

GAO

United States General Accounting Office 134093
Briefing Report to Congressional
Requesters

September 1987

FEDERAL PERSONNEL

Status of Personnel Research and Demonstration Projects



134093

RESTRICTED — Not to be released outside the General
Accounting Office except on the basis of specific approval
by the Office of Congressional Relations.

539975

RELEASED

GAO/GGD-87-116BR



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

General Government Division

B-227705

September 21, 1987

The Honorable Albert Gore, Jr.
United States Senate

The Honorable David H. Pryor
Chairman, Subcommittee on Federal
Services, Post Office, and
Civil Service
Committee on Governmental Affairs
United States Senate

This briefing report responds to your July 30, 1986, request and to subsequent discussions with your offices that we provide information on the status of personnel research programs and demonstration projects under title VI of the Civil Service Reform Act of 1978 (Public Law 95-454, 5 U.S.C. Chap. 47). You were particularly interested in why agencies have not used the research and demonstration program more often.

The Office of Personnel Management (OPM) has overall responsibility for conducting research programs and demonstration projects, either directly or through federal agencies or other organizations. A research program is a study of the operation of public management policies and systems, while a demonstration project determines whether a change in personnel policies or procedures would improve federal personnel management.

In the nearly 9 years since the Reform Act was enacted, two demonstration projects and one research program had been implemented as of April 1987. To examine the reasons for the limited use of the program, we first interviewed OPM staff responsible for the program and then contacted staff members in 26 agencies that OPM records indicated had had substantive contact with OPM about the program since early 1983. Through a telephone

survey, we asked agency staff in the 26 agencies about (1) the status of any research or demonstration projects the agency had considered, (2) their opinions on why more projects had not been proposed, and (3) their views on OPM's role in the administration of the program. We also interviewed staff and officials in four of the six executive departments which did not appear in OPM records of agencies' contacts about the program. Finally, we discussed the results of our work with OPM staff and officials, including the Acting Chief of the Research and Demonstration Staff and the Deputy Associate Director for the Personnel Systems and Oversight Group.¹

On March 31, 1987, we briefed representatives of your offices on the results of our interviews, and they asked that the information we presented in the briefing be documented in a report. This report is limited to the information we obtained by interview. We did not verify the information or review OPM's evaluation of agencies' ideas for research programs and demonstration projects. Our objectives, scope, and methodology are discussed in detail in appendix I and a copy of the survey questions with the response rates is reproduced in appendix II. Our findings are discussed in detail in appendix I and summarized below.

In brief, we found that:

--Three of the 26 agencies said their contacts with OPM were limited to general discussion about the program and they had presented no specific ideas for research programs or demonstration projects.

--One of the 23 agencies that presented specific ideas said it had implemented a project after OPM approval, 8 said they were preparing proposals or were awaiting OPM action on proposals previously submitted, and 13 said they had suspended or terminated work on proposal preparation. Reasons cited for the suspensions or terminations included (1) OPM disapproval of the agencies' concept paper or project plan, (2) use of an OPM-proposed alternative which met the agency's needs, and (3) agencies deciding not to pursue the project. In addition, one agency implemented a project on its own

¹The Research and Demonstration Staff became the Research and Demonstration Division in an early August 1987 reorganization. For reporting purposes, we will refer to the Acting Chief of the Research and Demonstration Staff.

after OPM decided the agency had the authority to take the proposed action without OPM approval.

--The reasons most commonly cited by the 26 respondents as contributing to a "great" or "very great" extent to why agencies in general had not participated more in the research and demonstration program were the time and resources required to develop and propose a project (81 percent), and difficulties in getting proposals through their agency approval process (42 percent). Also, 7 (27 percent) of the 26 respondents and officials in all 4 of the other departments we visited said they believed OPM had not encouraged such projects during the previous Director's tenure.

--The most frequently cited ways that respondents said OPM could have better assisted them was by taking a more active role in project development (38 percent), particularly in the early stages and by providing clearer, more definitive guidance and information on other agencies' projects (38 percent). OPM staff and officials said OPM will continue to disseminate information about demonstration project activities.

--The respondents said that problems within OPM which may hinder the approval of projects include (1) the limited number of OPM staff assigned to the program and (2) an internal "disconnection" between OPM top management and the research and demonstration office staff as to whether projects should be encouraged and approved. According to OPM's Acting Chief of the Research and Demonstration Staff, the number of research and demonstration staff has been a problem. The Acting Chief also agreed that agencies may have received mixed messages from OPM's top management and staff about OPM's commitment to the research and demonstration program. In commenting on our report, the Deputy Associate Director for the Personnel Systems and Oversight Group said he believes there is no "disconnection" between OPM top management and program staff but that the program staff are not always aware of the policy decisions top management must make to balance the agency's needs and resources.

We obtained oral comments from OPM on this report. OPM officials offered certain suggestions to improve the report's clarity and technical accuracy which have been incorporated. The officials said they believe the principal reasons agencies have not used the research and demonstration program more frequently are (1) the time and money needed to conduct such programs and projects

B-227705

and (2) the press of implementing other aspects of the Civil Service Reform Act during the first years of the program.

As also arranged with your offices, further distribution of this report will be made 7 days after the issue date. At that time, copies of this report will be sent to interested parties and will be made available to others upon request. If you have any questions, please call me on (202) 275-6204.


Rosslyn S. Kleeman
Senior Associate Director

CONTENTS

LETTER		1
APPENDIX		
I	PERSONNEL RESEARCH PROGRAMS AND DEMONSTRATION PROJECTS	6
	Background	6
	Objectives, Scope, and Methodology	7
	Research Program and Demonstration Project Approval Process	8
	Nature and Status of Agency Ideas and Projects	9
	Agency Officials' Opinions and OPM's Views on Program Implementation	14
II	U. S. GENERAL ACCOUNTING OFFICE TELEPHONE INTERVIEW SURVEY QUESTIONS	18
III	SYNOPSIS OF AGENCIES' IDEAS FOR RESEARCH PROGRAMS AND DEMONSTRATION PROJECTS	30
IV	AGENCIES THAT RESPONDED TO GAO'S SURVEY	34
TABLES		
I.1:	Personnel Issues Mentioned in Research and Demonstration Ideas	10
I.2:	Time Between Submission of Concept Paper and Program or Project Plan and Approval/Disapproval by OPM (Since 1983)	14
FIGURES		
I.1:	Status as of April 1987 of Research Program and Demonstration Project Ideas in 26 Agencies	12

PERSONNEL RESEARCH PROGRAMS AND DEMONSTRATION PROJECTSBACKGROUND

Title VI of the Civil Service Reform Act of 1978 (Public Law 95-454, 5 U.S.C. Chapter 47) authorized the Office of Personnel Management (OPM) to conduct and evaluate personnel research programs and demonstration projects, either directly or through federal agencies or other public and private organizations. According to the Reform Act, a research program is a study of the manner in which public management policies and systems are operating, the effects of those policies and systems, the possibilities for change, and comparisons of alternative policies and systems. A demonstration project is intended to determine if a specified change in personnel management policies or procedures would result in improved federal personnel management. OPM may waive certain provisions of law when conducting a demonstration project but must conduct a research program within the scope of existing laws and regulations.

Title VI was envisioned as an ongoing mechanism for reviewing personnel techniques and systems. The objective was to be able to respond to changing needs in the federal personnel system as, and when, they arise, thereby lessening the need for overall legislative reform in the future.

Laws and regulations which the Reform Act allows OPM to waive during the conduct of a demonstration project include those covering

- establishing qualification requirements for, recruitment for, and appointment to positions;
- classifying positions and compensating employees;
- assigning, reassigning, or promoting employees;
- disciplining employees;
- providing incentives to employees, including group or individual incentive bonuses and pay;
- hours of work per day or per week;
- involving employees, labor organizations, and employee organizations in personnel decisions; and
- reducing overall agency staff and grade levels.

The Reform Act specifies that OPM cannot waive laws and regulations covering political activities, equal employment opportunities, and leave and other employee benefit programs. Nor can waivers violate merit principles or any provision relating to prohibited personnel practices.

The Reform Act also specified that no more than 10 demonstration projects may be active at any given time, each demonstration project may cover a maximum of 5,000 employees, and each project must take no longer than 5 years to complete. The Reform Act also requires agency management to consult or negotiate with unions where existing negotiated agreements would be affected. If the employees are not covered by a negotiated agreement, the employees cannot be included in a demonstration project unless the agency consults with the employees.

OBJECTIVES, SCOPE, AND METHODOLOGY

Our objectives were to provide information on the status of research programs and demonstration projects, and to obtain agencies' views on why the research program and demonstration project authority has had limited use. To accomplish this, we first interviewed the responsible OPM staff for information on the program and to identify which agencies had notified OPM of their interest in participating in the program. The OPM Research and Demonstration Branch has maintained records of such contacts since it was established in September 1982. When we began our work in October 1986, 39 such contacts and indications of interest had been recorded.² Using these recorded contacts, we identified 27 agencies which the records indicated had discussed a specific idea for a project with OPM officials or were currently developing a specific idea for a proposal. The remaining 12 contacts were general in nature and were often inquiries about the overall operation of the research and demonstration program.

We then conducted a telephone survey of staff involved in the projects in the 27 agencies. They were asked to provide (1) information on the status of ideas or projects they had discussed with OPM, (2) their opinions on the operation of the research and demonstration program, and (3) their views on OPM's role in the administration of the program. One of the 27 agencies did not respond to the survey because the agency official could not get the necessary approval from the agency's Office of Internal

² The two demonstration projects which had been implemented (see p. 14) were not included in this list because the agencies had initially contacted OPM before the Research and Demonstration Branch was created in September 1982.

Review. (See app. II for a copy of the telephone survey questions and app. IV for a list of the agencies that responded to the survey.) We did not verify the information or review OPM's evaluation of the agencies' ideas for research programs and demonstration projects.

We also judgmentally selected personnel staff and officials for interviewing at four of the six executive departments which were not on the OPM list of agency contacts to determine why they had no specific interest in the research and demonstration program. The six executive departments were the Departments of Commerce, Education, Health and Human Services,³ Housing and Urban Development, Justice, and State. Finally, we discussed the results of our work with OPM staff and officials. Our work was conducted between October 1986 and April 1987.

RESEARCH PROGRAM AND DEMONSTRATION PROJECT APPROVAL PROCESS

An agency or organization wishing to conduct a research or demonstration project must submit a proposal to OPM for review and approval. The process by which OPM reviews agency ideas is generally the same for both research programs and demonstration projects. Current OPM guidance issued in the first quarter of fiscal year 1987 suggests, but does not require, that agencies initially prepare a brief concept paper describing the nature of the project and the expected results. OPM Research and Demonstration Staff said they work with agencies in developing the concept paper, sometimes reviewing draft papers before formal submission. When it is formally presented, OPM may approve, disapprove, or recommend revisions to and resubmission of the paper.

Title VI of the Reform Act requires OPM to develop a specific plan for the implementation of demonstration projects. OPM, in turn, requires agencies to prepare and submit a detailed project plan as part of the approval process for both research programs and demonstration projects. The plan must propose ideas that are capable of being tested and must identify measurable outcomes. As with the concept papers, OPM staff said they often work with agencies in developing project plans and, after formal submission and review, may approve, disapprove, or recommend revisions and resubmission.

³Other than the Social Security Administration which expressed an interest but did not pursue a project, the Department of Health and Human Services did not participate in the research and demonstration program.

At this point, the approval process for demonstration projects diverges from the process for research programs. Once the research program's plan is approved by OPM, the agency may begin implementation immediately. However, because demonstration projects involve waivers of existing laws and regulations, the Reform Act requires that they proceed through a process of public notice, public hearings, and congressional review after the action plan is approved by OPM. OPM is required to publish notice in the Federal Register of the planned demonstration projects, hold public hearings on the proposal, and notify affected employees and Congress of the proposed project at least 6 months in advance of implementation. OPM must again notify Congress 3 months before starting implementation.

NATURE AND STATUS OF AGENCY IDEAS AND PROJECTS

As of April 1987, two demonstration projects and one research program had been approved and implemented since passage of the Reform Act in 1978.⁴ OPM also approved another demonstration project in concept in 1985.

The first demonstration project implemented under the Reform Act was initiated in July 1980 at the Department of the Navy's Naval Ocean Systems Center in San Diego, California, and the Naval Weapons Center in China Lake, California. In 1984, Congress reauthorized the project to continue until September 30, 1990, and the 5,000 person limit for the project was removed at that time. Commonly known as the "China Lake" project, the project is a revised personnel management system that is testing simplified position classification and performance appraisal, performance-linked pay, and performance-based retention.

The second demonstration project to be implemented was the Federal Aviation Administration's Airway Science Curriculum project, begun in 1983 in Oklahoma City, Oklahoma. The project is testing whether a college curriculum designed by the FAA produces better employees than other curricula.

⁴Another project was authorized by Congress in October 1986 in the National Bureau of Standards (NBS) Authorization Act For Fiscal Year 1987. The proposal was published in the Federal Register on July 1, 1987, and features a pay demonstration project intended to make NBS more competitive in attracting and retaining high-tech personnel.

The demonstration project approved in concept in 1985 by OPM at McClellan Air Force Base in Sacramento, California, will provide supervisors and employees with direct incentives (primarily through gainsharing⁵) to manage and work more effectively.

The only approved research program is at the Department of the Navy's Naval Supply Center in Norfolk, Virginia. Implemented in November 1986, the program is testing a computerized personnel system. OPM approved one other research concept dealing with recruiting temporary, seasonal employees at the Department of Agriculture's Forest Service, but OPM later determined it to be within the Forest Service's authority and did not require OPM's approval under the Reform Act.

Through the telephone survey, we obtained information from project staff in the 26 agencies on their research and demonstration ideas and on the status of any proposals they were preparing or had made to OPM. The subjects of agencies' research or demonstration ideas ranged from those which included virtually all aspects of a personnel system to those which focused on just one issue. Six of the proposals were directly inspired by or based on the Navy's "China Lake" project and others contained certain features of that project. Table I.1 illustrates the personnel issues most often mentioned in those ideas and the number of ideas for each issue.

TABLE I.1:
Personnel Issues Mentioned in Research and Demonstration Ideas

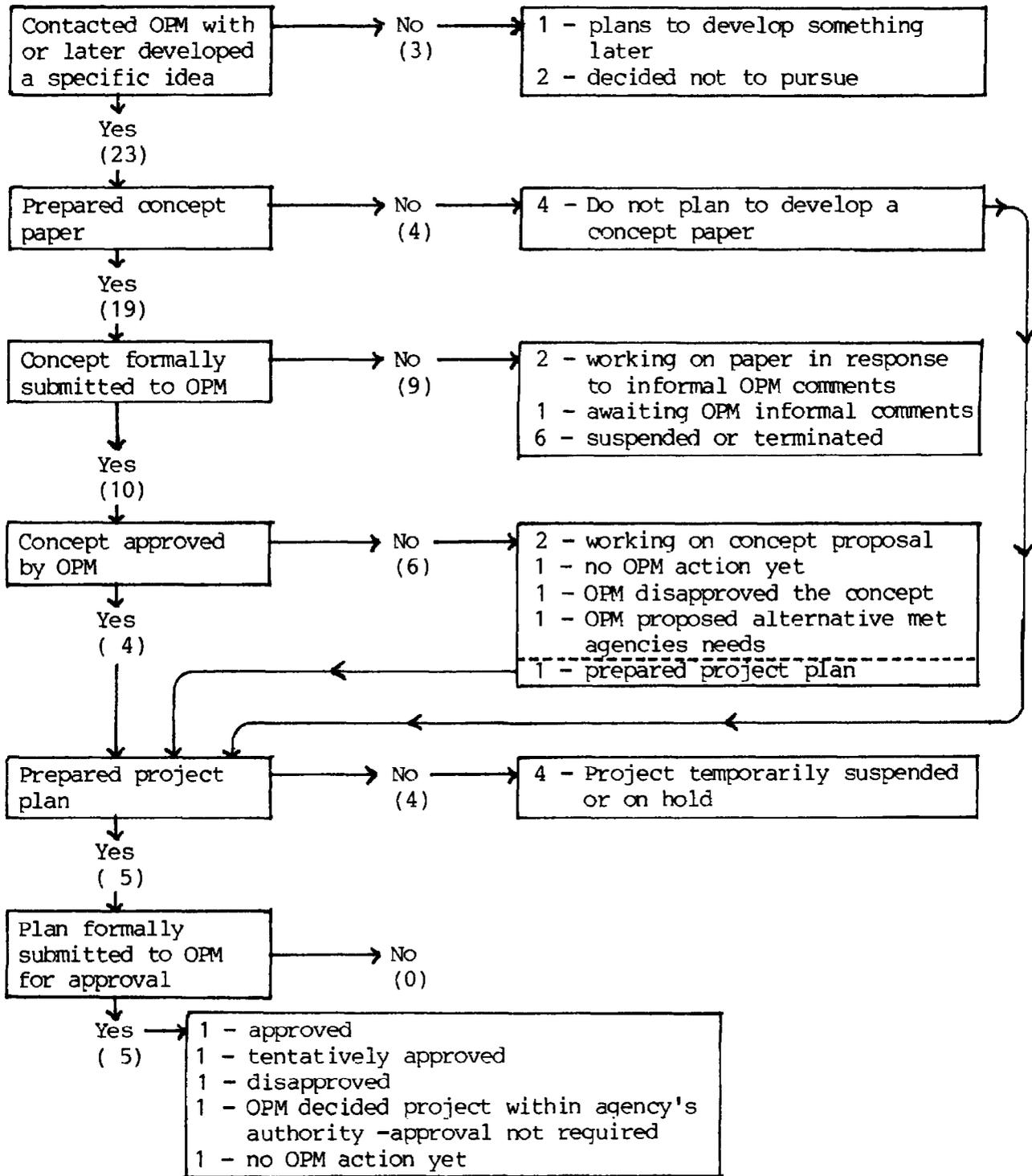
<u>Personnel Issue</u>	<u>Number of Ideas Mentioning Issue</u>
Position classification	7
Locality pay/local pay rates	5
Performance-based pay/pay bands	4
Performance incentives	4
Performance appraisals	4
Recruiting	3

Other less frequently mentioned personnel issues included productivity measures and gainsharing, rank-in-person pay systems, and greater managerial control over the hiring process and salary levels. Appendix III contains descriptions of the agencies' ideas for research programs and demonstration projects as provided by agency officials during our interviews.

⁵Gainsharing programs are incentive systems that measure gains in employee productivity and share the savings generated between employees and the organization.

Twenty-three of the 26 agencies said they had either discussed specific ideas with the OPM research and demonstration staff or had general discussions which led to the development of the ideas (questions 2 and 3). The other three agencies said they had only general discussions with OPM staff. Two of these decided not to pursue a project after the OPM discussion, and one said it planned to develop a project at a later date. The status of the project ideas at the time of our survey is depicted in figure I.1.

Figure I.1:
Status as of April 1987 of Research Program and
 Demonstration Project Ideas in 26 Agencies



Nineteen of the 23 agencies with specific ideas for programs or projects prepared concept papers as OPM's guidance suggested but did not require, and 10 of them had formally submitted the papers to OPM (questions 4 and 7). The other nine agencies either informally submitted concept papers to OPM for comment or discussed the papers informally with OPM (question 8). Of these nine agencies, one was waiting for OPM comments at the time of our survey, two were working on the papers in response to OPM comments, and six had suspended or terminated their efforts (question 9).

Of the 10 concept papers that were formally submitted, OPM approved 4 and disapproved 1. In the other five instances, the agencies (1) prepared a project action plan without concept paper approval, (2) abandoned the proposal after accepting an OPM suggested alternative solution, (3) were doing further work on their proposals in response to OPM's comments, (4) were working on an expanded proposal, or (5) were awaiting OPM's response.

Nine of the 23 agencies had moved through the process to the point where they could have prepared action plans. Of the nine, four agencies had not prepared an action plan at the time of our survey, and their ideas had been temporarily suspended or put on hold by agency officials. The other five agencies had prepared the plans and all five had formally submitted them to OPM. One of these plans had been approved and implemented (research program at the Department of the Navy's Naval Supply Center, Norfolk, Virginia), one plan was approved in concept in 1985 (demonstration project at the Department of the Air Force's McClellan Air Force Base, Sacramento, California),⁶ and one agency implemented their program after OPM decided the project was within the agency's authority and did not require OPM approval (Department of Agriculture's Forest Service). One plan was disapproved and the idea terminated by the agency. At the time of our review, OPM had taken no action on the other action plan.⁷

Table I.2 shows the number of months it took for OPM to approve or disapprove research and demonstration project concept papers and program or project plans.

⁶In July 1987, OPM approved this project for publication in the Federal Register.

⁷In June 1987, OPM disapproved this plan.

Table I.2:
Time Between Submission of Concept Paper and Program or Project
Plan and Approval/Disapproval by OPM (since 1983)

<u>Date Formally Submitted</u>	<u>OPM Approved/Disapproved</u> <u>Concept/Plan</u>	<u>Number of Months</u> <u>in Process</u>
Concept Papers:		
July 1985	Aug. 1985	1
Sept. 1983	Nov. 1983	2
Jan. 1984	Apr. 1984	3
May 1985	June 1985	1
Mar/Apr. 1986	Spring 1986	1 to 3
Program/Project Plans:		
Apr. 1986	June 1986	2
Aug. 1986	Sept. 1986	1
Nov. 1986	Mar. 1987	4

AGENCY OFFICIALS' OPINIONS AND OPM'S
VIEWS ON PROGRAM IMPLEMENTATION

Through the telephone survey of 26 agencies and interviews at four of the six departments that had expressed no specific interest in the research and demonstration program, we obtained agency staff and officials' opinions about two general issues: (1) why agencies had not used the research and demonstration program more frequently and (2) OPM's role in encouraging proposals and providing assistance.

Reasons for Lack of Proposals

We asked agency project staff both open-ended and closed-ended questions about why more ideas for research and demonstration projects had not been proposed.⁸ The most frequent response to the open-ended questions was mentioned by eight of the respondents (31 percent) who said that agencies are unwilling to commit the time and resources required to develop projects. Two of the eight respondents said that agencies would be more willing to develop projects if they had seen some changes in federal personnel practices as a result of the ongoing projects.

⁸An open-ended question is one in which the respondent is asked to provide his or her own answer to the question. In closed-ended questions, the respondent is asked to select his or her answer from among a list provided by the researcher.

Eight also noted that a lack of clear, definitive guidance had made it difficult to know what OPM was looking for as subjects of research or demonstration projects or how to submit a proposal.

Seven of the respondents (27 percent) to the open-ended questions indicated they believed that during the previous Director's tenure OPM was not interested in supporting the development of research and demonstration projects. The lack of interest by OPM was also mentioned by all of the personnel officials we interviewed at the four departments that had not contacted OPM about a specific interest in the research and demonstration program. Two of these officials said they had heard OPM was less interested in research and demonstration projects than in more basic personnel management issues and Reform Act requirements that were more time sensitive, such as the implementation of governmentwide performance appraisal and merit pay systems. However, officials at three of the four departments and three of the nine respondents said that they believe OPM is now encouraging new ideas and is interested in research and demonstration projects.

In a closed-ended question, agency staff were asked to indicate the extent to which they believed each of 10 possible factors contributed to agencies not using the research and demonstration program (question 21). The factor most commonly agreed upon was the time and resources required in developing and proposing a project. Twenty-one of the 26 respondents (81 percent) believed this factor contributed to either a "great" or "very great" extent to the lack of projects. This was the only 1 of the 10 possible factors that a majority of respondents agreed contributed to the lack of projects to a "great" or "very great" extent. Personnel officials we interviewed at two of the four departments that had not participated in the research and demonstration program also cited limited resources as a reason for not proposing a project.

The second most frequently agreed upon factor among the 26 respondents was the difficulty in getting a proposal through the agency approval process (chain of command), cited by 11 of the respondents (42 percent) as contributing more than a moderate extent to the lack of projects. The project limitations in the law (e.g. the 5-year time limit or the size limit of 5,000 employees) was the third most commonly agreed upon factor; however, 16 of the 26 respondents (62 percent) said they believed such limitations contributed to only "some" or "little or no" extent.

OPM Activities in Encouraging Proposals
and Providing Assistance

Respondents were divided in their views on whether OPM had encouraged the submission of research and demonstration proposals (question 22). Ten respondents (38 percent) said OPM had encouraged proposals to a "great" or "very great" extent, while another 10 respondents said OPM had done so only to "some" extent or "little or no" extent. Six respondents (23 percent) believed OPM had encouraged proposals "to a moderate extent."

Twenty survey respondents suggested ways in which OPM could provide more assistance to agencies in developing research or demonstration projects. A common theme in the suggestions was that OPM needed to be less reactive and more proactive in administering the program. For example, one respondent indicated that OPM staff was extremely helpful once a concept was identified and defined, but OPM needed to be more proactive in the initial stages when an agency first shows an interest in developing a project. Ten of the respondents (38 percent) indicated that OPM should take a more active role in the projects, particularly in the early or initial stages. According to OPM's Acting Chief of the Research and Demonstration Staff, OPM would like to be more proactive but has not specifically identified what actions to take.

Ten of the respondents (38 percent) said OPM should provide additional, clearer, and more definitive guidance on program operation and/or disseminate information on other agencies' projects. Two of the respondents suggested that OPM propose ideas or develop projects for testing in agencies, and three said OPM should detail staff full-time to agencies in conjunction with the projects.

Seventeen of the respondents (65 percent) said they received general information from OPM on research and demonstration projects and fourteen (54 percent) said they received OPM critiques of agency proposals to a "great" or "very great" extent (question 24). Six of the respondents (23 percent) said they received help from OPM in resolving technical, policy, and evaluation issues on possible projects to a "great" or "very great" extent. However, only four respondents (15 percent) indicated they received "hands on" help to a "great" or "very great" extent in designing the agency's concept or plan.

In the first quarter of fiscal year 1987, OPM issued a paper entitled "Developing Research and Demonstration Projects, An Informational Guide" to assist the agencies in project development. OPM staff and officials also agreed they need to continue to disseminate information about demonstration project

activities. For example, they said they plan to continue to participate in conference sessions and seminars where representatives of agencies involved in projects and/or interested in possible projects can discuss project development approaches.

Problems At OPM Which May Have
Hindered Approval of Projects

Fifteen of the 26 respondents (58 percent) noted problems at OPM that they thought may have hindered the research and demonstration program. Most commonly cited (by eight respondents) was the limited number of staff OPM had assigned to the program. According to the Acting Chief of the Research and Demonstration Staff, the number of research and demonstration staff is and has been a problem.

Also, six respondents perceived a "disconnection" between OPM's top management and the research and demonstration staff, which they believed indicated some internal uncertainty or lack of support for the program within OPM. For example, one respondent said he found the staff to be very supportive of their proposals but upper management to be unsupportive. Another said it appeared as if the professional staff within OPM was not sure what OPM top management wanted in the way of research and demonstration projects. On the other hand, another respondent said that OPM's management expressed an interest in getting ideas but the staff required agency officials to jump through "all kinds of administrative and bureaucratic hoops" to submit ideas. The Acting Chief of the Research and Demonstration Staff concurred that in the past agencies may have received mixed messages from OPM's top management and staff about OPM's commitment to the research and demonstration program. However, the Deputy Associate Director for the Personnel Systems and Oversight Group said he believes there is no "disconnection" between OPM top management and program staff. He also said that while OPM has actively solicited proposals, the agencies may not have received as much outreach from OPM as they would have desired.

U. S. GENERAL ACCOUNTING OFFICE
TELEPHONE INTERVIEW
SURVEY QUESTIONS

RESEARCH AND DEMONSTRATION PROJECTS
UNDER THE CIVIL SERVICE REFORM ACT

This appendix contains a copy of the questions asked in our telephone interviews of the officials in agencies which OPM records indicated had expressed interest in participating in the research and demonstration program.

It was not appropriate for all respondents to answer some questions because of answers to other questions. Therefore, the response rates are based on the number of respondents who should have responded to each question. The number of respondents who should have responded is indicated in each question by "n=" followed by the number of officials. For example, n=10, or n=18. Percentages for responses were rounded and, therefore, do not always equal 100.0.

INTRODUCTION TO TELEPHONE SURVEY QUESTIONS

"Hello. My name is _____ and I'm with the General Accounting Office. We have been asked to gather some preliminary information on the Office of Personnel Management's research and demonstration projects being conducted under Title VI of the Civil Service Reform Act. As you may know, this program permits OPM to authorize agencies to conduct personnel research or demonstration projects that could not otherwise be conducted under federal laws or regulations. Although we are aware that other types of personnel research and demonstration programs are being conducted, such as those which do not require waivers of law or regulation or which are specifically authorized by Congress, we are only interested in the OPM program under Title VI."

"Is there anything you would like to ask before we begin."

"Your agency has been identified as one which had engaged in some discussion with OPM regarding research programs or demonstration projects. We are interested in finding out some general details of the program, the stage that it is in, and some opinions about OPM's encouragement and assistance to your agency."

1. Are you the person I should be speaking with about your agency's contact with OPM's Research and Demonstration staff regarding a potential demonstration project?
 1. Yes. ("This interview should take about 15 to 20 minutes. Is this a good time for you to talk?")
 2. No. (Determine name and telephone number of correct person.)

PART I: PROJECT DESCRIPTION

2. What was the nature of the contact with OPM's Research and Demonstration staff? Did you (1) discuss a specific idea, (2) discuss general issues or gather information, or (3) discuss something else?

Percent Responding n= 26

- 50 1. Discussed a specific idea. (DESCRIBE AND GO TO QUESTION 4.)
- 50 2. Discussed general issues or gathered information. (DESCRIBE AND CONTINUE WITH QUESTION 3.)
- 0 3. Discussed something else. (DESCRIBE AND CONTINUE WITH QUESTION 3.)

3. Was the information you obtained from OPM's Research and Demonstration staff used to develop a specific idea for a research or demonstration project?

Percent Responding n= 13

- 77 1. Yes. (DESCRIBE IDEA AND CONTINUE WITH QUESTION 4.)
- 23 2. No. (ENTER REASON AND GO TO PART II.)

4. Have you prepared a concept paper for this idea?

Percent Responding n= 23

- 83 1. Yes. (GO TO QUESTION 7.)
- 17 2. No. (CONTINUE WITH QUESTION 5.)

5. Do you plan to prepare a concept paper for this idea?

Percent Responding n= 4

- 0 1. Yes. (CONTINUE WITH QUESTION 6.)
- 100 2. No. (GO TO QUESTION 12.)

6. What is the current status of the idea? Are you (1) developing a concept paper, (2) discussing the idea within your agency, but have not yet begun the development of a concept paper, (3) has the idea been temporarily suspended or put on hold, (4) has it been terminated, or (5) has something else happened?

Percent n= 0
Responding

- 0 1. Developing a concept paper.
- 0 2. Discussing the idea in the agency, but have not yet begun development of a concept paper.
- 0 3. Temporarily suspended or put on hold. (EXPLAIN WHY.)
- 0 4. Terminated. (EXPLAIN WHY.)
- 0 5. Other action. (DESCRIBE.)

[GO TO PART II]

7. Has the concept paper been formally submitted to OPM for its approval?

Percent n= 19

- 53 1. Yes. (ENTER DATE SUBMITTED AND GO TO QUESTION 10.)
- 47 2. No. (CONTINUE.)

8. Has the concept paper been (1) discussed with OPM officials but not submitted, (2) submitted informally to OPM for comment, or (3) was some other approach taken?

Percent n= 9
Responding

- 67 1. Discussed with OPM but not submitted.
- 33 2. Informally submitted to OPM for comment.
- 0 3. Other.

9. What is the current status of the concept paper? Are you (1) waiting for OPM comments, (2) working on it in response to OPM comments, (3) has it been temporarily suspended or put on hold, (4) has it been terminated, or (5) has something else happened?

Percent Responding n= 9

- 11 1. Waiting for OPM comments.
- 22 2. Working on it in response to OPM comments.
- 33 3. Temporarily suspended or put on hold. (EXPLAIN WHY.)
- 33 4. Terminated. (EXPLAIN WHY.)
- 0 5. Other action. (DESCRIBE.)

[GO TO PART II]

10. What action has OPM taken in response to your submission of the concept paper? Did they (1) approve it, (2) recommend revisions for resubmission, (3) recommend withdrawal, (4) disapprove it, (5) take no action, or (6) take some other action?

Percent Responding n= 10

- 40 1. Approve it. (ENTER DATE APPROVED AND GO TO QUESTION 12.)
- 10 2. Recommend revisions for resubmission. (DESCRIBE.)
- 0 3. Recommend withdrawal. (NOTE WHY.)
- 10 4. Disapproved the concept paper. (NOTE WHY.)
- 10 5. Taken no action as of this time.
- 30 6. Other action. (DESCRIBE.)

NOTE: RESPONSE #	SELECTED	GO TO:
1		Q. 12
2 THRU 4		Q. 11
5		PART II

11. What is the current status of the concept paper? (1) Are you still working on the revisions? (2) Have you resubmitted it? (3) Has it been temporarily suspended or put on hold? (4) Has it been terminated? (5) Has some other action been taken?

Percent n= 5
Responding

- 40 1. Working on the revisions.
 0 2. Resubmitted it to OPM.
 0 3. Temporarily suspended or put on hold. (EXPLAIN WHY.)
 40 4. Terminated plan. (EXPLAIN WHY.)
 20 5. Other action. (DESCRIBE.)

[GO TO PART II]

12. Has the project action plan been prepared?

Percent n= 9
Responding

- 56 1. Yes. (GO TO QUESTION 14.)
 44 2. No. (CONTINUE WITH QUESTION 13.)

13. What is the current status of the idea? Are you (1) developing an action plan, (2) discussing the idea within the agency, but have not yet begun development of an action plan, (3) has the idea been temporarily suspended or put on hold, (4) has the idea been terminated, or (5) has some other action been taken?

Percent n= 4
Responding

- 0 1. Developing an action plan.
 0 2. Discussing the idea within the agency, but have not yet begun development of an action plan.
 100 3. Temporarily suspended or put on hold. (EXPLAIN WHY.)
 0 4. Terminated idea. (EXPLAIN WHY.)
 0 5. Other action. (DESCRIBE.)

[GO TO PART II]

14. Has the project action plan been formally submitted to OPM?

Percent Responding n= 5

- 100 1. Yes. (ENTER DATE SUBMITTED AND GO TO QUESTION 17.)
 0 2. No. (CONTINUE WITH QUESTION 15.)

15. Has the action plan been (1) discussed with OPM officials but not submitted, (2) submitted informally to OPM for comment, or (3) was some other approach taken?

Percent Responding n= 0

- 0 1. Discussed with OPM but not submitted.
 0 2. Informally submitted to OPM for comment.
 0 3. Other. (DESCRIBE.)

16. What is the current status of the action plan? Are you (1) waiting for OPM comments, (2) working on it in response to OPM comments, (3) has it been temporarily suspended or put on hold, (4) has it been terminated, or (5) has something else happened?

Percent Responding n= 0

- 0 1. Waiting for OPM comments.
 0 2. Working on it in response to OPM comments.
 0 3. Temporarily suspended or on hold. (NOTE WHY.)
 0 4. Terminated. (NOTE WHY.)
 0 5. Other. (DESCRIBE.)

[GO TO PART II]

17. What action has OPM taken on the action plan? Have they (1) approved the action plan, (2) recommended revisions for resubmission, (3) recommended withdrawal, (4) disapproved the plan, (5) taken no action as of this time, or (6) taken some other action?

Percent n= 5
Responding

- | | |
|----|---|
| 20 | 1. Approved the action plan. (ENTER DATE APPROVED AND GO TO QUESTION 19.) |
| 0 | 2. Recommended revisions for resubmission. (NOTE WHY THEN CONTINUE.) |
| 0 | 3. Recommended withdrawal. (NOTE WHY THEN CONTINUE.) |
| 20 | 4. Disapproved the plan. (NOTE WHY THEN CONTINUE.) |
| 60 | 5. Taken no action as of this time. (CONTINUE.) |
| 0 | 6. Other. (DESCRIBE THEN CONTINUE.) |

18. Where is the action plan currently? Are you (1) working on the revisions, (2) have you resubmitted it to OPM, (3) has it been temporarily suspended or put on hold, (4) has it been terminated, or (5) is some other action being taken?

Percent n= 4
Responding

- | | |
|----|--|
| 0 | 1. Working on the revisions. |
| 0 | 2. Resubmitted it to OPM. |
| 0 | 3. Temporarily suspended or put on hold. (NOTE WHY.) |
| 25 | 4. Terminated. (NOTE WHY.) |
| 75 | 5. Other action. (DESCRIBE.) |

[GO TO PART II]

19. Has the action plan been implemented?

Percent n= 1
Responding

100	1. Yes. (ENTER DATE IMPLEMENTED.)
0	2. No. (NOTE CURRENT STATUS.)

PART II : RESPONDENT'S OPINION

"Now we would like to ask your opinions about several aspects of the research and demonstration program based on the experience in your agency."

20. Since 1983, about 30 ideas concerning research or demonstration projects have been discussed with OPM. Based on your experience, do you have any opinions as to why more ideas have not been proposed?

Percent n= 26
Responding

92	1. Yes.
8	2. No.

21. We would now like to ask you about some specific factors that may contribute to agencies not using research programs and demonstration projects. Based on your experience in your agency, to what extent, if at all, do you believe that each of the following factors may contribute to agencies not using the research programs and demonstration projects more than they have? (CHECK ONE IN EACH ROW.)

n= 26

FACTORS	VERY GREAT EXTENT	GREAT EXTENT	MODERATE EXTENT	SOME EXTENT	LITTLE OR NO EXTENT	DON'T KNOW/N/A
1. Lack of awareness that the law provides for research and demonstration projects	4%	8%	15%	12%	62%	-
2. Project limitations specified by law, (e.g., no more than 5000 covered employees, duration not to exceed 5 years, etc.)	15%	8%	15%	23%	38%	-
3. The considerable time and resources required by law in developing and proposing project	50%	31%	4%	12%	4%	-
4. Lack of sufficient technical expertise within agency to develop concept or diagnose problems	8%	4%	31%	12%	46%	-
5. Managers reluctant to deal with employee concerns, (e.g., employee input, negotiation, discussion with union representatives, etc.)	-	19%	23%	27%	31%	-
6. Difficulty in getting proposal through agency approval process (i.e., chain of command)	23%	19%	23%	19%	15%	-
7. Difficulty in focusing top political management for an effort that takes 12 to 18 months to implement	-	15%	27%	23%	23%	12%
8. Lack of clear management direction	4%	12%	19%	31%	35%	-
9. Lack of top management support	8%	8%	15%	31%	38%	-
10. Use of alternative method/approach to accomplish purpose, (e.g., flexitime)	-	19%	15%	27%	35%	4%
11. Other (DESCRIBE)	-	-	-	-	-	-

22. Based on your experience, to what extent, if at all, has OPM encouraged your agency to submit proposals for research and demonstration projects?

Percent	n=26
<u>Responding</u>	
23	1. To a very great extent.
15	2. To a great extent.
23	3. To a moderate extent.
23	4. To some extent.
15	5. To little or no extent.

23. Based on your experience, in what areas and in what ways could OPM have provided more assistance to your agency in developing your research and demonstration project?

	n= 26
<u>Percent</u>	
77	Respondent had suggestions.
23	Respondent had no suggestions.

24. Specifically, to what extent, if at all, did you or your agency receive the following kinds of technical assistance from OPM? (CHECK ONE BOX IN EACH ROW. READ SCALE AFTER EACH FACTOR.)

n= 26	TYPE OF ASSISTANCE	VERY GREAT EXTENT (1)	GREAT EXTENT (2)	MODERATE EXTENT (3)	SOME EXTENT (4)	LITTLE OR NO EXTENT (5)	DON'T KNOW/N/A (6)
	1. General information on demonstration projects (e.g., do's and don't's, etc.)	23%	42%	15%	12%	4%	4%
	2. Opinions or critiques of your ideas, concept, or proposal	31%	23%	23%	8%	-	15%
	3. "Hands on" help in designing your concept or plan	12%	4%	-	12%	54%	19%
	4. Help in resolving technical, policy, and evaluation issues while preparing the plan	15%	8%	12%	15%	12%	38%
	5. Assistance in conducting an organizational diagnosis	4%	-	4%	8%	35%	50%
	6. Assistance in evaluating agency management information systems to determine whether adequate data bases exist to support evaluations of projects	-	4%	4%	-	42%	50%
	7. Other (Describe)	-	-	-	-	-	-

25. During your experience with the program, did you perceive any problems with OEM which may have hindered the approval of projects?

Percent Responding n= 26

- 58 1. Yes. (CONTINUE WITH QUESTION 27.)
- 42 2. No. (GO TO QUESTION 26.)

26. What was the nature of those problems?

Percent Responded n= 26

- 58 Responded.
- 42 No Response.

27. Is there any other aspect of the research or demonstration project of which you believe we should be aware?

Percent Responding n= 26

- 50 1. Yes.
- 50 2. No.

SYNOPSIS OF AGENCIES' SPECIFIC IDEAS FOR
RESEARCH PROGRAMS AND DEMONSTRATION PROJECTS⁹

Demonstration Projects

1. The idea proposed specific personnel policy changes to allow use of productivity measures and gainsharing techniques to attract, retain, and motivate the workforce.
2. The proposal requested OPM to consider a preliminary outline of a project plan to allow employees whose positions are downgraded to retain their grades as long as they hold the positions.
3. The idea was to take the best of China Lake (see p. 14) and put it into a small agency and see how it works. It proposed new wage, position classification, and performance evaluation systems.
4. The idea was inspired by China Lake and included:
 - pay bands,
 - floating managers,
 - standard position descriptions,
 - rank in person classification, and
 - expansion of the merit pay system to include grades GS-11 and GS-12.
5. One agency was interested in better personnel management, particularly in areas of incentives, performance appraisals, and position classification. After discussion of general areas with OPM, it was evident that the ideas were identical to China Lake.
6. The idea was to develop a system that gave more discretion and input to managers. The system would include:
 - alternate classification system (pay banding) and
 - increases to pay based on performance
7. The proposal wanted more control over managerial and high-tech positions and more flexibility in hiring and salary setting. It proposed a special authority to hire employees under employment agreements and to negotiate salaries with employees at GS-13 and above at amounts necessary to fill critical positions.

⁹These descriptions were provided by agency officials during the interviews. We did not examine any agency project files.

8. The idea was to give management greater flexibility in rewarding and utilizing employees through
 - simplified classification,
 - pay for performance, and
 - competitiveness in local market
9. The proposal was a conceptual framework not at the level of detail needed for a project. It involved an entirely new personnel system, including recruiting, classification, performance appraisal, incentives, etc. Parts of it were similar to the China Lake project. The proposal was initiated by four field offices but was never formally submitted to headquarters.
10. The proposal primarily dealt with
 - classification,
 - performance management, and
 - salary setting.
11. The idea was to substitute a new pay system for certain positions now under the General Schedule. With uniform rates of pay, some positions are overpaid in some markets and underpaid in others. The proposal would establish locality-based rates for secretarial and technical positions. The new schedule would be for new hires only. The change would be expected to result in productivity gains.
12. Because of the inherent difficulty in appraising employee performance using performance standards, the idea was to rank engineers, scientists, and technical personnel against each other. Salaries would then be set for individual employees based on their ranking and on the amounts necessary to compete with local nonfederal employers.
13. The proposal was to revise the staffing system to allow greater managerial discretion over the hiring process. The revised system would shorten the rating and ranking process and eliminate veterans preference. These changes were expected to improve the quality of staff and the timeliness in filling positions.
14. The idea was to build on the China Lake project but to go further and provide for more managerial latitude in setting salaries. It would include modest pay cuts for less than fully satisfactory performance. Because of this, it also included unique grievance procedures.

15. The proposal was to develop an alternative personnel system to more competitively pay scientists and engineers. Salaries would be more in line with what scientists and engineers are paid in the private sector. The system would be a 3-level schedule tied to market rates.
16. The foundation of the possible project was the introduction of gainsharing. Each organizational unit would be treated as a separate company and a productivity index would measure improvements. The savings from improved productivity would be split evenly with the employees and the government.

Another part of the proposal was an attempt to free managers from some of the personnel system details. The tie between supervisory pay and the number of employees supervised and distinctions between blue collar and white collar supervisory roles would be abolished. The 15 General Schedule grades and the 15 Federal Wage System grades would be reduced to 4 bands overall. The performance appraisal system would also be abolished and replaced by a statistical process.

17. The possible project addressed a total of 23 issues, some of which were to
 - simplify personnel processes and procedures,
 - use local market rates in setting pay,
 - simplify job qualification criteria,
 - improve long-term training,
 - streamline the grievance procedures and tie them more closely to the discipline procedures, and
 - allow employees to donate sick leave to other employees who need it.
18. Another proposal wanted to demonstrate the use of time off as an incentive. The idea was if an individual saved the government money through superior performance, the individual would get a percentage of the dollar amount as time off.

Research Programs

19. The possible program involved several ideas relating to incentive awards. Another idea was to allow employees to work at locations other than their normal work sites.
20. The idea dealt with temporary, seasonal recruitment. It proposed to let state employment offices do the agency's summer recruiting.

21. The idea was to automate the personnel management functions with little or no manual intervention. The first stage would focus on automating the classification process using generic classification guides instead of occupational specific ones.
22. The possible program wanted to speed up the recruitment process and fill vacancies more quickly. The agency proposed to waive some standard job qualification requirements and do its own testing of prospective clerical employees.
23. The possible program was a general examination of everything the agency's personnel offices did to see if personnel office resources could be reduced.

AGENCIES THAT RESPONDED
TO GAO'S SURVEY

Department of Defense

Office of the Deputy Assistant Secretary of Defense for
Civilian Personnel Policy, Pentagon

McClellan Air Force Base, Sacramento, Ca.

Directorate of Civilian Personnel, Headquarters, USAF

Warner Robins Air Logistics Center, Ga.

Wright Patterson Aeronautical Labs, Dayton, Oh.

Harry Diamond Laboratories, Adelphi, Md.

Directorate of Civilian Personnel, U. S. Army Tank
Automotive Command, Warren, Mi.

Army Materiel Command Steering Group

U. S. Army Finance and Accounting Center, Indianapolis, In.

Naval Supply Center, Norfolk, Va.

Naval Air Development Center, Warminster, Pa.

Pacific Missile Test Center, Point Mugu, Ca.

Department of Agriculture

Forest Service

National Finance Center, New Orleans, La.

Department of Energy

Headquarters, Washington, D. C.

Bonneville Power Administration, Portland, Or.

Department of Health and Human Services

Social Security Administration

Department of Labor

Bureau of Labor Statistics

Department of Transportation

Federal Aviation Administration Airway Facilities

Transportation Systems Center, Cambridge, Mass.

Department of the Treasury

Bureau of Engraving and Printing

Customs Service, Southwest Region, Houston, Tx.

General Services Administration

National Aeronautics and Space Administration

National Capital Planning Commission

Veterans Administration

Board of Veterans Appeals

(966275)



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

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

Official Business
Penalty for Private Use \$300

Address Correction Requested
