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# Agencies' Personnel Management Can Be Enhanced By Improving The Evaluation Process

B-179810

Civil Service Commission

*UNITED STATES  
GENERAL ACCOUNTING OFFICE*

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SEPT. 17, 1974



UNITED STATES GENERAL ACCOUNTING OFFICE

WASHINGTON, D.C. 20548

RESOURCES AND ECONOMIC  
DEVELOPMENT DIVISION

B-179810

u The Honorable  
Chairman, United States Civil <sup>13</sup>  
Service Commission

Dear Mr. Chairman:

This is our report entitled "Agencies' Personnel Management Can Be Enhanced By Improving The Evaluation Process."

This report contains recommendations to you which are sent forth on page 23. As you know, section 236 of the Legislative Reorganization Act of 1970 requires the head of a Federal agency to submit a written statement on actions he has taken on our recommendations to the House and Senate Committees on Government Operations not later than 60 days after the date of the report, and the House and Senate Committees on Appropriations with the agency's first request for appropriations made more than 60 days after the date of the report.

We are sending copies of this report to the Director, Office of Management and Budget and the Chairmen, House and Senate Committees on Appropriations, Post Office and Civil Service, and Government Operations.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Forrest R. Browne".

Forrest R. Browne  
Director

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ABBREVIATIONS

GAO      General Accounting Office  
OMB      Office of Management and Budget  
PME      personnel management evaluation

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GENERAL ACCOUNTING OFFICE  
REPORT TO THE CHAIRMAN  
CIVIL SERVICE COMMISSION

AGENCIES' PERSONNEL  
MANAGEMENT CAN BE ENHANCED BY  
IMPROVING THE EVALUATION PROCESS  
Civil Service Commission  
B-179810

D I G E S T

WHY THE REVIEW WAS MADE

The Civil Service Commission is responsible for setting personnel management policy for Federal departments and agencies and for making sure the policy is carried out. From the Commission's standpoint, personnel management evaluation (PME) is a principal means of establishing and controlling Federal personnel policy.

GAO undertook this review to determine whether the Commission's evaluations are leading to improved personnel management in the Federal Government and whether the evaluations are identifying the most critical areas needing improvement.

FINDINGS AND CONCLUSIONS

The Commission has evaluated personnel management for many years. In a October 9, 1969, memorandum, the President re-emphasized the importance of this function to agency heads. In addition to strengthening the Commission's role as the overseer of personnel management effectiveness, he called upon agency heads to strengthen an evaluation process that was to be carried out principally by the agencies themselves.

The Commission is required to (1) set standards, (2) assess the adequacy of agency systems, (3) maintain capability to make independent reviews of agency effectiveness, and (4) conduct research into and develop improved evaluation techniques.

GAO believes the Commission has done a good job of establishing standards and goals for the evaluation process. However, at the time the review was completed in June 1973 there was little progress beyond this.

GAO found that:

- Agencies have done less than they should have to develop acceptable personnel management evaluation systems and the Commission has spent relatively little effort to improve agencies' systems.
- The Commission's emphasis has been placed on onsite evaluations of agencies' personnel management, a job too big for its staff alone, and one that agencies should bear a major responsibility for doing themselves.
- The Commission's approach and certain practices in the past have detracted from the

effectiveness of its evaluations because of (1) the strong emphasis placed on obtaining agency cooperation and participation in its reviews and (2) several weaknesses in its reporting practices.

The Commission has recognized the need to improve the PME process and has adopted this as a principal objective for fiscal year 1974 and beyond. Its actions in the latter part of fiscal year 1973 have carried over into fiscal years 1974-75 and have strengthened the process.

Some of these actions include:

- Adoption of a stronger stance with agencies, particularly where clear violations of merit principles are involved.
- Reports on the initial appraisal of the PME system in the "big 20" agencies by June 30, 1974, and a follow-on involving tests of the systems in existence at the field level during fiscal year 1975.
- Several experiments, planned or underway, that attempt to improve methods for appraising and evaluating personnel management on a broader basis.

#### RECOMMENDATIONS

We recommend that, to achieve the broad objectives of personnel management in agencies, the Commission should:

- Continue with its recent effort to assist agencies to establish and direct their own PME systems, assess the adequacy of the agency systems, and require improvement, where necessary.
- Continue with its efforts to develop improved methods of PME to measure agencies' progress in meeting the objectives of personnel management.
- Change the emphasis of its supplemental and complementary reviews of personnel management in agencies from reviewing those areas that are believed to be problems to appraising the extent to which the broad purposes of personnel management are being achieved. The Commission is moving in this direction. When making the reviews and preparing the reports, the Commission should consider the problems in its present approach and practices as set out in this report. Of particular importance are its (1) independent viewpoint and (2) weaknesses in field-reporting practices.
- 2-27  
--Advise the Office of Management and Budget periodically on the status of PME systems in each agency and on matters of obvious interest related to its appraisals of agency management.

GAO believes that effective PME systems are critical to good personnel management. Actions taken by the Commission since the midfiscal year 1973 assessment of progress under the President's 1969 memorandum are in this direction. GAO is planning a continuing program to monitor progress, particularly in agencies.

## CHAPTER 1

### INTRODUCTION

We have reviewed the practices followed in evaluating the effectiveness of personnel management. This review has centered principally on the Civil Service Commission's role in carrying out this function in the Federal Government but has also considered to a lesser extent the role of agencies.

From the Commission's standpoint, personnel management evaluation (PME) is a principal means of establishing and controlling Federal personnel policy. PME is carried out by the Bureau of Personnel Management Evaluation and specifically assigned regional office staff of the Commission. The Bureau, with evaluation branches in the 10 regions, is composed of 300 evaluators and supporting staff, or about 5 percent of the Commission's total workforce. This includes some part-time employees, such as specialists from other Commission bureaus. The Bureau determines whether agencies are attaining the objectives of personnel management and identifies policies and practices that need to be improved or changed.

The Commission, by a number of acts of Congress and Executive orders (particularly the President's October 9, 1969, memorandum), has been directed to enforce the requirements of certain laws and to exercise leadership over personnel management in the Federal departments (with the exception of the Department of State), most independent agencies, and the Executive Office of the President. Included are about 2,800 agency installations having 50 or more employees- a total of about 2 million employees. Before fiscal year 1972, the Commission was also responsible for the U.S. Postal Service which consisted of 1,240 post office installations of 50 or more employees.

With respect to PMEs, this leadership role requires that the Commission

- establish standards for adequate evaluation systems,
- conduct research in and develop methods for evaluating personnel management,

- insure that persons who engage in personnel management evaluation are properly qualified and receive necessary training,
- assess the adequacy of agency evaluation systems and require necessary improvement,
- maintain capability to make independent evaluations of agency personnel management effectiveness and to supplement and complement agency efforts, and
- collaborate and coordinate its efforts with that of the Office of Management and Budget (OMB).

Chapter 250 of the Federal Personnel Manual outlines the broad purposes of personnel management in the form of objectives that require

- the maintenance of a public service of high competence and character;
- direct and effective contributions to agency missions and programs;
- encouragement of an attitude of public service in managers, supervisors, and employees;
- the wise and economical use of manpower;
- a work environment that stimulates initiative, imagination, productivity, personal development, and cost consciousness;
- fair treatment of employees to help them to achieve personal satisfaction and pride in their work and to enhance their opportunities for advancement; and
- effective relationships with employee unions.

The roles and responsibilities of the agency head, managers, firstline supervisors, and personnel officers in attaining these goals are defined. Personnel management is further defined in chapter 250 in terms of the broad elements of planning, operations, and evaluations. Evaluation is



described as the function of measuring progress toward goals established by the agency head consistent with the objectives outlined above.

Each agency is required to establish a PME system that will meet the Commission's objectives. In addition to assessing the adequacy of agency PME systems, the Commission is to mesh its own personnel management evaluations with those of the agency.

#### SCOPE OF REVIEW

We reviewed the Commission's instructions and regulations and evaluated its policies, procedures, and practices in administering a PME program. We reviewed selected evaluation reports issued by seven Commission regional offices and overview reports of the Bureau.

Our review was performed at Commission headquarters in Washington, D. C., and at seven Commission regional offices--Atlanta, Chicago, Dallas, New York, Philadelphia, San Francisco, and St. Louis. In addition, we interviewed officials of the Commission and of many agencies.

## CHAPTER 2

### THE EVALUATION PROCESS NEEDS IMPROVEMENT

The President's October 9, 1969, memorandum places the Commission in the role of overseer of an evaluation process to be carried out principally by agencies. The Commission is required to (1) set standards, (2) assess the adequacy of agency systems and require improvement, (3) conduct research in and develop methods for evaluating personnel management, and (4) maintain capability to make independent reviews of agency effectiveness. Agencies are required to establish their own PME systems in accordance with the Commission's standards.

### ESTABLISHMENT OF STANDARDS FOR THE PME SYSTEMS

Chapter 250 of the Federal Personnel Manual outlines the purposes and objectives of personnel management and defines the roles and responsibilities of the agency head, managers, firstline supervisors, and personnel officers in attaining these goals. The chapter also defines personnel management in terms of planning, operations, and evaluations. Each agency head in establishing an evaluation system is required to (1) state in writing the personnel management goals supporting the agency mission, (2) develop and publish a written evaluation plan, (3) provide the capabilities for effective evaluation, and (4) implement the system.

The Commission has done a good job in establishing these goals and defining responsibilities for the evaluation process as required by the President's memorandum.

### COMMISSION ASSESSMENT OF AGENCY PME SYSTEMS

The Commission is responsible for assessing the adequacy of agency evaluation systems. Of 23 overview reports issued by the Commission in 1972 and 1973, 12 commented on the evaluation system. Of these 12, 7 found the agency PME systems to be less than adequate. Commission field reports seldom comment on the agency PME system. Field evaluators told us that they comment on the system

where they find it, and this would indicate that there are often no visible results of agency systems at the field level.

In a January 1973 bulletin to heads of departments and independent establishments, the Commission requested progress reports from the principal agencies on their specific evaluation activities, progress and results achieved, remaining problem areas, and further plans for action. A Commission appraisal of agencies' responses indicated that new efforts are needed to strengthen and improve the role of evaluation in improving personnel management effectiveness.

The Commission's appraisal also disclosed that:

"Federal agencies, almost without exception, have developed and published personnel management goals and evaluation plans meeting the minimum requirements spelled out in PME Chapter 250. \* \* \* However, evaluation systems are not yet fully effective in many of the major departments and agencies. Smaller agencies, by and large have not yet developed fully practical, comprehensive approaches which take into account their unique needs and resource limitations. In addition, basic limitations in the concept and design of evaluation systems have resulted in less than full realization of their potential for improving personnel management."

The Commission's plans for fiscal year 1974 emphasized improving the effectiveness of PME systems in both large and small agencies. Fact-finding work was planned at 20 large departments and agencies employing 93 percent of the civilian workforce in the executive branch. A model system for evaluating personnel management in smaller agencies was to be developed and tested. The Commission has advised us that reports on the onsite fact findings at the 20 agencies will be going to the agencies by June 30, 1974. Plans for fiscal year 1975 also provide for using resources normally available for nationwide evaluations on assessment reviews of agency PME systems.

The Commission efforts in appraising the status of PME systems are a good start in the direction of improving personnel management in the Federal Government. We agree also with the Commission's plans to devote considerably more of its efforts to improving agency PME systems. The Federal personnel system is so vast that there is little possibility of a single agency, such as the Commission, giving adequate coverage to it unless there is an effective PME system within each agency.

NEED FOR RESEARCH IN AND  
DEVELOPMENT OF  
METHODS FOR PME

The President's memorandum which gave the Commission the responsibility to conduct research in and to develop methods for evaluating personnel management has resulted in the development of improved evaluation methods. It has not resulted in the development of an effective way of measuring whether the Commission or the agencies' evaluation proposals do, in fact, improve personnel management.

The Commission's improvements include refinements to the questionnaire approach; improvements in automatic data processing, data handling, and analysis capabilities; introduction of certain behavioral science techniques in the evaluation process; and the development of the "special study" approach.

The Commission has recognized that the approach to evaluations can be improved by developing a better way to measure results, and it has not neglected this area. For example, a report was issued in April 1974 (on the basis of work initiated at a large agency in fiscal year 1972) about a Commission-conducted experiment designed to measure the impact of regular Commission evaluations. The study concluded that if success is reached in developing a framework for measuring evaluation impact, it could prove useful in helping to (1) identify which agencies should be surveyed, (2) measure the effectiveness of agency evaluation systems, (3) identify significant problems, causes and underlying process, and (4) convince agencies that problems are significant.

Our recent review of Commission PME reports surfaced two practices that would appear to impede results measurement. The Commission should consider these practices when developing a better way to measure results. In the first instance, the Commission has been very successful in obtaining agreement with agencies about particular problems and potential solutions. Little disagreement between agencies and the Commission was evidenced in most Commission reports. Further, the Commission tended to rely on agencies' promises and progress reports (sometimes verbal) rather than its own followup. Our review of 23 overview reports issued during fiscal years 1972 and 1973 disclosed that only 4 commented on previous findings and recommendations. For example, one report in fiscal year 1972 stated that the agency had made only "paper" progress, such as issuing regulations, with little evidence of any real improvement. Another report in 1973 said that its findings in 1968 had "persisted and grown." The Commission told us that current practice directly addresses this deficiency because of strengthened followup procedures.

The second practice that impedes results measurement is the "problem oriented" approach. The Commission has established broad objectives for good personnel management, but in the past it has not attempted to determine in its evaluation process whether these objectives are being achieved. Instead the Commission established more limited objectives for each year's nationwide evaluation program on the basis of what it perceived to be likely problems. Thus, different objectives are established for each agency reviewed in a given year and also for reviews made of the same agency several years apart. The Commission told us that current practice is attempting to overcome whatever deficiencies the earlier approach entailed.

Commission recordkeeping practices are not designed to trace all the factors that lead to the selection of a particular problem area for review. The Commission identifies problems through discussion with agencies at both field and headquarters level, reviews of previous evaluation findings, particular knowledge about an agency at field or headquarters level, analysis of agency data, etc. The kinds of problems identified for review include career and promotion programs, equal employment opportunity,

training, employee relations and services, performance evaluations, position classifications, recruiting, personnel management leadership, hiring handicapped and Vietnam veterans, incentive awards and suggestions, labor-management relations, and staffing.

For instance, a recent Commission study on a particular agency found that in the headquarters office:

- There was a tendency to organize work in extremely small units--resulting in poor use of professional skill and poor communication and improper classification.
- Professional employees were being used for nonprofessional work.
- There was poor use and development of attorneys and engineers.
- Certain personnel practices were weakening the role of supervisors.
- There was a failure to meet responsibilities to employees in career development and training.
- The administration of the promotion plan did not insure equity.

The report concludes that:

"We found many serious problems in the way the agency manages its human resources. Equally significant, however, we found a current strong commitment has been translated into positive action and proposals that will have a significant impact on the management of the agency's work and its people."

The report went on to cite several of the actions or proposals.

This approach to evaluations is inconsistent and makes it difficult to compare effectiveness of or to measure improvement in personnel management. The Commission believes, and we agree, that there is a direct relationship between the broad purposes of personnel management and effective agency operations. The Commission needs to intensify its efforts in devising methods for measuring the extent to which the broad purposes of personnel management can be achieved. Such an approach will require improved evaluation systems in agencies and probably additional research into improved evaluation techniques. The Commission told us that current efforts of its evaluation staff address this concern; a considerable effort was devoted in fiscal year 1974 to developing improved evaluation methods, and this work is being carried forward in fiscal year 1975.

### CHAPTER 3

#### COMMISSION APPROACH TO EVALUATIONS CAN BE IMPROVED

The Commission emphasized reviewing agencies personnel management, rather than researching and developing methods to help agencies improve their PME systems. During 1972 Commission regional offices issued 293 feeder reports on nationwide reviews of agency installations, including 77 regional option reports. The Bureau issued 19 nationwide (overview) reports on specific agencies. Regional offices and the Bureau issued 489 special reports on reviews in installations of agencies, and the Bureau issued 3 summary reports to Commission program directors on special studies covered in some of the regional offices and Bureau special reports. In all, the regional offices and the Bureau issued 804 reports in fiscal year 1972, including 22 summary reports issued by the Bureau.

The Commission's approach to PME management in agencies is to select for review those areas that it considered problems and to solicit throughout its reviews as much agency cooperation as possible. This is basically a sound approach, but such emphasis may be affecting the Commission's independence.

#### COMMISSION INDEPENDENCE NEEDS TO BE ASSERTED

Commission instructions provide for agency involvement at all levels of the review--from negotiating the locations to be covered in nationwide reviews, to direct participation of agency employees in the reviews, as well as in negotiating survey outcomes. The instructions state that the survey team leaders should use scheduling letters, presurvey visits, discussions with top management and personnel staff, and opening conferences to "encourage problem identification and set the stage for working cooperatively toward problem solution." During the survey the team leaders are encouraged to discuss findings with agency managers and staff specialists and to jointly develop alternative solutions to problems. Also, before the end of the survey, "Every effort should be made to get agreement and commitment to definite courses of action.\* \* \*."



While we agree with the importance of obtaining cooperation where possible, independence is also important to the evaluation process. We believe that the desire for cooperation, coupled with the incomplete support for findings (see chapter 4), has, at least in some cases, detracted from the Commission's independence and objectivity. For example, in one region, several findings were deleted from the action plan of a review and communicated to the Commission's central office through an addendum to the report. The items included (1) no provision for career ladders, (2) inadequate position management, and (3) lower graded personnel not familiar with personnel procedures. Commission regional officials disclosed that these findings were deleted from the 1972 action plan, because the agency's management disagreed with them. We found no evidence in the report file to show that the problems were resolved or even discussed at the central office. Staff members in the region indicated that this is a regular practice. However, due to a lack of documentation in evaluation files, we were unable to determine its extent.

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In another instance, a memorandum to the Bureau from a region stated that an agency's personnel officer was incompetent and would be hard pressed to find or perform similar duties in a stateside agency. This problem was never dealt with in the region's report to the agency.

It appears that the Commission has approached its PMEs from the standpoint of a management consultant rather than an independent evaluator. While the Commission does have both a consultative and evaluative role, the latter requires that a firm stand be taken, on the basis of factual evidence, on important issues regardless of agency opposition if progress is to be measured in personnel management.

Recent actions show that the Commission also recognizes the need to improve in this area. The Executive Director has issued a strong statement pointing out to agencies their responsibilities to comply with the law and merit principles. The Commission has issued several recent reports that took strong issue with two agencies' recruiting practices in the face of considerable agency opposition. The Commission also has told us that they are improving followup and documentation procedures.

## RELATIONSHIP WITH OMB

Under the President's October 9, 1969, memorandum, the Commission has the responsibility to exercise leadership over PME in the executive branch and to collaborate and coordinate its efforts with those of OMB. It appears that the Commission should be regularly advising OMB about the status of PME systems and evaluations of the effectiveness of personnel management in individual agencies. OMB in turn, as part of its function of aiding the President to bring about more efficient and economical conduct of Government service, should consider the Commission suggestions in its appraisals of agency management.

The Federal work force, excluding the Post Office and Military, represents an annual expenditure of about \$32 billion, a very sizable part of the Federal budget. For a number of years OMB has been attempting to control the size and cost of this work force by using ceilings and average grade limitations. A number of instances in Commission reports criticized overgrading and overstaffing practices, matters that OMB would seem to be interested in. Furthermore, the effective management of the Federal work force to a large extent holds the key to effective management of Government programs. Commission reports cited several bad personnel practices on which OMB could and should use its influence. We would include among these the absence of a way for agencies to police their own personnel practices, morale problems with an obvious effect on program accomplishment, and organizational problems that disrupt good personnel management.

## CHAPTER 4

### WEAKNESSES IN COMMISSION REPORTING PRACTICES

Commission instructions are designed to provide a structured but flexible format for reporting on Commission evaluations. Although most region reports follow this format, they are not required to do so. Sometimes the reports take the form of "action plans" which (1) list some good and bad agency practices (not all inclusive), (2) state what needs to be done about the bad practices, and (3) contain a commitment from the agency for improvement. Sometimes joint (agency and Commission) reports are issued. The joint reports and action plans are usually signed by both Commission and agency representatives. Occasionally, the agency conducts the reviews with Commission participation and issues and signs the reports.

Commission overview reports are compilations of the results of field reviews and reports and reviews and discussions at agency headquarters. Normally 20 to 60 field reports are involved in a particular overview report but the number might be greater or lesser in a particular instance.

We examined about 128 field reports selected at random. These reports were issued during fiscal years 1969-72, but we emphasized the more recent ones. We found several weaknesses in field reporting practices, principally the lack of support for work done and agreements negotiated. Since field reports are the principal ingredient of overview reports, these weaknesses in reporting practices have contributed to apparent inconsistencies in Commission overview reports.

#### DATA BASE

In most cases we examined, the files did not contain enough data to support the Commission findings. Any available data was not cross-referenced to the report. The following conclusions are based on the examination of those files that were available. Specifically, we found that:

- Interviews are a principal evaluation method. Although Commission instructions suggest that the results of interviews be recorded, this is seldom done. In some cases interviewers' rough notes were in the files but there was little to indicate who had been interviewed, why, or what, if anything, the interviewer learned.
- Most report files contained the results of employee questionnaires, but the results of the questionnaires were usually not referred to in the report.
- Other data maintained in files were mixed. In one region considerable material had been consistently gathered on classification and promotion actions. Although it had not been directly cross-indexed to report findings, it appeared that the material probably would have been sufficient to support the report findings. Support for other report findings was not in the files. Another region had almost nothing in the files except questionnaires and occasional notes. Other regions were some place in between but usually did not maintain data that would have supported the findings.
- There were no systematic means of relating the data in the files to the findings and conclusions in the report.
- In some instances objectives were stated at the beginning of the study but were not mentioned in the report.

The Commission has advised us that instructions to central and regional office officials are now in effect on organizing and retaining survey documents and evaluation notes; it furnished us with a recent field report that showed the results of questionnaires used during the surveys.

We believe the action taken to improve the factual support for Commission reports will make them more objective, better reports, and more useful to the agencies in improving their evaluation efforts. There is also a need to relate the objectives of the review to the work that was done and to the reports.

## REPORT PREPARATION

During evaluation, the team leader and other evaluators share information with the station or agency manager and key staff members. These person-to-person dealings occur during interviews and at scheduled conferences when the evaluators and station officials review findings, probe for explanations, and seek agreement on action to resolve problems that are identified. Before closing conferences, the evaluators fully share findings and negotiate agreements on most problem areas with station officials. However, a record of these conferences and negotiations is seldom made. We found instances in the regions where controversial matters were dropped without explanation. In some cases they appeared to be more significant than those reported. For instance, 1 report folder contained 32 pages of typed single spaced comments from questionnaires and interviews in which employees were highly critical of the station's personnel management program. Employees charged racism, bias in promotions, incompetent supervision, poor morale, and cruelty on the part of supervisors. The report did not emphasize this large extent of employee dissatisfaction--it merely suggested that supervisors needed additional training.

Since a record of the negotiations is not made, it is impossible to say how often or why this occurs. While findings may be dropped for good reasons, it is important that a record of these conferences be maintained to show what is being dropped or added and why.

## EMPLOYEE VIEWS

Commission evaluators interview union officials and a large number of employees. They also use a questionnaire to obtain employees' views of the personnel system. However, the results of these interviews and questionnaires seldom appear in Commission field reports. As indicated earlier, results of interviews are seldom recorded, and it is not possible to determine who the evaluators interviewed or what they were told. Results of questionnaires are compiled and the summaries are often given to agency officials. Region evaluators said there is no formal criteria for analyzing questionnaire responses and that each evaluator has his own idea of a significant response. The

Bureau has developed a profile of questionnaire responses, but we did not find evidence that much use is being made of it. Although field reports seldom reflect the attitude of employees or union officials, Commission overview reports often do.

The Commission recently issued instructions for furnishing percentile analysis printouts, in addition to the regular percentage breakdowns, to regions on a trial basis. These printouts compare employee responses to questionnaires from individual establishments to accumulated normative data in the questionnaire data bank. The instructions suggest that Commission evaluators use these analyses to select areas for review and for communicating the results of questionnaire surveys to agency top management.

#### QUALIFYING FINDINGS

Adverse findings in Commission reports often contained qualifiers that detracted from effectiveness in appraisal of overall agency management effectiveness. For example, reports usually commented that transactions selected for review were those which offered the greatest possibility of error rather than those representative of overall management.

This approach corrects the more obvious errors and specific problems, but it does not provide a basis for determining whether there is a basic weakness in agency management or comparing the effectiveness of one agency with another or against some norm. Therefore, while individual errors may be corrected, more basic management weaknesses may go undetected.

It seems that the principal responsibility for policing and correcting obvious deficiencies rests with the agencies. The Commission should make sure that the agencies make some objective tests of their own against a norm that would provide a better basis for appraising the overall effectiveness of agency management.

## REPORT INCONSISTENCIES

We noted a number of instances of apparent inconsistencies in Commission reports. These inconsistencies involved the difference between what the report said and what the report concluded. (See following example of agency B.) It also involved conclusions on a similar set of circumstances between agencies. (See agencies A and C.) Commission recordkeeping practices are not adequate to show why these inconsistencies occur. The most probable causes are (1) the absence of a central set of objectives to guide evaluators, (2) the lack of support for reports, and (3) the strong emphasis on agency cooperation and negotiation. The following are examples of apparent inconsistencies.

### Agency A

A 1972 report on agency A, a large agency, said that regional officials were not able to carry out their responsibilities because they lacked authority to direct personnel management operations and could not be held responsible for lack of performance. This problem was a "major contributing factor" to most others which were:

- Extensive delays in filling positions.
- Frequent lack of aggressive effort in obtaining quality people.
- Situations adversely affecting morale and impairing motivation (to the extent that it reflected on the agency's image as an employer and provider of public service).
- Instances of organizational problems that did not lead to the most efficient and economical use of manpower.
- Supervisors lacking understanding, willingness, and motivation to carry out their responsibilities.
- Excellent progress in equal employment opportunity but considerable room for further improvement.

--Personnel officials too frequently unable to give effective staff service.

--The lack of an adequate internal evaluation system.

Nevertheless, the report concludes that:

"Our review found that the approach to the management of human resources in the agency has in many important respects been progressive and encouraging. We found willingness to accept change where change is necessary, a strong personal commitment on the part of top management to accept and carry out personnel management responsibilities, and readiness to act quickly and responsively in crisis situations."

It went on to say that the report is problem-oriented and does not attempt to balance strength and weaknesses in an attempt to create "even stronger personnel management effectiveness." The report also indicates that "significant action has already taken place to help solve many of the problems that were identified," but the body of the report points out that the principal problem, "a major contributing factor" to most of the rest, is a longstanding one, and the report offers no solution to it other than further study by the agency.

#### Agency B

A 1973 report on agency B was a followup on an evaluation made in 1968. The report said that the problems identified in 1968 had "persisted and grown." Some of the problems were:

--An overemphasis was placed on recruiting highly qualified employees, resulting in heavy turnover, lower productivity and increased overtime, and an impairment to the upward mobility program.

--Management had lost significant control over its work force.

--Management concern with preserving a harmonious relationship with its employees had led to serious management disadvantages and delays in equal employment opportunity action.



--Although management was attempting to be innovative in its search for methods to identify highest quality employees, its practices offered liberal opportunity for promotions on the basis of favoritism versus merit.

--The agency had provided too much latitude to top managers for personnel management and, as a result, manpower needs were not being considered in total agency perspective.

--Although top management leadership was excellent, it was unaware of some serious problems because of organizational insulation.

Notwithstanding these identified problems the report summary said that:

"As in 1968, we were deeply impressed during our current survey with the dedication, capability, and motivation of management in the agency - its deep concern for operational efficiency, its equal concern for the welfare of employees, its great interest and effort to attract and mold a high quality work-force, and its commitment to equality of opportunity."

The summary went on to say that no matter how well an organization is managed--and this was one of the best--any organization needs to reassess some of its basic management from time-to-time, and that this was the primary focus of the review.

#### Agency C

The report on agency C, a relatively small agency, issued in fiscal year 1973, said that:

--Work units were not organized in the most effective manner, but appeared to be organized to support a high grade structure.

--Professional staff, primarily engineers, were being used in routine work not requiring professional skills.

- Supervisors did not understand their responsibilities for personnel management and were not making the best use of their people.
- The personnel office was performing in an incompetent manner.
- Many positions were improperly classified at their present grade level.
- The agency lacked a satisfactory means of promoting its employees and reliable methods of filling positions with high quality candidates.
- The agency had not effectively used performance evaluation or incentive awards.
- The agency had not effectively developed high-quality employees to offset retirement losses.
- Although the agency had effectively recruited minorities, upward mobility had been inhibited.
- The agency did not have effective well coordinated leadership for the management of human resources.

In this instance, the Commission concluded that there were:

"\* \* \* many serious deficiencies in the way the agency manages its human resources. We also found that these deficiencies resulted from personnel management practice, and management attitude that have existed in the agency for some time."

#### AGENCY REACTION

We interviewed about 100 officials at installations where Commission regional evaluators had made recent reviews of personnel management. Many of the officials said Commission evaluations are helpful because they (1) point out personnel management problem areas or weaknesses, (2) contribute a regulatory role by requiring agencies' compliance with personnel regulations, and (3) keep agencies alert to the possibility of Commission employees'

evaluations of the personnel management area in their station. Several agencies officials said Commission evaluation reports brought to their attention personnel management problems which were already known. By including the problems in the reports, however, they forced action on the problems that would not have been taken by the station officials if the problems had not been stressed in the evaluation reports.

On the other hand, officials of many stations or installations told us that Commission evaluations were not always helpful or effective. We were told that the evaluations did not (1) go into sufficient depth, (2) help much in offering solutions to problems, nor (3) aid in improving personnel management in the installation. Agencies' officials also mentioned that reports included recommendations which required corrective action by officials at the agencies' central office rather than at the field office.

## CHAPTER 5

### CONCLUSIONS AND RECOMMENDATIONS

#### CONCLUSIONS

The effectiveness of personnel management can have far-reaching impact on the quality of Government as the Commission's statement of purposes and objectives clearly recognizes. The key factor in determining this effectiveness is the evaluation process. The President's October 9, 1969, memorandum recognizes the importance of this process and outlines actions that need to be taken to improve it. In response to this memorandum, the Commission has done a good job in stating the goals and objectives of personnel management and the evaluation process. But, the Commission has not directed much effort towards achieving its other purposes until recent years and little has been accomplished.

The single most important thing that needs to be done in improving personnel management in the Federal Government is for each agency to establish and place in operation a PME system in accordance with Commission standards. Agencies have done little to develop acceptable PME systems since the President's memorandum, and the Commission had spent relatively little effort until fiscal years 1973-74 to help the agencies improve their PME systems.

Most of the Commission's effort in recent years has been placed on onsite evaluations of agencies' personnel management, a job too big for its staff and one that the agencies should do themselves. In these evaluations, the Commission has tried certain approaches that have not been successful, such as agency cooperation and participation in its reviews and issuing numerous reports each year, many containing several weaknesses in reporting practices.

The Commission needs to take additional actions to improve personnel management. The first is to devote considerably more of its available resources to help agencies improve PME systems and techniques. Second, it needs to develop better methods of PME for measuring the agencies' accomplishments of personnel management objectives. The

third is to improve its own capability to make independent and objective evaluations that will stand on their own regardless of agencies' positions.

The Commission has recognized the need to improve the PME process and has adopted this as a principal objective for fiscal year 1974 and beyond. Actions initiated in the latter part of fiscal year 1973 have carried over into fiscal years 1974-75 and have strengthened the process. Some of these actions include:

- Adoption of a stronger stance with agencies, particularly where clear violations of merit principles are involved.
- An initial appraisal of the PME system in the "big 20" agencies to culminate in a report on each of them by June 30, 1974, and a follow-on involving tests of the systems in existence at the field level during fiscal year 1975.
- Several experiments, planned or underway, that attempt to devise improved methods for appraising and evaluating personnel management on a broader basis.

RECOMMENDATIONS TO THE CHAIRMAN,  
CIVIL SERVICE COMMISSION

We recommend that, to achieve the broad objectives of personnel management in agencies, the Commission should:

- Continue with its recent effort to assist agencies to establish and direct their own PME systems, assess the adequacy of the agency systems, and require improvement, where necessary.
- Continue with its efforts to develop improved methods of PME to measure agencies' progress in meeting the objectives of personnel management.
- Change the emphasis of its supplemental and complementary reviews of personnel management in agencies from reviewing those areas that are

believed to be problems to appraising the extent to which the broad purposes of personnel management are being achieved. The Commission is moving in this direction. When making the reviews and preparing the reports, the Commission should consider the problems in its present approach and practices as set out in this report. Of particular importance are (1) the independent viewpoint of the Commission and (2) weaknesses in field-reporting practices.

--Advise OMB periodically on the status of PME systems in each agency and on matters of obvious interest related to its appraisals of agency management.

Effective PME systems are critical to good personnel management. Actions taken by the Commission since the mid fiscal year 1973 assessment of progress under the President's 1969 memorandum are in this direction. Because of its importance, we are planning a continuing program to monitor progress, particularly in agencies.

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