

GAO

Report to the Administrator, General
Services Administration

April 1991

GENERAL SERVICES
ADMINISTRATION

Status of Management
Improvement Efforts



General Government Division

B-242251

April 3, 1991

The Honorable Richard G. Austin
Administrator
General Services Administration

Dear Mr. Austin:

As agreed, this report looks at the progress the General Services Administration (GSA) has made in implementing the recommendations in our November 6, 1989, general management report on GSA.¹ That report contained 33 recommendations aimed at improving GSA's performance in managing the federal government's billion dollar real estate portfolio and providing various facilities, goods, and services. These recommendations focused on four major areas: (1) executive leadership, (2) management information, (3) facilities management, and (4) human resources. This status report provides an interim assessment of the various actions taken by GSA to respond to the recommendations and discusses where further actions are needed.

Results in Brief

GSA's top management is making a concerted effort to implement most of our recommendations and is making good progress in the areas of executive leadership and management information. In the executive leadership area, for example, GSA has developed strategic plans that define GSA's mission, vision, and values. These plans reflect the views of career executives and show that GSA's leaders are committed to setting a clear direction for the agency. If GSA can make these plans operational through strong commitment and sustained attention and can change the current culture to make GSA more responsive to its customers, it will greatly improve its ability to meet future challenges.

In the management information area, GSA has begun to address all of our recommendations. GSA has assigned a senior official for internal information resources management activities and has developed plans to improve its overall information management needs. If GSA can fully implement these recommendations over the next several years, its oversight and management of its many activities will improve.

While GSA has taken steps to implement most of the report's recommendations in the facilities management area, it has not yet adopted two of

¹General Services Administration: Sustained Attention Required to Improve Performance (GAO/ GGD-90-14, Nov. 6, 1989).

our more important recommendations—to develop a much needed strategic approach for management of the government's facilities assets and to assume a more policy-oriented and oversight role.

In the area of human resources, of the four recommendations we made, GSA has taken action to implement only one—to develop a human resources planning system. GSA still needs to develop training programs to support future skill needs as identified in the human resources planning system and to enhance oversight of personnel management activities. Also, GSA still needs to develop a human resources agenda that would translate the needs developed from the human resources planning system into a work plan with specific goals and priorities.

Even though GSA has started to implement most of the report's recommendations, many of them will take several years to complete and a strong commitment and sustained attention are essential if the desired results are to be achieved. To ensure the desired results, GSA executives need an effective tool to monitor and assess progress and identify needed changes. GSA's current tool for doing this, commonly referred to as the action plan, cannot presently be used to achieve this goal.

Some of the strategies identified in the plan did not clearly identify what, if anything, GSA would do to address the recommendations. In the case of other recommendations, the strategies identified, even if fully implemented, will not achieve the desired results. For example, the report recommended that GSA develop training programs based on new requirements established in the human resources plan. GSA's strategy did not call for the development of new training programs but instead required an assessment of training needs based on currently available courses.

Furthermore, the action plan follow-up process did not ensure an adequate assessment of the actions planned and taken to implement the recommendations before they were closed. Recommendations should be closed only after satisfactory implementation. If strategies are not adequate or fully documented, and if the action plan follow-up process does not ensure that recommendations are closed only after satisfactory implementation, it is difficult to monitor or gauge progress and to hold executives accountable for implementation of the recommendations.

Background

As the federal government's real estate and business manager, GSA spent about \$8 billion in fiscal year 1990 providing work space and various

goods and services federal agencies needed to accomplish their missions. GSA accomplishes its mission through its staff offices and four services. The Public Buildings Service provides work space for federal agencies and manages public buildings. The Federal Supply Service fulfills agencies' personal property needs, arranges transportation and lodging discounts for federal travelers, manages an interagency vehicle fleet, and helps agencies dispose of unneeded personal property items. The Information Resources Management Service oversees federal agencies' procurement and use of telecommunications, office automation equipment, and computer equipment and services. The Federal Property Resources Service is responsible for ensuring that federal agencies are making the best use of their real estate and for disposing of unneeded public buildings and land.

In the general management report, we pointed out that GSA's future hinges on how well it will respond to the many challenges it faces in managing the government's work space and providing services. Facilities management is emerging as a more important function than ever, one that can help organizations work more effectively and efficiently. Challenges, such as changing technologies, and the recognition that the quality of work space, equipment, and supplies and the timeliness of services affects performance and productivity are reducing agencies' willingness to rely upon GSA as the sole provider of goods and services. GSA's customers are placing more demands on it for different and better types of space, products, and services as the nature of office work changes.

GSA has had difficulty balancing its concurrent roles of making policy, providing oversight, and delivering services. Our general management report recognized that GSA should not be expected to operate directly all the support services other agencies need to do their jobs well. Instead, GSA's role should be to set governmentwide policy, provide oversight, and operate activities only when there are demonstrated economical benefits and management advantages to having a central agency involved. The report contained a series of specific recommendations that would help GSA make this adjustment and make improvements in the four major recommendation areas—executive leadership, management information, facilities management, and human resources.

Objective, Scope, and Methodology

The objective of our work was to assess whether GSA is making progress in implementing our recommendations. We identified the actions GSA had taken or planned to take to address the recommendations. We then made

value judgments of GSA's progress on the basis of the extent to which we thought those actions, when completed, would be likely to lead to the implementation of the recommendations. While our work began 2 months after the general management report was issued, our determination of the adequacy of GSA's actions was based on the actions planned or taken through October 1990—nearly 1 year after the report was issued.

To accomplish our objective, we did work at GSA's Central Office and three of its regional offices. At GSA's Central Office, we reviewed and assessed copies of the action plan—the tool GSA uses to identify planned actions and monitor progress. We also interviewed the officials responsible for implementing each of the 33 recommendations and obtained and analyzed documents related to planned and completed actions. At the regional offices—Region 4 in Atlanta, Region 5 in Chicago, and Region 7 in Fort Worth, Texas—we obtained and reviewed documents and interviewed senior career officials to obtain their perspective on GSA's planned and completed actions to implement the recommendations. We judgmentally selected these three regions because of their geographic diversity. During the period covered by this interim assessment, we could not determine whether the recommendations will be fully implemented or whether the desired results will be achieved because many of them will take several years to implement and many of GSA's actions were just beginning. We did our audit work between January and November 1990 in accordance with generally accepted government auditing standards.

Progress Made Toward Implementing Recommendations

Overall, GSA made a good effort to implement most of the recommendations in our report. However, GSA needs to do more if all the recommendations are to be fully implemented. GSA has begun making good progress in implementing the recommendations in the executive leadership and management information areas. While GSA has also implemented most of the recommendations in the facilities management area, two of the more significant recommendations have not been addressed. Also, in the human resources area, GSA has made little progress in implementing our recommendations. Appendix I lists each recommendation in summary form and indicates whether GSA has made progress on it.

Executive Leadership

The 1989 report discussed weaknesses in GSA's executive leadership and direction setting. Specific issues included an ineffective long-range planning process, limited executive accountability for program operations,

and the lack of a program to develop and select agency executives. We recommended that GSA strengthen its planning process, improve executive performance management, and develop and maintain an effective senior executive service (SES).

GSA has taken significant steps to improve executive leadership and direction setting. Previous attempts to establish a long-range planning process were characterized by limited participation by senior executives and weak links between the planning and budgeting processes. But since our review, GSA has demonstrated a strong commitment to strengthening the planning process by including all senior executives in the development of strategic plans and familiarizing employees with the plans and their purposes. For example, in response to input from its senior executives, GSA has developed and issued an overall strategic plan for the agency, as well as strategic plans for its services and staff offices, that articulate the agency's mission, vision, and values. Also, the services and staff offices developed supplemental tactical plans that describe the actions to be taken to meet the objectives identified in the strategic plans.

To familiarize GSA employees with the plans and gain their support for them, top GSA executives held meetings with employees from each of the services, staff offices, and regional offices. GSA has also taken action to improve the link between the planning and budget formulation processes. The 1992 budget formulation process guidance directs managers to use the strategic plan as a basis for developing budget estimates. If GSA can make these plans operational through strong commitment and sustained attention and if GSA can change the current culture to make itself a more responsive agency, it will make great strides in improving its effectiveness.

GSA is also doing more now to monitor executives' performance and to ensure that program goals and objectives are met. Previously, GSA's senior executives' performance plans lacked specific measures needed to gauge effectiveness and hold them accountable for program operations. GSA recently developed a new standard performance plan for senior executives that identifies critical elements for all of GSA's executives and establishes performance standards or benchmarks to measure accomplishments. Also, the executives are expected to supplement their performance plans with specific objectives that can address plan milestones, service goals, and other specific assignments.

GSA also made changes to increase the regional administrators' involvement in decisionmaking processes. GSA changed the reporting channels, and now the regional administrators report directly to the Deputy Administrator; they previously reported to a staff office. Also, regional administrators are now included as participants in GSA's quarterly management reviews during which the agency's senior managers discuss program accomplishments as well as program areas needing attention. In addition, during these meetings, data from GSA's executive information system—ExecuTrac—is used as the basis for discussion of the progress and problems GSA encounters in meeting agency objectives. According to the GSA official who sets the agenda for the quarterly management reviews, the reliance on ExecuTrac to monitor goals and accomplishments has increased emphasis on, reliance on, and use of the system. As a result, ExecuTrac serves as an agencywide mechanism for monitoring accomplishment of GSA's goals and objectives.

While GSA has taken steps to begin implementing most of the recommendations, it needs to do more to strengthen the planning process and maintain an effective SES cadre. GSA has not taken adequate actions to effectively involve and familiarize key congressional representatives and Office of Management and Budget (OMB) staff with the strategic planning process and the resulting goals and objectives to be achieved. In order for the goals and objectives to be achieved, support and "buy-in" of key organizations that affect the budget process are needed. Instead of sharing the plan during its formulation or meeting with key officials to (1) discuss the plan, (2) understand their perspective, and (3) get their "buy-in" and support for the goals and objectives, GSA's efforts consisted of mailing copies of the final plan to Congress and OMB.

GSA has also not established an executive candidate pool to develop the skills and capabilities of senior management personnel for SES consideration as vacancies occur. According to GSA officials, GSA's Executive Resources Board decided not to establish a candidate pool because its members endorse an approach that allows all qualified persons to apply for executive positions when vacancies occur. This approach is also supported by the agency's Managerial Excellence Program that is designed to provide opportunities for all supervisors and managers to obtain the full range of managerial competencies.

While GSA's approach may result in qualified individuals filling SES positions, we do not believe it is the best way to identify, develop, and maintain a cadre of the best qualified and trained staff to fill future SES

positions. While all managers can benefit from training, training for SES positions involves exposure to certain aspects of agency management and leadership. This type of training is too expensive to provide for everyone. With an executive candidate pool, agencies are prepared to fill future executive positions with qualified candidates whose managerial and executive skills and capabilities have already been developed through a formal, targeted training program. The individuals are selected for the pool on a merit basis, and once selected, focus their attentions on developing needed executive skills. They develop these skills so that vacancies can be filled with little disruption and program operations continue to run smoothly and effectively.

Without a candidate pool, GSA may not be prepared to quickly fill future SES vacancies, the number of which, as the 1989 report discussed, may be substantial since about 30 percent of the current SES members are or will be eligible to retire during the fiscal year 1989 to fiscal year 1993 period. Because a large number of new SES members could represent a significant change in the continuity of executive leadership, we still believe that GSA needs a program to identify, develop, and train candidates to assume these future vacancies.

Management Information

The 1989 report discussed weaknesses in GSA's management information that hampered its ability to manage its programs effectively and to hold executives and managers accountable for performance. Information was often inaccurate, untimely, or incompletely collected. Although GSA knew of the problems, previous efforts to improve management information have been unproductive and costly mostly due to weak oversight and direction. We recommended two vital steps to improve management information at GSA. First, a senior official responsible for internal information resources management (IRM) should be designated. Second, GSA's top management should give more attention to defining specific information needs and overseeing the development of systems that meet those needs. The changes are particularly important because accurate and relevant information systems are essential to GSA's ability to provide policy guidance and program oversight and to enable GSA to effectively manage its programs in the future.

GSA's efforts at improving its management information are commendable. As recommended, GSA is improving the overall leadership and oversight of its internal information management and has also developed plans to improve specific management information systems. On February 6, 1990, GSA's internal information resources management duties

were separated from governmentwide programs and assigned to a senior official. This official, the Assistant Commissioner for GSA IRM, reports on major issues to both the Commissioner for the Information Resources Management Service and to the Office of the Administrator. While each service, staff office, and regional office is responsible for planning and implementing its own projects, the Assistant Commissioner for GSA IRM is responsible for coordinating projects and ensuring consistency with policies, procedures, and approved plans.

GSA has also developed plans to improve its overall information management needs. A project has been designed to improve GSA's strategic use of information and to address its growing information needs. After categories of information are identified and ranked in priority order, GSA plans to prepare an implementation plan to develop or acquire the necessary systems and equipment on a priority basis. A phased implementation approach has been planned to begin in March 1991. This approach is designed to involve GSA's senior executives throughout the process and allow changes and refinements to be made as knowledge and experience are gained and as new needs emerge. GSA revised the charter for the IRM Executive Steering Committee to further strengthen management information oversight. The revised charter provides a more active role for GSA's top management. According to the revised charter, the Committee will (1) direct and coordinate the agency's information resources management activities, (2) monitor the implementation of approved information resources management plans, and (3) ensure an appropriate level of information exchange regarding information resources management within GSA.

Facilities Management

The 1989 report said that although facilities management is increasingly being recognized as an important function that can help organizations work more effectively and efficiently, GSA's facilities management approach and practices have been overly narrow. GSA has been criticized for not providing leadership and guidance for effective facilities management. The report also stated that GSA did not have a strategic view of facilities, that it was not managing facilities as valuable national assets, and that it was not effectively examining the role of facilities in support of agency missions and programs. Another criticism of GSA's facilities management approach was the lack of attention it gave to customer satisfaction. GSA's customers complained about timeliness and inconsistency among regions in responding to space needs and about inadequate communication with GSA. Furthermore, GSA's information system for supporting facilities management was outdated and did not provide good

information. As a result, it was impossible for GSA to exercise adequate policy guidance and oversight. To help improve GSA's facilities management, the report recommended that GSA (1) focus on governmentwide leadership and strategic management and oversight, (2) adopt a customer-oriented focus, and (3) develop a new facilities management information system.

GSA is beginning to improve its facilities management operations by implementing most of our recommendations in this area. GSA has taken steps to improve governmentwide leadership and has initiated changes to strengthen oversight of agency-managed buildings. In order to provide leadership and help agencies manage their facilities, GSA developed a draft policy on governmentwide real property asset management that federal agencies would use in acquiring, managing, and disposing of federal facilities and assets. According to an agency official, as of January 1991, this policy had not been approved by OMB. To improve the oversight and management of agency-managed buildings, GSA now requires agencies to provide additional cost and expense information on their building operations. Furthermore, GSA has taken steps designed to obtain more and better building performance data. Complete building performance data is to be obtained during biennial building evaluations. In addition, GSA plans to obtain partial performance data in the alternate year during walk-through inspections done by GSA building managers.

GSA is also trying to develop a more customer-oriented focus and is attempting to improve its facilities management information system. GSA has adopted Total Quality Management (TQM) as an agency priority. TQM is an approach that focuses on the customer, teamwork, employee involvement in problem identification and decisionmaking, and the measurement and analysis of processes. In fiscal year 1990, GSA began providing TQM training to its employees, and as of June 1990, nearly all of its senior executives had attended at least one course. GSA formed a national quality council composed of top agency officials to lead agency-wide TQM efforts, designated a TQM officer to direct and oversee its implementation, and is beginning to identify its customers' needs—an important TQM element.

Efforts to implement TQM were also underway in the three regional offices we visited. In all three regional offices, training sessions and briefings had been held and in two of the regional offices, steering teams or committees had been established to begin identifying areas needing improvement.

In one regional office, certain improvements have already been credited to the TQM approach. For example, the construction contract review process in the region originally required that 15 people review the documents. While an exact record of the time consumed for the 15-step review process was not available, officials estimated that the process took about 30 calendar days. After interviewing those involved, it was determined that more than half of the people did not need to review the documents at all but simply needed to be kept informed of the decision-making process. A decision was made to reduce the number of individuals from 15 to 6 (or, when changes affected completion dates, 7 people would be involved). This change is estimated to reduce the approval process time by about 60 percent.

In addition to TQM, another example of GSA's commitment to enhance customer satisfaction is the establishment of advisory councils in the regions. These councils are made up of federal agencies' representatives and GSA staff. Their purpose is to resolve problems, discuss new initiatives, and suggest program improvements.

GSA also is beginning to address its need for improved management information to enable it to better manage and oversee facilities assets and functions. Plans for the development of a new management information system have been prepared. Over a 4-year period, the system requirements will be identified and the software installed. GSA estimates the system will be completed in 1995. When completed, GSA expects that this system will provide the relevant, accurate, and timely information GSA needs to effectively manage government facilities.

Although these initiatives are noteworthy, GSA has not addressed two of the more important recommendations—to develop a much needed strategic approach to managing facilities and to assume a more policy-oriented and oversight role. GSA still lacks a strategic concept of its public buildings role and continues to operate with a regionally based, project-by-project philosophy. We recognize that it is important to address day-to-day facilities management problems and needs, but we see the need for GSA to start thinking strategically about asset management as equally important. A strategic approach is important for addressing issues that have long-term consequences, such as where government facilities should be located in the next 5 to 10 years; what the size of each facility should be; when and how new facilities should be acquired; and when it is in the government's best interests to modernize, replace, or sell a building.

In addition to the lack of a strategic approach to facilities management, GSA has done little toward further reducing its operational role and needs to do more to assume a greater policy-oriented and oversight role. Our 1989 report pointed out that staffing cuts at GSA over the last decade combined with other factors, such as changing technologies and increasing customer demands, dictate that GSA must change its operations. The report said that GSA had difficulty balancing its concurrent roles of policymaking, providing oversight, and delivering services in this complex and changing environment. It recognized that GSA should not be expected to operate directly all the support services other agencies need to do their jobs well. Instead, GSA's role should be to set governmentwide policy, provide oversight, and operate activities only when there are demonstrated economical and management advantages to having a central agency involved.

In commenting on the 1989 report, GSA said it does not view the dual roles of policy and operations as mutually exclusive. Rather, it sees the dual roles as mutually supportive and believes the tensions that exist in identifying an appropriate balance of roles is a healthy and natural consequence of its management mission. GSA also stated that it will continue to perform both functions where, when, and if it makes good management sense to do so.

We agree that GSA needs to provide operational support to some small agencies that may not be able to handle all of their facilities management activities effectively. We also agree that there will be a continuing need to make adjustments periodically in the balance between the roles played by GSA in the facilities management area. However, as discussed in the 1989 report, many challenges are facing GSA and the government as a whole in the facilities management area. These challenges include the demands for different and better types of work space, the installation of complex technologies to support growing computer use, and changes in building location needs as information technology affects the way work is done.

Because of these challenges, staffing cuts over the last decade, and the belief that GSA is too far removed from agencies' planning processes to be responsive to their facilities management needs, we strongly believe that GSA must begin to strengthen its policy guidance and oversight efforts and devote more of its resources to these efforts. Operational services should be provided only in those areas, such as the acquisition and disposal of real property, in which it makes sense to have a central agency involved. We continue to believe GSA should aggressively seek

opportunities to further delegate building operations, repairs and alterations, and other facilities management activities to federal agencies.

Human Resources

Our 1989 report also discussed weaknesses in GSA's human resources planning, employee development and training, and personnel management oversight. These factors were cited as contributing to workforce problems, such as high employee turnover, inadequate staff development, and low employee morale, that were hindering GSA's ability to perform its mission. To address these problems and ensure that the workforce has the skills needed now and in the future, the report recommended that GSA establish a human resources planning system. This system should be integrated with other planning processes to identify future staff resources requirements and stipulate how these resources will be acquired. The report also recommended that GSA (1) develop employee training and development programs based on the planning system, (2) improve personnel management evaluation activities, and (3) set up a human resources agenda that would address specific goals and priorities.

GSA developed a human resources planning system in September 1990 but has not taken actions to adequately address the other recommendations intended to support this system. The goal of the planning system is to obtain, develop, and maintain a quality workforce. The system is to be linked with the planning and budget formulation processes. While the proposed human resources planning system marks an important first step toward improving GSA's ability to forecast its future workforce needs, the supporting recommendations that address training and staff development, personnel management evaluations, and agenda setting have not been adequately addressed.

GSA has not made efforts to determine, on the basis of the human resources planning system, future training and development needs. Instead of such a future-oriented approach, GSA asked managers and executives to provide information on the number of employees who plan to attend currently available training courses in the next year. According to GSA officials, these training efforts were not linked with the human resources planning system because they believed it was more important to continue building current training and development programs than it was to wait for the new human resources system to become operational. Further, the officials stated that they believe many of the current training and development programs will address the needs identified in the system.

While continuing to build skills through the current training programs is important, it is also important to start preparing for future training needs. The human resources planning system is designed to be integrated with other planning processes to identify future staff resource requirements. Among other things, the planning system requires that GSA's top officials develop a profile of the needed workforce based on the mission of the organization as defined in the strategic plan. One component of this profile is a determination of needed knowledge, skills, and abilities. Further, these officials are to develop a profile of GSA's current workforce and assess the types of training or retraining and employee development that will be needed to provide the skills the future workforce needs. By developing training programs that are not integrated with the planning system, GSA's managers are lessening the likelihood that this system will succeed.

GSA has not taken sufficient action to improve its personnel management evaluation activities. The 1989 report pointed out that strong oversight of personnel activities is needed to ensure consistent implementation of new personnel procedures and policies, such as those related to the human resources planning system. Strong oversight is particularly important at GSA because its personnel operations are mostly decentralized. To address this recommendation, GSA planned to evaluate personnel operations at two regional offices to measure program status and to test innovative evaluation techniques. However, GSA evaluated only one of the two regional operations. According to GSA officials, the second evaluation was not done because of an ongoing inspector general investigation of personnel activities.

Furthermore, according to agency officials, because this decision was made late in the fiscal year, another location was not substituted because there was not enough time to gather and review the necessary pre-evaluation information before the year ended.

We believe on-site evaluations can be an effective mechanism for improving oversight of personnel management activities. On-site evaluations enable Central Office managers to obtain first-hand information on various aspects of personnel activities and to assess qualitative as well as quantitative personnel factors. If GSA is to improve its oversight of personnel management activities, and if on-site evaluations continue to be GSA's approach to improving oversight, these efforts must receive priority and GSA must conduct more than one such evaluation each year.

The success of the human resources planning system also in part depends on the support and involvement of line managers. GSA's Career Advisory Panel (GCAP), composed of top career line managers, could provide such support and give increased attention to human resources matters. In the past, GCAP has supported a college recruitment program and a training and development program. The report recommended that GCAP set a human resources agenda that would translate the needs developed from the human resources planning system into a work plan with specific goals and priorities. The agenda could address issues such as recruitment, training, relocations, or transfers. These objectives and goals could be used in executive performance plans, which would further support and drive the human resources planning system. However, GSA views GCAP as an advisory group without authority and therefore believes it should not be the vehicle for setting up a human resources agenda as was recommended.

As an alternative to setting an agenda, GCAP decided that each member would provide comments, if warranted, on proposed human resources initiatives from the Office of Personnel. With this approach, GSA is still without an agenda developed by top line managers and consensus on what is most important to GSA's leaders in the human resources area. To support the human resources planning system, an agenda developed by top line managers is needed to establish specific objectives and goals and to help move GSA toward improving the human resources area in the future.

Monitoring Essential to Continued Progress

Although GSA has started to implement most of the report's recommendations, it is important to recognize that many of the recommendations will take several years to fully implement and that a strong commitment and sustained attention will be needed to ensure that improvements occur. One way of achieving this goal is for GSA to have an effective tool for monitoring efforts and assessing progress.

GSA's current tool to do this is its action plan. The action plan contains the strategies for implementing the various recommendations. Program officials are responsible for developing proposed corrective actions, if any, and target dates for each recommendation. GSA's Audit Resolution and Internal Controls Division staff are responsible for putting the plan together, assessing the adequacy of planned actions, and performing the action plan follow-up duties. These follow-up duties include reviewing documents from program officials related to completed actions,

assessing whether recommendations have been satisfactorily implemented, and determining whether the recommendations or action steps can be closed. Also, these staff members have the responsibility to periodically verify that recommendations have been implemented by inspection follow ups and visits.

Our assessment of GSA's action plan shows that it could be an appropriate tool for monitoring and assessing progress but that it currently has limitations. For example, for some recommendations, the action plan does not provide enough information to determine whether the strategy will result in full implementation. For other recommendations, the action plan identifies strategies that, even if completed, will not result in their implementation.

The plan, designed to respond to the 1989 report's recommendations, listed strategies in response to four recommendations, but these strategies did not completely identify steps taken or planned. As a result, we could not determine what actions were planned or whether full implementation of the recommendations would result. These recommendations addressed (1) monitoring of the supply operations; (2) establishing a one-stop client contact point to respond to customers' inquiries, requests, and complaints; (3) developing a strategic focus to facilities management; and (4) expanding the building delegations program.

In order to determine what actions, if any, were planned we had to contact each operating group. After contacting the responsible operating group, we determined that actions had, in fact, been taken to address some of these recommendations. For example, there are no steps listed on the action plan for the recommendation to monitor supply operations. Officials from the Federal Supply Service, however, provided information on several special projects designed to better monitor supply operations that were scheduled and completed during fiscal year 1990. GSA developed a system to analyze the costs of different purchasing and delivery options for its bulk purchases. GSA also took steps to improve the cost effectiveness of its operations that supply small quantities of goods and made changes to these operations.

Also, there were no steps listed on the action plan in response to the recommendation to maintain a one-stop client contact. According to the responsible official, this one-stop client contact was the topic of a discussion session at a meeting of GSA executives. On the basis of this discussion, the executives agreed that a special group to act as a focal point was not needed. Instead, the executives agreed that special training was

needed so that staff would be better prepared to handle problems raised by the client agencies. This new strategy for improving responsiveness is not reflected in the action plan.

The action plan also contained strategies that, even if fully executed, would not result in the implementation of four other recommendations: (1) to include key organizations, such as Congress and OMB, in the planning process; (2) to establish an SES candidate pool; (3) to develop employee training programs based on requirements in the human resources plan; and (4) to set up an agenda to address human resources activities. For example, GSA's strategy for including key organizations in the planning process was to send them a copy of the plan after it was developed. This strategy did not attempt to involve these organizations in the development of the plan, as recommended to gain their support and "buy-in." Instead, the GSA strategy only resulted in these organizations receiving copies of the final plans.

Also, the strategy to establish an SES candidate pool listed steps describing the establishment of a new training program for all managers and supervisors. It did not mention how a training program would be developed for SES candidates. This approach may improve the skills of all the managers and supervisors, but it is not an effective strategy for identifying and preparing individuals to fill future SES vacancies.

Furthermore, the action plan indicates that three of the four recommendations that we determined will not be fully implemented, have been closed. The recommendation to establish an SES pool was closed on May 30, 1990; and on June 30, 1990, two recommendations—to include key organizations, such as Congress and OMB, in the planning process and to set up an agenda to address human resources activities—were closed. While specific action steps related to these recommendations have been completed, as previously discussed, these actions fall short of producing the recommended results. The closing of certain recommendations indicates that the action plan follow-up process needs to be improved. A good follow-up process includes steps to ensure that recommendations would be closed only after satisfactory implementation.

Because the action plan does not always provide complete information or identify strategies that would result in the implementation of the recommendations, it is difficult to assess progress. Accurately assessing progress is even more difficult without an action plan follow-up process that ensures planned and completed actions satisfactorily implement the

recommendations. If strategies are inadequate or not properly documented and if improvements are needed in the action plan follow-up process, it is difficult to hold executives accountable for implementing the recommendations.

Conclusions

GSA has taken the initial steps to implement many of our general management report's recommendations, especially those in the areas of executive leadership, facilities management, and management information. If fully implemented, these actions should improve GSA's operations in these areas. However, more remains to be done, especially in the area of human resources. Also, because several of the recommendations are still open and long-term efforts are needed to implement many of them, it is critical that GSA stay committed to and provide sustained attention to our recommendations. To do this, GSA's managers and executives need an effective tool to monitor and assess progress to ensure that efforts continue, actions are completed, and desired results are achieved. GSA's action plan could be such a tool, but adjustments are needed to the current version and in the follow-up process to improve the plan's usefulness.

Recommendations

To more effectively monitor and assess progress and better hold program officials accountable for full implementation of our recommendations, we recommend that the Administrator of the General Services Administration

- modify the action plan to include effective and fully documented strategies for all of the recommendations and
- improve the action plan follow-up process by ensuring an adequate assessment of planned and completed actions to determine whether they satisfactorily address the recommendations.

Agency Comments and Our Evaluation

In commenting on a draft of this report, GSA generally agreed with the findings and said it would take appropriate action to implement the recommendations listed above. GSA also said that it (1) would continue to track its progress in implementing the recommendations in the general management report and (2) had asked program officials to intensify their efforts in areas needing further attention. GSA's comments are included in appendix II.

As you know, 31 U.S.C 720 requires the head of a federal agency to submit a written statement of actions taken on our recommendations to the House Committee on Government Operations and the Senate Committee on Governmental Affairs not later than 60 days after the date of the report and to 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 would appreciate receiving a copy of this statement.

We are sending copies of this report to appropriate congressional committees and the Director of the Office of Management and Budget. We will also make copies available to other interested parties.

The major contributors to this report were Gerald Stankosky, Assistant Director, and Carolyn M. Taylor and Daniel G. Mesler, Senior Evaluators. If you or your staff have any questions regarding this report, please call me on (202) 275-8676.

Sincerely yours,



L. Nye Stevens
Director, Government Business
Operations Issues

General Management Recommendations: Status of GSA's Progress

Recommendations in brief

	Progress made	Improvement needed
Executive leadership		
Strengthen efforts to prepare for future		
Make strategic planning process intrinsic	x	
Strengthen links among strategic, operational, and budget planning	x	
Familiarize key organizations with strategic plan		x
Improve executive performance		
Tie SES performance plans to goals and objectives and use Civil Service Reform Act criteria	x	
Ensure performance plans articulate clear, and where possible, measurable goals and objectives	x	
Use ExecuTrac for strategic planning process and collecting information on accomplishments	x	
Identify ways for regions to carry out Central Office policies and goals	x	
Strengthen efforts for effective SES corps		
Implement executive development program	x	
Institute SES pool		x
Management information		
Improve internal information resources management environment and establish framework for meeting financial and program management information needs		
Designate senior official responsible for strengthening and improving internal information resources	x	
Develop agencywide information architecture	x	
Strengthen top management oversight of systems development and implementation	x	
Improve financial management systems and provide sound basis for guiding system development efforts		
Complete agencywide financial systems plan as part of developing information architecture	x	
Ensure the Office of Financial Management Systems has resources necessary to improve financial management	x	
Continually monitor supply operations and remove commodities that are not cost effective to stock from inventory	x	

(continued)

**Appendix I
General Management Recommendations:
Status of GSA's Progress**

	Progress made	Improvement needed
Facilities Management		
Focus PBS' facilities management role on governmentwide leadership and on strategic management and oversight		
Expand building delegations		x
Revise requirements so agencies report all cost and performance data	x	
Expand contracts for building management services	x	
Focus efforts on strategic management issues		x
Develop support mechanisms to help agencies manage their facilities	x	
Strengthen delegation oversight and contract administration	x	
Develop plan for PBS role change		x
Develop a customer-oriented focus to PBS operations		
Provide TQM training to PBS personnel	x	
Develop partnerships with agencies	x	
Set up regional advisory councils	x	
Maintain one-stop focal point		x
Strengthen PBS information management		
Develop new facilities management information structure	x	
Acquire new facilities management information system	x	
Reassess Central Office and regional relationship		
Reassess Central Office and regional office facilities management relationship	x	
Human Resources		
Give human resources more priority		
Establish an active human resources planning system	x	
Develop stronger employee development and training programs that are based on the human resources plan		x
Assess level of Central Office personnel needed to develop human resources planning system and improve personnel management evaluation		x
Direct GCAP to oversee human resources planning system and set up a human resources management agenda		x

Comments From the General Services Administration



Administrator
General Services Administration
Washington, DC 20405



February 6, 1991

The Honorable Charles A. Bowsher
Comptroller General
of the United States
General Accounting Office
Washington, DC 20548

Dear Mr. Bowsher:

The General Services Administration (GSA) has reviewed the General Accounting Office's draft report entitled "General Services Administration: Status of Management Improvement Efforts," and generally agrees with your findings. As the report states, GSA is making a concerted effort to implement the recommendations in your 1989 General Management Review report. GSA realizes that this undertaking will require several years to complete, and is committed to providing the management attention required to achieve the desired results.

The draft report contains two recommendations, and GSA is in agreement with both of them. GSA will take appropriate action to implement the recommendations, and will track our progress to ensure effective implementation. In addition, the findings in the report indicate several areas where GSA needs to intensify its efforts. I have asked GSA's program officials to rededicate themselves to addressing these issues.

I appreciate the time and effort of your auditing staff in researching and developing this report. I look forward to continuing our mutual efforts to make program improvements.

Sincerely,

A handwritten signature in dark ink, appearing to read "Richard G. Austin".

Richard G. Austin
Administrator

Requests for copies of GAO reports should be sent to:

**U.S. General Accounting Office
Post Office Box 6015
Gaithersburg, Maryland 20877**

Telephone 202-275-6241

The first five copies of each report are free. Additional copies are \$2.00 each.

There is a 25% discount on orders for 100 or more copies mailed to a single address.

Orders must be prepaid by cash or by check or money order made out to the Superintendent of Documents.

**United States
General Accounting Office
Washington, D.C. 20548**

**Official Business
Penalty for Private Use \$300**

**First-Class Mail
Postage & Fees Paid
GAO
Permit No. G100**
