

July 1995

**Federal Human
Resource Management
Issue Area Plan**

Fiscal Years 1996-98

**Federal Management and
Workforce Issues Area**



Foreword

As the investigative arm of Congress and the nation's auditor, the General Accounting Office (GAO) is charged with following the federal dollar wherever it goes. Reflecting stringent standards of objectivity and independence, GAO's audits, evaluations, and investigations promote a more efficient and cost-effective government; expose fraud, waste, abuse, and mismanagement in federal programs; provide information to help Congress target budget reductions; improve accountability by assessing financial and information management; and alert Congress to developing trends that may have significant fiscal or budgetary consequences. In fulfilling its responsibilities, GAO performs original research and makes use of hundreds of databases, including creating its own when information is unavailable elsewhere.

To ensure that GAO's resources are directed toward the most important issues facing Congress, each of GAO's issue areas develops a strategic plan that describes the significance of the issues it addresses, its objectives, and the focus of its work. Each issue area relies heavily on input from congressional committees, agency officials, and subject-matter experts in developing its strategic plan.

Federal Management and Workforce Issues (FMWI) is one of GAO's issue areas. The human resources component of this issue area focuses on the analysis and evaluation of issues relating to the federal civilian workforce—from cross-cutting issues such as central oversight of the civil service to more narrowly defined issues such as human resource management (HRM) practices at specific agencies. Through consultation with key congressional committees, agency officials, and subject-matter experts, FMWI has developed this strategic plan to ensure that its resources are directed toward the most important federal HRM issues facing Congress.

The civil service is undergoing significant reexamination and change. The necessity to create a smaller yet higher performing federal workforce is leading to a major rethinking of civil service principles and practices. Congress will soon face critical decisions that may redefine the future of the civil service. On the pages that follow, we outline the issue area's most significant planned work on the following pivotal civil service issues:

- examining systemwide fundamentals for the civil service and establishing mechanisms to ensure that agencies' HRM practices conform with these principles;
- acquiring and developing leadership for the future;

- rightsizing the federal workforce while maintaining quality through recruiting, hiring, and using the best candidates available;
- managing for performance—that is, focusing on results rather than on processes—and holding employees accountable for their work;
- promoting fair treatment for all federal employees and maintaining high standards of ethics and conduct; and
- designing cost-effective benefit programs to attract and retain the best employees.

Because events may significantly affect even the best of plans and because periodic measurement of success against any plan is essential, our planning process allows for updating the plan and responding quickly to emerging issues. If you have any questions or suggestions about this plan, please call me at (202) 512-8676, or Timothy Bowling, Associate Director, at (202) 512-3511.

A handwritten signature in black ink that reads "L. Nye Stevens". The signature is written in a cursive style with a large initial "L" and a long, sweeping underline.

L. Nye Stevens
Director
Federal Management and Workforce Issues

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Table I: Key Issues

Issue	Significance
<p data-bbox="87 499 440 575">ESTABLISHING SYSTEMWIDE FUNDAMENTALS AND AGENCY ACCOUNTABILITY</p> <p data-bbox="87 604 558 789">Are the principles that guide the federal government's Human Resource Management (HRM) systems appropriate, and if so, how can Congress ensure that federal agencies, regardless of the flexibility afforded them, act in accordance with these principles?</p>	<p data-bbox="581 499 1533 764">An orderly and effective transformation of the civil service will require reexamining the rationales that underlie the current system; determining the areas in which the system is outdated or ineffective; examining alternative models; helping decide key principles to guide federal HRM in the future; and organizing the civil service system to balance the need to institutionalize these principles with the need to give agencies the flexibility to fashion systems that meet their specific requirements. Downsizing and decentralization have already gathered momentum in the past 2 years. The role of the Office of Personnel Management (OPM) as it involves direction and oversight is still in flux; even the abolishment of OPM is under consideration. Congress is considering the administration's reinvention proposals and preparing its own legislative initiatives.</p>
<p data-bbox="87 989 440 1037">ACQUIRING AND DEVELOPING LEADERSHIP FOR THE FUTURE</p> <p data-bbox="87 1066 558 1199">In the coming years, how can the government be more effective in finding and developing a cadre of diverse, forward-looking leaders and managers needed to transform the civil service?</p>	<p data-bbox="581 989 1533 1253">As the emphasis moves toward a smaller and more results-oriented government, the demand will grow for a diverse cadre of leaders who can successfully manage change and institute management and accountability reforms such as the Chief Financial Officers Act of 1990 (CFO) and the Government Performance and Results Act of 1993 (GPRA). Civil service reform will undoubtedly include HRM approaches that will be new to the federal bureaucracy; for reform to work, managers and supervisors will need to be adept at handling change and applying these HRM approaches effectively. Further, both the Senate and House Republican budget reduction proposals have called for reductions in the number of political appointees. Such reductions may well affect the overall career/political leadership relationship and roles.</p>

Table I: Key Issues

Objectives

- Identify and assess alternatives for decentralizing and streamlining federal HRM.
- Analyze alternative strategies for fundamentally reshaping the public service.
- Evaluate the pros, cons, and impediments to privatizing and/or contracting out services and functions that federal employees currently perform.

Focus of work

- Determine how OPM and agency oversight could be accomplished in a more decentralized environment.
- Assess methods and measurements that could be used to ensure agency accountability.
- Assess agency capacity to accept additional HRM responsibility along the lines envisioned by the National Performance Review (NPR).
- Work with sources in government, industry, and academia to explore alternatives to the current civil service system.
- Assess applicability of private-sector HRM models to the civil service.
- Assess the issues related to determining the proper public/private sector mix in providing federal services to the public and the best way to manage the performance of these services to ensure the public gets the most for its tax dollar.

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- Evaluate the alternatives for more systematic preparation and training of career managers and supervisors.
 - Examine the development of the Senior Executive Service (SES) since passage of the Civil Service Reform Act (CSRA) and identify areas for improvement.
 - Assess ways to strengthen the political/career leadership relationship.

- Examine the impediments to developing effective political/career leadership.
 - Examine the role, responsibilities, and numbers of political appointees and career executives in a downsized workforce.
 - Assess the SES against the criteria under which it was originally established.
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Table I: Key Issues

Issue	Significance
<p>RIGHTSIZING AND MAINTAINING A HIGH-QUALITY WORKFORCE</p> <p>Is the government determining and achieving the most appropriate size and makeup of its workforce and ensuring that future vacancies are filled by the most qualified candidates?</p>	<p>A government sized to meet its mission will move strategic workforce planning to the forefront of civil service issues. The current pressure to downsize must be dealt with in ways that accomplish administration and congressional full-time equivalent staffing goals—defined by the Workforce Restructuring Act—while being as fair as possible to federal employees, minimizing disruption and expense to the agencies, and handling issues of a diverse workforce. Even if these goals are met, a smaller government will require high-quality workers if performance goals are also to be accomplished—which means recruiting, hiring, and using the best candidates available. The nation’s civilian labor force is experiencing enormous change, growing older and becoming increasingly diverse; women, for example, now make up half of the workforce. In this regard, the government’s challenge as an employer is to include every sector of America in its search for the most promising talent.</p>
<p>MANAGING FOR PERFORMANCE AND ENSURING INDIVIDUAL ACCOUNTABILITY</p> <p>Is the management of federal workers focused on results rather than process and does it hold workers accountable for their job performance?</p>	<p>Several forces have coincided to make performance management one of the most potentially fruitful areas for reform of the civil service. GPRA, with its emphasis on planning, measuring, and reporting; the NPR, with its goal of a government that works better and costs less; and the new Congress, with its emphasis on cost savings and efficiency—all make it imperative that the workforce be managed for results. In this regard, the government may be following the lead of the private sector, where competitive necessities have led to extensive downsizing, streamlining, reengineering, and quality management. Moreover, in the private sector, a recognition of the potential contribution of each employee, whether working alone or as part of a team, and of the necessity to hold each employee and/or team accountable for performance, has become a hallmark among HRM leaders.</p>

Table I: Key Issues

Objectives

- Identify fair and cost-effective alternatives for downsizing the federal workforce.
- Contribute to reform of the federal job classification system.
- Identify policies that would make more effective use of older workers, including emphasis on hiring, accommodating their special needs, and providing incentives for extending their careers.
- Identify employment policies that would better enable the government to compete with other major employers for the “best and brightest” job candidates.
- Assess alternatives for improving the federal hiring system.
- Identify ways for central and individual agency management to improve efforts to achieve a representative workforce in the federal government.
- Contribute to the discussion/debate on the role of affirmative action.

Focus of work

- Identify opportunities for downsizing through improving productivity.
- Review OPM's point factor evaluation system and agencies' broadbanding systems.
- Study the use of productivity measurement for establishing staff levels.
- Examine outreach and education efforts for informing the public and prospective employees about the challenges and importance of an effective federal service.
- Analyze innovative hiring procedures.
- Identify alternative approaches to fulfilling hiring needs given a downsizing environment.
- Review federal sector representation of women, minorities, and the disabled.
- Evaluate the Equal Employment Opportunity Commission's future mission if merged with the Department of Education and the Department of Labor.

- Examine the role of training in developing a higher-performing workforce.
- Evaluate performance management systems that focus on team performance.
- Identify workplace innovations that encourage employee cooperation and improve performance.
- Identify alternatives to the federal government's performance management system.
- Assess the applicability to the civil service of private-sector incentive and reward systems.
- Examine the means available for dealing with poor performers and assess alternatives to the current system.
- Contribute to productivity improvements in federal agencies.
- Contribute to appropriate implementation of pay reform.
- Evaluate new approaches to improving customer service.

- Benchmark and evaluate the effectiveness of government training programs.
- Identify changes to enhance the successful use of teams in the federal government.
- Periodically measure federal employees' attitudes about working for the government, their morale, and workplace innovations they believe would make better use of their skills.
- Examine different ways in which employees could be assigned, managed, and rewarded.
- Assess the effectiveness of current mechanisms for dealing with poor performers.
- Identify successful public and private sector strategies for dealing with poor performers.
- Analyze strategies for successful productivity improvement.
- Evaluate pay reform methodology, demonstration projects, and separate authorities.
- Evaluate ways of improving the level of service to the public.

Table I: Key Issues

Issue	Significance
<p>PROMOTING FAIR TREATMENT AND PERSONAL INTEGRITY IN THE WORKPLACE</p> <p>Is the federal workplace an environment in which all employees are ensured respect and equitable treatment and are held to high standards of ethics and conduct?</p>	<p>Private-sector HRM leaders point out that diversity goes beyond race, gender, and culture to include personality types and individual styles. Managing an increasingly diverse workforce will be important to the future of the civil service for two main reasons: agency performance and individual fairness. Equality of opportunity regarding professional development and advancement is in the best interests of both the government and its employees. So is the maintenance of a workplace in which discrimination and sexual harassment are not countenanced. Respect and equitable treatment must be grounded in high ethical standards and conduct. In addition, both NPR and congressional staff have expressed an interest in addressing the extensive and highly complex administrative redress system for federal employees, with various streamlining or restructuring proposals either already on the table or imminent.</p>
<p>DESIGNING COST-EFFECTIVE BENEFIT PROGRAMS TO ATTRACT AND RETAIN THE BEST EMPLOYEES</p> <p>What employee benefit programs will best serve the changing needs of the modern workforce, and help the federal government attract and retain the best employees?</p>	<p>As budget pressures mount, federal employee benefit programs—particularly retirement—are being considered for cost-cutting. Legislation increasing retirement pay-ins and altering benefit formulas has passed the House. To maintain a quality workforce and compete for talent with private-sector employers, the civil service will need to examine its benefits package as a whole and balance the costs with the benefits. One potentially fertile area is work/family programs. As private-sector organizations have learned, employees measure the quality of their worklife not just by the level of pay and other financial benefits but by the success with which their employers can accommodate the demands of life outside the workplace. Thus, work/family programs, which require not so much new funding as a change of management philosophy, are receiving growing attention, as demonstrated by the Federal Leave Sharing Act and the heightened congressional and administration support for alternative work schedule programs.</p>

Table I: Key Issues

Objectives

- Identify opportunities for increasing equity and efficiency in the administrative redress system.
- Identify ways to improve federal equal employment opportunity (EEO) complaint processing.
- Contribute to redefining the role of the Equal Employment Opportunity Commission.
- Identify approaches to improve programs for addressing sexual harassment in the federal government.
- Assist Congress to determine the need for additional legislation to identify, prevent, and deal with misconduct and conflicts of interest of federal personnel.
- Identify ways the Office of Government Ethics (OGE) could improve the cost-effectiveness of financial disclosure systems.

Focus of Work

- Identify options for streamlining the administrative redress process.
- Evaluate performance and role of the Equal Employment Opportunity Commission in EEO complaint processing.
- Assess progress and problems in dealing with sexual harassment in the federal workplace.
- Finish assessment of opportunities to improve public financial disclosure systems and initiate work on confidential systems.
- Increase awareness of GAO's past and current work as it relates to legislative proposals to revise ethics restrictions.

- Inform Congress of ways to improve the efficiency and integrity of federal retirement programs.
- Identify ways to improve the integrity and efficiency of federal benefits programs.
- Identify ways of modernizing employment policies to better accommodate employees' personal and family needs and provide greater flexibility in working arrangements and compensation programs.

- Assess benefits/costs of redesigning retirement and other programs to respond to a changing workforce.
- Finish (a) federal workers' compensation program review, (b) retirement system audit, and (c) Federal Employees Health Benefits Program review.
- Evaluate alternatives to traditional working arrangements and benefit programs.

Table II: Planned Major Work

Issue	Planned major job starts
Systemwide Fundamentals and Agency Accountability	<ul style="list-style-type: none"> —Post-symposium report on best practices. —Decentralization: capacity, oversight, and lessons learned. —Survey of issues that need to be addressed as consideration is given to privatizing and contracting out of services that the government performs. —Assess applicability of private-sector HRM models to the civil service. —Review strategies to align human resource systems with organizational goals and mission accomplishment. —Automating the personnel function (e.g., test OPM’s automated job information systems).
Acquiring and Developing Leadership	<ul style="list-style-type: none"> —Executive training and development. —Examine the experience of the SES since passage of CSRA and identify areas for improvement.
Rightsizing and Maintaining a High-Quality Workforce	<ul style="list-style-type: none"> —Downsizing: impacts, alternatives, targeting, cost-effectiveness, and guidance. —Review locality pay methodology. —Review nonfederal experience with broadbanded classification systems. —Survey federal workforce planning practices. —Hiring, managing, and retaining older workers. —Ensuring the appropriate skill mix for the federal workforce. —Attracting a high-quality workforce in a downsizing environment. —Update survey of federal employees’ attitudes about working for the government.
Managing for Performance	<ul style="list-style-type: none"> —Federal agencies’ experiences with training programs. —Private sector approaches to performance management for individuals and groups. —Dealing with poor performers. —Managing plateaued workers.
Promoting Fair Treatment and Personal Integrity	<ul style="list-style-type: none"> —Assess feasibility of streamlining the administrative redress process. —Examine the implications on due process of the rising number of settlements at Merit Systems Protection Board (MSPB) and EEOC. —Processing EEO complaints: federal best practices. —Identify policies, procedures, and tools necessary to manage a diverse workforce. —Sexual harassment: how agencies monitor (capping report). —Evaluate cost-effectiveness of alternative approaches to confidential financial disclosure. —Administration of the federal ethics program. —Measuring the progress of women and minorities through the workforce.
Designing Cost-Effective Benefit Programs	<ul style="list-style-type: none"> —Evaluate alternatives to existing federal retirement systems. —Review financing and operations of federal retirement systems. —Review health benefits administration and costs. —Review OPM’s disability retirement determinations. —Assess implementation of GAO’s health benefit recommendations. —Evaluate agencies’ use of part-time employment and job sharing programs. —Evaluate flexible (cafeteria-style) benefits. —Assess employee dependent care needs and the extent to which they are being met. —Evaluate agencies’ use of “flexiplace” programs.

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