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Federal Management and Workforce Issue Area Plan

Fiscal Year 1997



Foreword

As the investigative arm of Congress and the nation's auditor, the General Accounting Office 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 waste, fraud, abuse, and mismanagement in federal programs; help Congress target budget reductions; assess financial 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 uses hundreds of databases or creates 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 32 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.

The Federal Management and Workforce issue area (FMWI) focuses on the analysis and evaluation of a broad range of cross-cutting management, workforce, and statistical issues. These include the Government Performance and Results Act, the National Performance Review, regulatory reform, downsizing and privatization, oversight of the civil service, human resource management practices at specific agencies, as well as the quality, reliability, and usefulness of leading social and economic statistical data.

The issue area specifically covers the Executive Office of the President, the Office of Management and Budget, Office of Personnel Management, Merit Systems Protection Board, Office of Special Counsel, Federal Labor Relations Authority, Office of Government Ethics, Federal Sector Programs at the Equal Employment Opportunity Commission, the Department of Commerce, Government Printing Office, Bureau of Labor Statistics, the Library of Congress, and the National Archives. However, managerial, personnel, and statistical/information issues bridge into virtually all other agencies as well.

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 management, workforce, and statistical issues facing Congress.

On the pages that follow, we outline FMWI's most significant planned work on these issues:

- managing a government in transition,
- managing for results and accountability,
- reevaluating the merit system,
- redesigning compensation and benefits,
- collecting and disseminating information,
- improving federal regulatory management.

Because events may significantly affect even the most foresighted of plans and because periodic measurement of performance 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.

A handwritten signature in black ink that reads "R. Nye Stevens". The signature is written in a cursive, flowing style.

Nye Stevens
Director
Federal Management and Workforce Issues

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Table I: Key Issues

Issue	Significance
Managing a government in transition: What strategies are appropriate for managing a government undergoing fundamental change?	Financial constraints and public expectations are leading Congress to reconsider the government's scope and structure. Federal agencies are undergoing streamlining and restructuring to better meet the public's needs, while limiting costs. Further, proposals are under consideration to bring more market-like mechanisms into the federal sector, ranging from outright privatization, to incentives for agencies to be more efficient, to creating performance-based organizations (PBO) akin to those used in foreign countries. Several agency reorganization or elimination proposals are moving forward in Congress. To be effective, any significant change will require corresponding adjustments in the civil service as well. Rightsizing government, for example, will move strategic workforce planning to the forefront of civil service issues; staffing levels, productivity, and mission goals must be met while maintaining fairness to federal employees, minimizing disruption and expense to the agencies, and ensuring a workforce that reflects the American population.
Managing for results and accountability: How can agencies and their employees better focus on achieving results and ensuring accountability?	In crafting the Government Performance and Results Act (GPRA), Congress's intent was to shift the focus of federal management, accountability, and oversight away from agencies' activities and products and toward the results they achieve. Among steps taken so far are goal setting, performance measurement, and performance reporting by GPRA pilot agencies, and related results-oriented management initiatives—such as the National Performance Review's (NPR) customer service standards and the Office of Management and Budget's (OMB) request for performance information to consider in making resource allocation decisions. GPRA requires GAO to report by June 1, 1997, on the act's implementation. In the human resource management (HRM) area, the means of creating corresponding performance management and accountability requirements at the team or individual employee level are just beginning to be explored. Private sector models may also prove useful, as may the experiences of NPR labs, GPRA pilots, and other government entities in the forefront of the shift toward results-oriented management.
Reevaluating the merit system: How can the merit system effectively integrate emerging principles of results-oriented management?	The emerging emphasis on a results-oriented government—as evidenced in particular by the passage of GPRA—raises the challenge of creating a federal workforce equipped to operate in an environment focused on mission accomplishment. Decisions over what sort of civil service can respond to these changing demands will determine the eventual direction of civil service reform. Deliberations over broad-based civil service reform will entail reexamining the rationales underlying the current system; determining areas in which the system is outdated or ineffective; examining alternative models, both from the private sector, other government entities (such as the new FAA personnel system), NPR reinvention labs, and GPRA pilots; helping identify key principles to guide federal HRM in the future; and addressing the issues of delegation, decentralization, oversight, and accountability.

Table I: Key Issues

Objectives	Focus of work
<ul style="list-style-type: none"> • Identify fair and cost-effective alternatives for downsizing the federal workforce, while raising productivity. • Assess the issues related to determining the proper public/private sector mix in providing federal services to the public, and how best to manage the performance of these services. • Review strategies to align HRM systems with goals and mission accomplishment. • Contribute to effective implementation of agency reorganizations. • Identify changes needed in congressional oversight and resource allocation practices in a results-oriented environment. • Examine the feasibility and utility of results-oriented management in a broad array of federal activities. • Identify alternatives to the federal government's performance management system. • Examine the means available for dealing with poor performers and assess alternatives to the current system. • Identify opportunities for reforming the administrative redress system. • Assess the changing role of leadership positions within the federal workplace. • Analyze need and alternative strategies for fundamentally reshaping the public service. • Examine the role of OPM and its oversight of agency HRM systems in a results-oriented environment. • Identify alternatives for streamlining and decentralizing federal HRM. 	<ul style="list-style-type: none"> • Determine effectiveness of federal approaches to downsizing. • Evaluate the pros, cons, and impediments to privatizing and/or contracting out services and functions currently performed by the federal government. • Align HRM systems with broader management goals. • Identify implementation actions needed to capture anticipated savings from reorganizations and dismantlements. • Assist selected authorizing and appropriating committees in applying information on program results to the legislative process. • Assess federal experiences with results-oriented management in such areas as intergovernmental programs, defense, regulatory programs, business-like operations, and science and research and development (R&D). • Assess the applicability to the civil service of private sector incentive and rewards systems. • Identify successful public and private sector strategies for dealing with poor performers. • Identify and evaluate options and legislative proposals for streamlining and/or consolidating the administrative appeal process. • Examine the development of the Senior Executive Service (SES) since passage of the Civil Service Reform Act (CSRA). • Work with sources in government, industry, and academia to explore alternatives to the current civil service system. • Determine how OPM and agency oversight could be accomplished in a more decentralized, results-oriented environment. • Assess applicability of private sector HRM models to the civil service. • Assess the implementation of FAA's new decentralized personnel system. • Assess methods and measurements that could be used to ensure agency accountability.

Table I: Key Issues

Issue	Significance
Redesigning compensation and benefits: What employee compensation and benefit programs will best serve the changing needs of the workforce?	This year the executive branch (excluding the Postal Service) expects to spend over \$114 billion on current employee compensation and benefits, and another \$44 billion in payments to retirees. To maintain a quality workforce and compete for talent with private sector employers while keeping such costs under control, the civil service will need to examine its compensation and benefits package as a whole. The concept of a career government workforce is being called into question by rapid change in government responsibilities and the skills needed to carry them out. In addition, issues of fairness and cutting costs in the federal employee retirement, workers' compensation, and health benefits programs will be of special concern. These programs are expected to be considered by Congress in the coming sessions.
Collecting and disseminating information: How can accurate statistical data be gathered and disseminated cost-effectively?	Decisionmakers in the public and private sectors rely on federal statistics to understand current economic and social conditions, estimate the likely effects of their decisions, and forecast future trends. Inaccurate or incomplete data limit the ability of decisionmakers to plan, evaluate, and improve programs. The implementation of GPRA will increase the demand for statistical agencies to produce the data needed to assess the outcomes of federal programs. However, the government's ability to produce needed information in a cost-effective manner has been the subject of considerable concern. The private sector uses government information heavily, pays little for it, and adds value to it. Furthermore, emerging electronic technologies have generated debate over the cost-effectiveness of traditional methods for disseminating government information of all types.
Improving federal regulatory management: What improvements are possible in federal regulatory management?	Regulation, along with taxing and spending, is a principal tool used by the federal government to achieve federal goals. Balancing the benefits to be gained through regulation with the cost and other burdens imposed is a long-standing regulatory issue. Congress is rethinking the established approach of delegating regulatory authority to the executive branch. Recently, both Congress and the executive branch have renewed their emphasis on regulation to better ensure that (1) the federal government only promulgates regulations for which a substantial, well-documented need exists and (2) once a decision is made to regulate, the regulation minimizes the cost and other burdens in relation to the anticipated benefits. Prominent regulatory management initiatives under consideration include cost/benefit analyses, risk analyses, burden measurement improvements, enhancements to regulatory flexibility, congressional review and approval of final rules, and regulations that are focused on desired outcomes as opposed to mandated processes or actions.

Table I: Key Issues

Objectives	Focus of work
<ul style="list-style-type: none"> • Identify employment policies that would better enable the government to compete with other major employers for the “best and brightest” job candidates. • Examine the implications for the compensation and benefits of a more transient federal workforce. • 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. • Assist Congress in determining whether the structure of the U.S. statistical system best serves the nation's needs for accurate, timely, and useable statistical data in the most cost-effective manner. • Identify measures Congress and the Bureau of the Census can take to improve the accuracy and reduce the cost of, and effectively implement, the 2000 census. • Improve the quality of economic and sociodemographic statistics used to formulate public policy, and assess its implementation and effectiveness. • Assist Congress and the executive branch in developing a framework for publishing, archiving, and disseminating government information. • Assist Congress in reviewing its approach to regulatory oversight. • Examine alternatives to regulatory emphasis on procedural compliance. • Evaluate agencies' actions to provide information on regulatory requirements and compliance strategies. • Review methods used to determine the appropriateness of the regulations federal agencies promulgate. 	<ul style="list-style-type: none"> • Evaluate alternative approaches to providing federal benefits in an environment with more transition to and from the private sector. • Assess benefits/costs of redesigning retirement programs. • Review options for restructuring federal workers' compensation programs. • Explore alternatives for controlling costs in the Federal Employees Health Benefits Program. • Work with government, business, academia, and other countries to identify improvements that can be made to the current fragmented system and opportunities and alternatives for privatizing appropriate parts of the U.S. statistical system. • Advise Congress on the importance of its timely involvement in decisionmaking, suggest ways to improve accuracy and reduce costs of the decennial census, and monitor implementation. • Assess the quality of federal statistics that underlie federal program decisions and evaluations and the processes used to make improvements once problems are identified. • Suggest ways the government can publish, archive, and disseminate information more effectively and economically. • Assess the applicability of a results/outcome orientation to the federal government's regulatory approach. • Examine how agencies (1) proactively inform and (2) respond to inquiries from businesses and others in the regulated community on the regulations with which they are to comply and the way in which they must comply. • Assess the merits of alternative processes to determine that the regulations federal agencies issue are needed and minimize regulatory burdens.

Table II: Planned Major Work

Issue	Planned major job starts
Managing a government in transition	<ul style="list-style-type: none"> • Review the impacts, alternatives, targeting, cost-effectiveness, guidance, and lessons learned on federal downsizing. • Assess the applicability and likely results of applying the performance-based organization (PBO) approach used internationally to federal agencies. • Survey issues that need to be addressed as consideration is given to privatizing and contracting out services performed by the government. • Identify opportunities to achieve cost savings in specific government functions through such approaches as privatization or competitive incentives. • Develop case studies on state and local privatization efforts to document barriers and aids to, and strategies for, privatization. • Review strategies to align federal HRM systems with organizational goals and missions. • Assess whether restructuring initiatives are achieving anticipated service improvements and cost savings. • Lessons learned from the elimination of the Bureau of Mines, et. al.
Managing for results and accountability	<ul style="list-style-type: none"> • Review private sector approaches to performance management for individuals and groups. • Identify successful public and private sector strategies for dealing with poor performers. • Assess the feasibility of aligning workforce performance rewards with agency missions. • Examine the experience of the SES since the passage of CSRA and identify areas for improvement. • Assess results-oriented management in intergovernmental, science/R&D, business-like, military, and regulatory programs. • Assess the feasibility of streamlining the administrative redress process. • Assess agencies' capacity to provide meaningful performance information in a form useful to decisionmakers and the public. • Examine the applicability of alternative dispute resolution approaches to improving the system for dealing with workplace disputes, EEO complaints, and employee appeals.
Reevaluating the merit system	<ul style="list-style-type: none"> • Review conversions and noncompetitive appointments to career positions in the executive branch. • Assess the applicability of private sector HRM models to the civil service. • Evaluate OPM's plans for oversight in a decentralized, results-oriented environment. • Assess implementation of FAA's new decentralized personnel system. • Assess ways of measuring performance to ensure agency accountability in the HRM area. • Evaluate the role of labor-management partnerships in federal labor relations.
Redesigning compensation and benefits	<ul style="list-style-type: none"> • Examine workers' compensation administration and costs. • Review financing and operations of federal retirement systems. • Examine the administration and costs of federal health benefits. • Review effectiveness of the government's "flexiplace" program. • Examine issues related to the need for the uniformed status of the National Oceanic and Atmospheric Administration Commissioned Corps. • Analyze and compare the benefit provisions of federal and private sector retirement programs. • Determine the effectiveness of federal benefits package in competing for recruits.

(continued)

Table II: Planned Major Work

Issue	Planned major job starts
Collecting and disseminating information	<ul style="list-style-type: none">• Assess administrative issues associated with proposals to consolidate or privatize statistical agencies.• Determine the extent to which programmatic duplication exists among major statistical agencies.• Identify best practices for designing and implementing surveys of households and businesses.• Determine which statistics need to be official.• Assess the feasibility and potential consequences of using the recurring Consumer Expenditure Survey to update the Consumer Price Index market basket on a more frequent basis.• Monitor implementation of the 2000 census with a focus on the steps needed to effect a \$1.7 billion cost reduction.• Monitor implementation of Lobby Reform law.• Identify improvements that can be made in the government's process for archiving information.
Improving federal regulatory management	<ul style="list-style-type: none">• Examine the status of agencies' efforts to move toward results-oriented regulations and regulatory approaches.• Review the availability of regulatory information that meets "customer" needs.• Review agencies' preparation of cost/benefit analyses as required by Executive Order 12866.• Determine agencies' actions to implement the requirements of the Paperwork Reduction Act of 1995.

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