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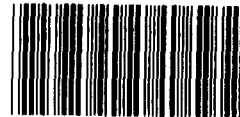
Testimony

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Strong Leadership Needed to Revitalize
Public Service

Statement of
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of the United States

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Subcommittee on Civil Service
Committee on Post Office and Civil Service
United States House of Representatives



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**STRONG LEADERSHIP NEEDED TO
REVITALIZE PUBLIC SERVICE**

Summary of Statement by
Charles A. Bowsher
Comptroller General
of the United States

A quality federal workforce is essential if our government institutions are to function effectively. GAO has found that the quality of federal human resource management is not what it should be and, as a result, federal programs and services have suffered.

Sustained leadership from the President and political appointees is critical to revitalizing the federal service. An important part of this leadership is respecting the competence of career civil servants. Enhanced leadership will enable the government to address several pressing challenges confronting the career federal service. These challenges include:

- improving recruitment and retention,
- strengthening training and development, and
- enhancing performance.

Congress has an important role to play in revitalizing the federal career service. Toward this end, H.R. 2882 contains many provisions designed to strengthen the public service. Congress also can continually emphasize personnel issues during confirmation, oversight, and appropriation hearings.

Although the Office of Personnel Management (OPM) has recently begun to take some steps to reform the personnel system, its capability to provide governmentwide personnel management leadership may need to be enhanced. GAO is completing a management review of OPM and will issue its report later this year.

Madam Chairwoman and Members of the Subcommittee:

We are pleased to be here today to discuss our views on the challenges confronting the federal civil service. 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 and implementing new and enhanced policy initiatives. This is a situation that must be overcome if the American public is to have the kind of government it deserves.

The common interest of all Americans is to have a government that effectively delivers services and executes its policies. The key challenge we face is to convince our fellow citizens of the truth of that statement so that they will support political leaders who recognize the need for a competent, first-rate federal career service.

The recent experiences of several agencies illustrate how programs and services for Americans have suffered as a result of not having high quality federal human resource management. For example:

- The Social Security Administration (SSA) has not determined the number and skill levels of automated data processing (ADP) personnel needed to modernize its computer systems.

This has contributed to limited progress toward much needed modernization.

- Problems with the Federal Aviation Administration's human resource planning and management contributed to staffing shortages and other difficulties with air traffic control and air traffic equipment maintenance and repair programs.

- Human resource management problems associated with the Internal Revenue Service's (IRS) ADP modernization effort, such as insufficient training and skills shortages, contributed in 1985 to what IRS has characterized as probably the most difficult and least successful filing season in its history.

There is no doubt that the federal establishment faces difficult obstacles--noncompetitive pay, a poor public image, and a relatively inflexible personnel system--in trying to develop a first-rate career service. But I believe we can overcome such obstacles if we make a determined effort.

What it will take, first and foremost, is sustained leadership from the President and political appointees. Respect for the professional competence of career civil servants is critical. Regrettably, such respect is not always evident. One way to deal with this is to reduce the number of political appointees. In

fact, I do not believe that a large number of political appointees is needed to properly manage an agency. Excessive political appointments and failure to value and reward expertise and professionalism can significantly undermine the morale of civil servants.

A key to any successful political appointee dealing with this problem is the respect for the career service that he or she brings to the job. My personal observations of the actions of some of the more successful cabinet secretaries show that they sought out career people, solicited their views, then made clearly understood decisions and held people accountable for effectively carrying them out.

Of course, for our political leaders to hold such views, there must be a cadre of senior career staff who deserve that respect. Unfortunately, we are seeing indications that the level of experience within the government's senior executive corps is in danger of eroding. In response to a survey we conducted in 1987, about 50 percent of the members of the senior executive service (SES) indicated that they are currently eligible to retire or will be eligible within the next 5 years. Over half of the SES members currently eligible to retire plan to leave within the next 3 years, and over half of the SES members not currently eligible plan to leave the SES within a year after they become eligible. Significant turnover among the SES could seriously

affect the continuity and institutional memory needed to resolve various administrative and programmatic problems.

Personnel Management Challenges

Effective leadership will enable us to deal with several key challenges confronting the federal career service. These are improving recruitment and retention, strengthening training and development, and enhancing performance.

Recruiting and retaining a quality workforce is our first critical challenge. Because of the workforce's changing demographics and increasing competition for individuals with critical skills, the federal government is forced to operate in a difficult labor market.

In surveys we conducted in 1987, about 40 percent of the managers of federal installations reported that their ability to hire the people they need had worsened over the last 5 years. Over half of the personnel officers we surveyed told us that their organizations' ability to retain quality staff had worsened during the same period. More specifically, problems in attracting and retaining quality staff may be especially acute in certain geographic locations, such as large metropolitan areas, and in critical occupations, such as computer scientists, accountants, and engineers.

The government faces a number of obstacles to attracting and retaining the talent it needs, three of which merit special attention.

- First, the negative rhetoric directed toward public service over the last several years has had a demoralizing effect on federal employees. In our 1987 governmentwide surveys, many managers of federal installations reported that motivation levels have decreased, and many personnel officers indicated that the negative image of public service is a barrier that has significantly hindered their ability to attract the people they need. Only 13 percent of the SES members we surveyed in 1987 would advise someone beginning a career to enter the public service, and over 90 percent reported that they were dissatisfied with perceptions of federal employees held by the press, politicians, and the public. These negative perceptions were the single greatest source of SES dissatisfaction with work in the federal government.

- Second, the principle of pay comparability has been systematically compromised over the years. The pay gap between federal and private sector salaries now averages about 24 percent for the General Schedule and, according to the recently issued report of the President's Commission on

Compensation of Career Federal Executives, as much as 65 percent for SES.

-- Third, many perceive the government's hiring process as complex and frustrating. Difficulties cited by federal officials using the system include cumbersome OPM rules and procedures, the lack of information available to potential applicants, and the time it takes to complete the hiring process. For example, almost two-thirds of the personnel officers we surveyed in 1987 believed that the length of time it takes to hire someone hinders their ability to acquire needed staff.

OPM is currently taking some steps to reform the federal personnel system by allowing agencies greater use of delegated examining and direct hiring authorities, and by consolidating many employment examinations. OPM also has announced plans to rebuild its college recruitment effort. Directors of personnel we surveyed in 1987 reported that OPM's planned recruitment effort should have a positive effect on federal personnel management.

To assist in assessing progress being made, at your request, we are developing an approach to evaluating the quality of the federal workforce. We are focusing on recruits, current

employees, and those leaving. Our results should be available this summer.

Addressing a second major challenge confronting the government--strengthening training and development--is critical if we are to achieve excellence in government management. Our work has shown that insufficient attention has been given to this area. For example:

- Although many senior executives and managers are planning to retire within the next several years, some agencies have done little to identify and prepare replacements.

- Many agencies have not extensively used Candidate Development Programs to identify, develop, or select promising staff for future executive positions. For example, during fiscal years 1982 to 1984, 87 percent of the 2014 individuals appointed into career SES positions had not participated in Candidate Development Programs.

- Our recent work has also shown that agencies and senior executives make infrequent use of sabbatical and rotation programs as opportunities for executive training and development.

-- Finally, training budgets in several agencies have declined considerably, and many middle managers and employees believe that their organizations' training and development programs have problems. For example, 57 percent of the SSA employees we surveyed in 1986 believed they received less than the amount of training needed to develop their career potential.

A third challenge facing the government is the need to achieve higher levels of performance. In a series of reports we have issued over the last several years, we have identified opportunities for agency managers to substantially improve organizational performance by giving greater attention to measuring and managing the quality, efficiency, and timeliness of services produced.

For example, we found that SSA and the Department of Labor could save more than \$200 million annually by better measuring and managing their claims operations. Also, to address problems in the quality of its service, IRS has begun to install a quality improvement program in every IRS field and national office that will make quality of service a top priority.

The reasons for the success we have had at GAO in developing a high quality career staff could provide one perspective to other agencies as they try to meet these challenges. GAO has only two political appointees and there have only been six Comptrollers

General in the 67 years of GAO's history. Stability among other top managers also exists so that the values so important to the organization can be adequately developed and shared among all the staff.

Professionalism and expertise are respected, valued, and rewarded in the GAO. Our career senior executives frequently represent the GAO in testimony before the Congress. Last year, for example, over 50 GAO executives testified on our work before the Congress. Contrast this situation with that in many executive agencies where only political appointees are allowed to represent the agencies in many public forums. One of the key benefits from being a career public servant should be the ability to see that your work is able to make a difference. What better way to realize that satisfaction than to participate with the decision-makers in various forums where policies or the findings of your work are debated.

Since GAO developed its SES program in 1980, it has had an effective executive development program to ensure that the staff selected for the SES are top caliber. Indeed, over the last four years, about 80 percent of the SES staff we have appointed have come through our executive development program. Again, contrast this situation with that of the executive branch where, during fiscal years 1982 to 1984, about 13 percent of

individuals appointed into career SES positions participated in executive development programs.

Our personnel system allows us flexibility in hiring, developing, and promoting our staff that is very beneficial, given the nature of our work and the project team environment within which we must operate. We are able to closely examine how we do our work, determine the types of people we need to do our work, and develop our personnel management systems to reflect the nature of our work. This flexibility also enhances our ability to ensure that our top management is effectively involved in all aspects of maintaining our quality staff--from recruiting, training, and developing our staff to rewarding them.

I recognize that GAO is a unique institution. My term and that of the deputy, the only two political appointees, is for 15 years. Consequently, GAO has great stability compared to many other agencies. But, much of the emphasis we place on the need to recruit, develop, and retain a high quality staff and reward them appropriately can be duplicated in executive agencies. All it takes is a will on the part of agencies' leadership.

Actions Needed to Strengthen the Public Service

Congress also must play an important part in revitalizing the federal career service. Your bill--H.R. 2882--contains many

provisions aimed at this. They include (1) establishing a training program for noncareer appointees, (2) describing additional circumstances for designating career reserved positions, (3) limiting the number of noncareer appointments, (4) establishing a government service fellowship program and a council on public service, and (5) encouraging training and development for career federal employees. We generally endorse these provisions, although we have not sufficiently analyzed your proposal for a government fellowship program to comment specifically on it.

Congress also can continually emphasize its concern for the importance of developing and retaining a quality workforce during confirmation, oversight, and appropriation hearings. This will send clear signals to agencies' leadership that they must focus on human resource management issues.

On a more specific level, OPM may need to provide better governmentwide personnel management leadership. We are completing a management review of OPM and will issue our report later this year.

We share the Committee's concern with the need to revitalize the federal workforce. David Packard said it very well in a recent letter to the President, "with able people operating them, even second-rate organizational structures and procedures can be made

to work; and without able people, even first rate ones will fail." Now, more than ever, we must convey this message to the public and our political leaders.

This concludes my remarks. I would be pleased to answer questions.