Madam Chair and Members of the Subcommittee:

We appreciate your invitation to discuss the proposed legislation to provide permanent authorization for Federal agencies to use flexible and compressed work schedules.

The "Federal Employees Flexible and Compressed Work Schedules Act of 1978," which expires in March, provided for a 3-year experiment to evaluate the impact of alternative work schedules in six areas of interest. While the experiment has not provided conclusive data on the impact of the program in each of the six areas, it has generated considerable data, primarily based on perceptions, which indicate alternative work schedules have had positive impacts. Although there is little empirical data on the benefits of alternative work schedules, there is also little
evidence that alternative work schedules have had any significant negative impacts. Other studies in the private and public sectors have generated similar results.

We have not completed our detailed review of the proposed legislation, but it appears to provide a reasonable framework for permitting agencies to use alternative work schedules in appropriate circumstances, while providing for a continuous review of the effects. We believe, however, there is a need for the Congress to define the objectives it believes alternative work schedules should achieve in the Federal Government so that agencies and the Office of Personnel Management (OPM) will have a basis for determining when alternative work schedules should or should not be used. We also believe it is important to emphasize the need for management's commitment to planning, monitoring, and assessing the implementation of alternative schedules in order to insure they provide positive benefits to the Government as well as to the employees. We will provide the Subcommittee with specific comments on the proposed legislation as soon as our legal review is completed.

I would now like to briefly discuss the results of the alternative work schedule experiment, the data which supports the program, and our views on future action.

EXPERIMENTATION WAS NEEDED IN THE FEDERAL GOVERNMENT

The General Accounting Office recommended that the Federal Government experiment with alternative work schedules in order to
better determine their impact on agency operations and employee morale. Our interest in alternative work schedules dates back to 1974 when we concluded that alternative work schedules can be applied to selected Federal activities with resulting benefits to the Government, its employees, and the public. In a 1977 report, we concluded that based on Federal and non-Federal organizations' reports of increased productivity and morale, there is no apparent reason why schedules could not be established in the Government on the basis of the needs and objectives of the work to be performed rather than on a predetermined and inflexible workday. Our concern in both of these reports was that existing laws were limiting the use of alternative work schedules and that data was unsuitable or did not exist for validating reported benefits and deciding which schedules would contribute the most to agency operations in different situations. To overcome these problems, in our 1977 report, we recommended, that the Congress pass legislation to remove the restrictions and require the Civil Service Commission to test the applicability of alternative work schedules in the Federal Government.

1/"Legal Limitations on Flexible and Compressed Work Schedules for Federal Employees" (B-179810, Oct. 21, 1974).
The Congress passed the "Federal Employees Flexible and Compressed Work Schedules Act of 1978" which
--temporarily suspended certain premium pay and work scheduling provisions of title 5, United States Code, and the Fair Labor Standards Act and
--charged OPM with conducting an experiment that would provide an adequate basis for evaluating the effectiveness and desirability of making alternative work schedule legislation permanent.

The Congress wanted a carefully designed and controlled experiment of sufficient scope that would insure an adequate evaluation of the impact of varied work schedules on
--the efficiency of Government operations,
--mass transit facilities and traffic,
--levels of energy consumption,
--service to the public,
--increased opportunity for full-time and part-time employment, and
--individuals and families in general.

OPM issued an interim report on the results of the experiment in November 1981, and is supposed to issue a final report in March 1982.

FEDERAL EXPERIMENT RESULTS ARE POSITIVE BUT NOT CONCLUSIVE

OPM's interim report provided strong general support for using alternative work schedules. However, the experiment has
not conclusively demonstrated the impact of alternative work 
schedules on each of the six areas of interest. This situation 
is caused partly by the design and conduct of the experiment and 
partly by circumstances beyond the control of OPM or the partici-
pating agencies.

In its interim report, OPM concluded that "the majority of 
experimenting organizations on all schedules had a successful 
experience." The report states that more than 79 percent of ex-
perimenting organizations judged it a success and 83 percent 
planned to continue it until the expiration of the authority. In 
addition, more than 90 percent of employees and 85 percent of su-
pervisors were satisfied with and wished to retain their alterna-
tive work schedules. The conclusions, however, are largely based 
on subjective data.

In November 1980, we reported 1/ that OPM's plan for evaluat-
ing the experiment would not generate the information needed to 
assess the various positive and negative effects. Following our 
report, the House Committee on Post Office and Civil Service sent 
a letter to OPM stating that it was essential for OPM's evaluation 
to draw a direct cause and effect relationship between alternative 
work schedules and their effects (both positive and negative), and 
assess the conditions under which such effects occur.

1/"The Alternative Work Schedules Experiment: Congressional Over-
sight Needed to Avoid Likely Failure" (FPCD-81-2, Nov. 14, 1980).
OPM took steps that addressed some of the weaknesses we identified. An area in which OPM did not act was in redesigning the experiment to place greater emphasis on collecting and analyzing quality data from which valid and reliable conclusions could be drawn, rather than gathering massive amounts of data from which only broad generalizations could be made. Without such specific data, we do not believe the experiment presents conclusive results on the impact of alternative work schedules on the six areas of interest. Also, since agencies chose, designed, planned, and implemented their programs differently, we question whether OPM will be able to respond to the issue of which schedules work best in given situations.

OPM's task in conducting this research was not easy. As a result of budget cuts, OPM did not have the staff or funds to do the study as it had originally planned. Consequently, OPM changed the area of emphasis for data collection several times during the study. For example, OPM originally intended to collect detailed information from all participating units. Later, it selected a small number of units to gather detailed data from and requested the remaining units to submit narrative reports which would provide an overview of alternative work schedule effects. Late in the experiment, OPM sent a data collection instrument to each agency "...to collect a standardized set of quantitative information summarizing experimenting organizations' experiments with AWS." The instrument instructed respondents to answer from the
best of their knowledge or from available information. OPM did not require agencies to make any special effort to gather data for the instrument. At one agency we visited, an individual completed the instrument based only on informal discussions with some managers and employees. Other agencies we visited did not accurately fill out this instrument. This instrument provided the primary data for the interim report's sections on alternative work schedules' impact on service to the public and efficiency in the Government.

Other problems arose because of measurement difficulties which were beyond OPM or agency control. For example:

--Determining the effect alternative work schedules had on full-time and part-time employment was difficult because of the impact hiring freezes, budgetary constraints, and personnel ceilings had on employment opportunities.

--Measuring the impact alternative work schedules had on energy consumption in buildings was difficult because the majority of experiments consisted of very small work units which only occupy portions of buildings.

--Assessing the impact on productivity, a major factor in Government efficiency, was difficult because many Federal jobs are not easily amenable to productivity measurement and, consequently, reliable measurements have not been developed for them.
Over the past decade, the interest in alternative work schedules has grown markedly in the private and public sectors. Much of this growth stems from concerns over the need to conserve energy, improve productivity, and provide employees with greater choices over their personal and professional lives. There have been numerous studies conducted of experiences with alternative work schedules in the private and public sectors. Many of these studies have concluded that:

--Employers have seen productivity improvements reflected by fewer paid absences, less tardiness and idle time, improved organization of the workday, accommodation to the biological levels of workers, and higher morale. Other gains are easier recruiting, less overtime, better use of production facilities, and opportunities to extend customer service.

--Employees benefit because alternative work schedules allow them to devote more time to personal needs--family, leisure, education, and social--without reducing their commitment to the job.

--The Nation benefits because large-scale use of alternative work schedules reduces commuting time, saves energy, improves public transportation, and lessens air pollution.
While these studies have generated more empirical data than the Federal experiment, to a large degree, the conclusions have been based on subjective data.

NEED TO SPECIFY OBJECTIVES
ALTERNATIVE WORK SCHEDULES MUST MEET

A critical element of the proposed legislation is the authority agencies and OPM have to terminate programs that are not in the best interest of the Government. We believe that in considering the proposed legislation, the Congress needs to address what criteria OPM and agencies should use in making this decision.

The proposed legislation requires that, in order to provide effective guidance to agencies, OPM review the effects of alternative work schedules on the six areas that were to be evaluated during the experiment. It is not clear, however, what effects are desired for determining when programs "are not in the best interest of the public, the Government, or the employees." In other words, is it necessary to conclusively demonstrate that programs have positive impacts in all six areas of interest, or are positive impacts in any one area sufficient to continue using a program? My earlier comments alluded to the difficulties in conclusively demonstrating positive impact in all six areas.

In the past, we have suggested 1/ that a systematic process be established for agencies to follow in monitoring, evaluating, and reporting on their programs to answer congressional oversight

questions. We further indicated the importance of committee and agency agreement on the oversight questions which are most important and on the evaluation measures which can satisfactorily answer those questions. Given the potential impact of Government-wide implementation of alternative work schedules, we believe it important for the Congress to specify the objectives desired from this program and, thus, provide guidance to agencies and OPM for evaluating the program.

NEED FOR MANAGEMENT INVOLVEMENT MUST BE EMPHASIZED TO INSURE BENEFITS ARE ACHIEVED

Although the results of experiences with alternative work schedules have been mostly positive, some problems have been identified. The studies have concluded, however, that alternative work schedules can work well and achieve benefits if they receive an appropriate investment of time--time to determine if alternative schedules can work in the organization and, if so, which schedules would work the best; time to plan for changes in management practices and philosophies; time to train supervisors on their new responsibilities and problems; and time to develop an implementation strategy that overcomes problems and assesses results.

OPM, in its interim report, also concluded that all schedule options are not equally successful in all organizations. OPM stated:

"The lesson learned is that a careful and complete management assessment is required prior to implementing an AWS program and periodically during its
operation. Agencies need to provide continuous control and oversight to ensure that AWS programs do not reduce productivity, impair service to the public, create inefficiency or increase government cost."

When transmitting its report to the Congress, OPM also noted the need for OPM oversight and regulatory responsibilities.

Our audit work at a limited number of experimental Federal units also indicated a need for greater OPM and agency involvement in planning and implementing alternative work schedules. Although OPM provided guidance to agencies for planning and evaluating the implementation of alternative work schedules, OPM did not require compliance with the guidance. Consequently, few of the units we visited had adequately planned or evaluated their experiments. Many of the problems noted during our review could have been overcome with better planning and management. Therefore, we believe that OPM's role, as outlined in the proposed legislation, will be vital to the successful implementation of alternative work schedules throughout the Federal Government.

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This concludes my prepared remarks. I will be happy to answer any questions you may have.