

GAO

Testimony

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HUMAN CAPITAL

Federal Workforce  
Challenges in the 21st  
Century

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Highlights of [GAO-07-556T](#), a testimony before the Subcommittee on Financial Services and General Government, Committee on Appropriations, House of Representatives

## Why GAO Did This Study

The federal government is facing new and more complex challenges in the 21st century because of long-term fiscal constraints, changing demographics, evolving governance models, and other factors. Strategic human capital management, which remains on GAO's high-risk list, must be the centerpiece of any serious change management and transformation effort to meet these challenges. However, federal agencies do not consistently have the modern, effective, economical, and efficient human capital programs, policies, and procedures needed to succeed in their transformation efforts. In addition, the Office of Personnel Management (OPM) must have the capacity to successfully guide human capital transformations. This testimony, based on a large body of GAO work over many years, focuses on strategic human capital management challenges that many federal agencies continue to face.

## What GAO Recommends

This testimony underscores recommendations made to OPM in January 2007 to improve its capacity for future reforms. OPM has said it has made progress toward achieving its operational and strategic goals. In addition, this testimony serves as a guide to Congress as it scrutinizes agencies' transformation plans, capabilities, and measurable results to make informed funding decisions during a period of likely sustained budget constraints.

[www.gao.gov/cgi-bin/getrpt?GAO-07-556T](http://www.gao.gov/cgi-bin/getrpt?GAO-07-556T).

To view the full product, including the scope and methodology, click on the link above. For more information, contact J. Christopher Mihm at (202) 512-6806 or [mihmj@gao.gov](mailto:mihmj@gao.gov).

# HUMAN CAPITAL

## Federal Workforce Challenges in the 21st Century

### What GAO Found

Federal agencies continue to face strategic human capital challenges in:

**Leadership:** Top leadership in agencies across the federal government must provide committed and inspired attention needed to address human capital and related organizational transformation issues. However, slightly less than half of respondents to the *2006 Federal Human Capital Survey* reported a high level of respect for senior leaders while only 38 percent agreed or strongly agreed that leaders in their organizations generate high levels of motivation and commitment in the workforce.

**Strategic Human Capital Planning:** Strategic human capital planning that is integrated with broader organizational strategic planning is critical to ensuring agencies have the talent they need for future challenges, especially as the federal government faces a retirement wave. Too often, agencies do not have the components of strategic human capital planning needed to address their current and emerging human capital challenges.

**Acquiring, Developing, and Retaining Talent:** Faced with a workforce that is becoming more retirement eligible and finding gaps in talent, agencies need to strengthen their efforts and use of available flexibilities to acquire, develop, motivate, and retain talent. Agencies are not uniformly using available flexibilities to recruit and hire top talent and to address the current and emerging demographic challenges facing the government.

**Results-Oriented Organizational Culture:** Leading organizations create a clear linkage—"line of sight"—between individual performance and organizational success and, thus, transform their cultures to be more results-oriented, customer-focused, and collaborative. However, in many cases, the federal government does not have these linkages and has not transformed how it classifies, compensates, develops, and motivates its employees to achieve maximum results within available resources and existing authorities.

Agencies are facing strategic human capital challenges in a period of likely sustained budget constraints. Budget constraints will require agencies to plan their transformations more strategically, prioritize their needs, evaluate results, allocate their resources more carefully, and react to workforce challenges more expeditiously in order to achieve their missions economically, efficiently, and effectively.

OPM will continue to play a key role in fostering and guiding strategic human capital management improvements in the executive branch and in helping agencies meet transformation challenges. Although making commendable efforts in transforming itself to more a consultant, toolmaker, and strategic partner in leading and supporting agencies' human capital management systems, OPM has itself faced challenges in its capacity to assist, guide, and certify agencies' readiness to implement reforms.

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Chairman Serrano and Members of the Subcommittee:

Thank you for the opportunity to be here today to discuss challenges in the management of today's federal workforce. Driven by long-term fiscal constraints, changing demographics, evolving governance models, and other factors, the federal government is facing new and more complex challenges in the 21st century and federal agencies must transform their organizations to meet these challenges. Strategic human capital management must be the centerpiece of any serious change management strategy. In 2001, we identified human capital management as a governmentwide high-risk area because federal agencies lacked a strategic approach to human capital management that integrated human capital efforts with their missions and program goals.<sup>1</sup> Although progress has been made, the area remains on our most recent high-risk list because there is still the need for a governmentwide framework to advance human capital reform. This framework is essential to avoid further fragmentation within the civil service, ensure management flexibility as appropriate, allow a reasonable degree of consistency, provide adequate safeguards, and maintain a level playing field among agencies competing for talent.<sup>2</sup>

Federal agencies do not always have the right people in the right jobs at the right time to meet the challenges they face. Today and in the near term, the federal government is facing a retirement wave and with it the loss of leadership and institutional knowledge at all levels. Agencies not only face a fiercely competitive market for talent but hiring is also affected by uncompetitive salaries in some critical occupations and lengthy hiring processes. Federal employees also operate in a culture where there is often not a clear line of sight between individual effort and organization results. Of particular concern, federal agencies do not consistently have the modern, effective, economical, and efficient human capital programs, policies, and procedures they need to succeed in their transformation efforts. As the government's human capital leader, the Office of Personnel Management (OPM) has a key role in helping executive branch agencies build the needed infrastructure to support their transformation efforts. At the request of the Chairman and Ranking Minority Member of the Senate Committee on Homeland Security and Governmental Affairs and the Chairman and Ranking Minority Member of the Subcommittee on Oversight of Government Management, the Federal Workforce, and the

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<sup>1</sup>GAO, *High-Risk Series: An Update*, [GAO-01-263](#) (Washington, D.C.: January 2001).

<sup>2</sup>GAO, *High-Risk Series: An Update*, [GAO-07-310](#) (Washington, D.C.: January 2007).

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District of Columbia, Senate Committee on Homeland Security and Governmental Affairs, we are undertaking a body of work examining OPM's internal capacity to lead and implement governmentwide human capital reform.

My remarks today, based on a large body of GAO work over many years, will focus on the strategic human capital management challenges that agencies continue to face in four key areas:

- **Leadership:** Top leadership in the agencies must provide the committed and inspired attention needed to address human capital and related organization transformation issues. In addition, OPM, as the government's human capital leader, must have the internal capacity to lead agencies' efforts.
- **Strategic Human Capital Planning:** Agencies' human capital planning efforts need to be fully integrated with mission and critical program goals. Too often, agencies do not have the components of strategic human capital planning needed to address their current and emerging challenges.
- **Acquiring, Developing, and Retaining Talent:** Augmented efforts are needed to improve recruiting, hiring, professional development, and retention strategies to ensure that agencies have the needed talent. Agencies need to ensure that they are using flexibilities available to them to recruit and hire top talent and to address the current and emerging demographic challenges facing the government.
- **Results-Oriented Organizational Cultures:** Organizational cultures need to promote high performance and accountability and empower and include employees in setting and accomplishing programmatic goals. In many cases, the federal government has not transformed how it classifies, compensates, develops, and motivates its employees to achieve maximum results within available resources and existing authorities. Congress has recently taken important steps in this direction by providing the Departments of Defense (DOD) and Homeland Security (DHS) with authorities intended to help them manage their people more strategically.

Agencies not only face these challenges in moving forward but do so during a period of likely sustained budget constraints. However, budget constraints should not be viewed as an insurmountable obstacle to needed human capital reform. Rather, tighter budgets will require agencies to plan their transformations more strategically, prioritize their needs, evaluate results, allocate their resources more carefully, and react to workforce challenges more expeditiously in order to achieve their missions economically, efficiently, and effectively. Although human capital reforms often require an investment of budgetary resources, many of these costs

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are one-time in nature that can pay future dividends through more efficient agency operations. In the current fiscal environment, Congress will need to scrutinize agencies' transformation plans, capabilities, and measurable results to make informed funding decisions.

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## Sustained Leadership Is Essential to Successful Transformations

Leadership in agencies across the federal government is essential to providing the accountable, committed, consistent, and sustained attention needed to address human capital and related organization transformation issues. Leaders must not only embrace reform, they must integrate the human capital function into their agencies' core planning and business activities. Senior executive leadership is especially key today as the federal government faces significant reform challenges. OPM's *2006 Federal Human Capital Survey* (FHCS) results showed that the government needs to establish a more effective leadership corps.<sup>3</sup> For example, slightly less than half of employees responding to the survey reported a high level of respect for their senior leaders or are satisfied with the information they receive from management on what is going on in the organization. Similarly, only 38 percent of respondents agreed or strongly agreed with the statement that leaders in their organization generate high levels of motivation and commitment in the workforce. This represents little change from the 2004 survey when 37 percent of respondents had positive responses to this question. However, a majority of respondents, 58 percent, agreed or strongly agreed that managers communicate the goals and priorities of the organization. This level of response is essentially the same as the 2004 survey when 59 percent of respondents provided a positive response to this item.

OPM plays a key role in fostering and guiding improvements in all areas of strategic human capital management in the executive branch. As part of its key leadership role, OPM can assist—and as appropriate, require—the building of the infrastructures within agencies needed to successfully implement and sustain human capital reforms and related initiatives. OPM can do this in part by encouraging continuous improvement and providing appropriate assistance to support agencies' efforts. For example, OPM has exerted human capital leadership through its Human Capital Scorecard of

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<sup>3</sup>Office of Personnel Management, *2006 Federal Human Capital Survey: Results from the 2006 Federal Human Capital Survey* (Washington, D.C.: Jan. 17, 2007). The survey involved a sample of full-time, permanent employees from agencies making up 97 percent of the executive branch workforce, with the results generalizable to the population covered by the survey.

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the President's Management Agenda to assist agencies in improving strategic management of their human capital. Also, OPM has developed the governmentwide FHCS to assist agencies and OPM in better understanding specific and governmentwide agency workforce management conditions and practices in the areas of leadership, performance culture, and talent. Most recently, OPM began a television campaign to promote federal employment and has undertaken a greater focus on succession planning to respond to the forthcoming federal retirement wave.

However, in leading governmentwide human capital reform, OPM has itself faced challenges in its capacity to assist, guide, and certify agencies' readiness to implement reforms. We recently reported that OPM has made commendable efforts in transforming itself from less a rulemaker, enforcer, and independent agent to more a consultant, toolmaker and strategic partner in leading and supporting executive agencies' human capital management systems.<sup>4</sup> We also reported on OPM's leadership of transformation efforts. Using the new senior executive performance-based pay system and other recent human capital reform initiatives as a model for understanding OPM's capacity to lead and implement future human capital reforms, we identified seven key lessons learned, which are (1) ensure internal OPM capacity to lead and implement reform, (2) ensure that executive branch agencies' infrastructures support reform, (3) collaborate with the Chief Human Capital Officer (CHCO) council, (4) develop clear and timely guidance, (5) share best practices, (6) solicit and incorporate feedback, and (7) track progress to ensure accountability. In addition to the lessons learned that can be applied to future human capital reforms, we recommended, among other things, that OPM (1) improve its capacity for future reforms by reexamining its own agencywide skills and (2) address issues specific to senior executive pay systems, such as sharing best practices and tracking progress towards goals. OPM has said that it has made progress toward achieving its operational and strategic goals.<sup>5</sup>

Equally important is OPM's leadership in federal workforce diversity and oversight of merit system principles. In our review of how OPM and the

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<sup>4</sup>GAO, *Office of Personnel Management: Key Lessons Learned to Date for Strengthening Capacity to Lead and Implement Human Capital Reforms*, [GAO-07-90](#) (Washington, D.C.: Jan. 19, 2007).

<sup>5</sup>[GAO-07-90](#).

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Equal Employment Opportunity Commission (EEOC) carry out their mutually shared responsibilities for helping to assure a fair, inclusive, and nondiscriminatory federal workplace, we found limited coordination between the two agencies in policy and oversight matters.<sup>6</sup> The lack of a strategic partnership between the two agencies and an insufficient understanding of their mutual roles, authority, and responsibilities can result in a lost opportunity to realize consistency, efficiency, and public value in federal equal employment opportunity and workplace diversity human capital management practices. We recommended that OPM and EEOC regularly coordinate in carrying out their responsibilities under the equal employment opportunity policy framework and seek opportunities for streamlining like reporting requirements. Both agencies acknowledged that their collaborative efforts could be strengthened but took exception to the recommendation to streamline requirements. We continue to believe in the value of more collaboration. As of August of last year, the two agencies had begun discussions on ways to increase coordination.

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## Strategic Human Capital Planning Is Critical to Agencies' Transformation

Strategic human capital planning is the centerpiece of federal agencies' efforts to transform their organizations to meet the governance challenges of the 21st century. Generally, strategic workforce planning addresses two critical needs: (1) aligning an organization's human capital program with its current and emerging mission and programmatic goals and (2) developing long-term strategies for acquiring, developing, motivating, and retaining staff to achieve programmatic goals. The long-term fiscal outlook and challenges to governance in the 21st century are prompting fundamental reexaminations of what government does, how it does it, and who does it. Strategic human capital planning that is integrated with broader organizational strategic planning is critical to ensuring agencies have the talent they need for future challenges.

An agency's strategic human capital plan should address the demographic trends that the agency faces with its workforce, especially pending retirements. In 2006, OPM reported that approximately 60 percent of the government's 1.6 million white-collar employees and 90 percent of about 6,000 federal executives will be eligible for retirement over the next 10 years. We have found that leading organizations go beyond a succession

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<sup>6</sup>GAO, *Equal Employment Opportunity: Improved Coordination Needed between EEOC and OPM in Leading Federal Workplace EEO*, GAO-06-214 (Washington, D.C.: June 16, 2006).

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planning approach that focuses on simply replacing individuals and engage in broad, integrated succession planning and management efforts that focus on strengthening both current and future organizational capacity to obtain or develop the knowledge, skills, and abilities they need to meet their missions.<sup>7</sup> For example, about one third of the Nuclear Regulatory Commission's (NRC) workforce with mission-critical skills will be eligible to retire by 2010.<sup>8</sup> At the same time, NRC's workforce needs to expand because NRC expects to receive applications for new nuclear power reactors beginning in October 2007. Although there is room for further improvement, we found that NRC's human capital planning framework is generally aligned with its strategic goals and coherently identifies the activities needed to achieve a diverse, skilled workforce and an infrastructure that fully supports the agency's mission and goals. The agency's framework included using its human capital authorities, developing a critical skills and gaps inventory tool, and using targets and measures to monitor the composition of its hires and separations. NRC has been effective in recruiting, developing, and retaining a critically skilled workforce, though it is unclear if this trend will continue in the next few years.

We also have reported in recent years on a number of human capital issues that have hampered the Department of State's ability to carry out U.S. foreign policy priorities and objectives, particularly at posts central to the war on terror.<sup>9</sup> For example, the department initiated a number of efforts to improve its foreign language capabilities. However, it has not systematically evaluated the effectiveness of these efforts, and it continues to experience difficulties filling its language-designated positions with language proficient staff. We reported that these gaps in language proficiency can adversely affect the department's ability to communicate with foreign audiences and execute critical duties.

Another example of the government's strategic human capital planning challenges involves its acquisition workforce. The government increasingly relies on contractors for roles and missions previously

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<sup>7</sup>GAO, *Human Capital: Succession Planning and Management Is Critical Driver of Organizational Transformation*, [GAO-04-127T](#) (Washington, D.C.: Oct. 1, 2003).

<sup>8</sup>GAO, *Human Capital: Retirements and Anticipated New Reactor Applications Will Challenge NRC's Workforce*, [GAO-07-105](#) (Washington, D.C.: Jan. 17, 2007).

<sup>9</sup>GAO, *Department of State: Staffing and Foreign Language Shortfalls Persist Despite Initiatives to Address Gaps*, [GAO-06-894](#) (Washington, D.C.: Aug. 4, 2006).



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performed by government employees. Acquisition of products and services from contractors consumes about a quarter of discretionary spending governmentwide and is a key function in many federal agencies. We reported in 2003 that because of a more sophisticated business environment, most acquisition professionals would need to acquire a new set of skills focusing on business management.<sup>10</sup> In a forum hosted by the Comptroller General in July 2006, acquisition experts reported that agency leaders have not recognized or elevated the importance of the acquisition profession within their organizations, and a strategic approach has not been taken across government or within agencies to focus on workforce challenges, such as creating a positive image essential to successfully recruit and retain a new generation of talented acquisition professionals.<sup>11</sup>

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## Acquiring, Developing, and Retaining Talent Remains a Federal Workforce Challenge

Faced with a workforce that is becoming more retirement-eligible and finding gaps in talent because of changes in the knowledge, skills, and competencies in occupations needed to meet their missions, agencies need to strengthen their efforts and use of available flexibilities to acquire, develop, motivate, and retain talent.

A chronic complaint about the federal hiring process is its lengthy procedures, which puts the federal government at a competitive disadvantage. In recent years, Congress, OPM, and agencies have taken significant steps to streamline the hiring process. For example, Congress has provided agencies with flexibilities such as the use of categorical rating and exemptions from the pay and classification restrictions of the General Schedule. OPM's efforts included improvements to the USAJOBS Web site as well as other measures, such as job fairs and television commercials, to make the public more aware of the work federal employees do. OPM has also established a model 45-day hiring program—the time-to-hire period from the date a vacancy announcement closes to the date a job offer is extended. In addition, OPM has developed a Hiring Tool Kit on its website to help agencies improve their hiring processes. Moreover, OPM assists agencies on the use of student employment program flexibilities, which can expedite the hiring process and lead to noncompetitive conversion to permanent employment. Our work,

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<sup>10</sup>GAO, *Acquisition Workforce: Status of Agency Efforts to Address Future Needs*, GAO-03-55 (Washington, D.C.: Jan. 17, 2003).

<sup>11</sup>GAO, *Highlights of a GAO Forum: Federal Acquisition Challenges and Opportunities in the 21st Century*, GAO-07-45SP (Washington, D.C.: Oct. 6, 2006).

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however, has found that agencies' use of the tools and flexibilities that Congress has provided has been uneven.<sup>12</sup> OPM has made some progress in assessing how agencies are using their hiring flexibilities and authorities. For example, in January of this year, we reported that OPM began working with a contractor in 2005 to review hiring flexibilities and authorities to determine which ones are used and not used, who is using them, and when and how they are being used.<sup>13</sup> As a result of its work with the contractor, OPM plans to survey eight CHCO Council agencies to evaluate the use and effectiveness of hiring authorities and flexibilities and use the results to improve policies in these areas. This is a positive step on OPM's part as we continue to believe that more needs to be done to provide information to help agencies meet these human capital needs.

Developing and maintaining workforces that reflect all segments of society and our nation's diversity is a key part of agencies' recruitment challenge. For example, the National Aeronautics and Space Administration (NASA) said it must compete with the private sector for the pool of Hispanics qualified for aerospace engineering positions, which is often attracted by more-lucrative employment opportunities in the private sector in more preferable locations.<sup>14</sup> To address the situation, part of NASA's strategy in recruiting Hispanics focuses on increasing educational attainment, beginning in kindergarten and continuing into college and graduate school, with the goal of attracting students into the NASA workforce and aerospace community. NASA centers sponsor, and its employees participate in, mentoring, tutoring, and other programs to encourage Hispanic and other students to pursue careers in science, engineering, technology, and math. NASA also developed a scholarship program designed to stimulate a continued interest in science, technology, engineering, and mathematics. Another example is the U.S. Air Force "Grow Your Own" aircraft maintenance program at three of its Texas bases. In partnership with vocational-technical schools, the program includes both on-the-job training and classroom education to provide a pool of trained candidates, including Hispanics, to replace retiring federal civilian aircraft maintenance workers.

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<sup>12</sup>GAO, *Human Capital: Increasing Agencies' Use of New Hiring Flexibilities*, [GAO-04-959T](#) (Washington, D.C.: July 13, 2004).

<sup>13</sup>GAO-07-90.

<sup>14</sup>GAO, *The Federal Workforce: Additional Insights Could Enhance Agency Efforts Related to Hispanic Representation*, [GAO-06-832](#) (Washington, D.C.: Aug. 17, 2006).

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In addition to hiring, agencies need to have effective training and development programs to address gaps in the skills and competencies that they identified in their workforces. We have issued guidance that introduces a framework, consisting of a set of principles and key questions that federal agencies can use to ensure that their training and development investments are targeted strategically and are not wasted on efforts that are irrelevant, duplicative, or ineffective.<sup>15</sup> Training and developing new and current staff to fill new and different roles will play a crucial part in the federal government's endeavors to meet its transformation challenges. Of some concern, however, is the 2006 FHCS, which showed about half, or 54 percent, of respondents were very satisfied or satisfied with the training they receive on their current jobs, little change from the 2004 survey, which showed 55 percent had positive responses to this question.

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## Results-Oriented Organizational Culture Is Key to High-Performing Agencies

High-performing organizations have found that to successfully transform themselves they must often fundamentally change their cultures so that they are more results-oriented, customer-focused, and collaborative in nature. An effective performance management system is critical to achieving this vital cultural transformation. Effective performance management systems are not merely used for once- or twice-yearly individual expectation setting and rating processes, but are tools to help the organization manage on a day-to-day basis. These systems are used to achieve results, accelerate change, and facilitate two-way communication throughout the year so that discussions about individual and organizational performance are integrated and ongoing. Moreover, leading public sector organizations both in the United States and abroad create a clear linkage—line of sight—between individual performance and organizational success and, thus, transform their cultures to be more results-oriented, customer-focused, and collaborative in nature.<sup>16</sup>

The government's senior executives need to lead the way in transforming their agencies' cultures. Credible performance management systems that align individual, team, and unit performance with organizational results can help manage and direct this process. The performance-based pay system that Congress established in November 2003 for members of the

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<sup>15</sup>GAO, *Human Capital: A Guide for Assessing Strategic Training and Development Efforts in the Federal Government*, [GAO-04-546G](#) (Washington, D.C.: Mar. 1, 2004).

<sup>16</sup>GAO, *Results-Oriented Cultures: Creating a Clear Linkage between Individual Performance and Organizational Success*, [GAO-03-488](#) (Washington, D.C.: Mar. 14, 2003).

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senior executive service (SES) seeks to provide a clear and direct linkage between performance and pay for the government's senior executives and is an important step toward governmentwide transformation.<sup>17</sup> Under this performance based pay system, senior executives no longer receive annual across-the-board pay increases or locality-pay adjustments. Executive branch agencies are to now base pay adjustments for senior executives on individual performance and contributions to agency performance through an evaluation of their skills, qualifications, or competencies as well their current responsibilities.<sup>18</sup>

Just as it has for senior executives, the federal government needs to fundamentally rethink its current approach to paying nonexecutive employees by better linking their pay to individual and organizational performance. Today's jobs in knowledge-based organizations require a much broader array of tasks that may cross the narrow and rigid boundaries of job classifications of the General Schedule system. Since being exempted from the General Schedule system, DOD and DHS have been moving toward occupational clusters and pay bands that better define occupations and facilitate movement toward performance management systems that create a line of sight between performance and organizational results, make meaningful differences in performance, and appropriately reward those who perform at the highest levels.

The results of the 2006 FHCS underscore the need for serious attention to the way federal employees are assessed and compensated. About a third, or 34 percent, of the respondents strongly agreed or agreed with the statement that promotions in their work units are based on merit. When respondents were asked if pay raises in their work units depend on how well employees perform their jobs, only 22 percent responded positively. These responses are consistent with past survey results. Further, somewhat less than a third of the survey respondents had a positive response to the question about whether their leadership and management recognized differences in performance in a meaningful way. High-performing organizations have found that actively involving employees and key stakeholders, such as unions and other employee associations, helps gain ownership of new performance management systems and

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<sup>17</sup>Pub. L. No. 108-136, § 1125, 117 Stat. 1392, 1638 (Nov. 24, 2003).

<sup>18</sup>GAO, *Human Capital: Aligning Senior Executives' Performance with Organizational Results Is an Important Step Toward Governmentwide Transformation*, [GAO-06-1125T](#) (Washington, D.C.: Sept. 26, 2006).

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improves employees' confidence and belief in the fairness of the systems. In addition, adequate safeguards need to be built into the performance management system to ensure fairness and to guard against abuse. Using safeguards, such as having an independent entity conduct reasonableness reviews of performance management decisions can help allay concerns and build a fair, credible, and transparent system.

In summary, Mr. Chairman, we need to continue to move forward with appropriate human capital reforms. But how reform is done, when it is done, and the basis on which it is done can make all the difference in whether such efforts are successful. Before implementing significant human capital reforms, especially reforms that make stronger links between employee pay and performance, executive branch agencies should follow a phased approach that meets a "show me" test. That is, each agency should be authorized to implement reform only after it has shown that it has met certain conditions, including having the institutional infrastructure to effectively and fairly implement any new authorities.

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Mr. Chairman and Members of the Subcommittee, this completes my prepared statement. I would be pleased to respond to any questions you or others may have at this time.

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## Contact and Acknowledgments

For further information regarding this statement, please contact J. Christopher Mihm, Managing Director, Strategic Issues, at (202) 512-6806, or [mihmj@gao.gov](mailto:mihmj@gao.gov). Individuals making key contributions to this testimony include Anthony P. Lofaro, Assistant Director; Ami J. Ballenger; Thomas M. Beall; Crystal M. Bernard; William Doherty; Karin K. Fangman; and Anthony R. Patterson.

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