement challenges. Specifically, the evaluation found that EXIM employees widely perceive EXIM's training and career development opportunities as unavailable to them. Further, in interview and survey responses obtained as part of this evaluation, EXIM personnel revealed a perceived reluctance among supervisors to approve training, either due to concerns about workforce retention or concerns regarding

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[100] Identify Needs for Organizational Development: This task includes developing and maintaining advisory or consultative relationships with EXIM's offices and SMEs to solicit input for, or to deliver, training and development programs.

[101] Conducting a competency (skills gap) assessment requires first developing competency models across the organization. Other steps include developing proficiency models, behavioral indicators, etc. before being able to administer the assessment.

[102] Source: workload assessment

decreased productivity during training periods. Most of these EXIM employees also reported being largely unaware of career guides and career path documents that support their career growth.[103] Finally, the evaluation found that budgetary limitations negatively impacted training and career development opportunities. These deficiencies resulted in both skills gaps and employee engagement challenges that were cited in EXIM's 2023 FEVS results.

According to 5 USC Section 4103, heads of agencies are required to establish, operate, maintain, and evaluate a training program to assist "in achieving an agency's mission and performance goals by improving employee and organizational performance". In addition, OPM's HCF indicates that agencies must invest in employees through formal and informal learning and development related activities to close competency gaps and enhance mission related outcomes. It also emphasizes the role of leadership in talent management strategies, directing leaders to continuously monitor employee development and progress to ensure that the workforce can address future changes.

Additionally, OHC does not offer any EXIM-specific supervisory training. According to OHC, some EXIM supervisors receive mandatory training through the DOI portal. OHC officials also noted that training provided through OHC would help EXIM supervisors and managers understand their roles, responsibilities, and expectations. These officials cited a desire for supervisor operational training and expressed concerns about never receiving supervisor orientation or training for HR management (e.g., timecard management, onboarding), despite being expected to understand the processes fully. Based on our benchmarking of other agencies, this training could also be specific to EXIM's unique challenges, to include culture, career progression and development, and employee engagement.

According to EXIM officials, the agency does not require, nor does it promote, the use of IDPs for employee training and career development.[104] In addition, OHC does not have a standardized or central system for the workforce and supervisors to access and manage IDPs. Rather, EXIM officials stated that development opportunities are determined between employee and supervisor, and the availability and approval of opportunities are inconsistent across the agency. However, the evaluation found that OHC's Division of Culture and Effectiveness is developing programs to address training needs at each of EXIM's office levels.

The absence of standardized IDPs across EXIM limits employees' ability to plan and adjust their career paths and provides no formal avenue for pursuit of career development opportunities. A general lack of employee and supervisor awareness of career guides and career path documents hinders both employees' and supervisors' abilities to use this information and encourage employee career development.

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[103] When asked in the EXIM Employee Survey, "Are you aware of career guides/career path documents to support your career growth?" 67.68% of respondents replied "No".

[104] OPM Individual Development Plans: "An [IDP] is a tool to assist employees in career and personal development. Its primary purpose is to help employees reach short and long-term career goals, as well as improve current job performance." Available at: https://www.opm.gov/wiki/training/individual-development-plans.ashx.

Budgetary limitations also contributed to gaps in training and career development opportunities. Benchmarking against other federal agencies demonstrated wide disparity between EXIM and some of its main competitors. As an example, EXIM's tuition reimbursement policy allows for $1,700 in reimbursements annually, as compared to another agency's policy, which permits employers to deduct up to $5,250 per employee for tuition reimbursement and is a common amount for tuition assistance.[105] Moreover, branches of the military and other federal agencies provided tuition reimbursement ranging from $4,000 to $31,000 per year.[106] These benchmarks highlight the disparity between EXIM's tuition reimbursement cap and the cap at other agencies. As another example, one of the FIRREA agencies maintains a Career Management Program that provides individual career counselling services, paid conferences, and fully paid graduate programs among other substantial benefits.

The evaluation revealed a correlation between these training and employee development deficits and decreased employee engagement, as previously cited in overall FEVS engagement score data. Specifically, between 2021 and 2023, positive response to the statement "I am given a real opportunity to improve my skills in my organization" fell from 80 percent to 50 percent.[107]

Workforce and career development are essential tools to combat skills gaps and to maintain currency in most professions. EXIM's inconsistent approach to planning for and approving training can actually deepen existing competency gaps by overlooking critical skills required for organizational performance. Without a deliberate and holistic training approach, mitigating skills gaps could continue to be a challenge for EXIM.

EXIM Does Not Conduct Effective Succession Planning

During this evaluation, the Office of the Chair acknowledged the importance of succession planning; however, the evaluation found that EXIM does not have a formal process to conduct succession planning for key positions. According to OHC officials, EXIM senior leadership define key agency positions without any established criteria and based on their own judgement. Additionally, EXIM does not have a senior leadership succession plan as required by 5 CFR Part 412. Specifically, 5 CFR Part 412, Subpart B – Succession Planning, requires agencies to develop a comprehensive management succession program to fill agency supervisory and managerial positions. The program should focus on developing managers, strengthening organizational capability, and ensuring the agency develops an adequate number of well-prepared and qualified candidates for leadership positions. Succession planning is supported by employee

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[105] Attributed anecdotally to budgetary constraints.

[106] Benchmarked branches and agencies include Air Force, Army, Marine Corps, Navy, Department of Education, Department of Energy, and Department of Defense.

[107] Source: OPM FEVS Dashboard, https://www.opm.gov/fevs/reports/opm-fevs-dashboard/.

training and developmental programs.[108] When comparing the relative priority of OHC's six strategic goals to the effort aligned to those goals, the data suggests a deficiency in effort for Goals 1 and 2, which both relate to succession planning.[109]

Goal 1 showed a relative priority of 0.69 out of 1.0 and a relative effort of 0.4 out of 1.0, indicating that OHC allocated less effort to the task than they thought it should require. Goal 2 showed an even higher relative priority of 0.85 out of 1.0, but only a relative effort of 0.64 out of 1.0. Goal 1 showed a 53 percent difference between the effort OHC allocated and its priority. Similarly, Goal 2 showed a 28 percent difference between effort allocated and its priority.[110] The data from the workload assessment showed that OHC dedicated relatively little effort to the high priority task of strategic workforce planning and succession planning. Out of 13 FTE positions in OHC working between 45-60 hours per week, OHC only dedicated 33 hours (i.e., less than one week of work) annually to the strategic workforce planning and succession planning task.[111] Reasons for this gap in strategic workforce and succession planning efforts are previously discussed in this report.

Over the next five years, EXIM faces a potentially significant challenge in the form of a retirement cliff, with 182 employees set to become retirement-eligible by the end of CY 2028. At 116 employees eligible for retirement at the end of CY 2024, EXIM could potentially lose up to 32 percent of its workforce this year. This impending wave of retirements poses a critical risk to the organization's institutional knowledge and expertise. Without adequate succession planning measures in place, EXIM may struggle to fill the resulting knowledge gaps and maintain operational continuity. For example, without robust hiring, EXIM is likely looking at a significant personnel shortage within the next five years; a loss of up to approximately 45 percent of its workforce based on current staffing models.

EXIM's lack of succession planning may also limit career progression and contribute to skills gaps in key positions, thereby impacting knowledge retention and operational readiness, as well as ensuring personnel have the required experience and skills. Effective succession

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[108] Requirements include implementing developmental training consistent with agency succession management plans; and providing continuous learning experiences throughout an employee's career, such as details, mentoring, coaching, learning groups, and projects. These experiences should provide broad knowledge and practical experience linked to OPM's federal leadership competencies, as well as agency-identified, mission-related competencies; should be consistent with the agency's succession management plan; and should include training program evaluations pursuant to 5 CFR Part 410.202.

[109] OHC's six strategic goals are: 1) Identify and provide guidance to leaders for filling critical position categories and staffing gaps at the entry-level, and for succession planning up to the Senior Executive level. 2) Fill staffing gaps in keeping with EXIM succession planning. 3)Provide workforce analytics to strengthen organizational decision-making. 4) Improve performance management through guidance and improved automated tools. 5) Provide awareness and tools around benefits programs to advance a healthy workplace culture. 6) Create opportunities for employee growth while strengthening the organization's capacity to address critical mission objectives.

[110] Source: workload assessment

[111] OHC has a total of 15 FTEs, two of which are contract staff.

planning would identify required skills, workforce competencies, and provide a focus for training efforts to mitigate gaps before they occur.

EXIM Has Not Created Sufficient Pathways for Employee Career Progression

The evaluation found that EXIM has not created sufficient pathways, as part of position management, for career progression and workforce advancement of its employees. The evaluation also found that EXIM employee responses to prior OPM stay interviews, as well as EXIM exit interviews and employee surveys, indicated employee dissatisfaction with career advancement opportunities at EXIM. [112]
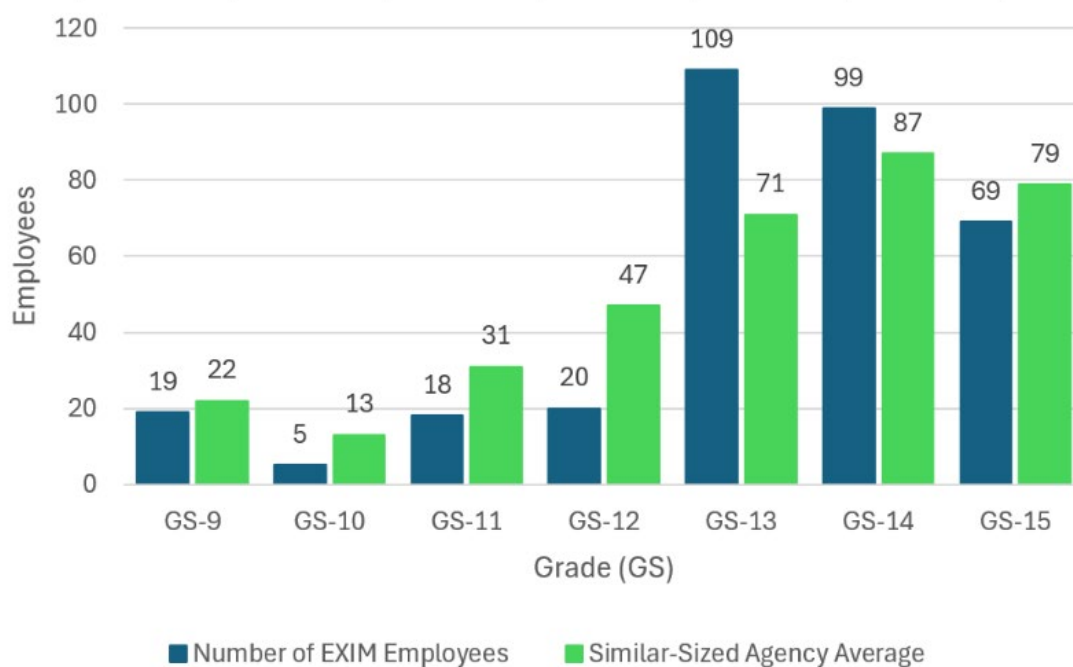
According to OPM's Introduction to the Position Classification Standards, good position management requires consideration of grade levels, including grades that should be commensurate with the work performed to accomplish the organization's mission and not exceed those grades needed to perform the work of the unit. [113]

Our analysis of EXIM personnel data shows that the grade distribution in the organization is uneven and heavily weighted towards GS-13 through GS-15 grade level positions (see Figure 5). When compared to the average of other similar-sized agencies, EXIM employs 53 percent more personnel at a GS-13 level, 14 percent more at a GS-14 level, and 57 percent fewer at a GS-12 level.

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[112] OPM conducted stay interviews at EXIM starting in 2022. Stay interviews are used to discover what employees value about their job and what improvements can be made. They are similar to exit interviews but are done with active employees.

[113] U.S. Office of Personnel Management's *Introduction to the Position Classification Standards*, Revised August 2009. Available at: https://opm.gov/policy-data-oversight/classification-qualifications/classifying-general-schedule-positions/positionclassificationintro.pdf "Sound position management reflects a logical balance between employees needed to carry out the major functions of the organization and those needed to provide adequate support; between professional employees and technicians; between fully trained employees and trainees; and between supervisors and subordinates."

Figure 5: EXIM Grade Distribution by Employee Totals

Source: EXIM Demographic Data and FedScope

EXIM officials reported that supervisors do not adequately address grade distribution for career advancement and position management within their offices and were reluctant to downgrade GS-13 and GS-14 positions to create career ladder positions. Supervisors indicated it was harder to attract and hire lower graded positions, and they "needed" new employees at higher proficiencies to perform more advanced work without supervisors having to train and develop more junior employees.

In addition, our analysis of EXIM workforce data shows that EXIM employees at the GS-11 and GS-12 grade levels leave the agency at a higher rate (between 17 and 20 percent higher) than GS-13 through GS-15 grade level positions.[114] EXIM officials also stated that since the agency is "top heavy," employees leave since they cannot advance into higher positions. However, available agency data does not provide information or evidence to indicate a cause for this higher attrition rate; when combined with data collected through exit surveys, stay interviews, and EXIM interviews, a correlation is likely.

The workload assessment data showed that OHC's tasks for Position Management and Career Path Mapping and Validation Studies have among the highest backlog of all tasks, with a

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[114] Source: EXIM Demographic Data and FedScope

combined 196 annual effort hours. These tasks also have some of the lowest amount of effort and highest backlog, with 10 combined months of attributable backlog.[115, 116, 117, 118]

The lack of position management and career path mapping and validation studies within EXIM limits opportunities to identify personnel who could fill future higher-grade positions. In addition, the lack of targeted training programs to increase skills may prevent lower grades from the preparation they need to promote to higher-grade positions. According to EXIM officials, OPM had previously identified that EXIM positions were skewed too high, and that "delayering" was needed.[119] EXIM supervisor and hiring manager focus groups conducted as part of this evaluation found that agency managers were largely unaware of supervisory responsibility in establishing pathways for career advancement for their employees, as they assumed it was an OHC responsibility.

According to EXIM exit surveys (CYs 2022-2024), shown in Table 3, 44 percent of respondents listed "Lack of Advancement Opportunities" and 36 percent of respondents listed "Career Change" as the reason for their departure from EXIM.[120]

Table 3: EXIM Exit Survey Responses

Answer Choice[a]	Response %
Lack of Advancement Opportunities	44%
Career Change	36%
Workplace Conflict	22%
Dissatisfaction with Work Duties/Load	20%
Compensation	20%
Telework Eligibility	18%
Ethics Related Issues	16%
Work/Life Balance	14%
Lack of Recognition	12%
Lack of Training Opportunities	8%
Childcare	2%

Source: EXIM Exit Surveys
[a] Respondents were given the option to select up to three reasons for departure.

Overall, the effects of EXIM's leadership, supervisors, and OHC lacking the time or knowledge for developing career progression and workforce advancement may have resulted in, and may

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[115] Source: workload assessment.
[116] Effort is measured by hours spent on a task annually.
[117] Backlog is measured in months and applies only if the work of the task is accumulating in OHC. Waiting for a response or product from outside OHC does not get logged as backlog.
[118] The maximum backlog per task was limited during data collection to six months.

[119] For the purpose of this report, "delayering" is defined as the process of removing layers of management to improve organizational efficiency. This can be done by eliminating unnecessary levels of management, consolidating functions, or flattening the organizational structure. This is usually done by increasing agency supervisors' span of control.
[120] EXIM Exit Survey data collected from May 2017 through Feb 2024.

continue to result in, increased employee attrition issues at EXIM, especially at the GS-11 and GS-12 position levels. Additionally, without adequate pathways for growth, it will be difficult for EXIM to conduct succession planning for positions below GS-13.

EXIM Does Not Have Clearly Defined Human Resource Management Roles and Responsibilities for Leadership, Supervisors, and Its Office of Human Capital

EXIM has not clearly documented HR management roles, functions, and responsibilities between the agency's management and OHC. OHC documents policies for some human capital programs, but other documents reviewed for this evaluation do little to outline management roles and responsibilities. Documented process guides would provide much more fidelity for supervisory functions and expectations.

Supervisor and manager knowledge expectations are established through multiple regulations.[121] Competency and learning objectives are detailed through the Chief Human Capital Officers Council memo on Final Regulations on Training, Supervisory, Managerial, and Executive Development.[122] Supervisors and managers are expected to conduct position management and staff and classify positions, develop and mentor employees, manage a diverse and inclusive workforce, manage employee performance and conduct, and write performance plans and appraisals. [123]

EXIM officials' feedback received during the evaluation indicated unclear expectations of work roles between OHC and EXIM divisions and office leaders. Some EXIM supervisors (from first-line supervisors to Senior Vice Presidents) reported little to no accountability or responsibility for the following activities: conducting position management (to include career progression), developing candidate qualifications scoring requirements, developing and classifying PDs, prioritizing talent development for the workforce, and identifying future skills needs (performance management).

Further, some EXIM supervisors expressed unclear expectations, leading to delays and inconsistencies in processes, accountability, level of effort, and quality of work. EXIM officials also reported that some roles, responsibilities, and processes within OHC were opaque and inconsistent, especially when it came to position management (e.g., allocating positions, approving new positions). Based on our interviews, EXIM officials repeatedly indicated a misalignment of expectation about roles and responsibilities regarding OHC and supervisors. Uncertain or misaligned roles and responsibilities has led to, and will continue to lead to,

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[121] 5 CFR Parts 410 and 412.

[122] Chief Human Capital Officers Final Regulations on Training and Supervisory, Management and Executive Development. Available at: https://www.chcoc.gov/content/final-regulations-training-and-supervisory-management-and-executive-development?TransmittalId=2786.

[123] According to 5 USC 7103(a)(10), "supervisor" is defined as, "...an individual employed by an agency having authority in the interest of the agency to hire, direct, assign, promote, reward, transfer, furlough, layoff, recall, suspend, discipline, or remove employees, to adjust their grievances, or to effectively recommend such action, if the exercise of the authority is not merely routine or clerical in nature but requires the consistent exercise of independent judgment..."

confusion for supervisors and their employees and a lack of ownership and accountability among the leadership. Undefined requirements can also lead to delays in processing actions, like writing position descriptions. EXIM officials reported that this process is not well understood by hiring managers, as they sometimes refuse to do it, and the process can include many revisions between OHC and hiring managers, causing extensive delays. Processing delays may eventually add up to unintended consequences, like losing potential candidates due to those delays.

Recommendations

Recommendation 11: EXIM's Office of the Chair, in coordination with the Office of Human Capital, should direct an agency-wide organizational and workforce study used to develop a strategic workforce plan that accurately identifies and portrays actual, current, and future workforce needs that align to EXIM's work requirements in furtherance of its mission.

Recommendation 12: EXIM's Office of the Chair, in cooperation with the Office of Human Capital, should conduct an agency-wide technical, functional, and leadership competency assessment and gap analysis, and develop mitigation strategies for any identified gaps in accordance with 5 CFR Part 250.203 Subpart B.

Recommendation 13: EXIM's Office of Human Capital should consolidate the agency's Performance Management programs into a singular program according to federal benchmarks and organization design principles and develop a plan to expand the Performance Management program through programs that link human capital initiatives to organizational performance.

Recommendation 14: EXIM's Office of Human Capital should conduct an EXIM-wide workforce analysis, which may include analysis of grade distribution, career path opportunities, supervisory ratios, delayering, and position management to form the basis of a plan for career progression, pathways, and succession planning.

Recommendation 15: EXIM's Office of the Chair, in cooperation with the Office of Human Capital, should establish a Workforce Development Plan, as outlined in the Office of Personnel Management's Human Capital Framework, to provide structured pathways for EXIM employees to enhance their skills, advance their careers, and ultimately contribute more effectively to EXIM's mission and objectives.

Recommendation 16: EXIM's Office of Chair, in coordination with its senior leadership and the Office of Human Capital, should develop an agency-wide succession plan, using relevant agency workforce data and evidence such as vacancy, hiring, retirement, and current and future skills gaps, which includes identifying and defining "key vacancies," to ensure compliance with 5 CFR Part 412.

Recommendation 17: EXIM's Office of Human Capital should develop curriculum and deliver supervisor training that is tailored to EXIM's specific human resource management needs.

Recommendation 18: In coordination with EXIM senior leadership, EXIM's Office of Human Capital should establish and document leadership, supervisor, Office of Human Capital, and employee roles and responsibilities with regard to human resource management, ensuring compliance with 5 CFR Part 410 and 412.

OTHER MATTERS

Additional Recruitment and Retention Challenges.

Some EXIM officials cited lack of funding as a limitation to the agency's ability to implement policies and programs, and acquire tools for recruitment, retention, and the overall human capital function. Additionally, EXIM may face a competitive disadvantage in attracting potential candidates and retaining employees, compared to FIRREA agencies. [124]

The FIRREA agencies oversee and support financial institutions and require similar skills, competencies, and experiences to EXIM. Congress granted federal financial regulatory agencies flexibility in creating their own compensation systems, transitioning to a market-sensitive salary structure from the federal government's salary structure, to improve recruitment and retention. These agencies offer higher pay and benefits beyond standard federal government provisions. For example, these agencies provide separate 401(k) plans with agency contributions. As discussed in the report, anecdotally, EXIM officials stated that the agency's telework policy, lack of special pay authority, and a protracted hiring timeline affected recruitment and retention; however, available data did not allow for a full analysis of EXIM's competitiveness with comparable agencies. [125, 126] According to the Office of the Chair, the agency is currently exploring the feasibility of extending FIRREA pay to EXIM.

When comparing EXIM's average salaries to other similar-sized federal agencies, EXIM's average salaries are higher than the average taken from all similar-sized federal agencies salaries (see Table 4). By contrast, when comparing EXIM's salaries to competitors identified by OHC, EXIM salaries are much lower than the two FIRREA agencies we reviewed but are higher than the average salaries for the Department of Energy. [127]

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[124] Financial Institutions Reform, Recovery and Enforcement Act: https://www.congress.gov/bill/101st-congress/house-bill/1278

[125] Special pay authority is granted to agencies by OPM, according to 5 U.S.C. Part 5305, if agencies meet special circumstances (e.g., remote locations, undesirable working conditions).

[126] EXIM uses Administratively Determined (AD) positions on a limited basis for select executive positions that are not classified as Senior Executive Service but are considered equivalent. AD rates of pay may be set by agencies to provide equal rates of pay to equivalent positions, according to 5 U.S.C. Part 5306. EXIM does not use AD pay rates for GS equivalent positions. Available at: https://uscode.house.gov/view.xhtml?req=granuleid%3AUSC-prelim-title5-chapter53&edition=prelim.

[127] U.S. Securities and Exchange Commission, FDIC, and DOE were the only "competitive agency" salary data available for this evaluation.

Table 4: EXIM's Average Salaries Compared to Other Federal Agencies

	GS-09	GS-10	GS-11	GS12	GS-13	GS-14	GS-15
EXIM Average Salary	$77,228	$97,422	$96,709	$107,772	$134,622	$165,664	$185,098
EXIM's Average Salary Compared To:							
Similar-Sized Agency	+7%	+17%	+11%	+3%	+5%	+8%	+5%
U.S. Securities and Exchange Commission[a]	-	-	-2%	-10%	-6%	-3%	-19%
Federal Deposit Insurance Corporation[a]	-	-	-3%	-14%	-11%	-13%	-20%
Department of Energy	-	-	+11%	+3%	+7%	+9%	+4%

Source: FedScope
[a] FIRREA agency.

EXIM developed and wrote a recruitment, relocation, and retention (3Rs) policy aimed at enhancing recruitment and retention efforts through monetary incentives.[128] According to OHC leadership, delays in implementation are due to budgetary constraints. These delays limit EXIM's ability to provide sign-on and relocation bonuses needed to attract top talent.

Until EXIM implements its 3Rs policy, it cannot use the full retention bonus benefit, which allows agencies to provide a retention incentive up to 50 percent of an employee's basic rate of pay without seeking OPM approval, intensifying challenges in retaining skilled employees. For example, chronic vacancies in EXIM's OHC strain an already overburdened staff, necessitating the use of contractors to fill critical positions. Attracting individuals for specialized roles, such as Human Resources Specialist (0201 Series), may require increased pay allowances and bonuses to compete effectively in the labor market. According to OHC staff, these funding limitations also hinder investments in essential tools and technologies needed to streamline HR processes within the OHC, exacerbating operational challenges and impeding EXIM's ability to fulfill its mission effectively. For example, EXIM does not have an eOPF; an automated electronic system to process and maintain employees' OPF may increase accuracy in transactions, improve employee accessibility to their records, decrease OHC workload dedicated to manual, non-value-add tasks, and ensure compliance with federal requirements.[129]

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[128] According to OPM, recruitment, relocation, and retention incentives (3Rs) are compensation flexibilities available to help federal agencies recruit and retain a world-class workforce. The 3Rs are administered under 5 U.S.C. Part 5753 and 5754 and 5 CFR Part 575, subparts A, B, and C. https://www.opm.gov/policy-data-oversight/pay-leave/recruitment-relocation-retention-incentives/.

[129] OPM eOPF Privacy Impact Assessment Guidance. Available at: https://www.opm.gov/information-management/privacy-policy/privacy-policy/eopf-pia.pdf; and Public Law 115-435. Available at: https://www.congress.gov/bill/115th-congress/house-bill/4174; and 2022 Federal Workforce Priorities Report: Agencies must also, "adopt policies, processes, and platforms to ensure the gathering, curation, and analysis of data is effective, secure, and contributes to informed, timely, and data-informed strategic decisions." Available at: https://www.opm.gov/policy-data-oversight/human-capital-management/federal-workforce-priorities-report/2022-federal-workforce-priorities-report.pdf.

Additional Employee Engagement and Attrition Issues

During our evaluation, we uncovered data that could be key indicators showing challenges related to EXIM's employee engagement and retention, data that was not directly relevant to the findings discussed in this report. For some of this data, we do not have enough information to indicate why the conditions exist. For others, it was outside the scope of the evaluation and, though it is important information for EXIM, we did not conduct additional analysis.

EXIM had 14 employee relations cases in 2023, more than double the six cases from the previous year. At the time of our evaluation in early CY 2024, EXIM was on track to have another high year of employee relations cases.[130] The evaluation was unable to determine definitive causes for this increase from data provided. But, important to note, the increased prevalence of employee relations cases could be a potential indicator of increased discontent within the workforce.

This evaluation's employee surveys, and EXIM's exit surveys and stay interviews, reveal ongoing concerns regarding morale and job satisfaction, especially for low-tenure employees. General attrition data highlights the tangible impact of these issues, as evidenced by the increase in attrition in 2023 (as discussed earlier regarding EXIM attrition rates) and by the departure of staff from the organization in the first two years of tenure. Voluntary turnover saw a spike in years one and two, and then peaked again at years six and seven.[131, 132] In years one and two, the evaluation found a 110 percent and 100 percent turnover rate, meaning that EXIM saw more departures from those tenure bands than arrivals during that period. Similarly, in years seven and eight of tenure, the evaluation found turnover rates of 100 and 120 percent respectively. Again, this indicates that the departures from those tenure bands exceeded the new hires during that period of evaluation. The evaluation was unable to determine causes for these distributions from data provided.

EXIM Office of Human Capital Strengths

While this report identifies several significant deficiencies and challenges for EXIM's human capital function, we also identified strengths within the Office of Human Capital. We identified these strengths through interviews, focus groups, and the EXIM Employee Survey.

Several interviews noted the current staff in the Office of Human Capital staff as a strength. The perception of the individual people within OHC and the OHC's culture of teamwork were both noted in positive mentions throughout the evaluation. Notably, one employee highlighted OHC's workforce as "hardworking and helpful people," albeit operating amid understaffing challenges across various departments of the agency. Additionally, interviewees indicated that certain bottlenecks stemmed from delayed decision-making by the "Front Office" not OHC.

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[130] Employee relations cases: 2021 (3 cases); 2022 (6 cases); 2023 (14 cases); 2024 (4 cases as of early April, on track for another high number of cases).

[131] Turnover is defined as the rate at which employees leave and are replaced.

[132] Source: EXIM Demographic Data.

Despite these challenges, OHC was recognized for possessing valuable expertise in its domain. Overall, we identified several strengths in OHC's people, their team dynamic, the implementation of programs, and the skill in several fundamental areas of human capital management.

The Recruitment, Outreach & Employee Benefits staff worked well together, showing productive unit cohesion and supporting positive internal and external stakeholder interactions. The HR Specialists provided valuable support by meeting with the managers regularly to provide guidance.[133] Additionally, we found Recruitment, Outreach & Employee Benefits communicated well to ensure employees were aware of the internal job postings.

Finally, the skill and dedication OHC showed in several fundamental areas of human capital management were noted as a particular strength of the department. For example, the staff who support the internship program collaborate effectively across the agency to maintain the appropriate staffing that agency office's need and to convert eligible interns into full-time employees—which directly benefits EXIM's workforce planning needs.[134]

In addition, OHC has implemented some noteworthy programs that advance EXIM's mission. These programs include: Pathways Internship, Mentoring Program, Exit Surveys, Stay Interviews, and Capturing Candidate Declination Data. OHC also reported plans to establish additional programs, such as instituting a Culture Officer, tying staffing plans to succession plans, and establishing a Presidential Management Fellows program.[135]

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[133] Acting as HR Advisors/Business Partners. For example, this guidance could be regarding Staffing and Recruitment prior to hiring or how to begin developing a position description.

[134] The Pathways Internship with option to convert to permanent position.

[135] Funding dependent.

RECOMMENDATIONS

OIG issued the following recommendations to EXIM. The agency's response to these recommendations can be found in Appendix B.

Recommendation 1: EXIM's Office of Human Capital should conduct a staffing needs analysis for its office to determine the appropriate staffing levels needed to support a human capital function in alignment with federal regulations and guidance and develop a plan to implement the results of its assessment.

Management Response: In its August 13, 2024, response, EXIM concurred with this recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that the Office of Human Capital conducted a staffing needs analysis for its office to determine the appropriate staffing levels needed to support a human capital function in alignment with federal regulations and guidance and developed a plan to implement the results of its assessment.

Recommendation 2: EXIM's Office of Human Capital should develop a workforce succession plan to support the continuity of the agency's human capital operations, to include a comparative assessment of required specialist and generalist tasks and skills and identification of single points of failure.

Management Response: In its August 13, 2024, response, EXIM concurred with this recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that the Office of Human Capital developed a workforce succession plan to support the continuity of the agency's human capital operations, to include a comparative assessment of required specialist and generalist tasks and skills and identification of single points of failure.

Recommendation 3: EXIM's Office of Human Capital should establish an EXIM working group to research and provide recommended solutions to standardize, streamline, and track processes, including the hiring process.

Management Response: In its August 13, 2024, response, EXIM concurred with this recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that the Office of Human Capital established an EXIM working group to research and provide recommended solutions to standardize, streamline, and track processes, including the hiring process.

Recommendation 4: EXIM's Office of Human Capital, in coordination with the Office of the Chief Information Officer, should conduct a business case analysis to assess the return on investment of acquiring and utilizing a Human Resources Information System or human resource platforms that can integrate with EXIM's existing human capital systems.

Management Response: In its August 13, 2024, response, EXIM concurred with this recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that the Office of Human Capital, in coordination with the Office of the Chief Information Officer, conducted a business case analysis to assess the return on investment of acquiring and utilizing a Human Resources Information System or human resource platforms that can integrate with EXIM's existing human capital systems.

Recommendation 5: EXIM's Office of the Chair should identify the human capital functions that affect EXIM's ability to achieve its mission and develop a plan to measure and mitigate risks.

Management Response: In its August 13, 2024, response, EXIM concurred with this recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that the Office of the Chair identified the human capital functions that affect EXIM's ability to achieve its mission and developed a plan to measure and mitigate risks.

Recommendation 6: EXIM's Office of the Chair, in collaboration with EXIM's Office of Human Capital, should conduct an agency-wide culture assessment to identify ways to improve EXIM's culture, retention, and employee engagement.

Management Response: In its August 13, 2024, response, EXIM concurred with this recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that the Office of the Chair, in collaboration with the Office of Human Capital, conducted an agency-wide culture assessment to identify ways to improve EXIM's culture, retention, and employee engagement.

Recommendation 7: EXIM's Office of the Chair should implement an advisory group, led by the Office of Human Capital, to identify cultural issues affecting EXIM's workforce and make appropriate recommendations aimed at mitigating the agency's human capital challenges.

Management Response: In its August 13, 2024, response, EXIM concurred with this recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that the Office of the Chair implemented an

advisory group, led by the Office of Human Capital, to identify cultural issues affecting EXIM's workforce and made appropriate recommendations aimed at mitigating the agency's human capital challenges.

Recommendation 8: EXIM's Office of Human Capital should develop and formalize in writing human capital strategies and strategic goals that align with the Human Capital Framework and the Federal Workforce Priorities Report to meet regulatory compliance with 5 CFR Part 250.

Management Response: In its August 13, 2024, response, EXIM concurred with this recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that the Office of Human Capital developed and formalized in writing human capital strategies and strategic goals that align with the Human Capital Framework and the Federal Workforce Priorities Report to meet regulatory compliance with 5 CFR Part 250.

Recommendation 9: EXIM's Office of Human Capital should develop a Human Capital Operating Plan in compliance with 5 CFR Part 250 Subpart B.

Management Response: In its August 13, 2024, response, EXIM concurred with this recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that the Office of Human Capital developed a Human Capital Operating Plan in compliance with 5 CFR Part 250 Subpart B.

Recommendation 10: Pursuant to the Federal Workforce Priorities Report and in coordination with EXIM senior leadership, EXIM's Office of Human Capital should conduct a risk assessment to identify the most critical workforce and organizational risks facing the agency and develop an interim monitoring and evaluation program that informs the establishment of a Human Capital Operating Plan and Human Capital Evaluation Framework.

Management Response: In its August 13, 2024, response, EXIM concurred with this recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that the Office of Human Capital, has conducted a risk assessment, in coordination with EXIM senior leadership, to identify the most critical workforce and organizational risks facing the agency and developed an interim monitoring and evaluation program that informs the establishment of a Human Capital Operating Plan and Human Capital Evaluation Framework.

Recommendation 11: EXIM's Office of the Chair, in coordination with the Office of Human Capital, should direct an agency-wide organizational and workforce study used to develop a

strategic workforce plan that accurately identifies and portrays actual, current, and future workforce needs that align to EXIM's work requirements in furtherance of its mission.

Management Response: In its August 13, 2024, response, EXIM concurred with this recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that the Office of the Chair, in coordination with the Office of Human Capital, directed an agency-wide organizational and workforce study used to develop a strategic workforce plan that accurately identifies and portrays actual, current, and future workforce needs that align to EXIM's work requirements in furtherance of its mission.

Recommendation 12: EXIM's Office of the Chair, in cooperation with the Office of Human Capital, should conduct an agency-wide technical, functional, and leadership competency assessment and gap analysis, and develop mitigation strategies for any identified gaps in accordance with 5 CFR Part 250.203 Subpart B.

Management Response: In its August 13, 2024, response, EXIM concurred with this recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that the Office of the Chair, in cooperation with the Office of Human Capital, conducted an agency-wide technical, functional, and leadership competency assessment and gap analysis, and developed mitigation strategies for any identified gaps in accordance with 5 CFR Part 250.203 Subpart B.

Recommendation 13: EXIM's Office of Human Capital should consolidate the agency's Performance Management programs into a singular program according to federal benchmarks and organization design principles and develop a plan to expand the Performance Management program through programs that link human capital initiatives to organizational performance.

Management Response: In its August 13, 2024, response, EXIM concurred with this recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that the Office of Human Capital consolidated the agency's Performance Management programs into a singular program according to federal benchmarks and organization design principles and developed a plan to expand the Performance Management program through programs that link human capital initiatives to organizational performance.

Recommendation 14: EXIM's Office of Human Capital should conduct an EXIM-wide workforce analysis, which may include analysis of grade distribution, career path opportunities,

supervisory ratios, delayering, and position management to form the basis of a plan for career progression, pathways, and succession planning.

Management Response: In its August 13, 2024, response, EXIM concurred with this recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that the Office of Human Capital conducted an EXIM-wide workforce analysis to form the basis of a plan for career progression, pathways, and succession planning.

Recommendation 15: EXIM's Office of the Chair, in cooperation with the Office of Human Capital, should establish a Workforce Development Plan, as outlined in the Office of Personnel Management's Human Capital Framework, to provide structured pathways for EXIM employees to enhance their skills, advance their careers, and ultimately contribute more effectively to EXIM's mission and objectives.

Management Response: In its August 13, 2024, response, EXIM concurred with this recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that the Office of the Chair, in cooperation with the Office of Human Capital, established a Workforce Development Plan to provide structured pathways for EXIM employees to enhance their skills, advance their careers, and ultimately contribute more effectively to EXIM's mission and objectives.

Recommendation 16: EXIM's Office of Chair, in coordination with its senior leadership and the Office of Human Capital, should develop an agency-wide succession plan, using relevant agency workforce data and evidence such as vacancy, hiring, retirement, and current and future skills gaps, which includes identifying and defining "key vacancies," to ensure compliance with 5 CFR Part 412.

Management Response: In its August 13, 2024, response, EXIM concurred with this recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that the Office of Chair, in coordination with its senior leadership and the Office of Human Capital, developed an agency-wide succession plan, using relevant agency workforce data and evidence, to ensure compliance with 5 CFR Part 412.

Recommendation 17: EXIM's Office of Human Capital should develop curriculum and deliver supervisor training that is tailored to EXIM's specific human resource management needs.

Management Response: In its August 13, 2024, response, EXIM concurred with this recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that the Office of Human Capital developed curriculum and delivered supervisor training that is tailored to EXIM's specific human resource management needs.

Recommendation 18: In coordination with EXIM senior leadership, EXIM's Office of Human Capital should establish and document leadership, supervisor, Office of Human Capital, and employee roles and responsibilities with regard to human resource management, ensuring compliance with 5 CFR Part 410 and 412.

Management Response: In its August 13, 2024, response, EXIM concurred with this recommendation.

OIG Reply: OIG considers the recommendation resolved. The recommendation can be closed when OIG receives and accepts documentation that the Office of Human Capital, in coordination with EXIM senior leadership, established and documented leadership, supervisor, Office of Human Capital, and employee roles and responsibilities with regard to human resource management, ensuring compliance with 5 CFR Part 410 and 412.

APPENDIX A: OBJECTIVES, SCOPE, AND METHODOLOGY

This evaluation was conducted from November 2023 to April 2024, in accordance with *Quality Standards for Inspection and Evaluation*, as issued in 2020 by the Council of the Inspectors General on Integrity and Efficiency.

Objectives and Scope

On behalf of the Office of Inspector General (OIG), Serco conducted this evaluation to assess the Export-Import Bank of the United States (EXIM) human capital functions, to include planning practices, policies, guidelines, and human capital resources. The evaluation covered the period of October 1, 2021, to April 30, 2024. The objectives of this engagement were to (1) assess the sufficiency and effectiveness of EXIM's human capital planning practices, to include addressing skill gaps and the agency's human capital resources; (2) determine the effectiveness of EXIM's recruitment and retention activities, to include EXIM's competitiveness in relation to other, similarly situated employers; and (3) assess whether EXIM implemented effective standards and guidelines for its HR management.

Methodology

In performing this evaluation, we executed the following activities:

- Reviewed background information, governance, and previous audits.
- Researched and interviewed the Office of Human Capital (OHC), leadership stakeholders, supervisors/managers, and employees to establish human resources (HR) management and human capital planning practices baseline.
- Benchmarked other agencies and consider industry standards and leading practices to determine markers for comparative analysis and recommendations.
- Conducted staffing supply and demand analysis to assess sufficiency and effectiveness of resources.
- Reviewed and evaluated business processes to assess effectiveness.
- Collected, validated, and analyzed personnel, demographic, and workforce data to determine gaps.
- Assessed governance, standards, and guidelines for effectiveness and compliance.
- Evaluated root causes and developed recommendation to recruitment and retention issues.
- Conducted additional procedures deemed necessary during the evaluation.

OARS Work Assessment

As detailed in Optimal Organizational Alignment of Resources (OARS) Method described in the Background, the study team developed a comprehensive work breakdown structure (WBS) which represents the work performed throughout EXIM's OHC. Identified SMEs were asked to assess current level of effort associated with the 154 potential tasks included in the WBS. In

addition to determining the level of effort, the SMEs assessed the sufficiency of workforce effort in performing the tasks assigned to their office. The assessment was not focused on how well individuals were doing their jobs, but rather an assessment of how well the office is currently able to provide a level of service relative to the current effort dedicated to each task. Level of service in these assessments was measured as Meeting, Exceeding, or Not Meeting work quality expectations or accepted standards.

To determine the relative importance of each task, one or more strategic goals were selected to indicate the degree of contribution each task provided to that specific strategic goal in a range from "Some to Very Critical." Based on the degree of contribution to each of the strategic goals indicated and the priority of those strategic goals, each task was assigned an importance level ranging from "Very Low to Very High." The outcome provided relative importance for each task, which can play a role in the investigation of select scenarios and analysis of any trade-off opportunities.

The analytical model employed made recommended adjustments to the level of effort of each task, if needed, to calculate the effort required to "Meet" the standard level of performance. This adjustment was made based on calibration from testing over many years of studies and assumes that the organization is operating in a resource constrained environment. If the task was scored as "Meeting" the expected level of performance (such as from a published standard, quantity, rate, and/or subjective quality measure), then the model considered the current effort performed on the task sufficient for successful task accomplishment. If the performance of the task was less than "Meeting," then the model considered the current effort insufficient and calculated the increased amount of effort required by the workforce to raise the level of performance. Conversely, if the task exceeds the performance standard, then the model considered the current effort more than the requirement for successful task accomplishment and estimated a lower effort requirement.

Competency Assessment

A competency assessment for Technical (Core) and Leadership skills was conducted. This assessment allowed employees to "self-assess" their proficiency levels against each of the identified competencies. In addition, supervisors were asked to "assess" the proficiency levels of their employees against each of the competencies. The employee and supervisor assessment scores were combined, and supervisors' assessment was weighted to ensure a more realistic view of proficiency. This comprehensive assessment established a baseline of proficiency levels for Technical and Leader Competencies to support workforce planning efforts and the development of strategies to address skill gaps.

The competency assessment results identified skill gaps using an estimated target proficiency against the combined competency average (employee and supervisor) to inform workforce planning, position management, recruitment, and workforce development strategies. The entire OHC organization (13 government employees) participated in the competency assessment that provides EXIM leadership an understanding of the current level of proficiency. The competency assessment included:

- Thirteen (13) technical (core) competencies and 12 leadership competencies. Employees were asked to read the competency definition, associated proficiency levels (1-Awareness to 5-Expert) and the descriptors.
- In the self-assessment, employees chose the proficiency level they currently possess. These results were aggregated and shared in this report to create a baseline proficiency for technical and leadership competencies.
- In the employee assessment, the supervisor or manager completed an assessment for each of their employee's current proficiency level for each competency.

Interviews

We conducted over 12 interviews with OHC employees both in-person and virtually. Serco asked questions around mission critical work, program frameworks and service offerings, compliance, processes and procedures, organizational objectives and metrics, and challenges.

Similarly, we conducted approximately 10 virtual interviews with EXIM senior leaders to gain their perspectives on OHC and the role they play in the agency. These interviews identified what they believed to be OHC's strengths and weaknesses, opportunities, and threats.

Focus Groups

We conducted a supervisor and hiring manager focus group. The objective of this focus group framework was to gather insights from supervisors and hiring managers regarding OHC functions within EXIM. By conducting a focus group, we were able to comprehensively assess various perspectives and experiences to inform improvements and innovations in OHC practices.

Surveys

We conducted an EXIM Employee Survey of 362 EXIM employees to gather important employee feedback on OHC's recruitment and retention activities. This survey captured the knowledge of and experience with Recruiting, Career Growth, Rewards and Recognition, Performance Management and Retention from over 100 EXIM employees. Additionally, we wanted to see if EXIM was affected by vacancies and the Return to Office (RTO) policies.

The anonymous survey had two parts consisting of Part I: Demographic Information and Part II: Employee Survey Questions. We de-attributed responses for review and analysis. The aggregated information from this survey was used for HR management and assessment purposes (i.e., recruiting, career development, performance management and retention).

Data Validity

We used multiple methods to verify and validate the data used for analysis and recommendations. These included: congruency of qualitative information and quantitative data; gathering data on the entire workforce vice a sample survey; ensuring transparency of

collected data; training of SMEs on how to provide their inputs; including an assessment of how work currently is meeting quality, quantity, and schedule needs; supervisor and leader review of collected data; benchmarking of common functions with other federal agencies; and additional analysis of work that has been deferred due to lack of capacity. Each of these methods provided clear evidence that the data used to formulate the recommendations was accurate, consistent, and complete.

EXIM
EXPORT-IMPORT BANK
OF THE UNITED STATES

Helping American Businesses Win the Future

DATE: August 13, 2024

TO: Michael T. Ryan, Assistant Inspector General for Special Reviews and Communications

THROUGH: Ravi Singh, Acting Senior Vice President & Chief Financial Officer RAVI SINGH

FROM: Michelle Arias, Chief Human Capital Officer MICHELLE ARIAS

SUBJECT: EXIM Management Response to the draft Report
Evaluation of EXIM's Human Capital Function (OIG-EV-24-03) Dated August 2, 2024

Dear Mr. Ryan,

Thank you for providing the Export-Import Bank of the United States ("EXIM" or "EXIM Bank") management with the Office of Inspector General's ("OIG") *Evaluation of EXIM's Human Capital Function (OIG-EV-24-03) Dated August 2, 2024* (the "Report"). EXIM's leadership and management continue to fully support the OIG's work, which we believe complements and enhances EXIM's efforts to continually improve its processes. EXIM Bank is proud of the strong and cooperative relationship it has with the OIG.

EXIM Bank appreciates the OIG's Evaluation of EXIM's Human Capital Function. We value the OIG's continued efforts to assess our human capital function and provide valuable feedback. This evaluation serves as a probate to our commitment to maintaining the highest standards of efficiency and effectiveness for the policies and guidelines associated with our human resource management, and we are supportive of the OIG's contributions to enhancing our practices in this crucial area. In particular, EXIM appreciates how the evaluation highlights the Office of Human Capital (OHC) staff's skills, dedication, and collaborative nature.

EXIM is grateful for the time OIG and the SERCO team took to discuss the OHC team's questions regarding specific technical concerns. The OIG final draft report incorporates the results of those discussions and EXIM concurs with the recommendations.

EXIM's responses to the recommendations put forth in the report are as follows:

Recommendation 1: EXIM's Office of Human Capital should conduct a staffing needs analysis for its office to determine the appropriate staffing levels needed to support a human capital function in

alignment with federal regulations and guidance and develop a plan to implement the results of its assessment.

Management Response: EXIM concurs with this recommendation. EXIM will conduct a staffing needs analysis to determine the appropriate staffing levels needed to support a human capital function in alignment with federal regulations and guidance and develop an implementation plan of its assessment.

Recommendation 2: EXIM's Office of Human Capital should develop a workforce succession plan to support the continuity of the agency's human capital operations, to include a comparative assessment of required specialist and generalist tasks and skills and identification of single points of failure.

Management Response: EXIM concurs with this recommendation. EXIM will develop a workforce succession plan including a comparative assessment of specialist and generalist tasks and skills to mitigate single points of failure.

Recommendation 3: EXIM's Office of Human Capital should establish an EXIM working group to research and provide recommended solutions to standardize, streamline, and track processes, including the hiring process.

Management Response: EXIM concurs with this recommendation. EXIM's Office of Human Capital will establish a working group to develop solutions and standardize processes including hiring.

Recommendation 4: EXIM's Office of Human Capital, in coordination with the Office of the Chief Information Officer, should conduct a business case analysis to assess the return on investment of acquiring and utilizing a Human Resources Information System or human resource platforms that can integrate with EXIM's existing human capital systems.

Management Response: EXIM concurs with this recommendation. EXIM will conduct a business case analysis to assess the return on investment of acquiring and utilizing a Human Resources Information System or human resource platforms that can integrate with EXIM's existing human capital systems.

Recommendation 5: EXIM's Office of the Chair should identify the human capital functions that affect EXIM's ability to achieve its mission and develop a plan to measure and mitigate risks.

Management Response: EXIM concurs with this recommendation. EXIM will identify human capital functions that affect EXIM's ability to achieve its mission and develop a plan to measure and mitigate risks.

Recommendation 6: EXIM's Office of the Chair, in collaboration with EXIM's Office of Human Capital, should conduct an agency-wide culture assessment to identify ways to improve EXIM's culture, retention, and employee engagement.

Management Response: EXIM concurs with this recommendation. EXIM will conduct an agency-wide culture assessment to identify ways to improve retention and employee engagement.

Recommendation 7: EXIM's Office of the Chair should implement an advisory group, led by the Office of Human Capital, to identify cultural issues affecting EXIM's workforce and make appropriate recommendations aimed at mitigating the agency's human capital challenges.

Management Response: EXIM concurs with this recommendation. EXIM will establish an advisory group to identify cultural issues affecting EXIM's workforce and make appropriate recommendations aimed at mitigating the agency's human capital challenges.

Recommendation 8: EXIM's Office of Human Capital should develop and formalize in writing human capital strategies and strategic goals that align with the Human Capital Framework and the Federal Workforce Priorities Report to meet regulatory compliance with 5 CFR Part 250.

Management Response: EXIM concurs with this recommendation. EXIM will develop and formalize in writing human capital strategies and strategic goals that align with the Human Capital Framework and the Federal Workforce Priorities Report to meet regulatory compliance 5 CFR Part 250.

Recommendation 9: EXIM's Office of Human Capital should develop a Human Capital Operating Plan in compliance with 5 CFR Part 250 Subpart B.

Management Response: EXIM concurs with this recommendation. EXIM will develop a Human Capital Operating Plan in compliance with 5 CFR Part 250 Subpart B.

Recommendation 10: Pursuant to the Federal Workforce Priorities Report and in coordination with EXIM senior leadership, EXIM's Office of Human Capital should conduct a risk assessment to identify the most critical workforce and organizational risks facing the agency and develop an interim monitoring and evaluation program that informs the establishment of a Human Capital Operating Plan and Human Capital Evaluation Framework.

Management Response: EXIM concurs with this recommendation. EXIM will conduct a risk assessment to identify the most critical workforce and organizational risks facing the agency and develop an interim monitoring and evaluation program.

Recommendation 11: EXIM's Office of the Chair, in coordination with the Office of Human Capital, should direct an agency-wide organizational and workforce study used to develop a strategic workforce plan that accurately identifies and portrays actual, current, and future workforce needs that align to EXIM's work requirements in furtherance of its mission.

Management Response: EXIM concurs with this recommendation. EXIM will conduct an agency-wide organizational and workforce study used to develop a strategic workforce plan that accurately identifies and portrays actual, current, and future workforce needs that align to EXIM's work requirements in furtherance of its mission.

Recommendation 12: EXIM's Office of the Chair, in cooperation with the Office of Human Capital, should conduct an agency-wide technical, functional, and leadership competency assessment and gap analysis, and develop mitigation strategies for any identified gaps in accordance with 5 CFR Part 250.203 Subpart B.

Management Response: EXIM concurs with this recommendation. EXIM will conduct an agency-wide technical, functional, and leadership competency assessment and gap analysis, and develop mitigation strategies for any identified gaps in accordance with 5 CFR Part 250.203 Subpart B.

Recommendation 13: EXIM's Office of Human Capital should consolidate the agency's Performance Management programs into a singular program according to federal benchmarks and organization design principles and develop a plan to expand the Performance Management program through programs that link human capital initiatives to organizational performance.

Management Response: EXIM concurs with this recommendation. EXIM will consolidate the agency's Performance Management programs and develop a plan to expand the Performance Management program through programs that link human capital initiatives to organizational performance.

Recommendation 14: EXIM's Office of Human Capital should conduct an EXIM-wide workforce analysis, which may include analysis of grade distribution, career path opportunities, supervisory ratios, delayering, and position management to form the basis of a plan for career progression, pathways, and succession planning.

Management Response: EXIM concurs with this recommendation. EXIM will conduct an EXIM-wide workforce analysis to form the basis of a plan for career progression, pathways, and succession planning.

Recommendation 15: EXIM's Office of the Chair, in cooperation with the Office of Human Capital, should establish a Workforce Development Plan, as outlined in the Office of Personnel Management's Human Capital Framework, to provide structured pathways for EXIM employees to enhance their skills, advance their careers, and ultimately contribute more effectively to EXIM's mission and objectives.

Management Response: EXIM concurs with this recommendation. EXIM will establish a Workforce Development Plan to provide structured pathways for EXIM employees to enhance skills and advance careers.

Recommendation 16: EXIM's Office of Chair, in coordination with its senior leadership and the Office of Human Capital, should develop an agency-wide succession plan, using relevant agency workforce data and evidence such as vacancy, hiring, retirement, and current and future skills gaps, which includes identifying and defining "key vacancies," to ensure compliance with 5 CFR Part 412.

Management Response: EXIM concurs with this recommendation. EXIM will develop an agency-wide succession plan to ensure compliance with 5 CFR Part 412.

Recommendation 17: EXIM's Office of Human Capital should develop curriculum and deliver supervisor training that is tailored to EXIM's specific human resource management needs.

Management Response: EXIM concurs with this recommendation. EXIM will develop curriculum and deliver supervisor training that is tailored to EXIM's specific human resource management needs.

Recommendation 18: In coordination with EXIM senior leadership, EXIM's Office of Human Capital should establish and document leadership, supervisor, Office of Human Capital, and employee roles and responsibilities with regard to human resource management, ensuring compliance with 5 CFR Part 410 and 412.

Management Response: EXIM concurs with this recommendation. EXIM will establish and document leadership, supervisor, Office of Human Capital, and employee roles and responsibilities with regard to human resource management, ensuring compliance with 5 CFR Part 410 and 412.

EXIM is available to discuss any OIG questions, comments, or concerns regarding the management responses to the eighteen recommendations.

CC:

The Honorable Reta Jo Lewis, President and Chair of the Board of Directors
Brad Belzak, Senior Vice President and Chief of Staff
Benjamin Widness, Senior Vice President of Congressional and Intergovernmental Affairs
Hazeen Ashby, Deputy Chief of Staff and White House Liaison
Larry Decker, Senior Advisor to the President and Chair of the Board of Directors
Courtney Chung, Senior Vice President and Chief Management Officer
Kenneth Tinsley, Senior Vice President and Chief Risk Officer
James Coughlan, Senior Vice President and General Counsel
Lark Grier-Hapli, Deputy General Counsel
Tomeka Wray, Deputy Chief Management Officer
Michaela Smith, Director of Audit and Internal Controls Programs

APPENDIX C: THE OFFICE OF HUMAN CAPITAL COMPETENCY ASSESSMENT – OFFICE LEVEL INFORMATION ONLY

The purpose of the assessment was to identify the baseline of current Office of Human Capital (OHC) competencies across its office. It was not a performance rating for the appraisal process, but rather a structured process to determine gaps in proficiency levels as compared to the target proficiencies for each competency.

In the competency assessment findings and analysis, Serco provided response rates, results for OHC with a breakout of occupational series and grades. EXIM deployed the competency assessment using a Microsoft Forms link sent to OHC on Tuesday, March 12, 2024, and closed the survey on Monday, March 18, 2024. This report analyzed competency assessment results compared to target proficiency ratings to better understand levels of proficiency and competency gaps if they exist.

Assessment responses were analyzed first to determine an average proficiency rating by combining the self-rating (40% weight) with the supervisor rating (60% weight) to identify a weighted average. This weighted average proficiency for each of the Technical and Leader Competencies was compared against the target proficiency for each competency. Any difference is then identified as a gap.

The assessment analysis identified a baseline of the knowledge, skills, and abilities of the OHC workforce related to technical and leadership competencies. The results may inform strategies for workforce development, recruitment, retention and to improve succession planning.

Office of Human Capital (OHC) Competency Assessment

A competency-based assessment is an approach used to measure individuals' skills, knowledge, and abilities related to a specific role or learning objective. The intent is to align job requirements with organizational goals, enhance selection processes, identify development needs, and improve feedback and recognition systems. It is important that agencies evaluate whether the positions aligned to the organizational mission have the necessary skills to achieve the mission.

In the competency assessment findings and analysis below, we provide response rates and a summary of results for OHC. This report analyzes competency assessment results compared to target proficiency ratings to better understand levels of proficiency and competency gaps if they exist.

Assessment responses are analyzed first to determine an average proficiency rating by combining the self-rating (40% weight) with the supervisor rating (60% weight) to identify a weighted average. This weighted average proficiency for each of the Technical and Leader Competencies is compared against the target proficiency for each competency. Any difference is then identified as a gap.

The assessment analysis provides leadership with an awareness of the knowledge, skills, and abilities of the OHC workforce related to technical and leadership competencies. The results

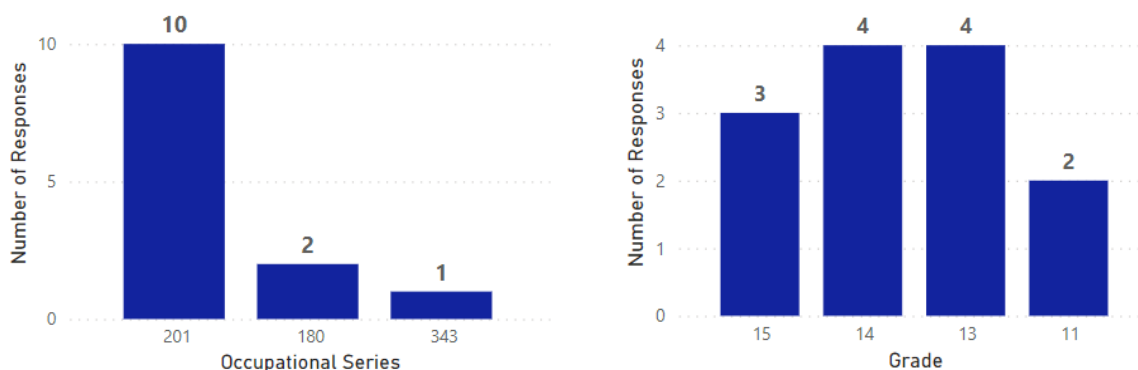may inform strategies for workforce development, recruitment, retention and to improve succession planning.

Results show office-wide competency proficiency gaps, not gaps of any individual. This is a holistic look at the organization, with an expectation that some employees may show proficiency gaps for competencies that do not directly apply to their occupational series. It is important for OHC to understand the skills and proficiency levels within the organization to support workforce planning activities.

Results show there are some competency shortfalls (gaps) relative to work performed in the areas of Employee/Labor Relations, Position Management and Classification, Workforce Development, Recruitment & Placement, Employee Benefits, and Research and Direct Services, there are internal resources that possess advanced and expert level proficiency that can be utilized to help others increase their proficiency in these key areas through training and education.

Competency Assessment Response Rates

The assessment was deployed to the total population of 13 employees and their supervisors. There was 100% participation. See Figure 6 for response rates by occupational series, grade, and office. [136]

Figure 6: Number of Responses by Occupational Series and Grade

Competency Model

The EXIM OHC Competency Model includes 13 Technical (Core) competencies and 12 Leader competencies. We referenced the Federal Workforce Competency Initiative, September 2023, the Handbook of Occupational Groups/Families and the OPM Multipurpose Occupational Systems Analysis Inventory-Close-Ended (MOSAIC) to develop the competency model that includes relevant competencies for the GS-0201 Human Resources, GS-0180 Personnel Psychologist, and GS-0343 Management & Program Analysis occupational series. The following OHC Competency Model was recommended to and approved by the CHCO.

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[136] One of the GS-15 participants is an Administratively Directed (AD) position. Our survey did not have a selection for AD.

Table 5: EXIM OHC Technical Competencies

COMPETENCIES	DEFINITIONS
0201 Human Resources	Advise, administer, supervise, or perform work involved in human resources management and its specialties. Demonstrates knowledge of HR policies and practices, compliance requirements, and risk implications of HR decisions.
1-Human Capital Management	Understands and applies knowledge of Federal sector human resources laws and regulations. Knowledge of HR concepts, principles, and practices related to determining workload projections and current and future competency gaps to align human capital with organizational goals.
2-Employee / Labor Relations	Knowledge of laws, rules, regulations, case law, principles, and practices related to employee conduct, performance, dispute resolution, negotiation and administering labor agreements.
3-Performance Management	Apply, interpret, and advise on performance management concepts, principles, regulations, policies, and practices regarding the rating of employees to include SES.
4-Policy / Accountability	Ability to translate the organization's purpose, mission, goals, and content into strategy, positioning HR policies and activities to best serve the organization's interests.
5-Employee Benefits	Knowledge of HR concepts, principles, and practices related to retirement, insurance, injury compensation, and other employee benefits programs.
6-Recruitment & Placement	Apply, interpret, and advise on HR concepts, principles, rules, programs, techniques, and practices to identify, attract, assess, select, hire, retain and manage a high-quality and diverse workforce.
7-Workforce Development	Knowledge of employee development concepts, principles, and practices related to planning, evaluating, and administering training, organizational development, and career development initiatives.
8-Position Classification	Knowledge of HR concepts, principles, and practices related to position classification. Provides guidance on outlining roles, responsibilities, and qualifications in accordance with organizational needs and industry standards. Conducts position management activities to assess and align positions with organizational structure, economic organization, career development objectives, and reorganization needs.
0180 Personnel Psychologist	Professional work related to behavior, capacities, traits, interests, and activities of humans.
9-Administration	Applying survey analysis, evaluation, coordination, approval, and administration to determine relationship of behavior to the environment, experience, or physiology.
10-Research and Direct Services	Applying professional knowledge of psychological principles, theories, methods, or data to practical situations and problems.
11-Consultation	Providing consultative services or training in psychological principles, theories, methods, and techniques to advance knowledge.
0343 Management & Program Analyst	Administrative analytical and evaluative work related to program operations, management, and organizational efficiency and productivity.
12-Data Gathering and Analysis	Applies a full range of analytical steps appropriate for assigned studies, or portions of studies, to gain information, to investigate facts, and present recommendations.
13-Management Analysis	Conducts research and solves organizational inefficiencies to increase the effectiveness of the organization.

Table 6: EXIM OHC Leader Competencies

COMPETENCIES	DEFINITIONS
1-Conflict Management	Manages and resolves conflicts, grievances, confrontations, or disagreements in a constructive manner to minimize negative personal impact.
2-Communication (Oral / Written)	Makes clear and convincing oral presentations. Listens effectively; clarifies information as needed. Writes in a clear, concise, organized, and convincing manner for the intended audience.

COMPETENCIES	DEFINITIONS
3-Customer Service	Works with clients and customers to assess their needs, provide information or assistance, resolve their problems, or satisfy their expectations; knows about available products and services; is committed to providing quality products and services.
4-Decision Making	Makes sound, well-informed, and objective decisions; perceives the impact and implications of decisions; commits to action, even in uncertain situations, to accomplish organizational goals; causes change.
5-Digital Collaboration	Uses digital tools, technologies, or social media for communication, knowledge-sharing, and collaborative processes; works with others to construct and create resources and knowledge, or provide services, in a digital environment.
6-Influencing / Negotiating	Persuades others to accept recommendations, cooperate, or change their behavior; works with others towards an agreement; negotiates to find mutually acceptable solutions.
7-Integrity / Honesty	Contributes to maintaining the integrity of the organization; displays high standards of ethical conduct and understands the impact of violating these standards on an organization, self, and others; is trustworthy.
8-Interpersonal Skills	Shows understanding, friendliness, courtesy, tact, empathy, concern, and politeness to others; develops and maintains effective relationships with others; may include effectively dealing with individuals who are difficult, hostile, or distressed; relates well to people from varied backgrounds and different situations; is sensitive to cultural diversity, race, gender, disabilities, and other individual differences.
9-Learning	Uses efficient learning techniques to acquire and apply new knowledge and skills; uses training, feedback, or other opportunities for self-learning and development.
10-Problem Solving	Identifies problems; determines accuracy and relevance of information; uses sound judgment to generate and evaluate alternatives, and to make recommendations.
11-Resilience	Deals effectively with pressure; remains optimistic and persistent, even under adversity. Recovers quickly from setbacks.
12-Supporting Diversity	Maintains an open mind regarding different ideas, opinions, values, and beliefs; recognizes own worldview and understands its influence on interactions with others; incorporates a variety of viewpoints to help accomplish work goals; contributes to an inclusive work environment with equal treatment of individuals across all demographics (e.g., race, gender) and social (e.g., culture) groups.

Proficiency Levels

The Proficiency Levels and their definitions used in the competency assessment are defined below.

Table 7: Proficiency Level and Definitions

Proficiency Level	Definitions
5=Expert	· Applies the competency in exceptionally difficult situations. · Serves as a key resource and advises others. · Demonstrators comprehensive, expert understanding of concepts and processes.
4=Advanced	· Applies the competency in considerably difficult situations. · Generally requires little or no guidance. · Demonstrates broad understanding of concepts and processes.
3=Intermediate	· Applies the competency in difficult situations. · Requires occasional guidance. · Demonstrates understanding of concepts and processes.
2=Basic	· Applies the competency in somewhat difficult situations. · Requires frequent guidance. · Demonstrates familiarity with concepts and processes.
1=Awareness	· Applies the competency in the simplest situations. · Requires close and extensive guidance. · Demonstrates awareness of concepts and processes.

For purposes of analysis, we used the proposed target proficiency levels below to show a progression from grades GS-11 to GS-15. Table 8 identifies target proficiency levels to provide a baseline target proficiency across the OHC organization. These targets may be adjusted by the leadership or subject matter experts (SMEs) for future competency assessments. Any difference between the target and weighted average is identified as a gap or surplus.

Table 8: Target Proficiency Levels

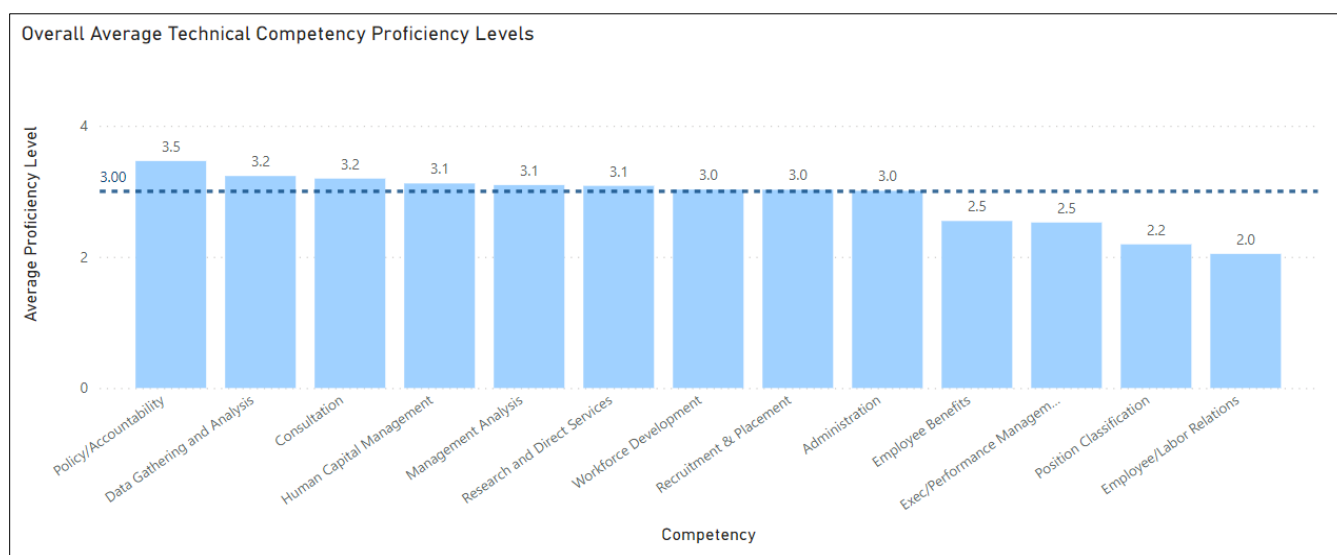| GS 11	GS 13	GS 14	GS 15
2	3	4	5

Valid Assessments

To be considered a valid assessment for analysis purposes, we used the employee self-assessment score and the supervisor assessment score. Valid assessment responses were used to determine an average proficiency rating by combining the self-rating (40% weight) with the supervisor rating (60% weight) to identify a weighted average by competency. The weighted average proficiency for each Technical and Leader competency was compared against the target proficiency.

Technical Competencies – Office of Human Capital (OHC) - Overall Results

In this evaluation, additional data highlighting capacity shortfalls is identified through analysis of competencies across OHC.

The figure below shows the overall average proficiency levels for Technical Competencies identified in the Competency Model. The dotted line for Proficiency Level 3=Intermediate is used only to show the midpoint of the scale. Four of the technical competencies fall below this midpoint level which are Employee Benefits, Performance Management, Position Classification, and Employee/Labor Relations. Three of these are identified as gaps relative to work being performed.

Figure 7: Overall Average Technical Competency Proficiency Levels

When reviewing the competency assessment results for these six competency areas highlighted above, we see higher proficiency levels existing within OHC.

Employee/Labor Relations competency shows a low proficiency for the overall OHC organization with an average proficiency of 2=Basic. Further analysis shows there are six respondents who assessed themselves at Level 3=Intermediate, and two respondents at Level 5=Expert.

Position Classification proficiency for the OHC is 2.2=Basic. When analyzing self-ratings, there are two people that rated themselves 4=Advanced proficiency level.

Workforce Development proficiency for the OHC overall is 3=Intermediate, however, two respondents rated themselves 4=Advanced and two rated 5=Expert.

Recruitment & Placement proficiency for the OHC overall is 3=Intermediate, however, one respondent rated themselves 4=Advanced and five rated themselves 5=Expert.

Employee Benefits proficiency for the OHC overall is 2.5, between 2=Basic and 3=Intermediate. One respondent rated themselves 4=Advanced and two rated 5=Expert.

Research & Direct Services is a competency specific to the GS-0180, Personnel Psychologist, occupational series. The overall OHC proficiency is 3.1=Intermediate. Two respondents rated themselves 4=Advanced and three rated 5=Expert.
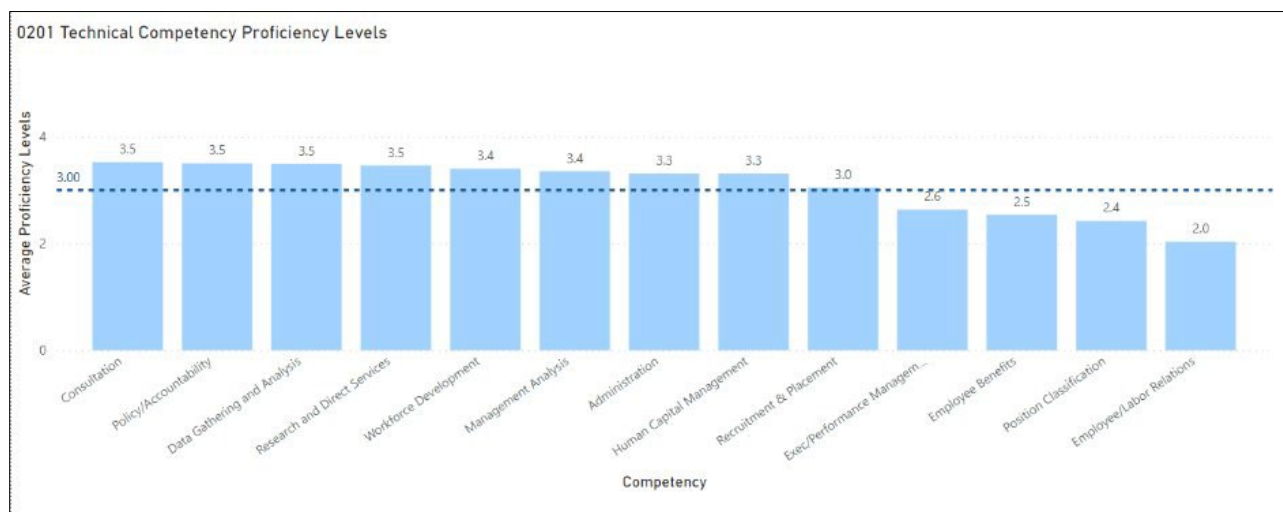
While **Performance Management** is not identified as a competency shortfall relative to work performed, the overall proficiency for the OHC organization is low 2.5. When analyzing self-ratings, there are three respondents that rated themselves 4=Advanced and three that rated 5=Expert.

While the entire OHC organization shows low proficiency in many competency areas, this indicates that there are individuals that possess advanced and expert level proficiency that can be utilized for cross training and educational purposes. Therefore, a recommendation is to include training, job shadowing, mentoring, and/or special projects to further develop the existing staff and increase proficiency in the competency areas identified above.

Technical Competencies – Occupational Series

The OHC Technical Competency Model includes eight core competencies for the GS-0201 Human Resources occupational series to include Human Capital Management, Employee/Labor Relations, Performance Management, Policy & Accountability, Employee Benefits, Recruitment & Placement, Workforce Development, and Position Classification. There are 10 respondents identified as GS-0201, ranging from grades 11 to 15. The figure below identifies the competencies with lowest average proficiency across the GS-0201 occupational series: Performance Management (2.6), Employee Benefits (2.5), Position Classification (2.4), and Employee/Labor Relations (2.0).

Figure 8: Series 0201 Technical Competency Proficiency Levels

The OHC Technical Competency Model includes three core competencies for the GS-0180 Psychologist occupational series to include Administration, Research and Direct Services, and Consultation. Administration and Research and Direct Services have the highest proficiency levels of 5=Expert with Consultation slightly below at 4.8. This indicates a strong proficiency and no gap for the GS-0180 occupation.

As referenced in the Evaluation of EXM's Human Capital Function report, at the organizational level, Data Gathering and Analysis proficiency is identified as a weakness across OHC, however, it is a strength for the GS-0180 occupational series.
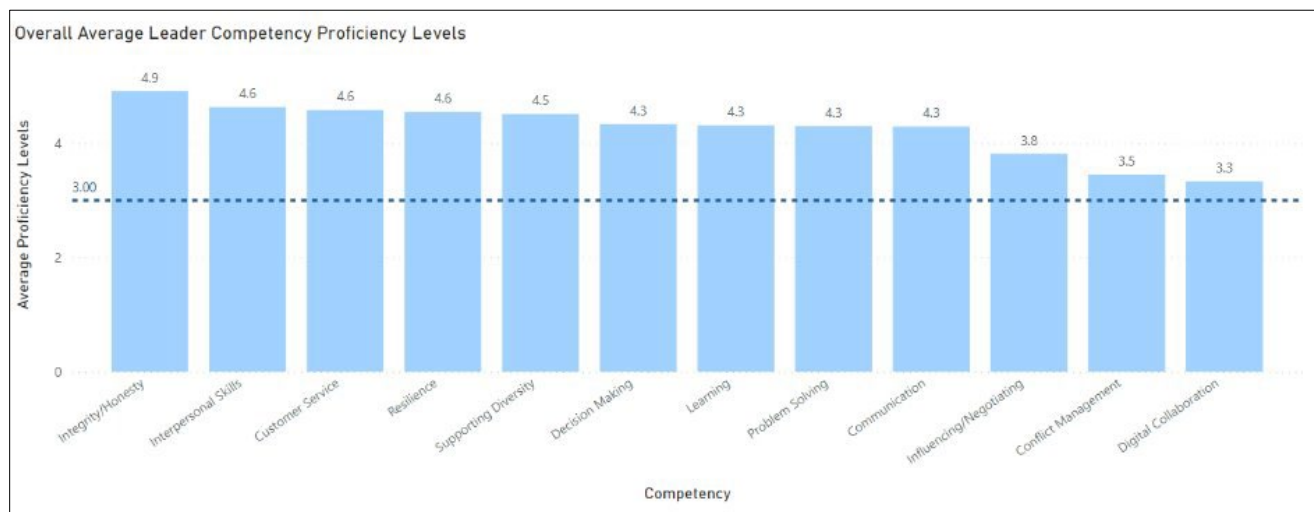
The OHC Technical Competency Model includes two core competencies for the GS-0343 Management & Program Analyst occupational series to include Data Gathering and Analysis and Management Analysis.

Across the OHC organization, Data Gathering and Analysis (3.2) and Management Analysis (3.1) show Intermediate proficiency. While Data Gathering & Analysis is a GS-0343 specific competency, OHC overall is rated as 3.2.

Leader Competencies – Office of Human Capital (OHC) - Overall Results

The figure below shows the overall average proficiency levels for Leader Competencies identified in the Competency Model above. All Leader competencies are above Level 3=Intermediate proficiency. The average proficiency across all Leader competencies is 4.25. The strongest competencies are Integrity/Honest (4.9), Interpersonal Skills, Customer Service, and Resilience (4.6). The competencies with lowest average proficiency are Influencing/Negotiating (3.8), Conflict Management (3.5), and Digital Collaboration (3.3).
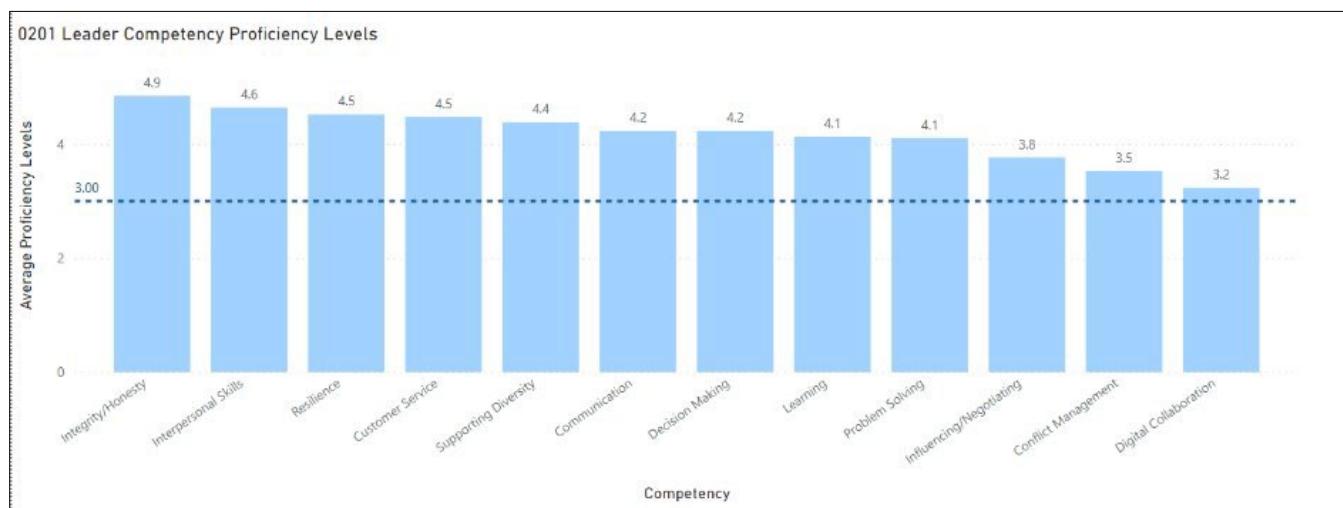
Figure 9: Overall Average Leader Competency Proficiency Levels

Leader Competencies – Occupational Series

The OHC Leader Competency Model applies to all occupational series within OHC. The figure below identifies the average proficiency for the GS-0201, Human Resources, occupational series. There are 10 respondents identified as GS-0201, ranging from grades 11 to 15. All proficiency levels for the GS-0201 occupational series are above Level 3=Intermediate.

Figure 10: Series 0201 Leader Competency Proficiency Levels

0201 Leader Competency Proficiency Levels

Proficiency levels for the GS-0180 occupational series are above Level 4=Advanced except for Conflict Management (3.7) and Digital Collaboration (3.0). At the GS-14 and GS-15 grades, these are identified as gaps.

Proficiency levels for the GS-0343 occupational series are above Level 3=Intermediate except for Conflict Management (2.4). There are no gaps identified for this occupational series.

Leader Competencies - Grade Level Analysis

Viewing average proficiency by grade provides greater detail regarding proficiency levels for the OHC employees as they progress to the next higher grade.

When comparing the average proficiency levels to the recommended target proficiency levels, most competencies show a progression from GS-11 to GS-15 except we see significantly lower average proficiency from GS-13 to GS-14 for all Leader competencies. Only slightly lower (.5 difference) from GS-13 to GS-14 for Digital Collaboration and Integrity/Honesty. There are no gaps identified for GS-11 and GS-13s.

Slight gaps exist (.5 or less) at the GS-14 level for Supporting Diversity and at the GS-15 level for Communication, Influencing/Negotiating, Problem Solving, Resilience, and Supporting Diversity.

Significant gaps exist (great than .5) at the GS-14 level for Learning and Influencing/Negotiating. Significant gaps exist for GS-14 and GS-15 for Conflict Management and Digital Collaboration.
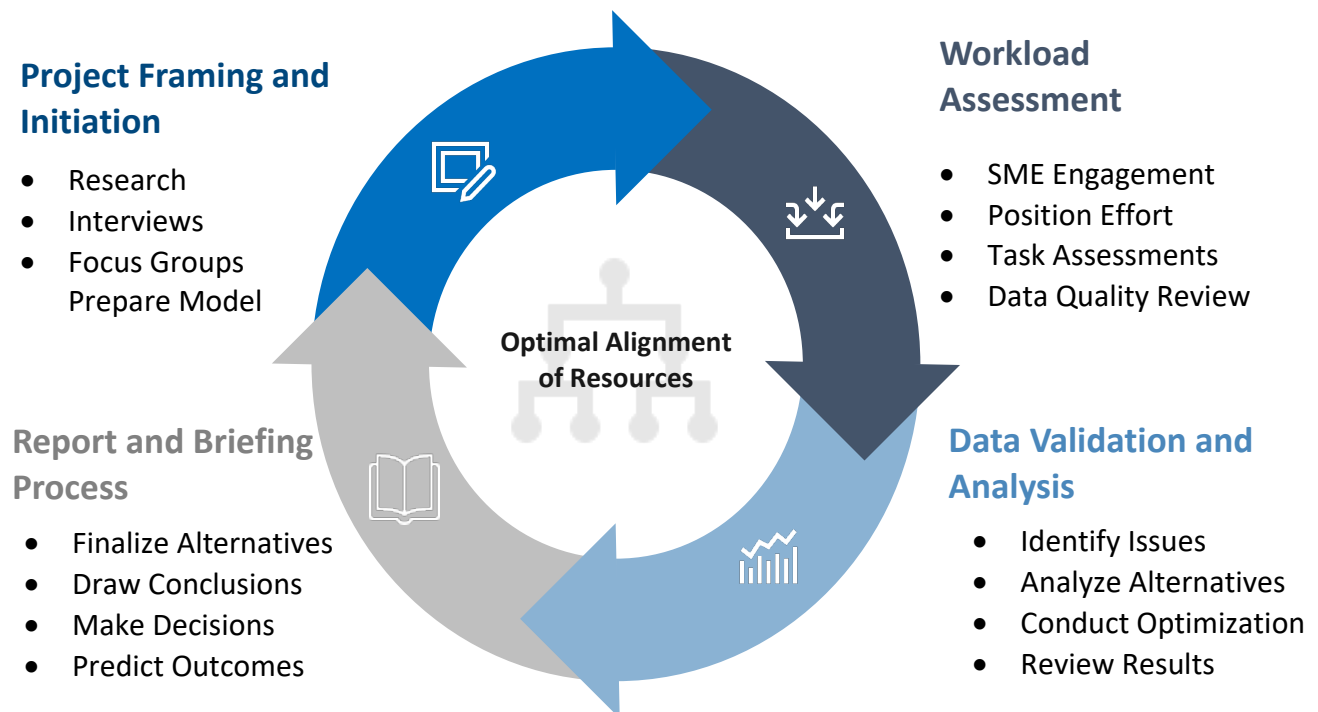
Analysis of the assessment results relied on the combined weighted rating for each competency; supervisor ratings are weighted 60% and self-ratings are weighted 40%. Results were analyzed to compare self and supervisor input showing the variation or "dispersion" of results based on supervisor input and differences from self-input.

Overall, there is little difference between the self and supervisor ratings for Leader competencies except for Learning and Digital Collaboration where self-ratings were slightly higher than supervisor ratings. This may be due to supervisors not having the opportunity to observe specific behaviors.

APPENDIX D: OARS WORKLOAD ASSESSMENT

The workforce and organization assessment consisted of four phases – Project Framing & Initiation, Workload Assessment, Data Validation & Analysis, and Report & Briefing Process (not performed as part of this evaluation), as depicted below and briefly described in the following sections.

Figure 11: OARS Workload Assessment Framework

Project Framing and Initiation

- Research
- Interviews
- Focus Groups
  Prepare Model

Workload Assessment

- SME Engagement
- Position Effort
- Task Assessments
- Data Quality Review

Optimal Alignment of Resources

Report and Briefing Process

- Finalize Alternatives
- Draw Conclusions
- Make Decisions
- Predict Outcomes

Data Validation and Analysis

- Identify Issues
- Analyze Alternatives
- Conduct Optimization
- Review Results

Phase One - Project Framing & Initiation

During the period of November 7, 2023, through March 18, 2024, Serco conducted in-person and virtual interviews with six Senior EXIM Leaders and 10 Office of Human Capital (OHC) personnel in order to understand the operations and critical functions more fully. Questions proposed during the interviews were intended to inform development of a subsequent process that would collect detailed data on EXIM positions, work, and workload. The interviews captured the major workload drivers for each office/division, current challenges, issues with current manpower, and recommendations for improvement.

The interviews yielded valuable information, validating the organizational structure, and clarifying the office's priorities. They also facilitated the development of a Work Breakdown Structure (WBS) to capture all the work of EXIM. Furthermore, the input from the interviews provided insights on various topics such as:

- Work being accomplished
- Workforce performance

- Task workload variability
- Duties & responsibilities
- Skills/experience needed for tasks
- Personnel capabilities, position, skills, and experience

The insights gained from the interviews allowed for tailoring of the data collection to follow and provided qualitative input to the evaluation's findings and recommendations.

Phase Two - Workload Assessment

Phase one research conducted by the evaluation team generated a WBS consisting of 154 work tasks (WBS Level 3). The Level 3 WBS tasks were organized into two functions (WBS Level 1) and 17 sub-functions (WBS Level 2). The result was an accurate and detailed description of the work being accomplished across the organization, and the WBS served as a structural framework for populating the OARS model. SMEs provided work assessment data that aligned against the WBS tasks and included information regarding the personnel and work performed inside of their division.

During data collection, OHC SMEs had the opportunity to align work performed against the OHC Strategic Goals. Other work assessment data was collected that was tailored to provide objective evidence of challenges discovered during the interviews. Each of these questions had broad applicability across EXIM OHC. This data included:

- Performance in terms of OHC's ability to meet demands of quality, quantity, or schedule and any current backlog.
- Potential investments to improve work efficiency in the areas of communications, equipment, process, software/IT, or training.
- Amount of work planned for each task compared to the amount of work perceived as the needed amount to satisfy the requirement.
- Degree of external engagement needed with other entities, such as the Department of Interior (DOI), Office of Personnel Management (OPM), Department of Labor (DOL) and other federal agencies as well other EXIM divisions/offices.
- Ability to successfully perform each task while relying on telework or remote work.
- Amount of work on each task that is inherently governmental and must be performed by a civil servant and should not be contracted labor.
- If the task requires an HR specialization, or if it could it be accomplished effectively by a generalist.

Phase Three - Data Validation & Analysis

There are several methods used to verify that the data collected is complete, consistent, and accurate before using it to determine a manpower requirement. These methods are applied first during the Data Collection Phase of the study and extend into the Analysis phase. Each method, in the approximate order in which it is applied, is summarized below:

Qualitative and Quantitative. While quantitative data is preferred for analysis, the study team also considered other information gained from interviews, discussions, research, and general observations. This provided the evaluation team with insights as to data accuracy, potential omissions, and deeper context.

Census v. Survey. Data was gathered at the position level of detail from task leads acting as SMEs who understand the work, know who is doing the work, and are facing current challenges associated with the work. The analysis included the total OHC workforce and did not rely on any sampling to infer population statistics. OHC SMEs provided workload data and work assessment data on the entire OHC workforce as well as funded vacant positions.

Data Collection Training. The evaluation team provided a detailed training session on the data collection process, reviewing the mechanics of the data collection, how to interpret each data element, and generally how the data was to be used.

Performance Assessment. While most manpower analyses only gather data on what is being done, the evaluation team also collected data on performance of each organization's ability to meet needs of quantity, quantity, and schedule. Any backlog was also captured on a task-by-task basis along with any unperformed, but required, work.

Post Data Collection Data Review. Immediately after the data collection period, the data was reviewed. This provided a view to confirm the data captured was complete and accurate. Several adjustments were made as a result of this process.

Federal Agency Benchmarking of Common Functions. Most major functions that are administrative in nature are common to virtually all federal agencies, such as Human Resources. The evaluation team conducted benchmarking of these functions from previous studies and found that for the functions of HR, Data and Research, DEI&A, Strategic Planning, and Consulting, there were many common job tasks and functions. The proportion of OHC staff to total funded FTE at EXIM is very similar to other federal organizations of similar size.

Successful results from the application of each of these methods assured the evaluation team that the data used for the analysis and recommendations was complete, consistent, and accurate.

ABBREVIATIONS

CFR   Code of Federal Regulations

CHCO   Chief Human Capital Officer

CY   Calendar Year

DOI   Department of the Interior

E2E   End-to-End

eOPF   Electronic Official Personnel Folder

EXIM   Export-Import Bank of the United States

FDIC   Federal Deposit Insurance Corporation

FEVS   Federal Employee Viewpoint Survey

FTE   Full-Time Equivalent

FWPR   Federal Workforce Priorities Report

FY   Fiscal Year

GAO   Government Accountability Office

HCF   Human Capital Framework

HCOP   Human Capital Operating Plan

HR   Human Resources

HRIS   Human Resources Information System

IDP   Individual Development Plan

MCO   Mission Critical Occupation

OARS   Organization Optimization and Alignment of Resources

OIG   Office of Inspector General

OHC   Office of Human Capital

OMB   Office of Management and Budget

OPM   Office of Personnel Management

PDF   Portable Document Format

ROI   Return on Investment

RTO   Return to Office

SF   Standard Form

SME   Subject Matter Expert

SOP   Standard Operating Procedures

USC   United States Code

WBS   Work Breakdown Structure

WTTS   Workforce Transformation and Tracking System

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