

GAO

Report to the Chairman, Subcommittee
on Oversight of Government
Management, Restructuring, and the
District of Columbia, Committee on
Governmental Affairs, U.S. Senate

October 2000

MANAGING FOR RESULTS

Federal Managers' Views Show Need for Ensuring Top Leadership Skills





G A O

Accountability * Integrity * Reliability

United States General Accounting Office
Washington, D.C. 20548

October 20, 2000

The Honorable George V. Voinovich
Chairman, Subcommittee on Oversight of
Government Management, Restructuring,
and the District of Columbia
Committee on Governmental Affairs
United States Senate

Dear Mr. Chairman:

During the past decade, Congress has sought to improve federal management and instill a greater focus on results by enacting a results-oriented statutory framework with the Government Performance and Results Act (GPRA) as its centerpiece. In establishing this framework, Congress was taking an important step to help improve federal management, accountability, and effectiveness. Congress and the executive branch realize, of course, that performance improvements do not take place merely because a set of management requirements has been put in place. Rather, performance improves if and when managers effectively implement those requirements and use them as a basis for more informed decisionmaking.

At your request, in 2000, we surveyed managers across the federal government on their experiences with and perceptions about performance and management issues. This survey was a follow-up to a survey we did in 1996-1997 (1997 survey).¹ Because of the subcommittee's interest in ensuring that political appointees in the next administration have the requisite leadership and management skills to successfully create and sustain high-performing federal agencies, you asked us to suggest questions to assist the Senate in its constitutional role of confirming nominees. In our August 2000 report to you, we provided a set of suggested questions that the Senate can draw from during the confirmation process.²

As agreed, the specific objective of this report was to discuss the information our 1997 and 2000 surveys provide regarding the progress agencies are making in establishing a focus on results. This report on the initial results of our 2000 survey is one component of our response to your

¹ The Government Performance and Results Act: 1997 Governmentwide Implementation Will Be Uneven (GAO/GGD-97-109, June 2, 1997).

² Confirmation of Political Appointees: Eliciting Nominees' Views on Leadership and Management Issues (GAO/GGD-00-174, Aug. 11, 2000).

request that we survey federal managers. In the coming months, we will continue to analyze the survey data in combination with other agency information to explore possible reasons for hurdles agencies face in becoming high-performing organizations, and to look for solutions. As agreed, early in 2001, we will provide you with a report containing a more comprehensive analysis of our 2000 survey results.

Results in Brief

Progress has been uneven in building the organizational cultures to create and sustain a focus on results governmentwide. Our 1997 survey results suggested that building those cultures was a work in progress across the federal government. We concluded that agencies' performance could be enhanced if federal managers' experiences with and more positive perceptions about results-oriented management practices became more widespread and pervasive. Managers' experiences and perceptions in our 2000 survey indicated some positive changes since our 1997 survey; however, there are still many areas where such changes have not occurred.

Moreover, in several areas, it appears that there has been some stagnation or retrenchment in managers' perceptions. For example, top leadership's commitment to achieving results—a critical ingredient in managing for results—remained stagnant. About 53 percent of managers perceived a strong commitment to achieving results to a great or very great extent in 2000, while 57 percent had this perception in 1997—not a statistically significant change.³

In another important area—use of performance information for program management activities—a significantly lower percentage of managers reported that they were using such information to a great or very great extent in 2000 than in 1997 for five out of eight key management activities we asked about. These included setting program priorities and adopting new program approaches or changing work processes. On the other hand, there was a significant increase in the percentage of managers reporting that they had performance measures for the programs they were involved with. This percentage was statistically significantly higher in 2000 than in 1997. Specifically, managers reported statistically significant increases in 2000 for three of five types of performance measures—outcome, output, and efficiency measures. Although having performance measures is an important step in managing for results, the benefit of collecting performance information is only fully realized when this information is actually used by managers.

³ In this report, the term "statistical significance" is defined as a difference that is significant at the .05 or lower probability level.

Successful human capital management strategies are key to maintaining a highly skilled, energized, and empowered workforce that is focused on results. Managers' responses to human capital-related questions were discouraging. About 36 percent of managers responded in 2000 that managers or supervisors at their level had the decisionmaking authority they needed to a great or very great extent to help their agencies accomplish their strategic goals, not a statistically significant improvement over the 31 percent who responded in this way in 1997. The percentage of managers who reported that, to a great or very great extent, they were held accountable for the results of the programs for which they were responsible increased from 55 percent in 1997 to 63 percent in 2000, approaching statistical significance.⁴ However, the differences between this level of accountability and the level of authority managers perceived was great in both years. Such an imbalance can inhibit the development of an environment conducive to achieving results.

Further, a significantly higher percentage of managers in 2000 than in 1997 reported that their agencies had provided, arranged, or paid for training that would help them accomplish two results-oriented management-related tasks—setting performance goals and implementing the requirements of GPRA. However, no significant differences emerged concerning four other tasks, including using program performance information to make decisions and developing performance measures. Finally, 31 percent of managers in 2000 said that employees in their agencies received positive recognition to a great or very great extent for helping their agencies accomplish their strategic goals. This was not a statistically significant improvement over the 26 percent responding in this way 3 years ago.

In addition, in many cases, significant gaps existed between the views of Senior Executive Service (SES) and non-SES managers in 2000, as they did in 1997. In these cases, the views of SES managers were more positive than the views of non-SES managers. This suggests that the underlying principles necessary to achieve a focus on results throughout the federal government, while gaining some acceptance among higher-level managers, are not filtering down within federal agencies.

Overall, the survey results indicate that, in some key areas, agencies may, in fact, be losing ground in their efforts towards building organizational cultures that support a focus on results. Our 2000 survey results underscore the importance of the subcommittee's efforts to work with

⁴ In this report, the phrase "approaching statistical significance" is defined as a difference that is significant at the .06 probability level.

other Senate committees to bring greater attention to nominees' leadership capabilities and to ensure that federal agency leaders have the appropriate management and leadership skills needed to continue to transform the cultures of federal agencies so that they operate as high-performing organizations.

Background

In 1997, we surveyed managers across the federal government to obtain information on their experiences with results-oriented management practices and related challenges. This survey was done as part of our response to the requirement under GPRA that we report to Congress on the implementation of the act, including prospects for compliance by agencies governmentwide. At the time, implementation of GPRA governmentwide was about to begin. At your request, using the baseline provided by our 1997 survey results, we again surveyed managers in 2000 in order to measure agencies' progress in improving federal management.

A critical issue in making such progress, and one which is addressed in several ways by our surveys, is whether agency leaders have the skills and knowledge necessary to implement the basic tenets of performance-based management. Because of the importance of these critical management skills to successfully tackling the challenges facing federal agencies, it is essential that top leaders—especially political appointees—have them. Early next year, Senate committees will be holding confirmation hearings for many of the next administration's nominees to senior positions; our report to you on eliciting nominees' views on leadership and management issues provides suggested questions that the committees can use. Rather than a template intended to be uniformly or comprehensively applied to every nomination, these questions are intended to be a resource from which Senate committees can select those questions that are most relevant and appropriate for a given situation or nominee. The information from our surveys of federal managers on performance and management issues can illustrate the usefulness of our suggested questions in helping to ensure that political appointees have the skills and the leadership and management experience required to successfully run federal agencies.

Scope and Methodology

The results of our 1997 survey, as well as its scope and methodology,⁵ were included in our June 1997 report on the governmentwide implementation of GPRA. Our 2000 survey used a stratified random sample of 3,816 full-time mid- and upper level civilian managers and supervisors in 28 executive branch agencies.⁶ These agencies represent about 97 percent of the executive branch full-time workforce.⁷ The sample was drawn from the Office of Personnel Management's Central Personnel Data File (CPDF) as of March 30, 1999, using file designators indicating performance of managerial and supervisory functions. Our overall response rate was about 70 percent of the resulting eligible sample, ranging from about 54 percent to 76 percent at the 28 agencies.

The questionnaire was designed to obtain the observations and perceptions of respondents on such results-oriented management topics as the presence, use, and usefulness of performance measures; hindrances to measuring and using performance information; agency climate; information technology; program evaluation; and various aspects of GPRA. About half the items on the questionnaire were asked in our 1997 survey. This earlier survey, although done with a smaller sample size of 1,300 managers, covered the same agencies. In contrast to our 1997 survey, the sample for the 2000 survey was larger to allow for individual agency analyses. Similar to our earlier survey, the sample for the 2000 survey included both SES and non-SES managers in General Schedule (GS), General Management (GM), or equivalent schedules, at levels comparable to GS/GM-13 through career SES or equivalent levels of executive service.

The overall survey results are generalizable to the CFO Act agencies. A more complete description of the scope and methodology for our 2000 survey is included in appendix II. We conducted our work between January 1999 and August 2000 in accordance with generally accepted government auditing standards. Because this report provides summary

⁵ The methodology used in our 1997 survey was comparable to the methodology used in our 2000 survey, although the 2000 methodology was augmented to allow for several additional analyses. (See appendix II.)

⁶ The 28 agencies include the 24 agencies covered by the Chief Financial Officers (CFO) Act of 1990 (see appendix I) and 4 selected subagencies within 4 of those 24 agencies. The four subagencies are the Federal Aviation Administration at the Department of Transportation, the Forest Service at the Department of Agriculture, the Health Care Financing Administration at the Department of Health and Human Services, and the Internal Revenue Service at the Department of the Treasury. In reporting the questionnaire data, when we use the term "governmentwide" and the phrase "across the federal government," we are referring to these 24 CFO Act executive branch agencies, and when we use the term "federal managers," we are referring to both managers and supervisors.

⁷ Excludes employees of the United States Postal Service, an independent establishment of the executive branch of the U.S. government.

results of our survey across the 28 agencies included in our sample and does not discuss the survey results or implications for any individual agency, we did not obtain agency comments on a draft of the report.

Federal Managers' Views Show the Need to Ensure That Agency Leaders Demonstrate Results-Oriented Management Practices

Successfully addressing the challenges that federal agencies face requires leaders who are committed to achieving results, who recognize the importance of using results-oriented goals and quantifiable measures, and who integrate performance-based management into the culture and day-to-day activities of their organizations. In addition, federal agencies need leaders capable of effectively managing and developing their organizations' human capital by providing the training, tools, structures, incentives, and accountability to achieve results. However, agencies do not yet have the organizational cultures that foster and maintain a focus on results. Federal managers' views on top leadership commitment to achieving results, the use of performance measurement in managing their programs, and the presence of effective human capital management—all essential ingredients in managing for results—suggest that much more remains to be done. Thus, it is especially important for agency leaders to have the skills and experience required to successfully lead and inspire the federal workforce to embrace and apply the principles of results-oriented management.

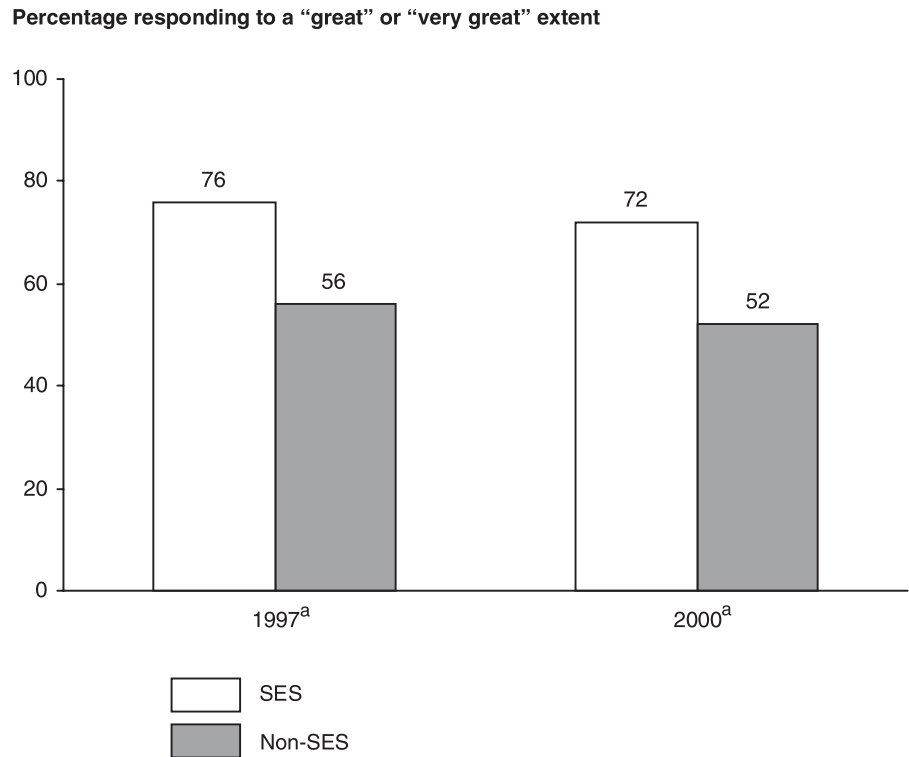
Top Leadership Does Not Consistently Show Commitment to Achieving Results

In earlier testimony before this subcommittee, we have observed that top leadership must play a critical role in creating and sustaining high-performing organizations. Without the clear and demonstrated commitment of agency top leadership—both political and career—organizational cultures will not be transformed, and new visions and ways of doing business will not take root.⁸

In 2000, managers reported that their top leadership still did not show a consistently strong commitment to achieving results. About 57 percent of managers overall reported such commitment to a great or very great extent in 1997, while about 53 percent reported such commitment to a great or very great extent in 2000—not a statistically significant change. As shown in figure 1, however, we continued to see a significant difference between the perceptions of SES and non-SES managers on this issue. That is, the percentage of SES managers reporting that top leadership demonstrated strong commitment to a great or very great extent in 2000 was 20 percent higher than for non-SES managers—the same significantly higher difference we saw in 1997.

⁸ Management Reform: Using the Results Act and Quality Management to Improve Federal Performance (GAO/T-GGD-99-151, July 29, 1999); and Management Reform: Elements of Successful Improvement Initiatives (GAO/T-GGD-00-26, Oct. 15, 1999).

Figure 1: Percentage of Federal Managers Who Reported That Agency Top Leadership Demonstrated to a Great or Very Great Extent a Strong Commitment to Achieving Results



^aStatistically significant difference.

Source: GAO survey data.

We observed in our 1997 report that we would expect to see managers' positive perceptions on items such as the extent to which top leadership is committed to achieving results become more prevalent and the gap between SES and non-SES managers begin to narrow as GPRA and related reforms are implemented. However, these changes do not appear to be happening.

Results-oriented decisionmaking is one of four key areas that our suggested confirmation questions address. Demonstrating the willingness and ability to make decisions and manage programs based on results and the ability to inspire others to embrace such a model are important indicators of leadership commitment to results-oriented management. However, in both our 1997 and 2000 surveys, only about 16 percent of managers reported that changes by management above their levels to the programs for which they were responsible were based on results or outcome-oriented performance information to a great or very great extent.

Our suggested questions for the confirmation of political appointees include several questions related to candidates' results-oriented leadership skills and experience, and emphasize the importance of agency leaders' commitment to achieving goals and their ability to inspire their staffs to accomplish those goals if they are to successfully lead their organizations into the future. For example, we include questions regarding both tangible instances where nominees' personal leadership skills were essential in getting employees to accomplish challenging goals and the need for senior leaders to be drivers for continuous improvement by motivating agency employees to achieve excellence.

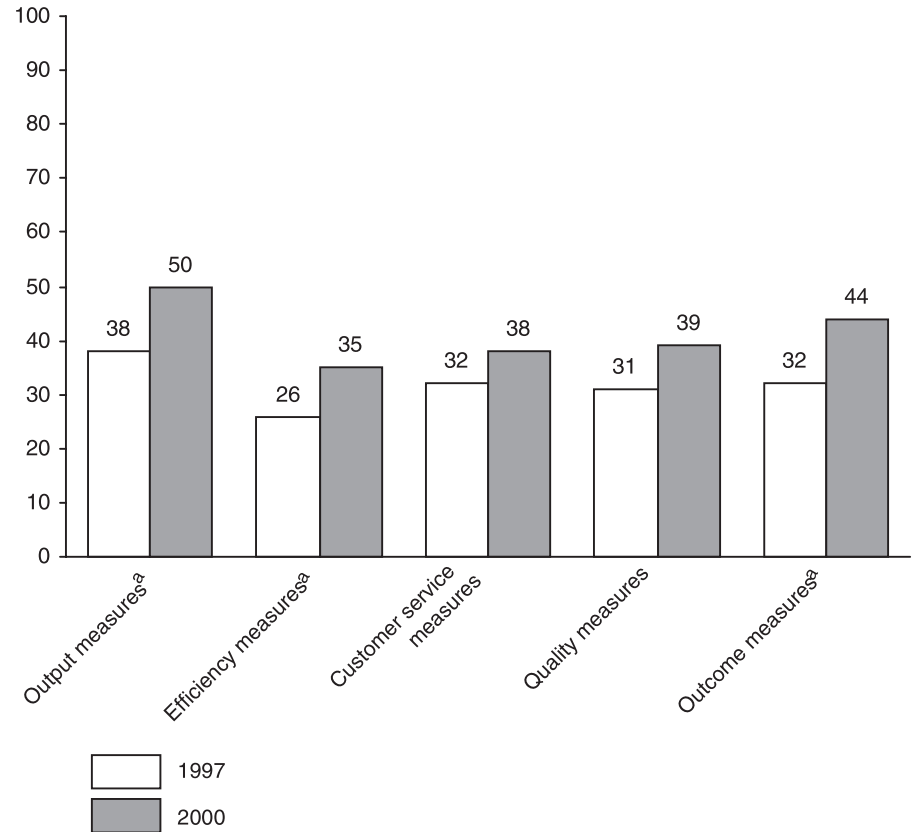
More Managers Reported Having Performance Measures, but Fewer Reported Using Them Extensively

A fundamental element in an organization's efforts to manage for results is its ability to set meaningful goals for performance and to measure performance against those goals. In 2000, 84 percent of federal managers overall said there were performance measures for the programs they were involved with. This is a statistically significant increase over the 76 percent of managers who responded that way in 1997. Moreover, when we asked managers who said they had performance measures which of five types of measures⁹ they had to a great or very great extent, they reported increases in all five types of measures between 1997 and 2000, including statistically significant increases in three of them—output measures, efficiency measures, and outcome measures. (See fig. 2.)

⁹ Types of measures were defined in the questionnaire as follows: Performance measures that tell us how many things we produce or services we provide (output measures); performance measures that tell us if we are operating efficiently (efficiency measures); performance measures that tell us whether or not we are satisfying our customers (customer service measures); performance measures that tell us about the quality of the products or services we provide (quality measures); performance measures that would demonstrate to someone outside of our agency whether or not we are achieving our intended results (outcome measures).

Figure 2: Percentage of Federal Managers Who Reported Having Specific Types of Performance Measures to a Great or Very Great Extent

Percentage reporting having measures to a “great” or “very great” extent



^aStatistically significant difference.

Source: GAO survey data.

These responses indicate some progress by suggesting that measurement of federal program performance is occurring to a greater extent currently than in 1997. However, for none of these types of performance measures does the percentage of managers responding that they have them to a great or very great extent in 2000 exceed 50 percent. Additionally, for two of these types of measures—quality and customer service measures—there have not been significant changes between 1997 and 2000. In our suggested questions for eliciting nominees’ views on leadership and management issues, we included questions related to the importance of agencies’ customer focus and the need to understand customer expectations and to establish performance goals and measures to meet those expectations.

Because the benefit of collecting performance information is only fully realized when this information is actually used by managers, we asked them about the extent to which they used the information obtained from measuring performance for various program management activities. Managers reported that use of performance information to a great or very great extent in 2000 varied, depending on the activity, ranging from 38 percent for developing and managing contracts to 56 percent for setting program priorities. For five of the eight activities that we asked about in both our 1997 and 2000 surveys, the reported use to a great or very great extent was significantly lower in 2000 than it was in 1997. For example, in 2000, 51 percent of managers reported that they used information obtained from performance measurement to a great or very great extent when adopting new program approaches or changing work processes, as compared to 66 percent of managers in 1997. For none of the eight activities was the reported extent of use in 2000 higher than it was in 1997. (See table 1.)

Table 1: Percentage of Federal Managers Who Reported Using Information Obtained From Performance Measurement to a Great or Very Great Extent for Various Management Activities

Management activity	1997 survey^a	2000 survey^a	Difference
Setting program priorities	66%	56%	-10% ^b
Allocating resources	62	53	-9 ^b
Adopting new program approaches or changing work processes	66	51	-15 ^b
Coordinating program efforts with other internal or external organizations	57	43	-14 ^b
Refining program performance measures	52	44	-8
Setting new or revising existing performance goals	58	51	-7
Setting individual job expectations for my staff	61	51	-10 ^b
Rewarding staff I manage or supervise	53	53	None
Developing and managing contracts	N/A ^c	38	N/A ^c

^a Percentages based on those respondents answering on the extent scale.

^b Statistically significant difference.

^c Not available; question not asked in 1997.

Source: GAO survey data.

The significant reduction in the reported use of performance information in making most of these critical management decisions is disturbing. It suggests that efforts to increase the focus on results and the use of performance information are not penetrating the federal bureaucracy. In our proposed questions for the confirmation of political appointees, we include questions on candidates' experiences related to both measuring performance and supporting employees in the use of performance information to systematically improve program performance, service quality, and customer satisfaction. Such support by agency leaders is essential if agency managers are to use performance information in managing their programs.

Managers Continue to Confront Human Capital Management Challenges

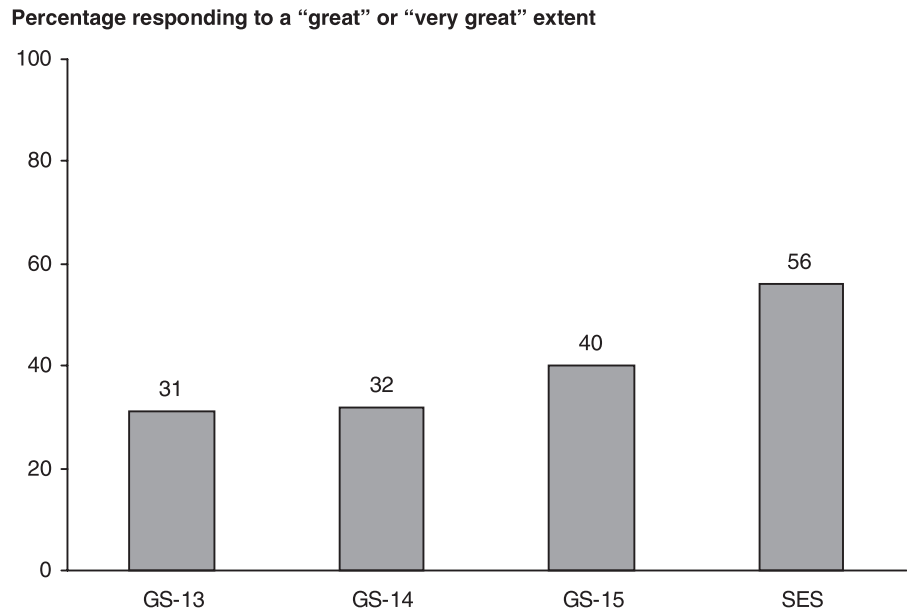
Managing people strategically and maintaining a highly skilled and energized workforce that is empowered to focus on results are critically important. Such human capital management practices are essential to the success of the federal government in the 21st century and to maximizing the value of its greatest asset—its people.

Federal Managers Report That They Are Held Accountable for Program Results but Do Not Have the Decisionmaking Authority They Need to Accomplish Agency Goals

High-performing organizations seek to shift the focus of management and accountability from activities and processes to contributions to achieving results. In our proposed questions for political appointees, we discuss the need to create an organizational culture that involves and empowers employees to improve operational and program performance while ensuring accountability and fairness for all employees. In both our 1997 and 2000 surveys, we asked managers about the amount of decisionmaking authority they had and the degree to which they were held accountable for results.

There were significant differences in managers' responses on decisionmaking authority among GS-13 through SES managers in this year's survey. In 2000, 36 percent of federal managers overall reported that they had the decisionmaking authority they needed to help the agency accomplish its strategic goals to a great or very great extent, as compared to 31 percent in 1997—not a statistically significant change. However, there were substantial differences in 2000 between SES and lower-level managers. Compared to the 56 percent of SES managers who reported having such authority to a great or very great extent, 31 percent of GS-13s and 32 percent of GS-14s reported having that level of authority in 2000. Moreover, while more than half of SES managers reported having such authority to a great or very great extent, less than half of managers at levels below SES expressed the same perception. (See fig. 3.)

Figure 3: Percentage of Federal Managers in 2000 Reporting to a Great or Very Great Extent That Managers/Supervisors at Their Levels Had the Decisionmaking Authority They Needed to Help the Agency Accomplish Its Strategic Goals



Statistically significant differences between GS-13/14s compared to GS-15s or SES and between GS-15s and SES.

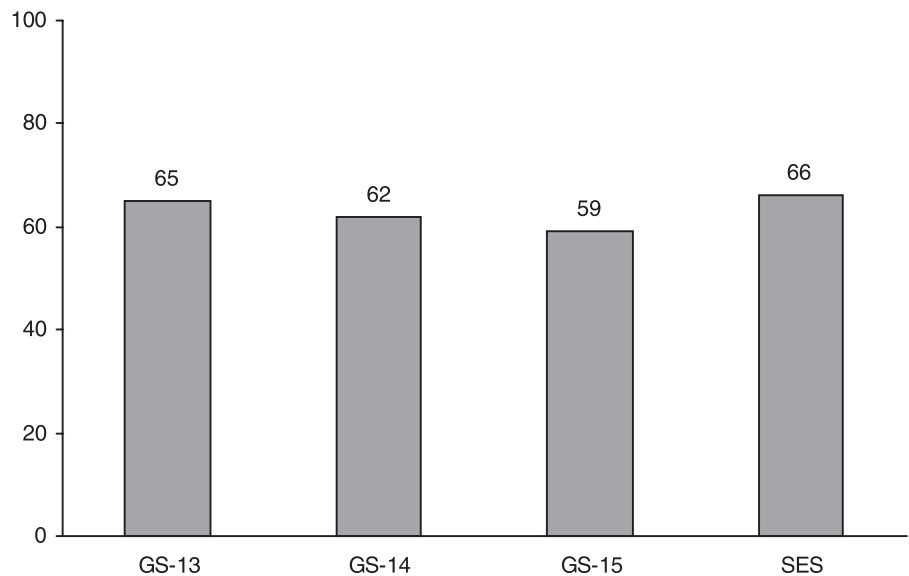
Source: GAO survey data.

When asked about the extent to which managers or supervisors at their levels were held accountable for the results of the programs for which they were responsible, about 63 percent of managers reported having such accountability to a great or very great extent in 2000 compared to about 55 percent who reported this perception in 1997. This increase approaches statistical significance.

Unlike in other areas, where SES managers had significantly different views from non-SES managers, there was little difference in the area of accountability. Even when broken down by federal pay grade, none of the differences in managers' perceptions about accountability were statistically significant in 2000. For example, 65 percent of GS-13s reported that managers at their level were held accountable for the results of their programs to a great or very great extent, while 66 percent of SES managers reported accountability at that level. (See fig. 4.)

Figure 4: Percentage of Federal Managers in 2000 Reporting That Managers/Supervisors at Their Levels Were Held Accountable for Results to a Great or Very Great Extent

Percentage responding to a “great” or “very great” extent



Source: GAO survey data.

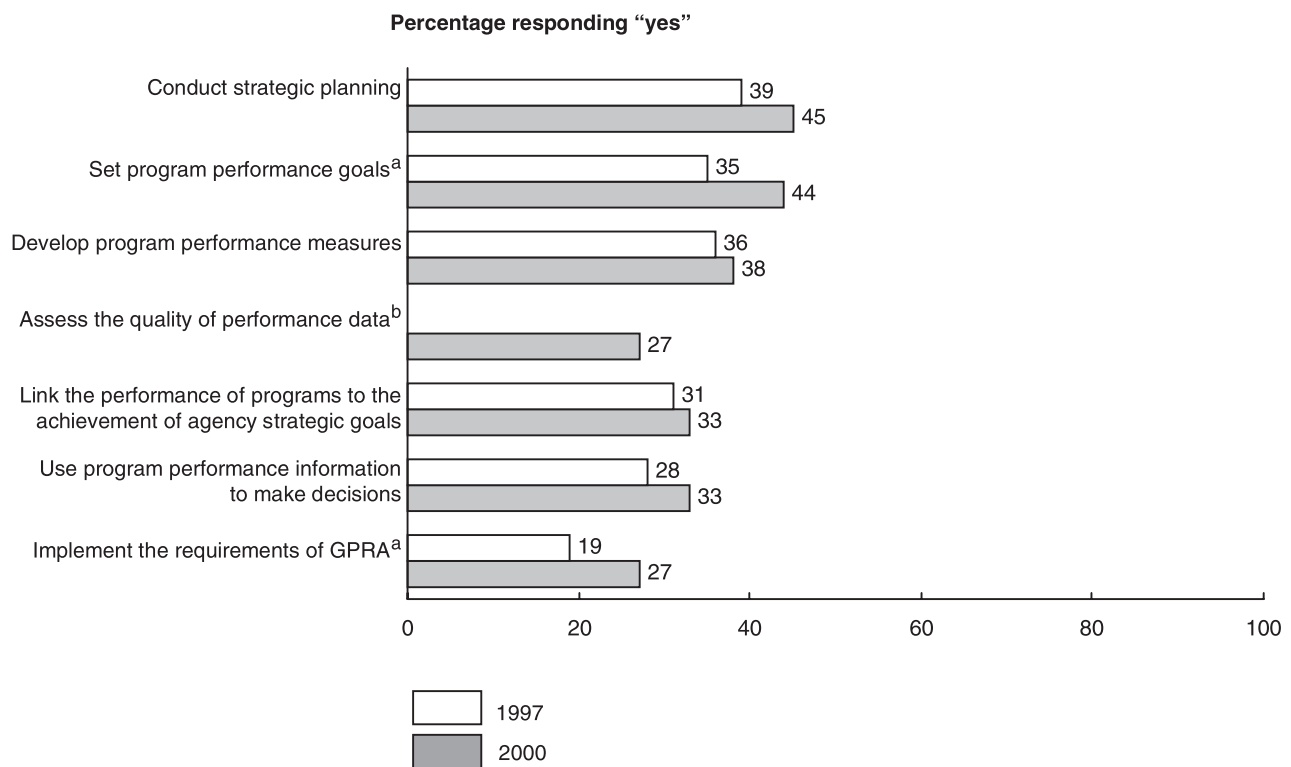
These results show that while only 31 and 32 percent of managers at the GS-13 and GS-14 levels, respectively, perceived that managers at their levels had the decisionmaking authority they needed to a great or very great extent, more than 60 percent of managers at these grade levels perceived that they were held accountable to a great or very great extent. In our report containing the results of our 1997 survey, we noted that agencies needed to concentrate their efforts on areas where managers were not perceiving or experiencing progress, such as that concerning devolving decisionmaking authority to managers throughout their organizations. Our survey results do not indicate a positive change among federal agencies in this regard, and the balance between authority and accountability that fosters decisionmaking to achieve results seems still to be lacking. Simply stated, managers are hard-pressed to achieve results when they do not have sufficient authority to act.

Fewer Than Half of Managers Reported Training on Key Tasks

In our report on eliciting political nominees’ views on leadership and management issues, we stressed the need for agencies to expend resources on effective training and professional development to equip federal employees to work effectively. However, no more than 45 percent of managers in 2000 answered “yes” when we asked them whether, during the past 3 years, their agencies had provided, arranged, or paid for training that would help them accomplish any of seven critical results-oriented

management-related tasks. Managers reported more training in 2000 than in 1997 for all six tasks that we asked about in both years. However, these increases were statistically significant for only two of the tasks—setting program performance goals and implementing the requirements of GPRA. (See fig. 5.)

Figure 5: Percentage of Federal Managers Who Reported That During the Past 3 Years Their Agencies Provided, Arranged, or Paid for Training That Would Help Them Accomplish Specific Tasks



^aStatistically significant difference.

^bNot asked in 1997.

Source: GAO survey data.

The 2000 survey results suggest that there is a positive relationship between agencies providing for training on setting program performance goals and the use of performance information when setting or revising performance goals. For those managers who responded “yes” to training on setting performance goals, 57 percent also reported that they used information obtained from performance measurement when setting new or revising existing performance goals to a great or very great extent. In contrast, for those managers who responded “no” to training on setting

Managers Perceive a Lack of Positive Recognition for Helping Agencies Achieve Results

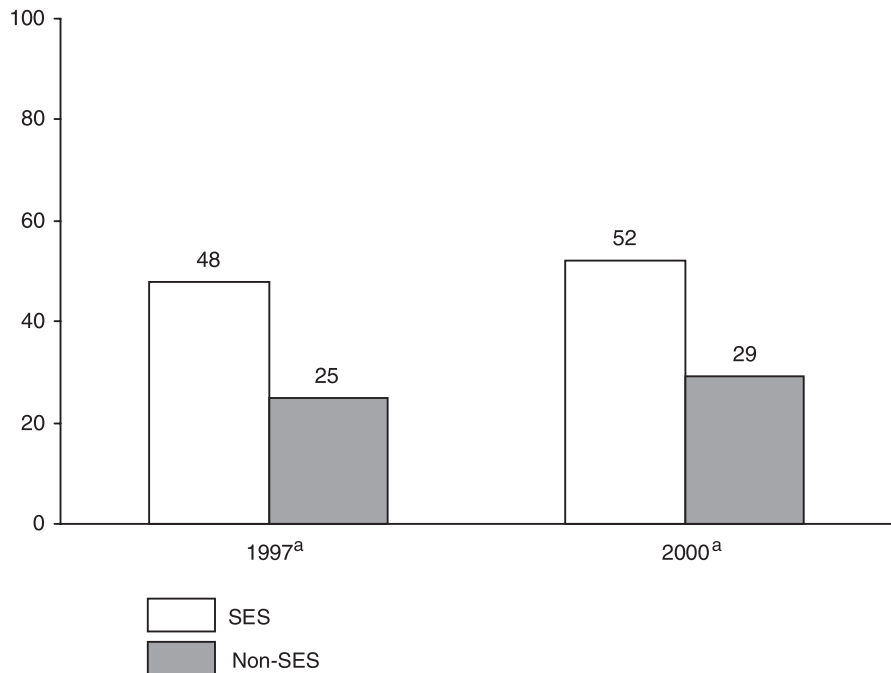
performance goals, only 46 percent reported that they used information obtained from performance measurement for setting new or revising existing performance goals to a great or very great extent. The difference between these percentages is statistically significant.

Another fundamental aspect of the human capital management challenge agencies face is providing the incentives to their employees to encourage results-oriented management. Pay increases and other monetary and nonmonetary incentives can be used as a method for federal agencies to reward employees and to motivate them to focus on results. Our questions for political nominees solicit their views on motivating employees to achieve excellence and ask whether the nominees think that pay decisions should be more closely tied to the achievement of agencies' strategic and annual performance goals.

Overall, few managers reported in either 1997 or 2000 that employees in their agencies received positive recognition to a great or very great extent for helping agencies accomplish their strategic goals. In 1997, 26 percent of federal managers reported such an extent of positive recognition as compared to 31 percent in 2000, which was not a statistically significant change. When we compared the responses of SES and non-SES managers, the statistically significant difference of 23 percent between these two groups that existed in 1997 remained unchanged in 2000. However, more than half of SES managers reported such an extent of positive recognition in 2000. (See fig. 6.)

Figure 6: Percentage of Federal Managers Who Reported to a Great or Very Great Extent That Employees in Their Agencies Received Positive Recognition for Helping Their Agencies Accomplish Their Strategic Goals

Percentage responding to a “great” or “very great” extent



^aStatistically significant difference.

Source: GAO survey data.

Conclusions

In important ways, the data from our 1997 and 2000 surveys of federal managers paint a discouraging picture. In key areas, such as top leadership commitment to results, we have not seen significant increases since the last time we surveyed federal managers. In other areas, such as managers’ responses on how they use performance information, there appears to be some backsliding from the results we reported on in 1997. In our earlier work, the importance of the statutory framework that Congress has put in place over the last decade to foster high-performing federal organizations has often been highlighted. Enacting that framework, however, was only the first necessary step. Real improvements in performance will come only when federal managers and other decisionmakers use the framework and results-oriented performance data to make decisions. Federal managers are clearly saying that much work remains before this is consistently the case across the federal government.

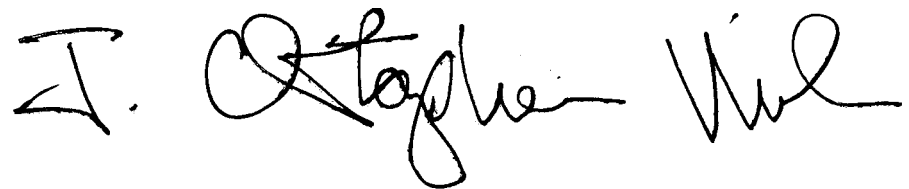
In the coming months, we will continue to analyze the survey data both on a governmentwide and agency-specific basis to seek insights into what must be done to make the cultural transformations that Congress was

looking for when it enacted GPRA. However, one vital next step is already clear: top leadership within agencies must have a clear and demonstrated commitment to results that is not merely stated verbally but is consistently reinforced by specific actions. This subcommittee's initiative to work with Senate committees to inquire about management and leadership capabilities as part of the confirmation process will send an unmistakable message to the political leadership within agencies that Congress is serious about results and the cultural transformations that are needed to bring about fundamental improvements in performance.

As agreed with your office, unless you announce the contents of this report earlier, we plan no further distribution until 30 days after its issue date. At that time, we will send copies of the report to Senator Richard J. Durbin, Ranking Minority Member, Subcommittee on Oversight of Government Management, Restructuring, and the District of Columbia, and to Senator Fred Thompson, Chairman, and Senator Joseph Lieberman, Ranking Minority Member, Senate Committee on Governmental Affairs. We will also send copies to Jacob J. Lew, Director, Office of Management and Budget, and Janice LaChance, Director, Office of Personnel Management. In addition, we will make copies available to others upon request.

The major contributors to this report are listed in appendix III. If you have any questions concerning this report, please contact me or Joyce Corry on (202) 512-8676.

Sincerely yours,

A handwritten signature in black ink, appearing to read "J. Christopher Mihm". The signature is fluid and cursive, with the first name "J." being particularly prominent.

J. Christopher Mihm
Director, Strategic Issues

Contents

Letter		1
Appendix I Agencies Covered by the Chief Financial Officers Act		20
Appendix II Scope and Methodology		21
Appendix III GAO Contacts and Staff Acknowledgments		24
Related GAO Products		26
Tables	Table 1: Percentage of Federal Managers Who Reported Using Information Obtained From Performance Measurement to a Great or Very Great Extent for Various Management Activities	10
Figures	Figure 1: Percentage of Federal Managers Who Reported That Agency Top Leadership Demonstrated to a Great or Very Great Extent a Strong Commitment to Achieving Results Figure 2: Percentage of Federal Managers Who Reported Having Specific Types of Performance Measures to a Great or Very Great Extent Figure 3: Percentage of Federal Managers in 2000 Reporting to a Great or Very Great Extent That Managers/Supervisors at Their Levels Had the Decisionmaking Authority They Needed to Help the Agency Accomplish Its Strategic Goals	7 9 12

Figure 4: Percentage of Federal Managers in 2000 Reporting That Managers/Supervisors at Their Levels Were Held Accountable for Results to a Great or Very Great Extent	13
Figure 5: Percentage of Federal Managers Who Reported That During the Past 3 Years Their Agencies Provided, Arranged, or Paid for Training That Would Help Them Accomplish Specific Tasks	14
Figure 6: Percentage of Federal Managers Who Reported to a Great or Very Great Extent That Employees in Their Agencies Received Positive Recognition for Helping Their Agencies Accomplish Their Strategic Goals	16

Abbreviations

CFO	chief financial officer
CPDF	Civilian Personnel Data File
GM	general management
GPRA	Government Performance and Results Act of 1993
GS	General Schedule
SES	Senior Executive Service

Agencies Covered by the Chief Financial Officers Act

Department of Agriculture
Department of Commerce
Department of Defense
Department of Education
Department of Energy
Department of Health and Human Services
Department of Housing and Urban Development
Department of the Interior
Department of Justice
Department of Labor
Department of State
Department of Transportation
Department of the Treasury
Department of Veterans Affairs
Environmental Protection Agency
Federal Emergency Management Agency
General Services Administration
National Aeronautics and Space Administration
National Science Foundation
Nuclear Regulatory Commission
Office of Personnel Management
Small Business Administration
Social Security Administration
U.S. Agency for International Development

Scope and Methodology

A questionnaire on performance and management issues was sent to a stratified random sample of 3,816 full-time mid-level and upper level civilian managers and supervisors working in the 24 executive branch agencies covered by the Chief Financial Officers (CFO) Act of 1990. These agencies represent about 97 percent of the executive branch full-time workforce, excluding the Postal Service. In reporting the questionnaire data, when we use the term governmentwide, we are referring to these 24 CFO Act agencies, and when we use the term federal managers, we are referring to both managers and supervisors. The sample was drawn from the Office of Personnel Management's Central Personnel Data File (CPDF) as of March 30, 1999, using file designators indicating performance of managerial and supervisory functions.

The questionnaire was designed to obtain the observations and perceptions of respondents on such results-oriented management topics as the presence, use, and usefulness of performance measures; hindrances to measuring and using performance information; agency climate; information technology; program evaluation; and various aspects of the Government Performance and Results Act of 1993 (GPRA). Most of the items on the questionnaire were closed-ended, meaning that, depending on the particular item, respondents could choose one or more response categories or rate the strength of their perception on a 5-point extent scale.

About half the items on the questionnaire were contained in an earlier survey conducted between November 1996 and January 1997 as part of the work we did in response to a GPRA requirement that we report on implementation of the act.¹ This earlier survey, although done with a smaller sample size of 1,300 managers, covered the same agencies as the 2000 survey. The current survey was sent out between January and August 2000. Individuals who did not respond to the initial questionnaire were sent up to two follow-up questionnaires. In some cases, we contacted individuals by telephone and faxed the questionnaire to them to expedite completion of the survey.

The current survey was designed to update and further elaborate on the results of the earlier survey. Similar to the earlier survey, the sample was stratified by whether the manager or supervisor was Senior Executive Service (SES) or non-SES. The management levels covered General Schedule (GS), General Management (GM), or equivalent schedules at levels comparable to GS/GM-13 through career SES or equivalent levels of

¹ The Government Performance and Results Act: 1997 Governmentwide Implementation Will Be Uneven (GAO/GGD-97-109, June 2, 1997).

executive service. Stratification was also done by the 24 CFO Act agencies, with an additional breakout of four selected agencies from their departments—Forest Service, Health Care Financing Administration, Federal Aviation Administration, and Internal Revenue Service. These four agencies were selected on the basis of previous GAO work identifying them as facing significant managerial challenges.

The sample was also stratified to include special pay plans at some agencies to improve our coverage of managers and supervisors working at those agencies. For example, Senior Foreign Service executives from the State Department and the Agency for International Development were included in the sample. We included these special pay plan strata to ensure at least a 90-percent coverage of all managers and supervisors at or comparable to the GS/GM-13 through career SES level at the 28 departments and agencies we surveyed. Finally, we added additional strata in order to include a group of respondents who answered the earlier survey and who still worked in the same agency at the same management level at the time of the 2000 survey.

During the course of the survey, we deleted 212 persons from our sample who had either retired, separated, died, or otherwise left the agency or had some other reason that excluded them from the population of interest. We received useable questionnaires from 2,510 sample respondents, or about 70 percent of the remaining eligible sample. The response rate across the 28 agencies ranged from about 54 percent to 76 percent.

We took several steps to check the quality of our survey data. We reviewed and edited the completed questionnaires, made internal consistency checks on selected items, and checked the accuracy of data entry on a sample of surveys. We also followed up on a sample of nonrespondents to assess whether their views differed from the views of those who returned the survey. We randomly selected a subsample of 136 persons across all strata from that group of individuals who had not returned a completed questionnaire a month or more after the last of three attempts were made to elicit their participation in our survey. We received 67 useable surveys from this group. In addition, there were 41 individuals who, when contacted by telephone, refused to participate in the survey but were willing to answer three key questions from the survey. We included their answers to the three questions in our analysis of nonrespondents on those three questions. We analyzed the responses of these groups on selected items compared to the responses received from all other respondents. Our analyses of selected items did not show a sufficient or consistent degree of

difference between survey nonrespondents and respondents, and thus we included the responses of our subsample with all other responses.

The overall survey results are generalizable to the CFO Act agencies. All results are subject to some uncertainty or sampling error as well as nonsampling error. In general, percentage estimates in this report for the entire sample have confidence intervals ranging from about ± 2 to ± 7 percentage points at the 95 percent confidence interval. In other words, if all CFO Act agency managers and supervisors in our population had been surveyed, the chances are 95 out of 100 that the result obtained would not differ from our sample estimate in the more extreme cases by more than ± 7 percent.

Because a complex sample design was used and different types of statistical analyses are being done, the magnitude of sampling error will vary across the particular groups or items being compared due to differences in the underlying sample sizes and associated variances. Consequently, in some instances, a difference of a certain magnitude may be statistically significant. In other instances, depending on the nature of the comparison being made, a difference of equal or even greater magnitude may not achieve statistical significance. We note throughout the report when differences between groups or items are significant at the .05 probability level. Differences that are significant at the .06 probability level are also noted and are characterized as approaching statistical significance.

GAO Contacts and Staff Acknowledgments

GAO Contacts

J. Christopher Mihm or Joyce Corry, (202) 512-8676

Acknowledgments

In addition to the persons named above, Peter J. Del Toro, Thomas Beall, Catherine Hurley, Sid Schwartz, and Stu Kaufman made key contributions to this report.

Related GAO Products

Human Capital: A Self-Assessment Checklist for Agency Leaders, Version 1 (GAO/OCG-00-14G, September 2000).

Confirmation of Political Appointees: Eliciting Nominees' Views on Leadership and Management Issues (GAO/GGD-00-174, Aug. 11, 2000).

Management Reform: Elements of Successful Improvement Initiatives (GAO/T-GGD-00-26, Oct. 15, 1999).

Management Reform: Using the Results Act and Quality Management to Improve Federal Performance (GAO/T-GGD-99-151, July 29, 1999).

The Government Performance and Results Act: 1997 Governmentwide Implementation Will Be Uneven (GAO/GGD-97-109, June 2, 1997).

Executive Guide: Effectively Implementing the Government Performance and Results Act (GAO/GGD-96-118, June 1996).

Ordering Copies of GAO Reports

The first copy of each GAO report and testimony is free. Additional copies are \$2 each. Orders should be sent to the following address, accompanied by a check or money order made out to the Superintendent of Documents, when necessary. VISA and MasterCard credit cards are accepted, also. Orders for 100 or more copies to be mailed to a single address are discounted 25 percent.

Order by mail:

U.S. General Accounting Office
P.O. Box 37050
Washington, DC 20013

or visit:

Room 1100
700 4th St. NW (corner of 4th and G Sts. NW)
U.S. General Accounting Office
Washington, DC

Orders may also be placed by calling (202) 512-6000 or by using fax number (202) 512-6061, or TDD (202) 512-2537.

Each day, GAO issues a list of newly available reports and testimony. To receive facsimile copies of the daily list or any list from the past 30 days, please call (202) 512-6000 using a touch-tone phone. A recorded menu will provide information on how to obtain these lists.

Viewing GAO Reports on the Internet

For information on how to access GAO reports on the INTERNET, send e-mail message with "info" in the body to:

info@www.gao.gov

or visit GAO's World Wide Web Home Page at:

<http://www.gao.gov>

Reporting Fraud, Waste, and Abuse in Federal Programs

To contact GAO FraudNET use:

Web site: <http://www.gao.gov/fraudnet/fraudnet.htm>

E-Mail: fraudnet@gao.gov

Telephone: 1-800-424-5454 (automated answering system)

**United States
General Accounting Office
Washington, D.C. 20548-0001**

**Bulk Rate
Postage & Fees Paid
GAO
Permit No. G100**

**Official Business
Penalty for Private Use \$300**

Address Correction Requested

