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Comptroller General
of the United States

Washington, D.C. 20548

January 14, 1988

The Honorable Paul A. Volcker
Chairman, National Commission
on the Public Service
1616 H Street, N.W., Suite 200
Washington, D.C. 20006

Dear *Paul* Volcker:

I appreciate the opportunity to provide my thoughts on the critical need to revitalize the federal career service. I share your concerns that too many of the best and brightest are leaving government service and not enough of the same quality are coming in. Without dedicated high caliber career staff, federal executives will continue to spend too much of their time grappling with, and explaining, operational defects--such as computer mishaps, flight delays, or cost overruns--instead of working on new and enhanced policy initiatives. This is a situation which must be overcome if the American public is to have the kind of government it deserves.

I've given considerable thought to the questions which you sent me several months ago. As you know, the General Accounting Office (GAO) has done a large body of work on the problems facing the public service and the effectiveness of efforts to cope with those problems. No doubt your Commission is familiar with our many reports and testimonies on subjects including pay and benefits, the Senior Executive Service (SES), staffing, and retention policies. I assume, however, that your questions were meant to solicit my personal views based on my own government experience, most particularly as Comptroller General and head of the GAO.

My overall experience with career service as head of the GAO has been excellent. When I took office in 1981, I was impressed with the many dedicated outstanding individuals working in this agency. And I continue to be encouraged by the high caliber of new entrants. Generally, GAO has a highly skilled career staff with good morale. While I have lost several valuable executives over the past

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several years, I have been satisfied with our ability to fill the voids--either through promotion from within or by attracting outstanding candidates from outside GAO.

In writing this fairly optimistic assessment, I fully recognize that our good experience at GAO is not shared uniformly across government. I believe GAO is one of the few federal agencies in relatively good shape when it comes to the health of its civil service. In many other agencies, the civil service has deteriorated to the point where operations are seriously affected. It is important to examine closely the reasons why GAO is different in this regard. These differences shed light on both the causes and potential solutions to the problems facing the public service.

GAO, like the rest of the federal establishment, faces difficult obstacles--non-competitive pay, poor public image of the civil service, and a relatively inflexible personnel system. But GAO is different from many other agencies in several key aspects--and I believe these differences account, in large measure, for the differences in public service quality and morale. First, the small number of political appointees (only two) in GAO creates a positive public service environment. GAO is basically an agency of career civil servants from top to bottom. It is an agency where professionalism and expertise are prized and rewarded. Last year about 50 different career senior executives represented GAO in testimony before the Congress--a situation which does not occur in other agencies.

Respect for professional competence is regrettably not always followed in some political appointments, particularly at the sub-cabinet level. I do not believe that a large number of political appointees are needed to properly manage an agency. Excessive politicizing and failure to value and reward expertise and professionalism can significantly undermine the morale of the civil service. A key to any successful political appointee dealing with this problem is the respect for the career service he or she brings to the job. My personal observations of the actions of some of the more successful cabinet secretaries shows that they sought out career people, solicited their views, then made clearly understood decisions and held people accountable for effectively carrying them out.

Secondly, GAO has considerable stability among its top managers. For example, contrast my 15-year term with the 2 or so years many other agency heads manage their departments. In fact, I am only the sixth Comptroller

General to hold office in the past 67 years. GAO also has had relatively low turnover in the SES. This stability allows for a continuity of program and progress along a charted course that is unknown in most other agencies. Long-term planning in programmatic as well as human resource areas suffers when top management changes frequently. While the stability at GAO is unusual, it is not impossible to improve the environment of other agencies through development of longer term policy perspectives and reemphasis on the professionalism and value of the career SES. Good implementation is a key to any successful policy initiative and that will not happen without top quality career service.

Thirdly, over the past several turbulent years, GAO has been more fortunate than most agencies in having had a relatively stable budget. Unlike many other agencies, our budget has been predictable and we have not had to deal with demoralizing personnel reductions-in-force. Erratic budgets have caused severe difficulties for management in other agencies--especially those which are people intensive. Several of GAO's recent studies have found that, because of budget cuts, some agencies simply have too few people to do jobs well. The result is degraded performance and demoralized civil service, leading to further deterioration in public perceptions of civil service. This seemingly unending spiral must be stopped by a positive response to the remaining strengths in the system and a conscious rebuilding of critical institutions providing important services to the public. Both the Congress and the Executive Branch need to be concerned about this problem.

Most changes needed in the federal personnel system can be achieved through increased flexibility and management accountability. Government managers need more flexibility to pay people for excellent performance. I am a supporter of pay-for-performance systems which compensate people for their contributions instead of seniority. We need to reward our high performers in meaningful ways, through more competitive base pay and increased resources for bonuses. At the same time federal managers need to be held accountable for their management responsibilities and to deal more aggressively with poor performers. To do so, we have to develop effective strategies for reducing the burdens and barriers associated with weeding out the poor performers, while at the same time safeguarding public service values and rights.

Another area where increased flexibility would be welcomed is position classification. I believe a classification system comprised of several broad bands is preferable to

the many-tiered system now in place in most of the federal government. The rigid current system does not provide managers with the capacity to meet changing needs and to most effectively use staff. A rank-in-person approach would be more suitable for agencies which employ mostly professionals and specialists.

Recruiting and training are areas especially ripe for improvement. The federal government could learn from the private sector when it comes to attracting top talent. Public service is inherently attractive because it offers an opportunity to "make a difference" in areas critical to the nation's well-being. But government recruiters have often not done an effective job in marketing this strength. They have not established and maintained the type of campus presence needed to attract good candidates, such as senior-level representation and arrangements for off-campus interviews. Also, the government does not have effective programs for recruiting subject matter specialists at the mid-management levels. Often, managers are not involved and recruiters are tied up with paperwork, processes, and rules which stymie effective decisionmaking.

Obviously, offering more competitive salaries would be a big boost to the government's ability to attract able young people to government service (especially for hard-to-fill positions such as accountants, lawyers and computer specialists). But I believe prospective employees are also influenced by other factors--such as the opportunity to develop to their fullest potential, to participate in important work, and to be part of a first-class operation. A government agency can deliver on these promises, but only if it is committed to an effective and innovative program of staff development and training, a rewards system where pay and promotions are based on merit, and creation of a physical environment (good facilities and adequate equipment) which indicates respect for staff.

Training and development deserve special emphasis. Effective use of training and other developmental opportunities to enhance mission performance and stimulate individual growth is an important management tool at all levels within the career service. But nowhere is it more important than at the executive level. I firmly believe that effective programs for developing high quality managers are critical to the government's ability to attract top notch staff, eliminate marginal performers, and provide organizational leadership.

At GAO, we have what I believe to be one of the federal government's best executive development program for SES candidates. This program, set up in 1981, is our primary vehicle for developing a cadre of exceptional managers able to assume future executive responsibilities. It has been an outstanding success for three important reasons: heavy top management involvement, dedication to providing (and funding) extensive development opportunities for candidates, and commitment to making selections to SES positions predominantly from program participants. GAO's program is transferable to other agencies willing to make the same commitments. I would be happy to provide the Commission with detailed information on our program. We are proud of it, and believe it is one of the reasons GAO's SES is working so well.

From my point of view, the SES was a major benefit of the Civil Service Reform Act (CSRA) of 1978. Unfortunately, the SES has not worked as well in many agencies because commitment to the value of career executive service has been eroded, and resources to develop executives and to reward excellence and achievement have been inadequate.

The CSRA has been disappointing in several other respects. It was a major step in the right direction, but now may be the time to revisit some of the underlying principles of CSRA to determine why it failed to live up to expectations. Potential gains have not been fully realized in rewarding excellence, limiting mediocrity, stimulating innovation, and delegating more responsibility and accountability for personnel actions to line managers. I believe your Commission can play a valuable role in serving as a focus for the debate on a revised (or rejuvenated) Civil Service Reform Act.

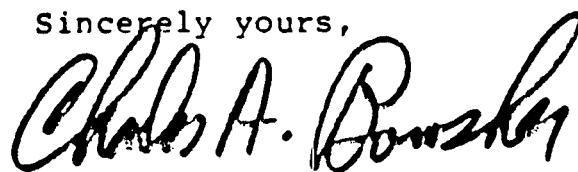
In my view, an urgent task confronting the Commission is to help change the negative rhetoric surrounding the public service and to convince the public that a high quality, motivated civil service is a good and necessary investment. Once it understands the risks inherent in the continued decline of the civil service, I believe the public will support a reasonable "get-well" program. The Commission can help in the education process by graphically demonstrating the current status, especially the crises confronting several agencies which have direct and critical impact on the public. At the same time, more recognition has to be given to the excellence displayed by numerous public servants in all parts of our government.

The presidential campaign offers a highly visible platform to transform public perceptions about the civil service. In some quarters, bureaucrat bashing has reached unacceptable levels. The Commission should set as its

initial goal convincing presidential candidates to talk about the value of public service, and to offer leadership to the nation's public servants. The membership of the Commission has the prestige and the contacts to reach and persuade the candidates. The payoff could be an energized civil service, much more capable of attracting and retaining high quality staff, and a better managed government.

I hope these thoughts have been helpful. If I, or any of my staff, can be of further assistance, do not hesitate to call on us.

Sincerely yours,



Charles A. Bowsher
Comptroller General
of the United States