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HUMAN CAPITAL

Telework Programs Need Clear Goals and Reliable Data

Statement of Bernice Steinhardt, Director
Strategic Issues





Highlights of [GAO-08-261T](#), a testimony before the Subcommittee on Federal Workforce, Postal Service, and the District of Columbia, Committee on Oversight and Government Reform, House of Representatives

Why GAO Did This Study

Telework continues to receive attention within Congress and federal agencies as a human capital strategy that offers various flexibilities to both employers and employees. Increasingly recognized as an important means to achieving a number of federal goals, telework offers greater capability to continue operations during emergency events, as well as affording environmental, energy, and other benefits to society.

This statement highlights some of GAO's prior work on federal telework programs, including key practices for successful implementation of telework initiatives, identified in a 2003 GAO report and a 2005 GAO analysis of telework program definitions and methods in five federal agencies. It also notes more recent work where agency officials cite their telework programs as yielding benefits.

As GAO has previously recommended, Congress should determine ways to promote more consistent telework definitions and measures. In particular, Congress might want to have the Office of Personnel Management (OPM) and the Chief Human Capital Officers Council develop definitions and measures that would allow for a more meaningful assessment of progress in agency telework programs.

To view the full product, including the scope and methodology, click on [GAO-08-261T](#). For more information, contact Bernice Steinhardt at (202) 512-6806 or steinhardt@gao.gov.

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Telework Programs Need Clear Goals and Reliable Data

What GAO Found

Through a number of legislative actions, Congress has indicated its desire that agencies create telework programs to accomplish a number of positive outcomes. Many of the current federal programs were developed in response to a 2000 law that required each executive branch agency to establish a telework policy under which eligible employees may participate in telecommuting to the maximum extent possible without diminishing employee performance. The legislative framework has provided OPM and the General Services Administration with lead roles for the governmentwide telework initiative—providing services and resources to support and encourage telework. Although agency telework policies meet common requirements and often share characteristics, each agency is responsible for developing its own policy to fit its mission and culture.

In a 2003 report, GAO identified a number of key practices that federal agencies should implement in developing their telework programs. Four of these were closely aligned with managing for program results: (1) developing a business case for telework, (2) establishing measurable telework program goals, (3) establishing systems to collect data for telework program evaluation, and (4) identifying problems and making appropriate adjustments. None of the four agencies we reviewed, however, had effectively implemented any of these practices. In a related review of five other agencies in 2005, GAO reported that none of the agencies had the capacity to track who was actually teleworking or how frequently, relying mostly on the number of telework agreements as the measure of program participation.

Consistent definitions and measures related to telework would help agencies better manage for results through their telework programs. For example, program management and oversight could be improved by more consistent definitions, such as eligibility. Some information may take additional efforts to collect, for example, on actual usage of telework rather than employees' potential to telework. However, other valuable information may already be available through existing sources, such as the Federal Human Capital Survey. The survey—which is administered biennially—asks federal employees about their satisfaction with telework, among other things. OPM and the Chief Human Capital Officers Council are well-situated to sort through these issues and consider what information would be most useful. The council and OPM could also work together on strategies for agencies to use the information for program improvements, including benchmarking.

Mr. Chairman and Members of the Subcommittee:

I am pleased to be here today to discuss our observations of federal telework programs based on our past work, particularly those practices that are closely aligned with managing for program results. Telework is increasingly recognized as an important means to achieving a number of federal efforts, including effective strategic human capital management of the federal workforce, and a greater capability to continue operations during emergency events, as well as affording environmental, energy, and other benefits to society. However, in the absence of clear program goals and reliable data, agencies cannot identify problems or issues with their programs and cannot develop and implement changes necessary to improve their success.

Congress has demonstrated its keen interest in promoting the use of telework in the federal government by establishing a wide-ranging statutory framework. This framework has included provisions directed at increasing employee eligibility for telework, requiring reporting and evaluation of telework implementation, establishing agency telework coordinators to lead the program, setting goals for application of telework provisions to the federal workforce, and even withholding funds from some agencies that fail to show progress.

My statement today will describe first, the statutory framework that drives the agency telework programs and processes. I will also share observations from our past work that pertain to four key practices related to managing for results and our findings regarding the extent to which agencies have implemented them.

My comments are based on previously issued GAO reports that were developed in accordance with generally accepted government auditing standards. This statement highlights some of GAO's prior work on federal telework programs, including key practices for successful implementation of telework initiatives, identified in a 2003 GAO report and a 2005 GAO analysis of telework program definitions and methods in five federal agencies. It also notes more recent work where agency officials cite their telework programs as yielding benefits.

Congress Has Established a Statutory Framework to Promote Agency Telework Programs and Increase Employee Participation

Through a number of legislative actions, Congress has indicated its desire that agencies create telework programs to accomplish a number of positive outcomes. These actions have included recognizing the need for program leadership within the agencies; encouraging agencies to think broadly in setting eligibility requirements; requiring that employees be allowed, if eligible, to participate in telework, and requiring tracking and reporting of program results. Some legislative actions have provided for funding to assist agencies in implementing programs, while other appropriations acts withheld appropriated funds until the covered agencies certified that telecommuting opportunities were made available to 100 percent of each agency's eligible workforce.

The most significant congressional action related to telework was the enactment of Sec. 359 of Pub. L. No. 106-346 in October 2000, which provides the current mandate for telework in the executive branch of the federal government by requiring each executive agency to establish a policy under which eligible employees may participate in telework. In this law, Congress required each executive branch agency to establish a telework policy under which eligible employees of the agency may participate in telework to the maximum extent possible without diminishing employee performance. The conference report language further explained that an eligible employee is any satisfactorily performing employee of the agency whose job may typically be performed at least 1 day per week by teleworking. In addition, the conference report required the Office of Personnel Management (OPM) to evaluate the effectiveness of the program and report to Congress.

The legislative framework has provided both the General Services Administration (GSA) and OPM with lead roles for the governmentwide telework initiative—to provide services and resources to support and encourage telework, including providing guidance to agencies in developing their program procedures.¹ In addition, Congress required certain agencies to designate a telework coordinator to be responsible for overseeing the implementation of telework programs and serve as a point of contact on such programs for the Committees on Appropriations.

¹GAO reported that the efforts of OPM and GSA, with lead roles in implementation of telework in the federal government, had not been well coordinated, and, in response, the two agencies took a number of actions to improve coordination, including developing and signing a joint memorandum of understanding. GAO, *Human Capital: Key Practices to Increasing Federal Telework*, [GAO-04-950T](#) (Washington, D.C.: July 8, 2004).

GSA and OPM provide services and resources to support the governmentwide telework implementation. OPM publishes telework guidance, which it recently updated, and works with the agency telework coordinators to guide implementation of the programs and annually report the results achieved. GSA offers a variety of services to support telework, including developing policy concerning alternative workplaces, managing the federal telework centers, maintaining the mail list server for telework coordinators, and offering technical support, consultation, research, and development to its customers. Jointly, OPM and GSA manage the federal Web site for telework, which was designed to provide information and guidance. The site provides access for employees, managers, and telework coordinators to a range of information related to telework including announcements, guides, laws, and available training.

Although agency telework policies meet common requirements and often share some common characteristics, each agency is responsible for developing its own policy to fit its mission and culture. According to OPM, most agencies have specified occupations that are eligible for telework and most apply employee performance-related criteria in considering authorizing telework participation. In addition, OPM guidance states that eligible employees should sign an employee telework agreement and be approved to participate by their managers. The particular considerations concerning these requirements and procedures will differ among agencies.

Better Performance Measures and Program Evaluations Could Improve the Assessment of Telework in the Federal Government

In our 2003 study of telework in the federal government,² we identified 25 key practices that federal agencies should implement in developing their telework programs. Among those were several practices closely aligned with managing for program results including

- developing a business case for implementing a telework program;
- establishing measurable telework program goals;
- establishing processes, procedures, or a tracking system to collect data to evaluate the telework program; and

²GAO, *Human Capital: Further Guidance, Assistance, and Coordination Can Improve Federal Telework Effort*, [GAO-03-679](#) (Washington, D.C.: July 18, 2003).

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- identifying problems or issues with the telework program and making appropriate adjustments.

Yet, in our assessment of the extent to which four agencies—the Department of Education, GSA, OPM, and the Department of Veterans Affairs—followed the 25 key practices, we found these four practices to be among the least employed.

None of the four agencies we reviewed had effectively developed a business case analysis for implementing their telework programs. In discussing the business case key practice in our 2003 study, we cited the International Telework Association and Council, which had stated that successful and supported telework programs exist in organizations that understand why telework is important to them and what specific advantages can be gained through implementation of a telework program. According to OPM,³ telework is of particular interest for its advantages in the following areas:

- Recruiting and retaining the best possible workforce—particularly newer workers who have high expectations of a technologically forward-thinking workplace and any worker who values work/life balance.
- Helping employees manage long commutes and other work/life issues that, if not addressed, can reduce their effectiveness or lead to employees leaving federal employment.
- Reducing traffic congestion, emissions, and infrastructure effect in urban areas, thereby improving the environment.
- Saving taxpayer dollars by decreasing government real estate costs.
- Ensuring continuity of essential government functions in the event of national or local emergencies.

In addition, some federal agency telework policies suggest other potential advantages. For example, the Department of Defense's telework policy includes enhancing the department's efforts to employ and accommodate people with disabilities as a purpose of its program. The Department of State's policy notes that programs may be used to increase productivity.

³U.S. Office of Personnel Management, *A Guide to Telework in the Federal Government* (Washington, D.C.: Aug. 3, 2006).

As another example, the U.S. Department of Agriculture credits telework with having a positive effect on sick leave usage and workers compensation.

A business case analysis of telework can ensure that an agency's telework program is closely aligned with its own strategic objectives and goals. Such an approach can be effective in engaging management on the benefits of telework to the organization. Making a business case for telework can help organizations understand why they support telework, address relevant issues, minimize business risk, and make the investment when it supports their objectives. Through business case analysis, organizations have been able to identify cost reductions in the telework office environment that offset additional costs incurred in implementing telework and the most attractive approach to telework implementation.

We have recently noted instances where agency officials cited their telework programs as yielding some of the benefits listed above. For example, in a 2007 report on the U.S. Patent and Trademark Office (USPTO), we reported that, according to USPTO management officials, one of the three most effective retention incentives and flexibilities is the opportunity to work from remote locations.⁴ In fiscal year 2006, approximately 20 percent of patent examiners participated in the agency's telework program, which allows patent examiners to conduct some or all of their work away from their official duty station 1 or more days per week. In addition, USPTO reported in June 2007 that approximately 910 patent examiners relinquished their office space to work from home 4 days per week. The agency believes its decision to incorporate telework as a corporate business strategy and for human capital flexibility will help recruitment and retention of its workforce, reduce traffic congestion in the national capital region, and, in a very competitive job market, enable the USPTO to hire approximately 6,000 new patent examiners over the next 5 years. As another example, in a 2007 report on the Nuclear Regulatory Commission (NRC), we noted that most NRC managers we interviewed and surveyed considered telework and flexible work schedule arrangements to be very to extremely valuable in recruiting, hiring, and

⁴GAO, *U.S. Patent and Trademark Office: Hiring Efforts Are Not Sufficient to Reduce the Patent Application Backlog*, [GAO-07-1102](#) (Washington, D.C.: Sept. 4, 2007).

retaining NRC personnel and would be at least as valuable in the next few years.⁵

With regard to the second key practice aligned with managing for results, none of the four agencies had established measurable telework program goals. As we noted in our report, OPM's May 2003 telework guide⁶ discussed the importance of establishing program goals and objectives for telework that could be used in conducting program evaluations for telework in such areas as productivity, operating costs, employee morale, recruitment, and retention. However, even where measurement data are collected, they are incomplete or inconsistent among agencies, making comparisons meaningless. For example, in our 2005 report of telework programs in five agencies—the Departments of State, Justice, and Commerce; the Small Business Administration; and the Securities and Exchange Commission—measuring eligibility was problematic.⁷ Three of the agencies excluded employees in certain types of positions (e.g., those having positions where they handle classified information) when counting and reporting the number of eligible employees, while two of the agencies included all employees in any type of position when counting and reporting the number of eligible employees, even those otherwise precluded from participating.

With regard to the third key practice—establishing processes, procedures, or a tracking system to collect data to evaluate the telework program—in our 2003 review we found that none of the four agencies studied were doing a survey specifically related to telework or had a tracking system that provided accurate participation rates and other information about teleworkers and the program. At that time, we observed that lack of such information not only impeded the agencies in identifying problems or issues related to their programs but also prevented them from providing OPM and Congress with complete and accurate data. In addition, in our 2005 study at five agencies, we found that four of the five agencies measured participation in telework based on their potential to telework

⁵GAO, *Human Capital: Retirements and Anticipated New Reactor Applications Will Challenge NRC's Workforce*, [GAO-07-105](#) (Washington, D.C.: Jan. 17, 2007).

⁶U.S. Office of Personnel Management, *Telework: A Management Priority—A Guide for Managers, Supervisors, and Telework Coordinators* (Washington, D.C.: May 2003).

⁷GAO, *Agency Telework Methodologies: Departments of Commerce, Justice, State, the Small Business Administration, and the Securities and Exchange Commission*, [GAO-05-1055R](#) (Washington, D.C.: Sept. 27, 2005).

rather than their actual usage. The fifth agency reported the number of participants based on a survey of supervisors who were expected to track teleworkers. According to OPM, most agencies report participation based on telework agreements, which can include both those for employees teleworking on a continuing basis as well as those for episodic telework. None of the five agencies we looked at had the capability to track who was actually teleworking or how frequently, despite the fact that the Fiscal Year 2005 Consolidated Appropriations Act covering those agencies required each of them to provide quarterly reports to Congress on the status of its telework program, including the number of federal employees participating in its program. At that time, two of the five agencies said they were in the process of implementing time and attendance systems that could track telework participation, but had not yet fully implemented them. The other three agencies said that they did not have time and attendance systems with the capacity to track telework.

Based on our findings, the conference report for the fiscal year 2006 Appropriations Act that covered these agencies included the following language for them:

“The conferees are troubled that many of the agencies’ telework programs do not even have a standardized manner in which to report participation. The conferees expect each of these agencies to implement time and attendance systems that will allow more accurate reporting.”

Despite this language, four of the five agencies have not yet developed such systems and are still measuring participation as they did in 2005. In the fifth agency—the Department of Justice—an official told us that the department has now implemented a Web-based time and attendance system in most bureaus and that this system allows the department to track actual telework participation in those bureaus. The Federal Bureau of Investigation (FBI) was the major exception. This fiscal year, however, the FBI began a pilot of a time and attendance application that will also have the ability to track telework. Upon completion of the pilot, the official said that all of the Department of Justice bureaus would have the ability to track telework.

As for the fourth key practice closely related to managing for program results—identifying problems or issues with the telework program and making appropriate adjustments—none of the four agencies we reviewed for our 2003 study had fully implemented this practice and one of the four had taken no steps to do so despite the importance of using data to evaluate and improve their telework programs. An OPM official told us, for

example, that she did not use the telework data she collected to identify issues with the program; instead, she relied on employees to bring problems to her attention.

To help agencies better manage for results through telework programs, in our 2005 study we had said that Congress should determine ways to promote more consistent definitions and measures related to telework. In particular, we suggested that Congress might want to have OPM, working through the Chief Human Capital Officers (CHCO) Council, develop a set of terms, definitions, and measures that would allow for a more meaningful assessment of progress in agency telework programs. Program management and oversight could be improved by more consistent definitions, such as eligibility. Some information may take additional effort to collect, as for example, on actual usage of telework. Other valuable information may already be available through existing sources. The Federal Human Capital Survey, for example—which is administered biennially—asks federal employees about their satisfaction with telework, among other things. In the latest survey, only 22 percent indicated they were satisfied or very satisfied, while 44 percent indicated they had no basis to judge—certainly, there seems to be room for improvement there. In any case, OPM and the agency CHCO Council are well situated to sort through these issues and consider what information would be most useful. The CHCO Council and OPM could also work together on strategies for agencies to use the information for program improvements, including benchmarking.

In conclusion, telework is a key strategy to accomplish a variety of federal goals. Telework is an investment in both an organization's people and the agency's capacity to perform its mission. We continue to believe that more fully implementing the practices related to managing for program results will significantly contribute to improving the success of federal telework programs.

Mr. Chairman and members of the subcommittee, this completes my statement. I would be pleased to respond to any questions that you may have.

Contacts and Acknowledgments

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