



Highlights of [GAO-03-1168T](#), a report to the Subcommittee on Civil Service and Agency Organization, Committee on Government Reform, House of Representatives

Why GAO Did This Study

GAO has sought to assist the Congress and the executive branch in considering the actions needed to support the transition to a more high-performing, results-oriented, and accountable federal government. At the Subcommittee's request, GAO provided perspectives on the federal government's overall structure and the need for reorganization to improve performance.

What GAO Recommends

We did not make recommendations in this testimony. However, we suggested a range of options that the Congress could use to eliminate redundancy and improve federal operations to meet the challenges the federal government faces at the beginning of the 21st century.

www.gao.gov/cgi-bin/getrpt?GAO-03-1168T.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Patricia A. Dalton at (202) 512-6737 or daltonp@gao.gov.

RESULTS-ORIENTED GOVERNMENT

Shaping the Government to Meet 21st Century Challenges

What GAO Found

Through normal evolution and inertia over the years, the United States now has a government that is weighed down by organizations with significant performance and management problems as well as duplicative and overlapping missions and functions. This situation is exacerbated by ways of doing business that, in some cases, are better suited for the beginning of the 20th century than the 21st century. Given the changed circumstances and stark fiscal realities, the nation simply cannot afford unnecessary, redundant, or inefficient organizations, programs, or operations.

Periodic reexamination and reevaluation of federal agencies' activities have never been more important than they are today. The federal government must address and adapt to major trends in the nation and around the world. At the same time, our nation faces serious, long-term fiscal challenges. Fundamental reexamination of federal agencies' roles, functions, and structure is never easy. Reorganizing government can be an immensely complex and politically charged activity. Those who would reorganize government must make their rationale clear and build a consensus for change if proposed reorganizations are to succeed. All key players must be involved in the process—the Congress, the President, affected executive branch agencies, their employees and unions, and other interested parties, including the public.

Regardless of the number and nature of federal entities, the government's goal should be to create high-performing organizations. The federal government needs to look not only at what business it is in, but how it does business. Practices that were good 50 years ago may not make sense today. Old, outdated practices and systems result in inefficiency and waste of resources that the nation cannot afford. Management reform will be vitally important to agencies in transforming their cultures to address the changing role of the government in the 21st century.

Strategic human capital management should be a centerpiece of any serious change management initiative or any effort to transform the cultures of government agencies. It is a vital element to the success of any government restructuring efforts, whether within an existing agency or across current agency boundaries. People are an agency's most important organizational asset. An organization's people define its character, affect its capacity to perform, and represent the knowledge base of the organization.