

# Overcoming the Challenges of Human Capital Management in the Federal Government



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## Introduction

Human Capital Management (HCM) modernization redesigns and improves processes across the HCM lifecycle, from manpower planning to recruiting, training, talent management, benefits administration, and payroll. The improved efficiency of HCM functions in turn increases human resources (HR) productivity, reduces errors that affect employees' morale and financial benefits, and streamlines HR delivery and management for the benefit of the organization's operational mission.

CACI HCM has partnered with U.S. Government customers for more than two decades. We have been both an observer and a direct participant in HCM's evolution. Today's full-scale HCM modernization efforts include a comprehensive set of services that require broad expertise that includes cloud migration, system integration and configuration, workforce planning and modeling, business process redesign and outsourcing, and recruitment marketing and talent management.

It's important to modernize both functional processes as well as the integrated systems used to support every HCM function. Optimizing both elements is critical to operational success. An optimized HR function identifies and recruits highly qualified candidates, manages factors that lead to professional growth, retains the most talented employees, and improves overall employee morale, all of which contribute heavily to mission success.

The pressure to modernize the human capital function is shared by both private and federal sectors, but it is arguable that the federal sector is more complex. Portions of the U.S. Government currently rely on legacy systems and business processes that have not kept pace with best practices. This adds another layer of complexity into modernization: business processes that were sufficient in the past can no longer keep up with the speed and agility required today. This is true not only in federal civilian agencies, but components of the Department of Defense (DoD) as well. In fact, unique DoD HR processes require an approach to modernization that cannot be found elsewhere in either the federal government or private sectors.

CACI's experience in federal HCM modernization has identified several inflection points to consider prior to the launch of a comprehensive HCM modernization effort:

- **Process Efficiency:** Achieving greater productivity in smaller timeframes
- **Recruitment Marketing:** Filling the recruitment pipeline with qualified leads
- **Federal HCM Expertise:** Meeting special regulatory requirements
- **Single Award Contracting:** Concentrating the implementation team

Each of these four inflection points are critical, but they are sometimes overlooked in HCM modernization.

## Achieve Greater Productivity in Smaller Timeframes

HCM modernization initiatives establish efficiencies not realized with legacy systems and processes. Implementing employee self-service, automated workflows, and similar efficiencies in the context of new technology platforms and legislative requirements can be challenging. Creative analysis can help bring these modernizations to fruition. Business process reengineering (BPR) and robotic process automation (RPA) can be leveraged to make all components function as one seamless system.

BPR dissects and analyzes business processes through modeling and simulation. It provides an opportunity to analyze HR processes to identify incremental, low-risk improvements. Simulation models are based on quantitative analysis to rapidly analyze bottlenecks, cycle time, resource constraints, and throughput from isolated subprocesses. More advanced modeling features constraint-based optimization, which allows the isolation and manipulation of multiple variables (i.e., response time, cost, resource utilization).

For example, BPR has been leveraged in one federal agency to reduce the time-to-fill for new hires from 72 days to 25 days, with 95 percent of all vacancies filled in 31 days vs. 92. In addition, process modeling and simulation activities enhance communication, helping stakeholders and users visualize and understand how the new processes will work end-to-end, reducing resistance to change. It is important to use BPR in conjunction with systems modernization to adapt and align the specialized federal processes as much as possible to fit with commercial-off-the-shelf (COTS) and software-as-a-service (SaaS) solutions. Without the alignment and adaptation of the process, expensive customizations and delays can result in the modernization effort.

RPA, on the other hand, completely removes users from the equation by automating repetitive, but labor-intensive tasks. Bots have the potential to achieve cost savings equivalent to the cost of several full-time employees. Employees who traditionally handle the work taken over by bots are redirected to provide services of greater value. It is advisable to consider RPA solutions as BPR activities are being done to find the process steps that can benefit from RPA.

BPR and RPA are essential tools in HCM modernization. When systems are replaced and processes require change, the application of these tools will match systems to processes, simplify transactional processes, and create greater degrees of efficiency in the HCM value chain.

### TYPICAL TIME-TO-FILL NEW HIRES

FEDERAL AGENCY



WITH CACI BPR



## Fill the Recruitment Pipeline with Qualified Candidates

Federal agencies operating at the local level create a recruitment footprint that spans the country and often includes every major metropolitan area. This creates a complex recruiting challenge. The best recruitment model is to plan nationally and act locally. When reinforced through software systems, this model creates a recruitment program that is strategically driven by data and professional branding, while leaving enough flexibility for local recruiters to operate at the local level.

The recruitment marketing function is the front end of the recruitment cycle. As such, its success is critical to the success of HCM.

National-level recruitment functions include market research, advertising templates, media relations/social media, and brand identity. An optimized web-based system reinforces brand identity, while offering templates that are open ended (such as contact information or calls to action) to allow local teams to add their own data, and includes other recruiting collateral to empower recruiters in the field.

The U.S. Government requirement to use USAJOBS as a job-posting platform is another challenge due to the system's poor visibility with labor markets, its ease-of-use issues, and inability to capture standard success metrics. A web-based COTS recruitment marketing platform with customer relationship management (CRM) functionality mitigates these issues and provides a variety of exceptional benefits to improve the efficiency of recruitment marketing:

- Seamless integration to existing talent acquisition tools
- Hosting for careers and related pages, while providing control and easy customization
- Streamlined recruiting process by enhancing candidate experience, resulting in increased applications and hires
- Technology-driven candidate experience, including job matching and communications available with mobile and text capability
- Advanced sourcing capability and persistent searches integrated with multiple databases and third-party sites
- CRM that can facilitate both high-volume and highly customizable campaigns for active and passive candidates (both internal and external), with the ability to easily manage and track talent communities
- Talent insight, analytics, and dashboards that provide easily configurable reports on all data fields
- Events management capabilities, including campaigns, scheduling interviews, and easy upload of prospects via scan or photo
- Internal candidate platform that provides a seamless internal candidate experience with the Applicant Tracking System (ATS)

- Referral capabilities that facilitate both employee and non-employee submission of referred candidate to a job requisition or to a referral talent community

The recruitment marketing function is the front end of the recruitment cycle. As such, its success is critical to the success of HCM. Planning nationally and executing locally with a system built specifically to improve brand management and talent analytics will give the recruitment marketing function the necessary fuel for peak performance.

## Meet Special Regulatory Requirements

HCM practices in the federal sector differ greatly from private-sector HCM practices. Title 5 of the U.S. Code (5 USC) establishes law for all federal civil service employment matters (just as Title 10 covers the same for military services). Title 5 is the driving force behind the broader scope of federal HCM, as well as its finer details. Private-sector companies do not fall under the same strict guidelines. How well a service provider understands Title 5 requirements will largely determine the degree to which services reinforce federal policy.

The service provider's experience will determine the degree to which it can:

- Recommend SaaS solutions
- Migrate legacy data to modernized platforms
- Configure/align/customize COTS functionality to government processes
- Reengineer/redesign human capital business processes to provide compliance with Title 5 while minimizing customization of a COTS and/or SaaS solution

In particular, 5 USC Part III covers myriad legislative directives that form the foundation of federal HCM, from performance appraisals and incentive awards to insurance and annuities. The implementation of these legislative directives and all others under 5 USC is further complicated by the cascading effect of policy decisions, as agencies and departments are able to establish additional policies to meet legislative requirements under their own set of unique priorities and their own policies to enact the law. The Office of Personnel Management also has a role to play, setting guidance and policy for discrete human capital functions and managing the clearance process for most federal agencies.

Under these conditions, the differences between standard private-sector processes and federal processes must be established. Critical differences include:

- **Performance Management:** Private-sector processes differ from one organization to the next. Federal processes, however, follow a specific review and documentation process. If issues persist, federal employees are entitled to review and appeal, and possibly request arbitration for decisions—all of which must be accounted for in systems and processes.

- **Retirement Obligations:** Except for Social Security, the private sector has no retirement obligation standards. Federal processes are different and distinct. The Federal Employees Retirement System is a three-tiered plan and each plan is administered to tightly regulated policy, which must be reinforced through HR functions.
- **Audit Preparedness:** Private-sector audit preparation focuses on preservation of payroll data, whereas federal processes include payroll and paystub, in addition to investigating just compensation, the availability and ease of employee access to payroll documents, and the efficiency of the process.

The differences between commercial and federal HCM continue with the migration of legacy data to the cloud and COTS product optimization for federal processes and requirements. It is not always advisable to move all data and processes wholesale to a commercial platform. Although vendors have taken strides to accommodate federal requirements, some are simply not ready to support human capital processes from hire to retire. A phased approach to migration can mitigate these risks and remain proactive for future progress.

Consideration also must be given to the unique requirements at the transactional level, which tend to be more complex than commercial transactions. Federal Personnel Action Requests are needed to add, update, or change employee data, which requires specific forms and workflow processes to manage routing and approvals. Position management transactions, while not entirely unique to the federal sector, must support federal budgeting and Anti-Deficiency Act requirements.

Additional federal challenges include:

- Cyber certification and compliance requirements
- Integration with Common Access Card and/or Personal Identity Verification card authentication solutions
- Compliance with Standard Financial Information Structure and Common Human Resources Information Standards requirements
- Workflow processing for job data personnel actions fully supporting Standard Form (SF) 52 and SF 50 processing

To simplify, federal HCM is distinct from the private sector in law, policy, and functions, which means the wholesale adoption of private-sector best practices will not and cannot result in positive forward movement unless each of the differences is strategically managed.

## Concentrate the Implementation Team

The benefits of single award contract vehicles to the government are well known: reduced time in procurement activities and reduced contract administration/management after award, both of which yield lower cost and more efficient use of government resources. Yet, issuing multiple award contract vehicles is tempting when the scope of services seems to require specialized skill sets and experience, as is the case in large HCM modernization efforts.

There have been successful multi-award HCM modernization contract vehicles, but there also have been disappointments. Potential difficulties include:

- Lack of a single source of accountability for the entire effort
- Lack of coordination among service providers when project dependencies cross corporate boundaries
- Varying communication styles and nomenclature common across multiple service providers, resulting in reduced communication effectiveness
- Turf wars, political battles, and legal complications

Despite the best efforts and intentions of firms working within a multi-award contract vehicle, complications that can lead to a materially negative impact on the project include:

- Missed deadlines and launch delays
- Reduced attention to finer details
- Inefficiencies resulting from false starts
- Technical errors that impact user experience
- User mistrust and resistance
- Lack of preparedness for future improvements

All the complications listed above can be mitigated with a single award vehicle and a thorough vetting of competing service providers to identify which one has the best the past performance and skill sets to support all contract requirements.



## Conclusion

Through our more than two decades of HCM modernization experience, CACI has built a transformation model that benefited customers in federal civilian and DoD HCM. While our systems integration experience is at the core of our services, the four inflection points discussed above have proven to be key differentiators in the success of multiple programs. Extensive experience with BPR and RPA, an award-winning recruitment marketing strategy, offering single-source awards, and deep knowledge of Title 5 and Title 10, have combined to create a model that is unmatched in the marketplace.

CACI has been chosen by both the U.S. Army and U.S. Navy to execute systems integration and lead HCM modernization programs, two of the largest HCM transformation efforts in the U.S. Government. In addition to the federal HCM differences pointed out in this paper, the DoD HCM processes bring even more unique requirements and processes. Our understanding and technical approaches for dealing with the unique DoD end-to-end HCM processes with modernization uniquely qualify CACI to help federal agencies transform and modernize their HCM processes and systems.





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