GAO

Testimony

Before the Committee on Government Reform, House of Representatives

HUMAN CAPITAL

Key Practices to Increasing Federal Telework

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HUMAN CAPITAL

Key Practices to Increasing Federal Telework

Why GAO Did This Study

Telework has received significant attention in Congress and the executive branch and is an increasingly popular flexibility among federal employees. In July 2003 GAO reported on the use of telework in the federal government (GAO-03-679). Not only is telework an important flexibility from the perspective of employees, it has also become a critical management tool for coping with potential disruptions in the workplace, including terrorism.

This statement highlights key practices GAO research identified as important to implementing successful telework initiatives. The statement then discusses efforts to coordinate and promote telework, and concludes with a review of OPM's May 2004 telework report.

What GAO Recommends

This testimony includes no new recommendations, but it does underscore prior GAO recommendations to which additional attention is needed. GAO has encouraged individual agency leaders to make use of all appropriate administrative authorities available to them, such as the telework initiative, to manage their people for results.

What GAO Found

Much work remains to ensure that federal employees have the opportunity to telework. While individual agencies, the Office of Personnel Management (OPM), and the General Services Administration (GSA) are making progress, each has a role to play in expanding the use of this flexibility. Federal agencies can do more to ensure that as many employees as appropriate are provided an opportunity to participate in telework. The testimony highlights:

- To help agencies develop and implement a successful telework program, GAO identified a set of key practices for the implementation of successful telework programs at the agency level in our July 2003 report. However, some of the practices in particular merited additional attention from the agencies we examined. For example, agencies we studied had not provided full funding to meet the needs of their telework programs, nor had all established eligibility criteria to ensure that teleworkers were selected on an equitable basis. Obtaining support from top management for telework, addressing managerial resistance to the flexibility, and providing training and information on the telework program were also identified as challenges at the agencies we examined.

- As lead agencies for the governmentwide telework initiative, both GSA and OPM offer services and resources to support and encourage telework in the federal government. GAO noted in its July 2003 report that although OPM and GSA share responsibilities for the governmentwide telework initiative, past efforts were not well coordinated. In an October 2003 letter describing progress made since the issuance of the GAO report, GSA and OPM reported that a number of actions had been taken to improve coordination. The letter notes that the agencies signed a memorandum of understanding to reflect their unified approach to implementing telework. Revisions to the telework Web site were also noted in the letter, including the posting of a revised telework guide for managers. Additionally, training modules for managers and employees were developed. GAO did not evaluate how well coordinated efforts have been since the issuance of the July 2003 report.

- OPM's May 2004 telework report indicated that the percentage of eligible employees teleworking did not increase between 2002 and 2003, remaining at approximately 14 percent. This outcome, in light of the increased action taken by OPM and GSA, suggests that individual agencies, OPM, and GSA should seek to more fully understand the barriers to telework and take action to remove those barriers.

_____**United States General Accounting Office**

Chairman Davis, Mr. Waxman, and Members of the Committee:

Telework, at times referred to as "telecommuting" or "flexiplace," has gained widespread attention over the past decade in both the public and private sectors as a human capital flexibility that offers a variety of potential benefits to employers, employees, and society. The term telework refers to work that is performed at an employee's home or at a work location other than their traditional office. Mr. Chairman, at your request we reported almost 1 year ago on the progress federal agencies have made in implementing telework initiatives and identified a set of key practices that agencies can use to develop and strengthen their telework programs.[1]

In the aftermath of the terrorist attacks on September 11, 2001, there is growing awareness of the importance of telework as a critical management tool for coping with potential disruptions in the workplace, including terrorism. Disruption of normal operations challenges an organization to use the dedication and flexibility of its people to its advantage. We reported in April 2004 that organizations may use approaches such as telework to increase the ways in which employees may contribute to the organization in the event of a disruption.[2]

The Office of Personnel Management (OPM) May 2003 guide on implementing telework noted that the ability to telework has been, and will continue to be, important in times of emergency situations. OPM suggests, and our work confirms, that agencies should make telework part of their continuity of operations planning. OPM's guide advises that part of planning for the use of telework in an emergency situation can include conducting an inventory of equipment, discussing contingency plans with staff, and periodically assessing emergency procedures. Additionally, the guide proposes that routine emergency exercises be held to assess the potential effectiveness of emergency plans, including plans for teleworking.

A General Services Administration (GSA) report, published in 2000, likewise notes that unplanned work stoppages caused by disasters or

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[1]U.S. General Accounting Office, *Human Capital: Further Guidance, Assistance, and Coordination Can Improve Federal Telework Efforts*, GAO-03-679 (Washington, D.C.: July 18, 2003).

[2]U.S. General Accounting Office, *Human Capital: Opportunities to Improve Federal Continuity Planning Guidance*, GAO-04-384 (Washington, D.C.: Apr. 20, 2004).

weather shutdowns can be overcome by the use of telework. The GSA report describes telework as a practical strategy that serves both emergency response and emergency preparedness functions. As an emergency response strategy, GSA notes that telework can be used to put disrupted organizations and their employees back in a work status prior to the actual resolution of the cause of the work stoppage.

Since maximizing performance and assuring accountability are at the heart of our mission at GAO, we believe it is our responsibility to lead by example, especially in the human capital area. On June 21, 2004, we completed revisions to the telework program available to GAO employees. This revision provides our staff the opportunity to apply to telework on an episodic, short-term, or continual basis.

My statement today will first provide an overview of key practices our research identified as important to implementing successful telework efforts. Next, I will discuss our past analysis of OPM and GSA efforts to coordinate and promote telework in the federal government, and discuss how that coordination has improved. Finally, I will comment on the issues raised in OPM's May 2004 report titled *The Status of Telework in the Federal Government*.

Implementation of Key Telework Practices Can Ensure Successful Agency Programs

Overall, telework has received significant attention in Congress and the executive branch and is an increasingly popular flexibility among federal employees. Federal employees' interest in telework has been highlighted in a number of studies. For example, based on its 2000 Merit Principles Survey, the U.S. Merit Systems Protection Board reported that, of all the family-friendly programs studied, telework showed the greatest gap between importance and availability. According to a more recent survey, OPM's 2002 Federal Human Capital Survey, almost 74 percent of federal employee respondents said that telework was at least somewhat important to them. Despite this level of importance, more than 59 percent of the respondents reported that this flexibility was not available to them. We have reported that much of the authority agency leaders need to manage their people strategically already is available under current laws and regulations and we have encouraged leaders to make use of all appropriate

administrative authorities available to them, such as the telework initiative, to manage their people for results.[3]

To help agencies develop a successful telework program, we identified a set of key practices for the implementation of successful telework programs (see fig. 1). Regular attention to these practices can help to foster program growth and remove barriers to telework participation. In October 2003, OPM and GSA reported they distributed these practices to agency telework coordinators and recommended that agencies use them to self-assess their programs. These practices are:

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[3]U.S. General Accounting Office, *High-Risk Series: Strategic Human Capital Management*, GAO-03-120 (Washington, D.C.: January 2003).

Figure 1: Key Telework Practices for Implementation of Successful Federal Telework Programs

Program planning
• Designate a telework coordinator.
• Establish a cross-functional project team, including, for example, information technology (IT), union representatives, and other stakeholders.
• Establish measurable telework program goals.
• Develop an implementation plan for the telework program.
• Develop a business case for implementing a telework program.
• Provide funding to meet the needs of the telework program.
• Establish a pilot program.
Telework policy
• Establish an agencywide telework policy.
• Establish eligibility criteria to ensure that teleworkers are selected on an equitable basis using criteria such as suitability of tasks and employee performance.
• Establish policies or requirements to facilitate communication among teleworkers, managers, and coworkers.
• Develop a telework agreement for use between teleworkers and their managers.
• Develop guidelines on workplace health and safety issues to ensure that teleworkers have safe and adequate places to work off-site.
Performance management
• Ensure that the same performance standards, derived from a modern, effective, credible, and validated performance system, are used to evaluate both teleworkers and nonteleworkers.
• Establish guidelines to minimize adverse impact on nonteleworkers before employees begin to work at alternate work sites.
Managerial support
• Obtain support from top management for a telework program.
• Address managerial resistance to telework.
Training and publicizing
• Train all involved, including, at a minimum, managers and teleworkers.
• Inform workforce about the telework program.
Technology
• Conduct assessment of teleworker and organization technology needs.
• Develop guidelines about whether the organization or employee will provide necessary technology, equipment, and supplies for telework.
• Provide technical support for teleworkers.
• Address access and security issues related to telework.
• Establish standards for equipment in the telework environment.
Program evaluation
• Establish processes, procedures, and/or a tracking system to collect data to evaluate the telework program.
• Identify problems and/or issues with the telework program and make appropriate adjustments.

Source: GAO-03-679.

Our telework report discusses these practices in more detail and provides illustrations of their implementation. We found that individual agencies

may need additional guidance, guidelines, and/or individualized technical support to fully implement these practices.[4] For example, agencies we studied had not established program goals, provided full funding to meet the needs of their telework programs, nor had all established eligibility criteria to ensure that teleworkers were selected on an equitable basis. Obtaining support from top management for telework, addressing managerial resistance to the flexibility, and providing training and information on the telework program were also identified as challenges at the agencies we examined.

OPM and GSA Are Working to Coordinate Their Efforts to Help Agencies Meet Statutory Telework Requirements

A statutory framework for the use of telework in the executive branch began to develop in 1990. The framework includes requirements for agencies to take certain actions related to telework, provides agencies with tools for supporting telework, and designates leadership roles for OPM and GSA in governmentwide implementation efforts. The most significant piece of legislation, passed in 2000, requires each executive branch agency to establish a telework policy "under which eligible employees of the agency may participate in telecommuting to the maximum extent possible without diminished employee performance."[5] OPM issued guidance in 2001 related to the implementation of this law. However, that guidance did not include a specific definition of what it meant to provide eligible employees the opportunity to telework. After we discussed this issue with OPM officials, they reacted promptly by issuing new telework guidelines that defined the difference between identifying which positions are eligible to telework and informing employees they have the opportunity to telework.

As lead agencies for the governmentwide telework initiative, both GSA and OPM offer services and resources to support and encourage telework in the federal government. Some of the services are offered jointly by GSA and OPM; some are offered individually by both agencies; and others are offered uniquely by either OPM or GSA. Our report found that although OPM and GSA share responsibilities for the governmentwide telework initiative, past efforts were not well coordinated. To illustrate the lack of coordination, a GSA official told us that agencies had expressed concern

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[4]We did our detailed work at four agencies: the Department of Education, GSA, OPM, and the Department of Veterans Affairs.

[5]Section 359 of the Department of Transportation and Related Agencies Appropriations Act, 2002, Pub. L. No. 106-346 (Oct. 23, 2000).

about conflicting messages they received from OPM and GSA on several topics, including dependent care. Officials from both agencies confirmed that there were different policies at the time of our review. GSA's position was that employees could care for dependents when teleworking, as long as it does not interfere with accomplishing tasks, while OPM's position was, until recently, that dependents should not be in the home when an employee was teleworking. After discussing the conflicting messages with OPM officials, OPM revised its position in new telework guidelines it released shortly thereafter. These guidelines state that while teleworkers should not generally be engaged in caregiving activities when working at home, teenagers or elderly dependents might be at home when the employee is teleworking, as long as those dependents are independently pursuing their own activities.

Our report recommended that the Administrator, GSA, and the Director, OPM ensure that offices with responsibility for the governmentwide telework initiative better coordinate efforts to provide federal agencies with consistent support and guidance related to telework. To accomplish this we suggested that the agencies clearly delineate their responsibilities for this initiative. After we discussed the issues created by a lack of coordination between GSA and OPM with both agencies, a GSA official indicated that the two agencies had a new commitment to coordination. We have not evaluated how this commitment has manifested itself in the past year since the issuance of our report. However, such a commitment reflects a promising start for better assisting federal agencies in improved implementation of their telework programs. We reported that the key to success will be sustained efforts by both agencies to work together in assisting agencies and providing consistent and straightforward guidance, services, and resources on the governmentwide telework initiative.

In an October 14, 2003, letter describing progress made since the issuance of our report to you, Chairman Davis, GSA, and OPM reported that a number of actions had been taken to improve coordination. The letter notes that the agencies signed a memorandum of understanding to reflect their unified approach to implementing telework. Revisions to the telework Web site were also noted in the letter, including the posting of a revised telework guide for managers. Additionally, training modules for managers and employees were developed and are available through www.golearn.gov, the federal government's e-training Web site.

OPM Reports That the Percentage of Eligible Employees Who Actually Telecommute Has Not Increased

In May of this year, OPM released its annual report, titled *The Status of Telework in the Federal Government*, summarizing the findings from its October 2003 survey of federal agencies. According to OPM, 74 agencies responded to the survey. The OPM report identified a number of findings from its 2003 survey.

- The percentage of telework-eligible employees grew from 35 percent in 2002 to 43 percent in 2003. This translates to a change from 625,313 employees in 2002 to 751,844 employees in 2003.

- Sixty-nine percent of teleworkers have their primary place of duty outside the greater Washington D.C. area. Comparatively, 84 percent of the federal workforce is located outside the greater Washington D.C. area.

- Use of federal telework centers declined by 5 percent from 2002 to 2003, despite the availability of increased funding. This translates to a change from 459 users in 2002 to 435 users in 2003.

Importantly, the report indicated that the percentage of eligible employees actually taking advantage of telework remained roughly stable between 2002 and 2003 at approximately 14 percent. The number of employees increased from 90,010 in 2002 to 102,921 in 2003, while the percentage of eligible employees actually taking advantage of telework remained at 14 percent because of the increase in the number of employees eligible to telework, despite the efforts of GSA and OPM that are cited in OPM's report. For example, OPM reported that it and GSA provided assistance to agencies in which 2 percent or fewer employees telecommute, including help in developing policies, providing workshops, and developing promotion materials. Training modules, a video, and materials for agency publications were also developed for all agencies to use. The lack of growth in the percentage of employees teleworking, in light of the increased action taken, suggests that each agency, OPM, and GSA should seek to more fully understand the barriers to telework and take action to remove those barriers.

The OPM report additionally described in some detail the nature of agency telework policies. According to survey respondents, telework policies are in place in 73 of the 74 agencies that completed the survey. OPM acknowledges, however, that the presence of a policy does not provide a viable telework program. Survey results indicate that only 34 agencies

have a procedure in place for giving employees formal notification of their eligibility to telework. The report also notes that 52 agencies have established a minimum performance rating for teleworkers that would provide a clear indication to employees regarding whether they are eligible to telework and 36 agencies specify occupations in which telework can or cannot be used. Additionally, it was noted that 46 agencies provide for telework for employees with health problems and 46 allow employees to use alternative work schedules in conjunction with telework.

In conclusion, much work remains to be done to ensure that federal employees have the opportunity to telework. While progress is being made by agencies, OPM, and GSA, all have a role to play in expanding the use of this flexibility and more work remains to be done. Specifically, the recent OPM report shows that federal agencies can do more to ensure that as many employees as appropriate are provided an opportunity to participate in telework. Telework should be viewed as a key tool in an agency's effort to manage its human capital strategically, and implemented as an investment in the organization's people and the agency's capacity to perform its mission. The telework practices that we identified and distributed by OPM and GSA should assist agencies in strengthening their telework efforts.

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

Contacts and Acknowledgments

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