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March 1997

Federal Management and  
Workforce Issue Area Plan

Fiscal Years 1997-98

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# Foreword

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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 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 crosscutting management, workforce, and statistical issues. These include the Government Performance and Results Act, 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.

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**Foreword**

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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, and
- 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.



Nye Stevens  
Director  
Federal Management and Workforce Issues

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# Table I: Key Issues

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Issue	Significance
<b>Managing a government in transition:</b> 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. Continued budget pressures likely will engender further agency reorganizations and the elimination of some programs or functions. 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.
<b>Managing for results and accountability:</b> How can agencies and their employees better focus on achieving results and ensuring accountability?	In crafting the Government Performance and Results Act (GPRA), Congress' intent was to shift the focus of federal management, accountability, and oversight away from agencies' activities and products and toward the results they achieve. Under the act, agencies are to develop their first strategic and annual performance plans in the fall of 1997. The planning and decisionmaking process used to generate these documents is to be the foundation for results-oriented management within agencies. 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 National Performance Review (NPR) labs, GPRA pilots, and other government entities in the forefront of the shift toward results-oriented management.
<b>Reevaluating the merit system:</b> 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 Federal Aviation Administration (FAA) personnel system), NPR labs, and GPRA initiatives; helping identify key principles to guide federal HRM in the future; and addressing the issues of delegation, decentralization, oversight, and accountability.

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**Table I: Key Issues**

Objectives	Focus of work
<p>(1) Assess issues affecting agencies' ability to cost effectively deliver services in a downsized environment.</p> <p>(2) Identify opportunities to achieve savings, while ensuring quality services, by adjusting the public/private sector mix used to provide federal services to the public.</p> <p>(3) Review strategies to align HRM systems with goals and mission accomplishment.</p> <p>(4) Contribute to effective implementation of agency reorganizations.</p> <p>(5) Assess the strengths and limitations of the PBO concept.</p>	<ul style="list-style-type: none"> <li>• Determine downsizing's impact on employee skill levels.</li> <li>• Identify opportunities to achieve cost savings in specific government functions through managed competition.</li> <li>• Align HRM systems with broader management goals.</li> <li>• Identify implementation actions needed to capture anticipated savings from reorganizations and dismantlements.</li> <li>• Evaluate specific PBO proposals.</li> </ul>
<p>(1) Identify changes needed in congressional decisionmaking in a results-oriented environment.</p> <p>(2) Examine the feasibility and utility of results-oriented management in a broad array of federal activities.</p> <p>(3) Identify alternatives to the federal government's performance management system.</p> <p>(4) Identify opportunities for reforming the administrative redress system.</p> <p>(5) Assess the changing role of leadership positions within the federal workplace.</p>	<ul style="list-style-type: none"> <li>• Assist selected congressional committees in applying information on program results to the legislative process.</li> <li>• 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&amp;D).</li> <li>• Assess the applicability to the civil service of private sector incentive and rewards systems.</li> <li>• Identify and evaluate options and legislative proposals for streamlining and/or consolidating the administrative appeal process, and making effective use of alternative dispute resolution systems.</li> </ul>
<p>(1) Analyze need and alternative strategies for fundamentally reshaping the public service.</p> <p>(2) Examine the role of the Office of Personnel Management (OPM) and its oversight of agency HRM systems in a results-oriented environment.</p> <p>(3) Identify alternatives for streamlining and decentralizing federal HRM.</p>	<ul style="list-style-type: none"> <li>• Examine the development of the Senior Executive Service (SES) since passage of the Civil Service Reform Act (CSRA).</li> <li>• Work with sources in government, industry, and academia to explore alternatives to the current civil service system.</li> <li>• Determine how OPM and agency oversight could be accomplished in a more decentralized, results-oriented environment.</li> <li>• Assess applicability of private sector HRM models to the civil service.</li> <li>• Assess the implementation of FAA's new decentralized personnel system.</li> <li>• Assess methods and measurements that could be used to ensure agency accountability.</li> </ul>

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**Table I: Key Issues**

Issue	Significance
<b>Redesigning compensation and benefits:</b> What employee compensation and benefit programs will best serve the changing needs of the workforce?	In fiscal year 1998, the executive branch (excluding the Postal Service) expects to spend over \$117 billion on current employee compensation and benefits and more than \$48 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.
<b>Collecting and disseminating information:</b> 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. In this regard, we have designated the 2000 census as being at high-risk for high cost and unsatisfactory results. Furthermore, emerging electronic technologies have generated debate over the cost-effectiveness of traditional methods for disseminating government information of all types.
<b>Improving federal regulatory management:</b> 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. Both Congress and the executive branch have expressed renewed interest in regulatory management issues to better ensure that (1) the federal government only promulgates regulations for which a clear need exists and that do not go beyond congressional intent in the underlying statute; (2) once a decision is made to regulate, the regulation minimizes the cost and other burdens in relation to the anticipated benefits; and (3) all reasonable alternatives to the regulatory action have been considered. Prominent regulatory management initiatives under consideration or in implementation include mandatory cost/benefit analyses and risk assessments, burden reduction, enhancements to regulatory flexibility, and regulations that are focused on desired outcomes as opposed to mandated processes or actions. Also, Congress now receives a copy of each regulation and may formally disapprove those it believes are inappropriate. As part of this process, GAO provides Congress with information on each major rule's compliance with regulatory procedural requirements.

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**Table I: Key Issues**

Objectives	Focus of work
<p>(1) Examine the implications for the compensation and benefits of a more transient federal workforce.</p> <p>(2) Assess alternatives in providing workers compensation benefits.</p> <p>(3) Inform Congress of ways to improve the efficiency and integrity of federal retirement programs.</p> <p>(4) Identify ways to improve the integrity and efficiency of federal benefits programs.</p>	<ul style="list-style-type: none"><li>• Evaluate alternative approaches to providing federal benefits in an environment with more transition to and from the private sector.</li><li>• Review options for restructuring federal workers' compensation programs.</li><li>• Identify opportunities for budgetary savings in the design and operations of federal pension programs.</li><li>• Review financing and operations of federal retirement programs.</li><li>• Analyze and compare the financing and cost/benefit features of federal and nonfederal retirement programs.</li><li>• Explore alternatives for controlling costs in the Federal Employees Health Benefits Program.</li></ul>
<p>(1) Assist Congress in determining how the structure of the U.S. statistical system can best serve the nation's domestic and international need for relevant, accurate, and timely statistical data in the most cost-effective manner.</p> <p>(2) 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.</p> <p>(3) Improve the quality of economic, sociodemographic, and lobbying registration statistics used to formulate and assess public policy implementation and effectiveness.</p> <p>(4) Assist Congress and the executive branch in developing a framework for publishing, archiving, and disseminating government information.</p>	<ul style="list-style-type: none"><li>• 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.</li><li>• 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.</li><li>• Assess the quality of federal statistics and the processes used to make improvements once problems are identified.</li><li>• Suggest ways the government can publish, archive, and disseminate information more effectively and economically.</li></ul>
<p>(1) Assist Congress in reviewing its approach to regulatory oversight.</p> <p>(2) Examine alternatives to regulatory emphasis on procedural compliance.</p> <p>(3) Evaluate agencies' actions to provide information on regulatory requirements and compliance strategies.</p> <p>(4) Review methods used to determine the appropriateness of the regulations federal agencies promulgate.</p>	<ul style="list-style-type: none"><li>• Assess the applicability of a results/outcome orientation to the federal agencies' regulatory approaches.</li><li>• 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.</li><li>• Assess the merits of alternative processes to determine that the regulations federal agencies issue are needed and minimize regulatory burdens.</li><li>• Evaluate how cost-benefit information is used in regulatory decisionmaking.</li></ul>

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# Table II: Planned Major Work

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Issue	Planned major job starts
<b>Managing a government in transition</b>	<ul style="list-style-type: none"><li>• Review the impacts of federal downsizing on agencies' ability to deliver services and oversee contracts.</li><li>• Assess whether program performance and efficiency improved in cases where federal agencies were given greater operational authority.</li><li>• Assess the effectiveness of federal career transition programs.</li><li>• Assess the applicability of the PBO approach for specific federal agencies.</li><li>• Survey issues that need to be addressed as consideration is given to privatizing and contracting out services performed by the government.</li><li>• Identify opportunities to achieve cost savings in specific government functions through such approaches as privatization or competitive incentives.</li><li>• Review strategies to align federal HRM systems with organizational goals and missions.</li><li>• Assess whether restructuring initiatives are achieving anticipated service improvements and cost savings.</li><li>• Assess the feasibility of applying the PBO concept to specific proposed candidates.</li><li>• Examine management oversight of contractors and identify possible improvements.</li></ul>
<b>Managing for results and accountability</b>	<ul style="list-style-type: none"><li>• Determine whether the strategic plans developed under GPRA are useful documents for leading and managing agencies.</li><li>• Assess the progress agencies have made in linking their strategic goals to daily operations through annual performance plans.</li><li>• Identify specific challenges and opportunities for Congress' use of performance information generated under GPRA.</li><li>• Assess the feasibility of aligning performance management systems with agency missions.</li><li>• Review private sector approaches to performance management for individuals and groups.</li><li>• Examine the experience of the SES since the passage of CSRA and identify areas for improvement.</li><li>• Examine the adequacy and completeness of agency data submitted to the Equal Employment Opportunity Commission on Equal Employment Opportunity (EEO) system costs.</li><li>• Assess agencies' capacity to provide meaningful performance information in a form useful to decisionmakers and the public.</li><li>• Examine the impact of the Civil Rights Act of 1990 on compensatory damage awards in EEO cases.</li></ul>

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**Table II: Planned Major Work**

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<b>Issue</b>	<b>Planned major job starts</b>
<b>Reevaluating the merit system</b>	<ul style="list-style-type: none"><li>• Assess implementation of FAA's new decentralized personnel system.</li><li>• Assess the implications of leading private and public sector HRM models for results-oriented government.</li><li>• Review conversions and noncompetitive appointments to career positions in the executive branch.</li><li>• Evaluate OPM's plans for oversight in a decentralized, results-oriented environment.</li><li>• Assess ways of measuring performance to ensure agency accountability in the HRM area.</li><li>• Evaluate the role of labor-management partnerships in federal labor relations.</li><li>• Examine experiences of OPM research and demonstration projects.</li></ul>
<b>Redesigning compensation and benefits</b>	<ul style="list-style-type: none"><li>• Examine workers' compensation administration and costs.</li><li>• Identify options for federal pensions based on annuity cost of living adjustment methodologies and practices in private pensions.</li><li>• Describe lessons learned from states that have adopted or switched to defined contribution-only pension plans.</li><li>• Identify federal pension reform options by exploring developments in hybrid pension plans that combine features of defined benefit and defined contribution into a single retirement plan.</li><li>• Identify the reasons for changes in Civil Service Retirement System and Federal Employees Retirement System agency costs.</li><li>• Identify issues in resumption of federal responsibility for the District of Columbia pension system.</li><li>• Examine the administration and costs of federal health benefits.</li><li>• Examine the role federal benefits play in workforce operations and management.</li></ul>

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**Table II: Planned Major Work**

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<b>Issue</b>	<b>Planned major job starts</b>
<b>Collecting and disseminating information</b>	<ul style="list-style-type: none"><li>• Assess methodologies used by foreign countries to develop inflation indexes and uses for these indexes for taxes and payments.</li><li>• Identify opportunities for improving the methodologies used to develop the Consumer Price Index.</li><li>• Assess issues associated with proposals to link, consolidate, or privatize statistical agencies.</li><li>• Analyze the efficiency of the U.S. statistical system.</li><li>• Compare key dimensions of the U.S. statistical system with those of foreign countries.</li><li>• Assess the accuracy of immigration statistics and the structure and capacity of the system used to produce such statistics.</li><li>• Assess statistical agency performance in implementing GPRA.</li><li>• Monitor progress toward reducing the risk of a failed 2000 census.</li><li>• Assess cost and operations of the 1998 dress rehearsal for the 2000 census.</li><li>• Monitor implementation of Lobby Reform law.</li><li>• Analyze the government's process for archiving information.</li><li>• Assess use of Internet for obtaining and disseminating information.</li></ul>
<b>Improving federal regulatory management</b>	<ul style="list-style-type: none"><li>• Examine the status of agencies' efforts to move toward results-oriented regulations and regulatory approaches.</li><li>• Review the availability of regulatory information that meets "customer" needs.</li><li>• Review the administration's enforcement of governmentwide paperwork reduction goals.</li><li>• Examine the Office of Management and Budget's report on the costs and benefits of regulations.</li><li>• Review agencies' compliance with the Small Business Regulatory Enforcement Fairness Act.</li></ul>

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# Table III: GAO Contacts

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