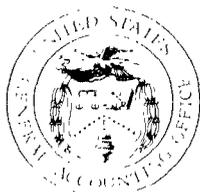


GAO

November 1989

# GENERAL SERVICES ADMINISTRATION

## Sustained Attention Required to Improve Performance





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

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**Comptroller General  
of the United States**

B-236360

November 6, 1989

To the President of the Senate and the  
Speaker of the House of Representatives

This report is one in a series of GAO management reviews of major departments and agencies. It assesses the General Services Administration's (GSA) efforts to assume a greater policy guidance and oversight role, and whether GSA's management practices and systems would allow it to successfully complete such a role change and thus improve its performance.

Due to top-level executive turnover, GSA has been unable to sustain a long-term strategy to correct longstanding management weaknesses. GSA will not be able to carry out the planned role change successfully unless it can overcome major, continuing management problems. The report makes recommendations to the Administrator of General Services aimed at enabling GSA to assume more effectively its policy guidance and oversight role.

This report is being sent to the Administrator of General Services; the Director, Office of Management and Budget; and to interested congressional committees and subcommittees.

The work was done under the direction of Richard L. Fogel, Assistant Comptroller General for General Government Programs. Major contributors are listed in appendix V.

A handwritten signature in cursive script that reads 'Charles A. Bowsher'.

Charles A. Bowsher  
Comptroller General  
of the United States

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# Executive Summary

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## Purpose

The General Services Administration (GSA) provides the federal government with working space, supplies, telecommunications, and access to major computer technology. GSA's activities get little public attention, but if they are not managed well, the delivery of program services can be impaired.

From GSA's inception in 1949 there have been conflicting views on the best ways to provide the government's housekeeping services. GSA has been caught between the expectation that it use a centralized approach and a view that it issue policy guidance and oversee decentralized operations. The result has been continuing criticism from Congress and GSA's customers—the other federal agencies.

GSA today is at a pivotal juncture. Recent administrators have sought to direct it more towards a policy guidance and oversight role, but there is still no consensus within GSA, the executive branch, or Congress on the desirability of this direction. GAO, however, believes it is the proper way to go, and undertook this review to assess whether GSA's management practices and systems would allow it to successfully complete such a role change and thus improve its performance.

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## Background

GSA manages a \$2.9 billion building fund, oversees a \$4.8 billion procurement program, and administers excess property transfers of more than \$1 billion. Seventy-nine percent of its fiscal year 1988 funds were expended by the Public Buildings Service (PBS) in acquiring, operating, and maintaining public buildings, and by the Federal Supply Service (FSS) in providing personal property and nonpersonal services, such as supplies, furniture, vehicles, and discount airfares. (See pp. 17-18.)

Operating in a complex and changing environment, GSA has had difficulty balancing its concurrent roles of making policy, providing oversight, and delivering services. Also, GSA's relationships with Congress and the Office of Management and Budget (OMB) foster a high degree of intervention into such operational decisions as building site selection and whether to lease or own facilities. (See p. 29.)

To complicate these conditions, there have been continual changes in GSA's leadership, with 17 administrators or acting administrators during the last two decades. Moreover, GSA resources have been reduced dramatically since 1978, with staffing dropping from 37,600 to 19,800. (See pp. 20, 23 and 32.)

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## Results in Brief

GSA should not be expected to operate directly all the support services other agencies need to do their jobs well. GSA's role should be to set governmentwide policy and operate activities only where there are demonstrated economic and management advantages to having a central agency involved.

GSA cannot carry out this role successfully, however, unless it can overcome major, continuing management problems, such as limited executive development and inadequate management information, which have prevented it from providing adequate customer support, holding managers accountable, and becoming an effective, well-run agency.

How these problems have affected GSA's performance and ability to change are clearly evident in its two major components—PBS and FSS.

PBS has experienced a serious decline in its ability to provide space to agencies in a timely manner. These problems are compounded by difficulties in shifting its role more towards policy guidance and oversight and away from operations by delegating certain functions to other agencies. Problems include a lack of support for the new role among PBS' career executives; insufficient attention to customer concerns; the absence of a workforce planning process to meet critical staffing needs; and an outdated information system that does not provide executives with needed information.

FSS also is faced with new challenges: competing with the private sector to supply federal agencies, and operating within a congressional authorization to recover all its costs. Although it is too early to assess GSA's efforts, due to the volatile nature of sales activities, the agency needs better trend and comparative analysis information to help it monitor its operations closely. Otherwise, it has little assurance of maintaining a competitive position and still breaking even.

GSA's management recognizes these problems and has begun improvements, such as starting a more active recruiting and training program, implementing a new strategic planning process, developing plans to address PBS' information and space delivery problems, and developing better financial tools to assist FSS in monitoring its costs. These are positive steps, but they are not sufficient to ensure that GSA will successfully accomplish its intended role change and improve its performance.

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GSA must establish effective career development programs for its senior executives, devise better measures to link performance with accountability, and improve systems to provide the information needed for making informed decisions. GSA should use these means to continually assess whether its staff has sufficient technical and managerial skills to accomplish a policy-setting and oversight mission.

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## Principal Findings

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### Barriers to PBS' Role Change

Changing technologies and the recognition that quality workspace affects performance are reducing agencies' willingness to rely upon GSA as the sole provider of facilities services. GSA recognizes these changes and is trying to shift PBS' role more towards leadership and oversight by delegating certain operational responsibilities to the other agencies. However, several factors undermine PBS' efforts.

- PBS' executives do not fully support giving tenant agencies a greater role in managing their own buildings. There is a continuing belief among PBS executives that GSA can provide building services more economically than the other agencies. (See p. 56.)
- PBS does not emphasize customer service. A 1988 PBS survey found that customers were frustrated because of poor communications and PBS' disregard for their priorities. Customers also were frustrated by a lack of procedural uniformity and consistency among GSA's 11 regional offices. (See pp. 58-59.)
- Regional officials providing services and guidance to federal agencies are not accountable to PBS policymaking officials for their actions or performance. (See pp. 63-64.)
- Human resources issues are adversely affecting service delivery. Space delivery time grew by 28 percent over the past 10 years primarily due to the high turnover in qualified realty specialists. (See p. 75.)
- Information systems do not support the role change. Information is not available to determine the total costs to operate individual facilities or project future leasing requirements reliably. (See pp. 64-67.)

GAO believes that GSA must refocus PBS' role if it is to do its mission effectively. PBS' failures also adversely affect other agencies' ability to do their missions. PBS should focus on governmentwide policy guidance and oversight and helping agencies develop facilities management systems. Operational support must be given in some areas. It should continue, for

example, to acquire and dispose of facilities centrally, and operate some buildings in its inventory. PBS needs a comprehensive plan to refocus its role and to assure that there is clear accountability to measure progress toward its goals. It must clearly define responsibilities, roles, and reporting requirements for GSA and other agencies. (See p. 58.)

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### FSS Needs Better Information

GSA is changing the way the supply service will operate in the future. One change allows agencies, in most cases, to buy directly from the private sector if GSA prices are not competitive. Congress is letting GSA fund FSS' supply operations from the recovery of all its costs in the prices charged for items sold. (See p. 92.)

To be competitive, GSA needs information to enable it to control its costs and make timely adjustments to operations and prices. Since sales activities are volatile, it is essential that GSA continually monitor and make timely adjustments to its supply operations to improve or eliminate unprofitable elements so as to maintain a competitive position with other suppliers. (See p. 93.)

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### Management Faces Obstacles in Improving Performance

PBS and FSS performance is influenced heavily by GSA's overall general management environment, which is poorly suited for providing effective services to federal agencies. Four pervasive management deficiencies pose significant obstacles to management control of GSA's widespread operations.

- GSA's executive leadership is not as effective as it could be because of frequent turnover in political leadership, lack of involvement by career executives in the planning process, and problems in developing senior executives. (See pp. 32-35.)
- There is inadequate accountability for executive performance. Sixty-seven percent of the senior executives GAO surveyed said there were problems with accountability. Less than 50 percent of the 1988 performance plans had measurable objectives for customer service or work quality improvements—major problem areas for GSA. (See pp. 40-43.)
- Inconsistent attention to human resources management has contributed to low morale, high turnover in some positions, and insufficient staff training and development. This increases the difficulties GSA faces in acquiring and retaining staff with the technical and managerial skills needed to pursue its evolving roles in carrying out its mission. (See pp. 74-86.)

- Ineffective information management leadership has left GSA with inadequate management information. Consequently, GSA is ill-prepared to measure performance and establish accountability for improved service. (See pp. 89-103.)

Unless GSA is able to reverse a history of ineffective policy implementation and change its management culture, it will be hard put to assume a strong policy guidance and oversight role in managing the government's facilities or maintain a competitive edge in providing supplies. It also will not develop the sound internal management environment needed to confront external influences that tend to intervene in operational decisions.

## Recommendations

GAO makes a number of recommendations designed to enable GSA to assume its policy guidance and oversight role more effectively. Key recommendations are to

- Improve the capabilities of senior executives to give continuity and expertise to programs and guide GSA toward assuming an effective leadership and oversight role. (See pp. 49-50.)
- Make the integrated strategic planning process being developed an intrinsic part of GSA's management practices for establishing broad consensus on goals and objectives across the agency. (See p. 49.)
- Establish greater accountability by defining clearer objectives and measures in executives' performance plans and using the ExecuTrac information system to measure and track agency and individual performance. (See p. 49.)
- Create an effective workforce planning system and improve employee training and development. (See p. 85.)
- Create an information environment that will give managers sufficient information to effectively monitor and control GSA's multibillion dollar operations. (See p. 102.)
- Continually monitor supply operations, improve inefficient activities, and remove from inventory commodity items for which there is not a competitive advantage. (See p. 102.)

Special attention needs to be given to GSA's move from a service provider to an overseer of the government's extensive facilities. GSA must develop a plan to shift its focus from operations to a strategic management role. This plan should

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- clearly define the facilities management functions and responsibilities of all participants and require agencies to designate a senior facilities management official to be responsible for setting agency-level facilities policies and goals,
  - identify all management information needed to oversee agencies' facilities management activities, and
  - emphasize a customer focus and quality management within GSA. (See p. 70.)

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## Agency Comments

GSA generally concurred with GAO's recommendations. In numerous instances, it reported that actions responsive to GAO's recommendations are underway. The challenge facing GSA will be to ensure that its corrective actions receive the sustained management attention needed to produce fundamental management improvement. (See pp. 109-123.)

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# Contents

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<b>Executive Summary</b>		2
<b>Chapter 1</b>		12
<b>GSA: An Overview</b>	Historical Perspective	13
	GSA's Organizational Structure and Nationwide Service Delivery System	15
	Trends in Resources	19
	Objectives, Scope, and Methodology	20
<b>Chapter 2</b>		24
<b>GSA's Current Environment and Future Vision</b>	Image Often Unfavorable	24
	External Factors Strongly Influence GSA's Role and Image	25
	Vision for the 1990s	28
	Conclusions	29
<b>Chapter 3</b>		31
<b>Strengthening Executive Leadership and Direction Setting</b>	Executive Turnover Has Disruptive Effects on GSA's Ability to Manage Change	32
	GSA Strategic Planning Needs to Be Strengthened	35
	Strengthen Executive Accountability for Program Operations	40
	Strengthen Development and Selection of Agency Executives	43
	Conclusions	48
	Recommendations	49
	Agency Comments	50
<b>Chapter 4</b>		52
<b>Facilities Management Role Needs to Be Refocused</b>	Changing Facilities Management Concept	53
	GSA's Evolving Role	54
	Managing Role Change Will Be Major Challenge for PBS	58
	Actions Taken During Review	67
	Conclusions	68
	Recommendations	70
	Agency Comments	71

<hr/>		
<b>Chapter 5</b>		74
<b>GSA Needs to Give Human Resources More Priority</b>	Workforce Problems Are Affecting GSA's Ability to Perform Its Mission	74
	GSA Needs to Better Address Changing Workforce Needs	79
	Central Personnel Office Needs to Be Strengthened	83
	Actions Initiated to Address These Problems	84
	Conclusions	85
	Recommendations	85
	Agency Comments	85
<hr/>		
<b>Chapter 6</b>		87
<b>Improved Management Information Is Critical to GSA's Future Performance</b>	Inadequate Information Does Not Permit Informed Decisionmaking	88
	GSA Has Tried to Deal With Problems	93
	A New Way of Thinking About Management Information Needed	95
	Conclusions	100
	Recommendations	101
	Agency Comments	102
<hr/>		
<b>Appendixes</b>		
	Appendix I: Reports and Studies Analyzed	104
	Appendix II: Consultant Panel	105
	Appendix III: Summary Information on Questionnaires and Interviews	106
	Appendix IV: Comments From the Acting Administrator, General Services Administration	109
	Appendix V: Major Contributors to This Report	124
<hr/>		
<b>Related GAO Products</b>		128
<hr/>		
<b>Tables</b>		
	Table 3.1: Tenure of GSA Administrators, 1969-89	32
	Table 3.2: Appraisal Criteria and GSA SES Performance Plans	42
	Table 3.3: GSA Senior Executives' Locations	43
	Table 4.1: Elements of a Successful Quality Effort	61
	Table 5.1: Opinions of GSA Morale Level	77
	Table 5.2: Percentages of Employees Believing Amount of Training Less Than Needed	82
	Table III.1: Sampling Errors for Employee Questions Used in Report	107

Figures

Figure 1.1: GSA's Organization	16
Figure 1.2: Program Funding for Fiscal Year 1988	21
Figure 1.3: Program Obligations for Fiscal Year 1988	22
Figure 1.4: Staffing Levels by Service, Fiscal Years 1978-88	23
Figure 3.1: Negative Effect of Administrator's Turnover on Execution of Responsibilities	34
Figure 3.2: Senior Executives' Tenure in SES at GSA.	45
Figure 3.3: Sources From Which GSA Drew its Current Senior Executives	47
Figure 5.1: Timeliness of Space Delivery	75
Figure 5.2: Comparison of Federal and Private Sector Pay for Contract Specialists	78
Figure 5.3: Percentage of Blue-Collar and White-Collar Employees in 1978 and 1988	80

Abbreviations

ADP	automatic data processing
DOD	Department of Defense
FIRM	Foundation Information for Real Property Management
FPRS	Federal Property Resources Service
FSS	Federal Supply Service
FTS	Federal Telecommunications System
FWG	Federal Wage Grade
GCAP	GSA Career Advisory Panel
GM	General Management
GS	General Schedule
GSA	General Services Administration
IRM	information resources management
IRMS	Information Resources Management Service
NAPA	National Association of Public Administration
NEAR	National Electronic Accounting and Reporting
OMB	Office of Management and Budget
PBS	Public Buildings Service
PCMI	President's Council on Management Improvement
SES	Senior Executive Service
STRIDE	Systematically Tiered Regionally Integrated Data Environment
TQM	Total Quality Management

# GSA: An Overview

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Not a workday goes by without federal employees receiving substantial support from the General Services Administration (GSA)—support ranging from office space, desks, paper, and pencils to advice on computer systems and software. GSA is the government's wholesaler and retailer, transportation expeditor, communications and data processing expert, builder, and facilities manager. Annually, GSA manages billions of dollars in federal property assets and contracts for goods and services. GSA's activities get little public attention. However, if these activities are not managed well, the delivery of federal services can be impaired.

GSA acts as policymaker, regulator, and service provider in managing a diverse range of programs. It formulates a variety of governmentwide policies regulating property management and the acquisition of goods and services. It issues the Federal Property Management Regulations pertaining to the management of property; the Federal Information Resources Management Regulations covering information resources activities; and, jointly with the Department of Defense (DOD) and National Aeronautics and Space Administration, the Federal Acquisition Regulation, which governs the procurement of supplies and services with appropriated funds.

GSA maintains, jointly with DOD and several civilian agencies, a supply management system to procure, store, and distribute supplies, and manages a program to redistribute and dispose of most of the government's excess and surplus supplies and equipment. It also acquires, designs and builds, and leases buildings. In addition, GSA operates, protects, repairs and alters, and maintains most federal buildings in the Nation. Its lesser-known duties include providing administrative support to numerous presidential commissions and small agencies, as well as staff compensation and office space for the former presidents.

GSA is at a critical juncture in its history. In the past, GSA has provided property management services through its own employees. However, GSA plans to divest itself of many operational services and assume a greater oversight role. In the last decade, it has introduced a number of ambitious changes to promote better facilities and logistics management. These changes include programs to (1) delegate buildings management and procurement responsibilities to individual agencies, and (2) improve the quality of federal employees' work environment.

Reductions in GSA's personnel resources are accompanying the role changes. Its staffing level has declined from about 37,500 employees at the end of fiscal year 1978 to about 19,800 at the end of fiscal year

1988. GSA expects staff levels to stabilize after it completes delegating certain operational functions. It believes, however, that improved productivity and use of the private sector for commercial operations where cost effective could slightly decrease the final number of employees needed.

## Historical Perspective

Early in our Nation's history, there was no systematic and efficient way to provide essential housekeeping services for the government. Procurement and supply functions were done by the Department of the Treasury; the Treasury Secretary exercised tight control over such functions by personally approving all requisitions, no matter how insignificant. As the government grew, agencies became increasingly independent in these areas. The government's space needs originally were filled by an independent commission, which sold lots in Washington, D.C., to finance its endeavors. Later, the space function was transferred to the Department of the Interior and, finally, to the Federal Works Agency and its Public Buildings Administration.

In 1949, the Commission on Organization of the Executive Branch of the Government (the Hoover Commission) identified supply, records management, and the operations and maintenance of public buildings as three major activities that suffered from a lack of central direction. The Hoover Commission recommended that these functions be placed in a new Office of General Services with regulatory authority and a direct link to the President. It envisioned this office as primarily—but not exclusively—a policymaking body that should, to the greatest extent possible, delegate authority for these functions to other agencies.

The Federal Property and Administrative Services Act of 1949 (Public Law 81-152, approved June 30, 1949) created GSA as an independent agency. GSA's legislative mandate is contained in section 2 of this act:

"It is the intent of the Congress in enacting this legislation to provide for the Government an economical and efficient system for (a) the procurement and supply of personal property and nonpersonal services . . . ; (b) the utilization of available property; (c) the disposal of surplus property; and (d) records management."

Section 201(a) of the 1949 act gave the Administrator of General Services authority to (1) prescribe policies and methods of procurement and supply of personal property and nonpersonal services, (2) operate or delegate operation of supply facilities to any agency, and (3) procure

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and supply personal property and nonpersonal services for the departments and agencies.

In addition to the 1949 act, GSA's operations are governed by numerous laws and executive orders. These include the following:

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**Laws and Executive Orders Concerning Acquisition, Construction, and Management of Real Property**

- Public Buildings Act of 1949
- Public Buildings Act of 1959
- Architectural Barriers Act of 1968
- Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970
- Public Buildings Amendment of 1972
- Public Buildings Cooperative Use Act of 1976
- Executive Order 12072, Aug. 16, 1978
- Executive Order 12411, Mar. 29, 1983
- Executive Order 12512, Apr. 29, 1985
- Federal Property Management Improvement Act of 1988
- Public Buildings Amendments of 1988.

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**Miscellaneous Laws**

- Former Presidents Act of 1958—authorized GSA to pay for staff and office expenses for former presidents.
- Presidential Transition Act of 1963—authorized GSA to pay for staff and office expenses of president-elect and vice president-elect.
- Public Law 89-306 (1965 Brooks Act)—gave GSA a lead role in the area of obtaining and maintaining automatic data processing (ADP) equipment by federal agencies.
- General Accounting Office Act of 1974—transferred audit of transportation voucher from GAO to GSA.
- Contract Disputes Act of 1978—established GSA's Board of Contract Appeals.
- Paperwork Reduction Act of 1980—provided guidance and assistance to federal agencies with respect to creation, maintenance, use, and disposition of records.
- Consolidated Omnibus Budget Reconciliation Act of 1985—directed GSA to identify interagency opportunities to consolidate motor vehicle operations.

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## GSA's Organizational Structure and Nationwide Service Delivery System

GSA is headed by an Administrator who is nominated by the President and subject to Senate confirmation. The agency is organized into 4 services, 11 staff offices, and 8 primary and 3 satellite geographic regions. The GSA Board of Contract Appeals, Office of Inspector General, and Information Security Oversight Office all report to the Administrator. GSA is largely decentralized, with the 4 services carrying out programs through regional operations and the 11 staff offices providing support services. Primary regions are in New York, Philadelphia, Atlanta, Chicago, Kansas City, Fort Worth, San Francisco, and Washington, D.C.; its satellite regions are in Boston, Denver, and Auburn, Washington. GSA's organizational structure is shown in figure 1.1.

Each of the four services is headed by a commissioner responsible for policy development, program direction, and funding, but who has no control over program implementation or resource allocation; those functions are handled by the regional administrators. While the commissioners do not have direct control over how their programs are implemented by the regions, they exercise varying degrees of influence and control over this implementation through frequent contacts between service assistant commissioners and the assistant regional administrators responsible for their programs. The PBS Commissioner, for example, expressed concerns about his lack of control over regional implementation of policy, while the FPRS Commissioner felt he had a great deal of direct control over the regional implementation of his programs.

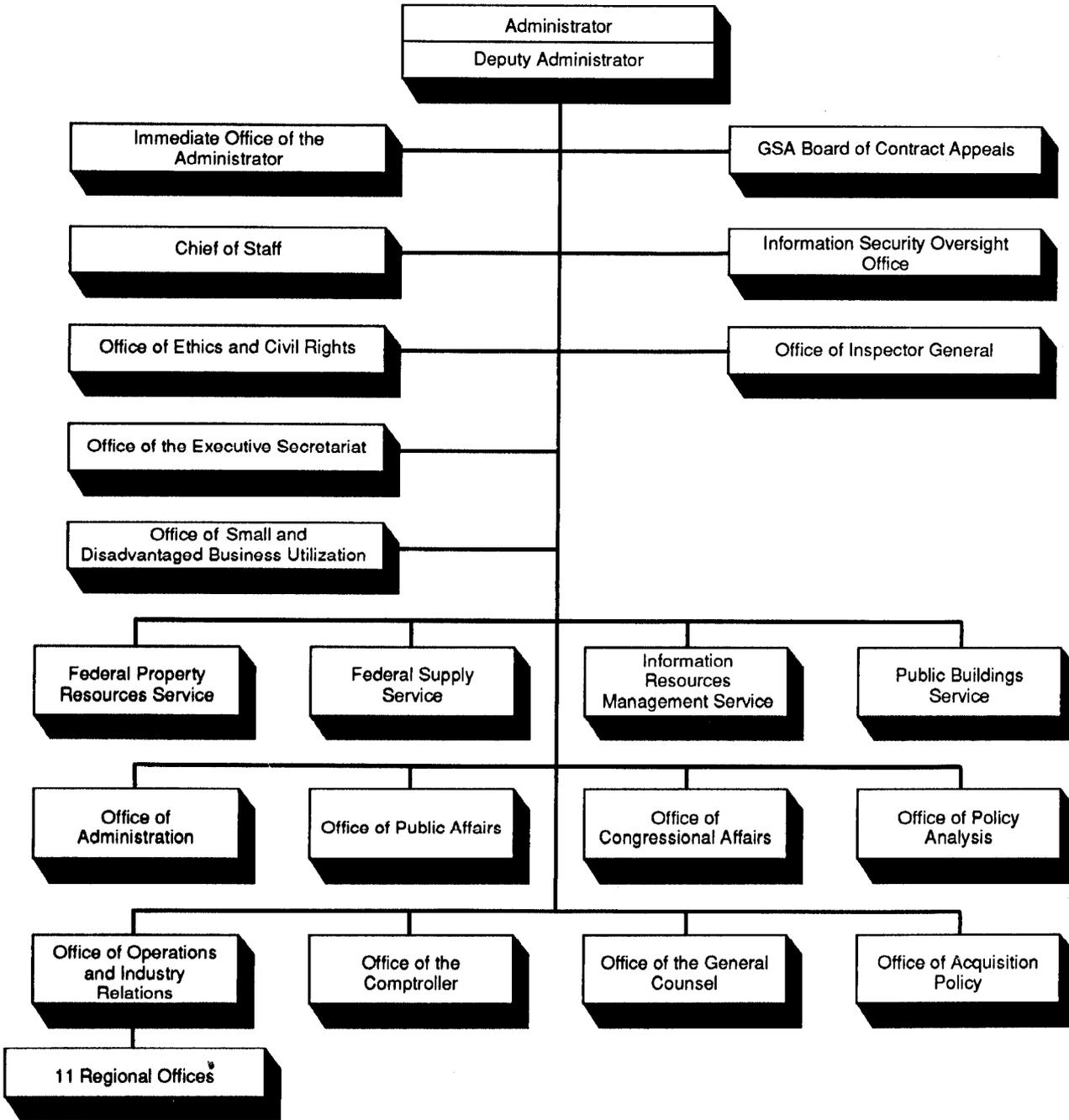
Before 1978, commissioners and regional administrators had different duties. At that time, GSA had an operating structure in which the commissioners exerted strong centralized control and the regional administrators served in an advisory capacity and provided administrative support. The change was made to give regional administrators more control over regional operations.

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### Regional Offices

Each regional office is headed by a regional administrator who reports to the Associate Administrator for Operations and Industry Relations. Regional administrators in the primary regions serve as GSA's top officials and are responsible for all GSA programs and activities assigned to the region. Regional administrators for satellite regions serve as ombudsmen and represent the views of their respective regions in developing and implementing GSA policy; they provide direct feedback on such matters to the regional administrators of their primary regions.

Figure 1.1: GSA's Organization



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## Services

Each of GSA's four services has its own unique mission area and receives centralized support from the staff offices.

The Public Buildings Service (PBS). PBS provides facilities management services, specifically, design, construction, operation and maintenance, renovation, preservation, repair, protection, and control of buildings—both government-owned and leased—in which accommodations for government activities are provided. Operating out of all 11 regions, PBS provided office space for 940,400 federal employees in 1,702 government-owned and 5,241 leased buildings during fiscal year 1988. It spent \$2.9 billion providing services, including leasing, site acquisitions, construction, repairs and alterations, building operations, custodial, and security.

PBS has delegated buildings management authority to agencies that are sole or primary occupants in government-owned or leased buildings. Under the program, agencies manage the day-to-day operations of their buildings and set their own priorities, while GSA continues to provide assistance and set priorities for major repairs/renovations. At the end of fiscal year 1988, PBS had delegated building management for over 43 million square feet of government-owned and -operated space and about 33 million square feet of leased space. This delegated space accounts for about 33 percent of the 230 million square feet of space under GSA's control. PBS has also delegated some leasing authority to other agencies, thereby allowing them to acquire their own leased space.

The Federal Supply Service (FSS). FSS provides a wide range of personal property (that is, any type of property except real property) and non-personal services to the federal government worldwide. Services include determining supply requirements; procuring supplies and ensuring that they are of satisfactory quality and meet customer requirements; providing a vehicle fleet for agencies to use, transportation and travel management services, and centralized audit of freight and passenger transportation services vouchers paid by the government; and administering the use of excess, donation of surplus, and sale of personal property. FSS work is done out of all 11 regions.

Federal agencies purchased about \$4.8 billion in goods and services from GSA during fiscal year 1988. Also, excess personal property that originally cost about \$821.3 million was transferred to federal agencies under the utilization program, and surplus personal property that cost about \$424.9 million was donated to state agencies through the donation program. Further, FSS' Interagency Fleet Management System provides

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103,000 vehicles and all related services to 75 federal agencies that use the network of 60 Fleet Management Centers.

The Information Resources Management Service (IRMS). IRMS provides overall direction and coordination of comprehensive governmentwide programs for the management, acquisition, and use of ADP, telecommunications, and office information equipment and services; implements governmentwide ADP and telecommunication standards; and develops and coordinates governmentwide policies, procedures, and regulations pertaining to these activities. IRMS manages the Federal Telecommunications System, through which about 270 million intercity calls were placed by the 1.1 million users during fiscal year 1988.

IRMS regional operations are organized on a zonal basis—Eastern (Philadelphia), Capital (Washington, D.C.), Central (Atlanta), Western (Fort Worth), and Pacific (San Francisco) zones. Its services are available, however, in all 11 regions.

The Federal Property Resources Service (FPRS). FPRS provides for further use by federal agencies of government excess real property and for disposal of surplus real property for specific public purposes or competitive sale to the public. FPRS sold 222 parcels of property valued at \$120.9 million and transferred 29 parcels of property valued at \$13.4 million during fiscal year 1988. FPRS operates out of Boston, Atlanta, Fort Worth, and San Francisco, with field offices located in Chicago and Auburn, Washington. In June 1988, the management of the National Defense Stockpile, a major element of FPRS, was transferred to DOD.

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## Staff Offices

GSA's staff offices provide support in a range of areas. For example:

- The Office of Acquisition Policy serves as the principal focal point in GSA for acquisition and contracting matters. It is responsible for (1) governmentwide and internal procurement policy and procedures, and (2) overseeing and reviewing GSA's acquisition activities and individual contract actions.
- The Office of the Comptroller plans, implements, directs, and coordinates all financial reporting, accounting, and management accounting support for GSA; oversees the development of GSA's financial management systems and ensures the quality of financial information; and has the lead responsibility for the budget and is the focal point for matters under the Presidential Transition Act of 1963 (Public Law 88-277, approved Mar. 7, 1964). GSA's Comptroller compensates staff members,

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provides office space, and makes payments for services, travel, and postal expenses for the president-elect and vice president-elect; and provides these same general services, for a 6-month period, to the former president and former vice president.

- The Office of Administration is responsible for planning and administering programs in organization and productivity improvement, staffing, position classification, employee relations, training and career development, and audits and inspection reports. It also administers GSA's inter-agency printing and duplicating program; the Cooperative Administrative Support Program, which is an endeavor among agencies having common administrative services in multi-tenant or complexes of buildings; and the Federal Advisory Committee Act. In addition, it provides compensation for office staff and allowances for the former president and outfits about 1,400 state and district congressional offices.

According to GSA records, GSA currently has 119 Senior Executive Service (SES) positions, of which 59 are reserved for career personnel. The remaining 60 positions may be filled with either political appointees or career personnel within statutory limits, which allows GSA greater flexibility in assignment of personnel. Executive Order 12021, dated November 30, 1977, removed the career reserved classification from the regional administrator positions. Appointees fill 18 top-level positions including Deputy Administrator, Chief of Staff, four Associate Administrator positions (Administration, Congressional Affairs, Operations and Industry Relations, and Public Affairs), General Counsel, Deputy General Counsel, PBS Commissioner, and all regional administrators except in Washington, D.C. It is also expected that the vacant IRMS Commissioner position will be filled by an appointee. Both the Administrator and the Inspector General are presidential appointees subject to Senate confirmation.

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## Trends in Resources

GSA is unique among federal agencies in that the majority of its funds are generated from the sale of goods and services to other agencies. In fiscal year 1988, GSA's budget was \$7.8 billion. Program funding came from a variety of sources, with only 3.6 percent coming from direct appropriations. GSA records show that 96.4 percent, about \$7.6 billion, came from funds received from customer agencies for goods and services.

PBS' activities—financed by the Federal Buildings Fund from rents paid by agencies for space and services—generated about \$3.1 billion, or about 39 percent, of the funding; FSS' General Supply Fund generated

about \$2.6 billion, or about 33 percent; and IRMS' activities, financed by the Information Technology Fund, generated about \$1.4 billion, or 18 percent. The remaining \$478 million, about 6 percent, came from presidential commissions and small agencies for reimbursable work—mostly accounting, payroll, personnel, and administrative services—and from revenue generated by the Working Capital Fund from centralized printing and duplicating operations and by the Consumer Information Fund from the Consumer Information Center Program. Figure 1.2 shows the percentage of funds generated by each source.

In fiscal year 1988, GSA's programs spent \$7.8 billion. As shown in figure 1.3, PBS and FSS spent most of this money. PBS consumed about 44 percent, or about \$3.4 billion, of GSA's program funds in operating and managing the government's real property. FSS spent about 35 percent, or about \$2.7 billion, in operating and managing the supply and transportation programs. IRMS used about 18 percent, or about \$1.4 billion, in the telecommunications and other information resource programs. FPRS spent less than 1 percent, or about \$21.2 million, in managing and disposing of the government's surplus real property.

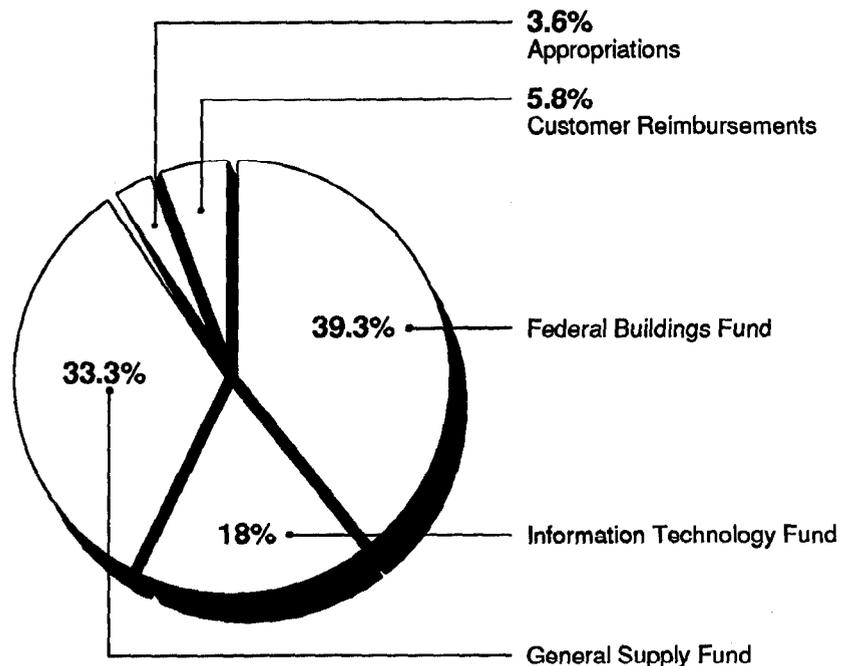
In human resources, during the last 10 years, GSA has experienced significant staff reductions. GSA's staffing levels dropped from 37,560 at the end of fiscal year 1978 to 19,820 at the end of fiscal year 1988; most reductions occurred in PBS. Figure 1.4 depicts changes in staffing levels for the four services.

## Objectives, Scope, and Methodology

To identify long-standing problems and obtain a historical perspective of GSA, we analyzed earlier GAO reports and reports by GSA's Inspector General, as well as management studies by consultants and others. Related GAO reports are listed at the end of this report; other significant reports and studies analyzed are listed in appendix I. On the basis of our analysis, we assessed GSA's leadership ability to (1) manage change effectively, (2) improve its human resources management to ensure a quality workforce, and (3) establish an effective information management structure to support managerial decisions and ensure effective financial control and oversight.

To assist us with issue identification and methodology, we convened a consultant panel comprised of current and former federal employees and public administration and academic experts. Panel members, selected in consultation with GSA, are listed in appendix II. Also, we interviewed and obtained comments from various other individuals—

Figure 1.2: Program Funding for Fiscal Year 1988



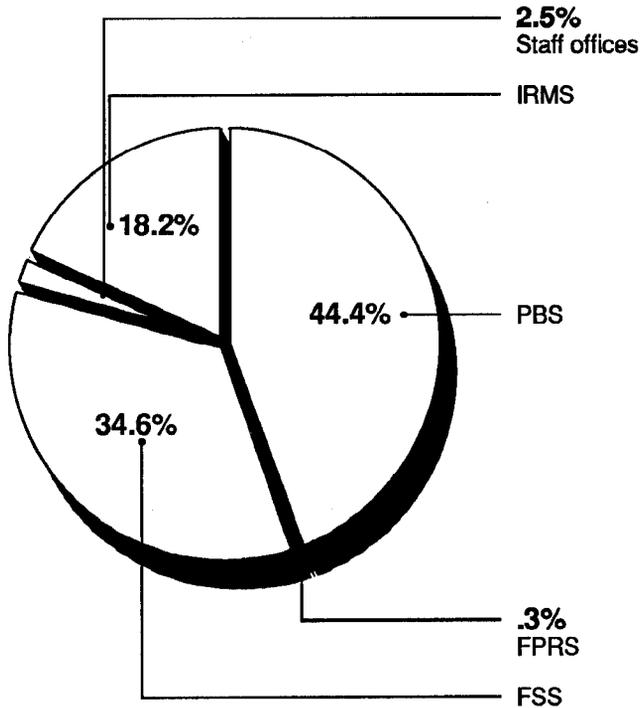
Source: General Services Administration.

including officials of five major agencies with building management delegations,<sup>1</sup> and private sector experts in information, facilities, and logistics management; public administration; and general management.

We interviewed GSA officials and analyzed data from both the central and regional offices. To obtain detailed information on issues relating to GSA's management functions and processes, we interviewed 50 of the 118 senior executives as of June 5, 1988. Also, we sent a series of questionnaires to GSA's executives, mid-level managers, and employees. Information about the questionnaires and the interviews can be found in appendix III. During our review, we met regularly with senior GSA officials, as well as the Board of Directors and the Finance, Acquisition, and Administration Council. The Board and Council are forums for proposing and considering policy, financial, and management issues of national

<sup>1</sup>The five major agencies contacted were the Departments of Health and Human Services, Housing and Urban Development, Justice, and Labor; and the Internal Revenue Service.

Figure 1.3: Program Obligations for  
Fiscal Year 1988



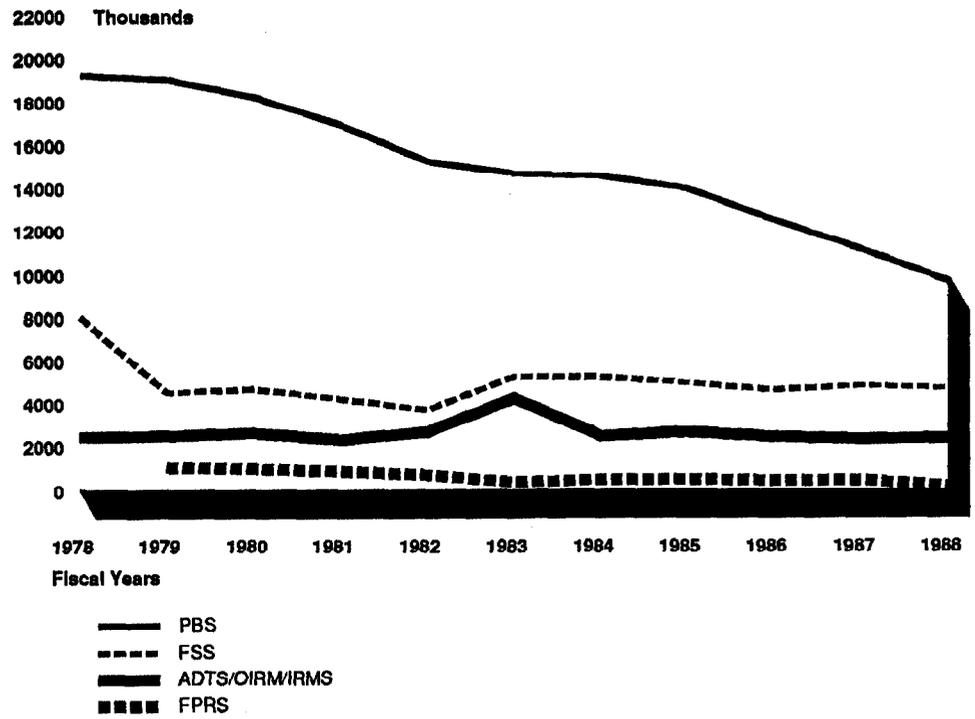
Source: General Services Administration.

importance. They give the Administrator an integrated perspective on such issues prior to decisionmaking.

The Chairman of the Subcommittee on Federal Services, Post Office and Civil Service, Senate Committee on Governmental Affairs, asked us to look at GSA's planning for proposed changes in the funding of FSS. We gave the Subcommittee staff several briefings and agreed to address this issue in this report.

We did our audit between July 1987 and April 1989, in accordance with generally accepted government auditing standards. GSA provided written comments on a draft of this report. These comments are presented and evaluated in chapters 3 through 6 and are included in appendix IV.

Figure 1.4: Staffing Levels by Service,  
Fiscal Years 1978-88



Notes:

1. The Federal Property Resources Service was established in 1978.
2. The Office of Information Resources Management, now called the Information Resources Management Service, was established in 1982.
3. The National Defense Stockpile, which was under FPRS, was transferred from GSA to the Department of Defense in 1988.

Source: General Services Administration.

# GSA's Current Environment and Future Vision

GSA's performance in providing governmentwide policy and centralized property management has continually been criticized. Yet a variety of external influences, often adversely, affect its ability to carry out its mission. From GSA's inception in 1949, its operations have been complicated by differing directions and influences from OMB and Congress on its concurrent roles in making policy, providing oversight, and delivering services.

In 1987, GSA charted a new strategic vision, focusing more of its efforts on setting administrative policy and overseeing delegated procurement and property management activities than on service delivery. It envisions doing operational tasks, such as operating and maintaining buildings, only where there are demonstrated advantages to doing so. To succeed in achieving this vision, however, GSA needs to reach a consensus with OMB and Congress concerning its role.

## Image Often Unfavorable

GSA has operated for some time with an unfavorable image. In the late 1970s, allegations of mismanagement left GSA struggling to improve its image. Over the years, perhaps the most persistent complaints have come from its customers—the rest of the federal establishment—who often have lacked confidence in GSA's ability to provide needed facilities and goods in a timely and efficient manner. There is a deep-rooted perception that GSA is not responsive to customer needs. An August 1965 internal staff paper pointed out that "Since its creation GSA has been subjected to various forms of criticism because of acts of omission or commission in the provision of 'general services' on a Government-wide basis."<sup>1</sup> Another internal study in September 1979 concluded that "Studies done in recent years provide ample evidence of Federal agency dissatisfaction with GSA service and the need to improve communications and systematically follow up on service requirements."<sup>2</sup>

Over the years, GSA has attempted to deal with this problem, but with little success. For example, in late 1978 and early 1979, GSA had an Agency Complaints Office to deal with customer agency problems and communications. Most complaints it received were about space and GSA's lack of responsiveness. A September 1979 study said that "The workload of the Agency Complaints Office grew so substantially throughout

<sup>1</sup>Staff Paper on the Lack of a System for Obtaining Reaction of Customer Agencies to GSA Programs, GSA, Aug. 18, 1965, p. 1.

<sup>2</sup>A Study of the Business Service and Customer Relations Functions in the General Services Administration, Sept. 1979, p. 2-1.

its existence that two people were unable to handle all the problems presented to it.”<sup>3</sup>

An internal GSA study and a customer survey done in 1988, together with our interviews with customer agencies, confirm that GSA had not yet solved this problem. Its customers were still dissatisfied with GSA's operations in terms of adequacy of communications, timeliness in responding to their needs, and high hidden costs. One GSA survey of customer views showed that some agencies believe that GSA treats them with disdain because they are captive customers by virtue of GSA's monopoly on filling agency space requirements.

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## **External Factors Strongly Influence GSA's Role and Image**

Many problems confronting GSA are rooted deeply in its history and have influenced its internal environment. Few agencies suffer as much as GSA from confusion over its primary role and how it should be done. Serious external barriers inhibiting GSA's performance are the conflicting views of its role held by OMB, Congress, and customer agencies.

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## **Need for Clearer Role Definition**

Since GSA's inception, there have been conflicting, unresolved views as to its role. Some see GSA primarily as a regulator of federal procurement, while others see it primarily as a service provider for centralized purchasing and distribution. The Hoover Commission's recommendation in 1949 leaned strongly toward a regulatory role and envisioned GSA as a policymaking body. The 1949 act, however, permits GSA—at the Administrator's discretion—to have an operational role in areas such as building management. According to a 1980 National Academy of Public Administration (NAPA) report, when Congress passed the 1949 act, many legislators were impressed with the idea that the largest savings would come from close control and direct operations in the areas of common item procurement, space control, and surplus property transfers.

The 1949 act lets the Administrator decide the extent to which GSA will engage directly in operations or delegate functions to other agencies. The act gives no criteria to guide the Administrator in making these decisions for building operations. According to GSA, the Administrator has adopted the standards set out in the 1949 act for deciding whether to delegate certain procurement and warehousing functions to agencies. The standards state only that the administrator may make delegations

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<sup>3</sup>A Study of the Business Service and Customer Relations Functions in the General Services Administration, Sept. 1979, p. 2-2.

“ . . . to the extent that he determines that so doing is advantageous to the Government in terms of economy, efficiency, or service, and with due regard to the program activities of the agencies concerned.” Thus, each Administrator is free to reassess and redefine GSA’s role. Until 1982, each Administrator opted for a heavy operational role, especially in the property management area. In 1982, however, former Administrator Gerald Carmen decided for the first time to test the feasibility of delegating building management authority to selected agencies.

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## Strong External Influences on GSA Management

GSA has been significantly influenced by the actions of OMB and Congress. These actions affect the scope and effectiveness of GSA’s management.

GSA’s relationship with OMB is complicated. In some cases, OMB delegates management authority to GSA; in others, OMB overrules GSA’s authority. For example, OMB relies on GSA to carry out some of its own responsibilities in the information resources management (IRM) area. Although OMB is required by the Paperwork Reduction Act of 1980 (Public Law 96-511, approved Dec. 11, 1980) to provide leadership and guidance for IRM throughout the federal government, it delegates many of its IRM functions to GSA. These include reviewing the agencies’ information management activities and developing standards for record retention requirements imposed on the public.

On the other hand, OMB has overruled GSA’s authority in some areas where GSA has policymaking responsibilities, such as facilities management. For example, OMB has, through the budget review process, overturned GSA’s policy decisions in a number of areas, such as construction versus leasing and lease-purchase of buildings.

Presidents influence GSA’s operations through executive orders. For example, Executive Order 11717, dated May 9, 1973, moved some governmentwide administrative and financial management duties from OMB to GSA. In making this transfer, then-President Nixon said he wanted GSA to have a broader management role. He made GSA his principal instrument for developing better administrative support systems for all executive agencies. These duties were transferred—without staff—to GSA, which set up the Office of Federal Management Policy as its focal point for this task. Within 3 years, however, these duties were moved back to OMB by Executive Order 11893, dated December 31, 1975, and GSA gave up 23 staff positions—none of which had been received from OMB.

Congress also influences GSA's direction and operation. The Federal Property and Administrative Services Act of 1949, for example, has been amended at least 60 times over the last 40 years. Some of these laws strengthened, expanded, and clarified GSA's functional responsibility, while others authorized more specific actions or took away functions. For example, the Public Buildings Amendments of 1972 (Public Law 92-313, approved June 16, 1972) created the Federal Buildings Fund and required agencies, for the first time, to pay for the space they occupied. This act also forced GSA to make significant changes in its financial management systems to control these funds and manage the space delivery program.

Further, many congressional decisions concerning other agencies have a direct and lasting impact on GSA's operations, as stated in NAPA's 1980 report:

"In authorizing an agency's program and personnel, a Congressional committee commits payments to GSA for space to house the program's staff. When a Congressional committee authorizes computer acquisition, and the Congress appropriates the necessary funds, GSA's delegation of authority is required before the procurement can proceed. When a new program is authorized or an existing one expanded, GSA is responsible for its administrative activation—furniture, telephone service, equipment, etc. When a Congressional committee determines that an agency's property is no longer required, it is GSA which has responsibility for its alternate utilization or its disposal."<sup>4</sup>

Various actions and policy decisions by Congress can have adverse effects on GSA's performance. Congress sometimes injects itself into operational decisions by directing GSA, for example, to construct a new building in a specific location, even though GSA had not identified that site for a new facility or had assigned a higher priority to other locations. Members also become involved in site selections in large metropolitan areas involving various alternative sites.

GSA faces a number of disincentives to effective economic management. For example, the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100-526, approved Oct. 24, 1988) allows DOD to retain the proceeds from closure of bases. However, when FPRS disposes of property, the proceeds are generally placed in the "Land and Water Conservation Fund," which is available for park and recreational grants to the states by the Department of the Interior.

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<sup>4</sup>National Academy of Public Administration, Evaluation of the General Services Administration, Washington, D. C., Dec. 31, 1980, p. 103.

Another disincentive to optimal GSA performance is the federal budget process, which encourages costly leasing of facilities. In contrast, prudent economics often call for ownership, yet upfront construction funding exacerbates the deficit budget problem.

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## Vision for the 1990s

To better prepare GSA to meet future mission challenges, in 1987 former Administrator Golden had a strategic plan prepared refocusing its operations. According to a GSA official, he discussed the plan with OMB and congressional committees concurrently with GSA's budget proposal. This is discussed in more detail in chapter 3.

The plan envisions an agency that will set governmentwide administrative policy and operate only where there are demonstrated economic and management advantages for central agency involvement. Under the plan, GSA would move away from its traditional role as provider of property management services by divesting itself, through delegations of authority, of many operational services it has been providing to agencies. The plan calls for GSA to assume more of a leadership and oversight role. The plan lays out specific goals for each service.

- **PBS Goals:** To (1) develop and implement housing plans for each agency and regional city to meet agencies' housing needs; (2) provide a quality workspace environment meeting the needs of agencies, including modern systems and support facilities, such as task-oriented furniture, day-care, and fitness centers; (3) reduce by 20 million square feet the amount of space used; (4) move toward ownership of space where economically advantageous; (5) develop a health and safety program to promote a sound work environment; and (6) delegate operating functions to agencies when it is cost effective to do so.
- **FSS Goals:** To streamline and modernize the federal supply system, delegate procurement authority to agencies when there is no significant economic and/or quality advantage for GSA procurement services, and improve the quality of items and services GSA provides.
- **IRMS Goals:** To modernize the government's telecommunications system to give agencies access to needed services at the lowest possible cost, and help upgrade federal operations through the use of modern information technology.
- **FPRS Goal:** To model itself after the private sector by disposing of federal property in a manner that considers the highest and best use for the property and treats it as an asset to be managed.

To succeed in implementing its plan, which is still in effect, GSA recognized it needs

- a highly skilled, technical workforce with considerable expertise in GSA's businesses;
- a vigorous personnel program with aggressive recruitment, broad training opportunities for employees, rotation of managers and technical staff between regional and headquarters locations, performance and certification standards for all major positions, and career mobility; and
- modern financial and management information systems and a centralized executive information system.

The March 1988 version of the strategic plan called for revisions to GSA's organizational structure with operations being decentralized in the regional offices. Central functions within headquarters were to be responsible for policy, planning, obtaining resources, and broad oversight. No actions, however, have been taken to implement this part of the plan. In July 1988, the deputy regional administrators raised questions about the proposed reorganization; these have not yet been resolved primarily because GSA has been without a confirmed Administrator since March 1988. The consensus among the deputy administrators was that the plan left many unanswered questions that needed to be addressed before implementing this part of the plan.

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## Conclusions

To realize its new vision and overcome its unfavorable image, GSA will need to reach a better consensus with OMB and Congress on its role and resolve a number of key internal management issues. The internal management issues that need attention involve efforts to strengthen GSA's executive leadership and human resources management, provide better financial and program management information to support decisions and monitor performance, develop more of a customer-oriented operating philosophy, and forge strong partnerships with other agencies to manage the government's facilities assets. At the same time, for GSA to function successfully as an effective strategic manager of the government's real property assets, OMB and Congress must resist intervening into GSA's facilities management decision process. Instead, they should require GSA to justify management decisions with adequate economic analysis and hold it accountable for the results of its strategic management decisions.

GSA should not be expected to operate directly all the support services other agencies need to do their jobs well. GSA's role should be to set

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governmentwide policy, provide policy guidance, and oversee the implementation of policy; and operate activities only where there are demonstrated economic and management advantages to having a central agency involved.

The remaining chapters analyze the current situation in each of these areas and provide recommendations for improving GSA operations.

# Strengthening Executive Leadership and Direction Setting

Over the past two decades, GSA has experienced frequent turnover in its politically appointed administrators and has had many acting administrators. This has been a serious obstacle to attempts to give GSA a clear sense of direction and adequately prepare it for the future. Because changes in political leadership are inevitable, GSA needs to focus its attention on strengthening its senior executives and forming institutional decisionmaking processes to obtain stable, long-term goals. This will provide a better foundation for considering and implementing new policies to meet future mission challenges.

GSA needs to develop into a highly professional organization giving the government the best possible leadership and professional support in the areas of logistics, information resources, and facilities management. Without these qualities, GSA will not be able to work closely as partners with the other executive agencies to arrive at the best procedures and practices in all areas. Because leadership changes are inevitable, GSA needs to focus its attention on strengthening its senior executives and forming institutional planning and decisionmaking processes. This will provide a better foundation for considering and implementing new policies to meet future mission challenges.

Strong leadership is particularly important because in the coming years, GSA's management team must confront critical challenges facing the agency and address long-term problems undermining its ability to perform its mission. For example, GSA faces obstacles in shifting from an operational to oversight role and instilling a greater customer focus in its programs. (Ch. 4 discusses these challenges in detail.) GSA realizes that solid executive leadership is needed to address these long-range challenges. In 1987, it developed a strategic plan to help set and communicate agencywide goals and objectives and installed an executive information system to help senior executives monitor their operations.

Much more needs to be done, however, to bolster GSA's institutional capacity, given the importance of its mission and the need to improve how it is carried out. We believe GSA should move to strengthen its executive leadership by

- enhancing its strategic planning process and involving more of its senior executives in that process;
- strengthening executive accountability, especially for implementing policies in achieving the services' objectives;
- providing better training and development for the existing senior executives; and

- developing the managerial and executive capabilities and skills of managers to provide a cadre of qualified personnel to fill SES positions as vacancies occur.

## Executive Turnover Has Disruptive Effects on GSA's Ability to Manage Change

During the past two decades, there has been frequent turnover among GSA's politically appointed administrators and key executives. There have been 17 changes in GSA's chief executive position since early 1969. Ten of these changes involved individuals serving in an acting capacity, as shown in table 3.1.

**Table 3.1: Tenure of GSA Administrators, 1969-89**

<b>Name</b>	<b>Months</b>	<b>Tenure<sup>a</sup></b>
Robert L. Kunzig	34	03/69 to 01/72
Rod Kreger <sup>b</sup>	5	01/72 to 06/72
Arthur Sampson <sup>b</sup>	12	06/72 to 06/73
Arthur Sampson	29	06/73 to 10/75
Jack Eckard	15	11/75 to 02/77
Robert T. Griffin <sup>b</sup>	2	02/77 to 04/77
Joel W. (Jay) Solomon	23	04/77 to 03/79
Paul E. Goulding <sup>b</sup>	2	04/79 to 06/79
Rowland G. Freeman III	18	07/79 to 01/81
Ray Kline <sup>b</sup>	4	01/81 to 05/81
Gerald P. Carmen	33	05/81 to 02/84
Ray Kline <sup>b</sup>	12	03/84 to 03/85
Dwight A. Ink <sup>b</sup>	3	03/85 to 06/85
Terence C. Golden	33	06/85 to 03/88
Paul K. Trause <sup>b</sup>	(13 days)	03/88 to 03/88
John E. Alderson, Jr. <sup>b</sup>	5	04/88 to 09/88
Richard G. Austin <sup>b</sup>	in office	09/88 to present

<sup>a</sup>Time frame from date designated or confirmed to date resigned.

<sup>b</sup>Served in an acting capacity.

From March 1969 through September 1988, administrators have had an average tenure of about 14 months. The average tenure of the seven administrators whose appointments were confirmed by the Senate was 26 months. During this period, no confirmed administrator served more than 34 months. Similar leadership instability has occurred among other politically appointed senior executives. For example, since 1969, the average tenure of GSA deputy administrators has been about 15 months.

Commissioners in GSA's largest service, PBS, have remained with the agency, on average, about 12 months.

Earlier reports and studies documented the disruptive effects of GSA's unstable leadership. NAPA's 1980 study stated that "the instability of the top leadership of GSA has had devastating effects on the agency."<sup>1</sup> The report goes on to say that the "revolving door" syndrome in key GSA positions has seriously affected the morale, stability, and operating style of the entire agency. It also cited turnover as the primary reason for GSA's failure to develop strong and effective staff resources.

More recently, in August 1988, a GSA internal management study commented on the negative effects of executive turnover on agency objectives and operations. According to the study, "The high turnover of top management positions in GSA has resulted in frequent changes in goals, objectives, and policy that negatively affect overall program direction." The study pointed out that stable management and consistent direction are needed for PBS to deliver space effectively.

GSA's senior executives commented on the agency's leadership instability in interviews and in their responses to our questionnaire. Administrator turnover was cited as a problem by nearly all of the 50 executives we interviewed. Most of the 95 senior executives who responded to our survey felt that this turnover had a negative impact on the administrator's abilities in such areas as addressing long-standing problems, planning for change, and strengthening GSA's image, as shown in figure 3.1.

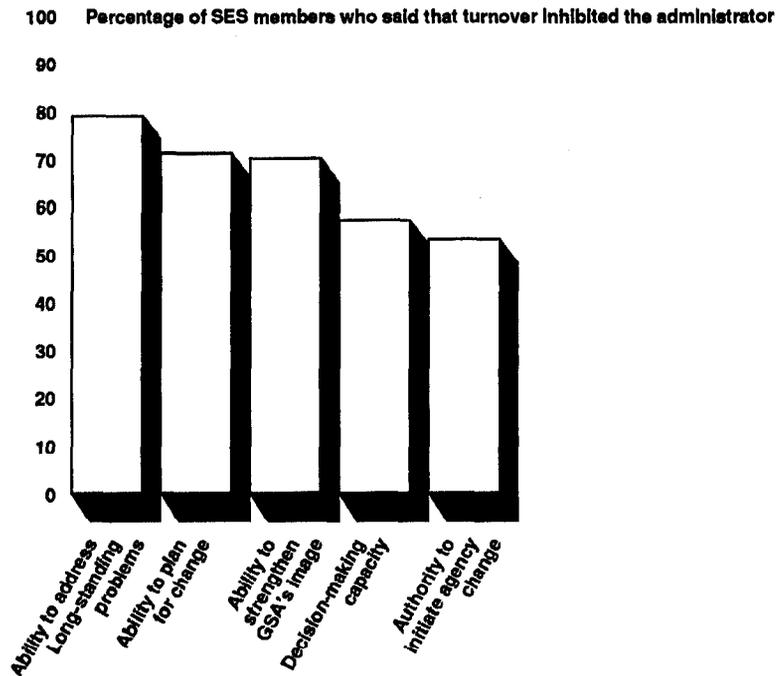
In our interviews, several executives said that the short tenure of the administrators prevented GSA from (1) addressing problems in its organizational structure, and (2) establishing good relationships between headquarters and regional offices. Executives also said turnover has inhibited the administrator's ability to secure the support of the career workforce.

Executive turnover often results in changing agendas. Changes can send conflicting signals about agency strategies to GSA employees and customers. For example, during 1986 and 1987, GSA strongly promoted the delegation of building management authority to other agencies. Since former Administrator Terence Golden left in March 1988, however, support has weakened and former Acting Administrator John Alderson supported

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<sup>1</sup>National Academy of Public Administration, Evaluation of the General Services Administration, Washington, D. C., Dec. 31, 1980, p. ix.

Figure 3.1: Negative Effect of  
Administrator's Turnover on Execution of  
Responsibilities



Source: GSA senior executives' responses to GAO Questionnaire.

reconsidering the cost effectiveness of these delegations. This has resulted in confusion among some employees and customers about where the agency is headed on this issue.

Support for human resources activities also has fluctuated with changes in administration. For example, an emphasis on human resources issues, such as recruitment, training, and development, was revived in 1985 under former Acting Administrator Ray Kline and continued under former Administrator Terence Golden. Before this, however, these issues had been deemphasized by former Administrator Gerald Carmen.

Lack of continuity has contributed to a lack of support for, and failures in, implementing agency changes. The 1980 NAPA study said turnover had created serious resistance to change in most GSA managers. Less than 40 percent of the senior executives responding to our questionnaire said that GSA's central leadership had fostered to a great extent a positive attitude towards change over the past 5 years. To address the turnover problem, the 1980 NAPA study suggested that an act of Congress set

the term for the administrator. The suggestion was proposed again by GSA's senior executives in our recent interviews. However, we do not believe that this alternative would effectively stabilize GSA's management direction. While each president has named a new administrator, no administrator has stayed a full 4 years at GSA.

We believe that a better way to address these concerns would be to strengthen GSA's career leadership and the processes for strategic planning and executive accountability. In this way, when top executives change, it will not have such a disruptive effect on agency direction or operations. Further, as part of its efforts to strengthen its career senior executives, GSA needs to build an effective program for executive development.

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## GSA Strategic Planning Needs to Be Strengthened

Over the years, GSA top management has seen the need to have an effective, long-range planning process to help direct the agency's efforts. For example, in the early 1960s, the agency initiated a "GSA program for short- and long-range planning." This program set "predetermined operations goals," set up 61 separate "program planning areas," and attempted to link budget forecasts to the resource needs identified in the plans.

Although the services have separate planning functions, most of the senior executives believe GSA needs a formal agencywide strategic planning process. Ninety-five percent of the executives surveyed said that it is important for GSA to formalize and strengthen its strategic planning. Also, 27 of the 50 senior executives interviewed expressed a general discontent with the current planning process. Despite the support for a formal process, the agency has had difficulty achieving this. However, we believe that by formalizing the process, GSA will help communicate the agency's agenda and promote a sense of continuity between changes in administrators.

An internal appraisal of the 1960s planning process recommended better coordination of the budget and long-range planning cycles, and more explicitly defined program objectives. It also called for better accountability for planning, more communication of the plan throughout the agency, and better program review processes to assess if plan objectives had been accomplished.

In 1981, just before his departure, former Administrator Rowland Freeman issued a 5-year strategic plan for fiscal years 1983 to 1987.<sup>2</sup> The planning process was to be “linked to a decision-making structure which emphasized cost-effectiveness as a basis for allocation of resources.” The process included an assessment of GSA’s future operating environment and allowed field offices to participate in developing the plan. Service-specific goals and plans were to be derived from the strategic plan. This plan was abandoned, however, when former Administrator Gerald Carmen took over the agency.

In 1987, under former Administrator Terence Golden, a small staff compiled another GSA strategic plan, complete with a mission statement, goals and objectives for GSA and each service, and a listing of management and organizational issues. This plan was finalized in March 1988, shortly before Administrator Golden’s departure. It remains in place, although little action has been taken on it since former Administrator Golden left.

We believe that the major challenges GSA faces in its planning are to deal effectively with cross-functional issues and to coordinate its wide range of responsibilities. For example, to succeed in improving the quality of federal space, the activities of PBS, FSS, and IRMS must be coordinated. PBS provides and manages the space, while FSS and IRMS must supply the required systems furniture, office automation systems, and telecommunications services. PBS and FPRS need to plan and coordinate the reuse or disposal of real property. Further, headquarters and regional activities must be linked to ensure the effective and uniform implementation of program policy.

GSA needs to better define the connection between strategic planning and budgeting and familiarize Congress, OMB, and others with its strategic plan. Further, it needs to ensure that senior executives take part in the planning process and implement an effective mechanism to supply feedback on program results.

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### **Weak Link Between Agencywide Strategic Planning and Budgeting**

An effective strategic planning process drives budget formulation within an organization. Historically, GSA’s long-term planning guidance emphasized the need for this linkage. GSA’s strategic plans were to drive the budgeting process.

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<sup>2</sup>FY83-87 Long-Range Plan, GSA, Jan. 1981.

Despite this historical emphasis, GSA currently does not use an agency-wide strategic plan to drive its budget formulation activities, and there is no formal link between these activities. For example, according to budget officials, preparation of the budget actually preceded the updating of the strategic plan. Many of the executives we surveyed also feel there are weak links between planning and budgeting. Less than one-fourth of the executives responding to our questionnaire said that strategic planning is effectively integrated with the budget process.

For the strategic plan to drive its budget, GSA must communicate its needs to OMB and Congress. A clear, thoughtful vision of GSA's future must be presented to these constituencies, as they have a significant influence on its operations. The Associate Administrator responsible for developing GSA's current strategic plan agreed that the plan should serve as a tool to help explain GSA's needs to outside entities. However, only 26 percent of the senior executives we surveyed believe that GSA was effective in providing these explanations.

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### **Limited Participation by Senior Executives in the Strategic Planning Process**

GSA's top management realizes that senior manager "buy-in" to the strategic plan is important. For the 1981 plan, former Administrator Rowland Freeman formed a planning committee and a planning council to allow headquarters and field executives to participate in the strategic planning process. According to the majority of executives we interviewed, however, the 1987 planning exercise did not provide for very broad participation.

A majority of the senior executives we interviewed said that participation was a problem in developing GSA's current strategic plan. As one executive noted, "There was no contact with the field. The first thing we had a chance to see was a final product." A headquarters official told us, "The concept was never sold and no one was drawn into the process." Seventy-nine percent of the executives surveyed said that their participation should be increased if GSA formalizes an agencywide planning process.

While participation in planning is important, senior executive support is essential to the success of agency initiatives. According to the executives we surveyed, such support did not always exist. For example, more than two-thirds of the executives who responded to our survey felt that building delegations, one of former Administrator Golden's 13 goals and objectives, was not one of GSA's most critical concerns. More

than 50 percent said that establishing cooperative administrative support units—another agency goal—was not a critical concern.

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## Feedback Mechanisms Needed

For effective strategic planning, plan accomplishments should be monitored closely and plan revisions made promptly. In the early 1960s, GSA management recognized the need for and the benefits of conducting such assessments of agencywide planning activities. GSA studies have noted that an effective planning process establishes accountability for results and provides for a periodic review of program accomplishments. In addition, the Associate Administrator in charge of strategic planning noted that this type of evaluation process should help keep the plan responsive to changing external conditions that could influence GSA's activities.

Despite the importance of these mechanisms, less than 10 percent of the senior executives surveyed believe that GSA currently uses, to a great extent, the results of internal and external agency audits, reviews, and evaluations during strategic planning. Only 31 percent said GSA was reviewing plans effectively and revising them in light of operational or environmental changes.

Under former Administrator Terence Golden, GSA began developing an executive information system called ExecuTrac, which has the potential for being a vital part of a strategic planning process. One objective of ExecuTrac is to provide GSA's top executives with feedback on progress made toward achieving critical agency and individual service goals and objectives. However, as discussed in chapter 6, the system has not yet been successfully implemented, and senior executives are still learning how to use this new technology as an effective management tool for evaluating program performance.

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## Corrective Actions Initiated by GSA

After we completed our audit work and discussed our findings with GSA officials, actions were initiated to address the strategic planning issues presented in this chapter. In May 1989, GSA convened an SES Workshop on Strategic Planning to agree on terms to be used in discussing strategic planning, to develop a consensus as to whether or not it should be done across the agency, to identify a preliminary list of issues that must be addressed, and to agree on the next steps to be taken. Among other things, the SES group reached a clear consensus that a strategic planning process involving all organizations is needed in GSA, and the design and

management of an overall process should be driven from the top with an active role by a broad spectrum of management.

Following the workshop, Acting Administrator Austin issued a memorandum to the heads of services and staff offices, regional administrators, and SES members. In this memorandum he said

"I would like to see an agencywide process designed and implemented which will involve all organizations in planning; will assure participation, input, and buy in from a broad spectrum of our management; will, as appropriate, integrate the plans of each Staff and Service; will result in plans that are concise and focused on the most critical goals and strategic issues; and will be actively used to initiate action and guide programs rather than sitting on a shelf awaiting the next scheduled update."

He assigned one senior executive to develop a planning process and strategic plans for GSA and requested that all other executives help in the endeavor.

The new strategic planning process has been completely outlined, incorporating the principles set forth by Acting Administrator Austin. The process is being used throughout the agency to develop a plan that will document the mission, environment, current status, 5- and 10-year visions, current and strategic issues, and strategies. Outside consultants have helped the services use the new process. The schedule for the 1990 strategic plan calls for the goals and objectives to be approved by the Administrator by September 30 and the final agencywide plan to be published by December 31, 1989. SES performance plans for fiscal year 1990 will be tied to the plan, and in the next budget cycle, the planning and budget processes will be linked. To monitor plan execution, Execu-Trac will be used to track critical goals and objectives.

GSA officials recognized that the process still needs some fine tuning. However, they were confident that the process will become an intrinsic part of GSA's management practices, especially if Acting Administrator Austin is designated as the next Administrator. They said the Acting Administrator is firmly committed to successful implementation of a permanent strategic planning process to help the agency stabilize its future direction and cope better with changes in executive leadership.

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## Strengthen Executive Accountability for Program Operations

Performance measurement and strong accountability play key roles in GSA's ability to assess whether executives are obtaining desired results. Without measures of performance, it is difficult to assess the need for improvements or determine if anticipated results have been achieved. Federal requirements exist to insure measures of accountability. Responses to our senior executive questionnaires identified accountability problems, as did our own analyses of performance plans.

Although GSA has seen the need to articulate specific objectives and measurements for its senior executives, more must be done to define better measures of performance, establish executive accountability, and ensure that agency goals and objectives are carried out effectively. Such measures enable supervisors and staff to objectively determine how well they are doing their work by comparing actual performance to defined criteria.

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## Federal Performance Management Requirements

Recognizing the need for good performance management, the Civil Service Reform Act of 1978 (Public Law 95-454, approved October 13, 1978) emphasized that the accountability of senior executives is to be fixed and individual performance linked to organizational performance. To provide the basis for evaluating success, the act required agencies to install executive performance appraisal systems. Appraisals are to be used in making personnel decisions on compensation, rewards, removal, transfers, reassignment, and training.<sup>3</sup>

The act identifies certain appraisal criteria for assessing executive performance. Section 4313 of title 5 of the act states:

"Appraisals of performance in the Senior Executive Service shall be based on both individual and organizational performance, taking into account such factors as . . . (1) improvements in efficiency, productivity, and quality of work or service, including any significant reduction in paperwork; (2) cost efficiency; (3) timeliness of performance; (4) other indications of the effectiveness, productivity, and performance quality of the employees for whom the senior executive is responsible; and (5) meeting affirmative action goals and achievement of equal employment opportunity requirements."

Although performance appraisal is an inherently subjective process, the Civil Service Reform Act required agencies to set performance standards

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<sup>3</sup>Testimony of the Comptroller General on the Impact of the Senior Executive Service (GAO/ GGD-84-32, Dec. 30, 1983).

that, to the extent feasible, use objective criteria to evaluate performance accurately. Also, the Federal Personnel Manual says that each standard should be objective, realistic, reasonable, and clearly stated in writing.

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**Senior Executives  
Identified Accountability  
Problems**

In their questionnaire responses, GSA's senior executives identified problems with executive accountability. Although about one-fourth of GSA's senior executives said that managers' level of accountability for staff performance had improved over the last 5 years, 67 percent of the executives said that unclear lines of responsibility or accountability have hindered GSA central leadership's ability to implement change. Further, PBS and FSS Commissioners expressed concerns about the reporting relationships of regional administrators and regional program managers, and the inability to hold them accountable for effectively implementing program policy.

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**GSA's Performance Plans  
Lacked Accountability  
Measures**

To determine whether GSA used performance plans to hold its executives accountable for their performance, we reviewed 102 1988 senior executive plans, which were all the plans available. Sixty-nine percent of GSA's executives were rated as outstanding, 24 percent were rated highly successful, and 7 percent were given successful ratings.

Although GSA's performance plans do measure some of the criteria specified in the Civil Service Reform Act, these criteria were not addressed in all plans. Since the act also calls for objective standards where feasible, we looked at the percentage of quantifiable—objective—measures contained in GSA's performance plans. While we recognize that not all goals can be quantified, our analysis showed that the majority of the performance plans did not have quantifiable measures tied to the performance standards, as shown in table 3.2.

**Table 3.2: Appraisal Criteria and GSA  
 SES Performance Plans**

<b>Civil Service Reform Act appraisal criteria</b>	<b>Percentage of performance plans</b>	
	<b>With this measure</b>	<b>With measure quantified</b>
Cost efficiency	100	13
Affirmative action	100	0
Efficiency/productivity	62	27
Timeliness	54	33
Customer service quality	46	9
Work quality	27	4
Reduction in paperwork	1	0

Although 78 percent of the senior executives who responded to our questionnaire said that GSA’s central leadership placed great importance on high-quality service, less than half of the executives’ performance plans had any measures for service quality. Only 9 percent of the plans had any quantifiable measures for the quality of customer service.

Furthermore, standards were stated in general, rather than specific, terms. For example, the following is a critical performance objective in a number of regional administrators’ plans: “Prudently manage personnel and fiscal resources of the region to support GSA objectives in a manner that improves the quality of staff and ensures delivery of services.”

Our review of the 668 performance objectives in the 102 plans showed that some objectives had measures that we believe were too diverse to be used effectively to assess executive performance, particularly in the regions. For example, each regional administrator’s plan had a critical objective for accomplishing services’ goals. The large number of diverse measures contained in this objective made it difficult to assess overall achievement; further, it was only one of at least seven other critical objectives for the regional administrators. A similar objective in some assistant regional administrators’ plans also contained measures we felt were too numerous and diverse to be effective.

We believe that the lack of a formal reporting relationship between service commissioners and regional executives and managers makes it difficult to hold them accountable for effectively implementing program policy. The lack of effective accountability links between headquarters and the regions must be addressed by GSA.

## Strengthen Development and Selection of Agency Executives

As GSA works to better manage organizational change, the need for high-quality executives will become paramount. As at other agencies, the SES is important at GSA because these executives make nearly all of the agency's critical policy and operational decisions. Moreover, GSA's senior executives possess the institutional knowledge and continuity needed for long-term and effective change management.

GSA faces problems in strengthening its senior executive service, including

- the lack of a formal program for executive development, and
- the potential need to replace about 30 percent of the existing executives who will be eligible to retire in the next 5 years.

## Status of GSA's Current SES

At the end of March 1989, GSA had 115 SES members. Table 3.3 shows where these executives were assigned.

**Table 3.3: GSA Senior Executives' Locations**

Assigned office	Number	Percentage
Regions	38	33.0
Staff offices	31	27.0
Services		
IRMS	12	10.4
PBS	9	7.8
FSS	8	7.0
FPRS	2	1.7
Inspector General	7	6.1
On sabbatical or assignment	8	7.0

Most of the career executives have been with the agency for 12 or more years. About 30 percent of the senior executives will be eligible for retirement in the next 5 years. Figure 3.2 shows how long GSA's executives have been in the SES at GSA.

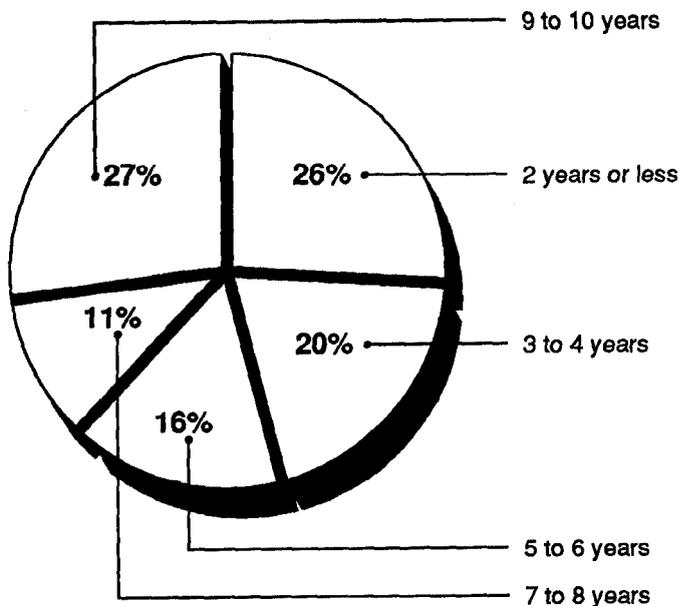
## No Formal Development of Existing Senior Executives

GSA provides senior executives with opportunities to attend internal seminars and external courses. Although there is no mandatory program for executive development, GSA does have an elective Executive Excellence Seminar Series. Set up in September 1985, this series consists of lectures designed to increase executives' knowledge and acquaint them

with the current state of the art and future trends in management, science and technology, and economics and public policy. Other executive development efforts include external training programs, such as the Federal Executive Institute, and job rotation.

Standards for formal training have been developed and applied to certain categories of federal employees and some professional occupations. In the 1988 Government Auditing Standards, the Comptroller General sets clear continuing education guidelines for all staff involved in government auditing, including supervisors, managers, and executives. These guidelines suggest that organizations should have a program to ensure that staff members maintain professional proficiency through continuing education and training. The guidelines further suggest that, to satisfy this requirement, officials responsible for planning, directing, conducting, or reporting should complete at least 80 hours of continuing education and training every 2 years. Furthermore, some professional organizations and state regulatory agencies require a specific number of continuing education units to practice in the profession.

Figure 3.2: Senior Executives' Tenure in  
SES at GSA.



Source: General Services Administration.

GSA has no formal training requirements for its executives. Many senior executives we interviewed were dissatisfied with GSA's efforts to develop senior executives. In response to our questionnaire, only about 40 percent of the executives said they were satisfied to a moderate or great extent with GSA's activities in executive development.

During our review, GSA has taken actions to permit more of its senior executives to receive external developmental training. It increased its participation at the Federal Executive Institute—19 executives are scheduled for fiscal year 1990 courses at the institute—and, during calendar years 1988 and 1989, 13 managers and executives were scheduled to attend courses at Harvard University.

### Senior Executive Candidate Selection Program Underutilized

Despite the impending retirement of about 30 percent of its senior executives within the next 5 years, GSA does not have a pool of agency-trained SES candidates to fill these future vacancies. Its candidate development program has essentially been dormant since the initial effort in 1980. One way to prepare for impending retirements could be to produce

a cadre of managers whose managerial and executive skills and capabilities have been developed through a formal training program.

GSA has recognized the importance of recruiting and maintaining an effective SES cadre. In 1980, it established a full-time, centrally funded, SES Candidate Development Program to identify and prepare high-caliber individuals to fill executive positions. Six people were selected to participate in the program; however, through 1988, no additional candidates were selected. Selection for the program was not a guarantee for an appointment. Rather, GSA evaluated the candidates' potential, experience, performance, achievements, training, and developmental activities. Mobility was one essential element of the program, since developmental assignments in different functional, organizational, and geographic areas were required. Four of the six program participants were placed in SES positions within GSA.

Despite its establishment of the candidate development program, since 1980, GSA has filled its career SES positions primarily through the merit selection process coordinated by GSA's Executive Resources Board. The Board was created to make recommendations to the Administrator on senior executive recruitment strategies, appointments, and reassignments. It consists of the Deputy Administrator as chairperson, and six members—usually the heads of the services, staff offices, and the regions—who serve 2-year terms.

GSA's Personnel Office was unable to provide us with exact information on the number of senior executive vacancies filled since the candidate program began. Therefore, we looked at current senior executives to determine how they entered the SES. The majority of GSA's 115 senior executives (58.3 percent) were promoted from within the agency, as shown in figure 3.3.

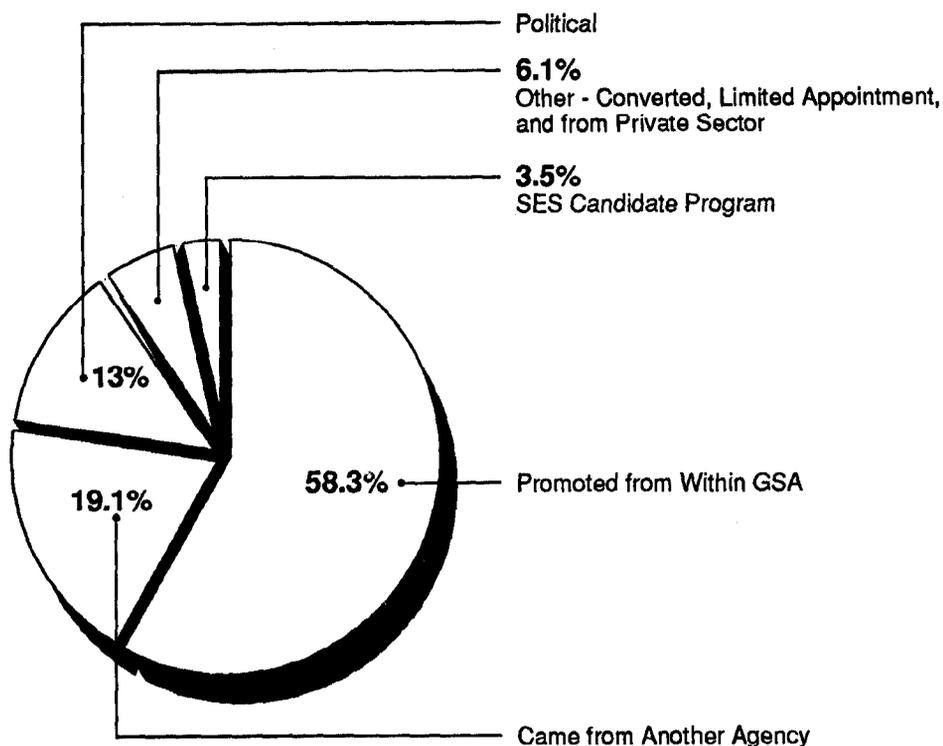
Over half of those promoted to the SES from within the agency were elevated after GSA created its candidate program. However, these individuals did not go through the program.

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### **Lack of Satisfaction With Candidate Development Efforts**

We reported on governmentwide results of the Candidate Development Programs in 1986 and 1988. As with GSA, other agencies have not fully used the program. However, more than half of the 48 agencies responding to our survey in 1986 said that the program should be continued,

Figure 3.3: Sources From Which GSA  
Drew Its Current Senior Executives



Source: General Services Administration.

and nearly half believed that—in the aggregate—the program’s advantages were greater than its disadvantages.<sup>4</sup> Our 1988 review at six agencies showed these programs were successful only in those agencies where top management saw some value in the program.<sup>5</sup> At GSA, personnel officials said the program has been inactive because of inadequate top management support.

Many senior executives expressed dissatisfaction with GSA’s current activities in candidate selection and development. In response to our questionnaire, only about half said that they were satisfied to a moderate or great extent with GSA’s efforts to identify SES candidates. Less

<sup>4</sup>Senior Executive Service: Agencies’ Use Of The Candidate Development Program (GAO/GGD-86-93, July 14, 1986).

<sup>5</sup>Senior Executive Service: Reasons The Candidate Development Program Has Not Produced More SES Appointees (GAO/GGD-88-47, Apr. 20, 1988).

than one-third said they were satisfied to a moderate or great extent with the development of SES candidates.

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## Conclusions

GSA's senior executives must successfully manage the changes required to respond to important long-term needs in the future. They recognize that long-term needs are not effectively addressed by the incremental annual budgeting process. GSA has initiated efforts to address long-term challenges, including establishment of an integrated strategic planning process to develop long-range plans, performance measurement systems, and programs to strengthen its career executive cadre. These efforts have met with mixed success.

GSA must build upon these initiatives by institutionalizing the link between planning and budgeting and by familiarizing other key organizations with its strategic plan. It also must make the involvement of more senior executives as participants in plan development an intrinsic part of GSA's management practices and effectively use ExecuTrac as a mechanism to provide feedback on plan accomplishments. A feedback mechanism is essential to keep the plan responsive to changing environmental conditions, make needed corrections based on actual experiences, and establish management accountability for the plan. Also, GSA must build links between headquarters and regional offices to ensure that regional executives and managers are held accountable for achieving service goals and objectives.

GSA should build upon its efforts to establish executive accountability through more effective use of the SES performance plans. These plans need to be tied to agency, service, and unit goals and objectives. We understand that this is the plan, but the administrator needs to ensure that this objective is achieved. The plans need to more clearly define expectations in terms of goals and objectives for the appraisal period, using the criteria specified in the Civil Service Reform Act of 1978. Also, clearer performance standards are needed to better define and measure expected levels of achievement. These standards should include specific measures of quality, quantity, and timeliness.

GSA needs to strengthen its efforts to develop and maintain a cadre of qualified senior executives. This should include establishing a core technical and managerial curriculum for executive development and an

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active program to develop the managerial and executive skills and capabilities of its managers. The expansion of GSA's participation in the Federal Executive Institute and Harvard executive development programs is a step in the right direction.

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## Recommendations

To strengthen GSA's efforts to prepare effectively for the future, we recommend that the Administrator

- make the integrated strategic planning process being developed an intrinsic part of GSA's management practices for establishing broad consensus on goals and objectives across the agency;
- strengthen the links among strategic planning, operational planning, and budget development by using the strategic plan to drive budget development and deriving operational plans from the strategic plan; and
- familiarize other key organizations, particularly OMB and Congress, with GSA's strategic plan.

To improve executive performance management and to better hold executives accountable for agency and program results, we recommend that the Administrator

- ensure that each senior executives' performance plan is tied to agency, service, and unit goals and objectives, and that all Civil Service Reform Act of 1978 assessment criteria are used in developing performance objectives and measurements;
- ensure that performance plans articulate clear, realistic, and, where possible, measurable goals and objectives so that the senior executives' contributions to the achievement of agency, service, and unit goals and objectives can be accurately assessed;
- use the ExecuTrac system to support the strategic planning process and collect information on plan accomplishments and key performance indicators to hold managers accountable; and
- identify ways to ensure that central office policies and goals are effectively carried out in the regions.

To strengthen GSA's efforts to develop and maintain an effective senior executive cadre, we recommend that the Administrator

- implement an executive development program that includes core technical and managerial training requirements for all senior executives and

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elective courses to update executive skills in areas such as change management, quality management,<sup>6</sup> human resources management, performance measurement, and financial management; and

- institute an active program that will develop the managerial and executive skills and capabilities of the agency's managers to provide a pool of qualified personnel for SES consideration as vacancies occur.

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## Agency Comments

GSA agreed with all the recommendations in this chapter. Its specific comments are included in appendix IV on pages 113-115. As pointed out in the chapter, GSA has already implemented our original recommendation to establish a strategic planning process. We have therefore redirected our recommendation to the need to provide the attention needed to ensure that this new process becomes an intrinsic part of GSA's management practices, an objective with which the Acting Administrator concurs. We believe that when the process becomes ingrained in the management culture, it will serve as a strong stabilizing force in coping with the inevitable changes in agency and service leadership.

The Acting Administrator advised us that (1) complete integration of the strategic plan with operational planning, budgeting, and results management should be accomplished under the new planning process being implemented; (2) the new process will include a requirement to familiarize other organizations, particularly OMB and Congress, with GSA's strategic plans; and (3) the ExecuTrac system will be a key component of the integrated planning process; it will use performance indicators to monitor progress.

In response to the accountability recommendations, the Acting Administrator told us that performance plans will be tied to the strategic planning process. Further, he has issued a memorandum to all senior agency managers to develop performance plans for fiscal year 1990 and succeeding years, stressing the need for more specific and measurable goals and objectives that will assure assessment of results achieved. He said he believes that the central office and regional working relationships have improved over the last 2 years because of the Management Council process and quarterly general management reviews. He advised us that plans are underway to merge these two tools to achieve even better accountability.

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<sup>6</sup>Quality management is explained and discussed on pp. 59-62.

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**Chapter 3**  
**Strengthening Executive Leadership and**  
**Direction Setting**

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The Acting Administrator said that in response to our recommendation on executive development, the GCAP has appointed a subcommittee to study executive development needs and to develop a program for implementation.

# Facilities Management Role Needs to Be Refocused

GSA's future hinges on how well it responds to challenges facing it in managing the government's workspace. Facilities management is emerging as a more important function than ever, one that can help organizations work more effectively and efficiently. Changing technologies and the recognition that quality workspace affects performance and productivity are reducing agencies' willingness to rely upon GSA as the sole provider of facilities management services. Also, GSA's customers are placing more demands on it for different and better types of space as the nature of office work changes. Finally, the installation of more complex technologies in buildings is creating greater demands for more attention to facilities management.

These factors, combined with the cuts in staffing GSA has sustained over the last decade—cuts that it realistically cannot expect to regain—dictate that GSA must change its operations. To successfully carry out its facilities management mission, GSA must (1) focus more attention on overseeing governmentwide facilities management activities, including those properties that are not under GSA's control; and (2) delegate operational functions to the maximum extent possible and oversee the execution of these delegated functions. To do this, PBS must redirect its activities more towards providing policy guidance and oversight for the government's facilities management activities, both over property under GSA's control and that controlled by other agencies—a mission responsibility that has been neglected. It must also emphasize helping other agencies develop adequate facilities management systems.

Failure to make this role change will not only mean that GSA cannot fulfill its mission, but will also adversely affect the ability of other agencies to carry out their programs and missions effectively in delivering government services to the public. Since a successful role change is of paramount importance, PBS serves as a good example of the need for stronger leadership at GSA, and why better change management and decision support systems are needed to aid in guiding GSA into the future.

PBS has modified its role by delegating the authority to manage day-to-day operations of some buildings to tenant agencies. This change alone will not equip PBS to face upcoming challenges. It will require PBS to strengthen its governmentwide leadership and oversight role at two levels—governmentwide property asset management and delegated facilities management functions—to ensure that all the real property assets of the government are preserved and protected. This means PBS must assume a more strategic management posture to protect the government's assets over the long term.

PBS must begin to monitor how well agencies are implementing governmentwide property management policies; such monitoring has not occurred in the past. Also, to prepare GSA for the 1990s and beyond, PBS' senior executives must deal with some longstanding program management problems that will inhibit the transition.

The three most prominent problems are the need to (1) adopt a customer-oriented focus in carrying out its business, (2) establish better accountability for policy implementation, and (3) improve the availability of relevant information to manage the government's facilities assets and oversee facilities management functions.

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## **Changing Facilities Management Concept**

Facilities management, as generally practiced in the past, focused on caretaking tasks, such as providing, cleaning, repairing, and safeguarding space. The objective was to provide for basic space needs at the least cost. Over the last decade, this focus has shifted. Managers are recognizing that facilities-based decisions in areas such as quality and design of furnishings and space arrangements affect workplace atmosphere, productivity, and ability to achieve objectives. Facilities are beginning to be seen as valuable but undermanaged assets that are an integral part of carrying out an organization's mission. More managers understand that facilities affect employee morale and retention, productivity, and mission success. Private sector managers are accepting the idea that these assets are more than just costs to contain, that they have great potential and should be used as tools to support policies and achieve work objectives.

Today, changing attitudes, expectations, work styles, and new technology introduced into the workplace are placing more demands on facilities managers. The Office of Technology Assessment says that the rapid spread of information technology is changing the way work is done. These changes will alter space needs, for example, because changes in workflow will lead to shifts in responsibilities and relationships between coworkers and among working groups. These shifts will change workspace location and distribution patterns, communication patterns, facility needs, and building systems—acoustics, lighting, heating, ventilating, cooling, and electrical—to support greater computer usage.

GSA often is criticized for not providing leadership and guidance for effective governmentwide facilities management. In 1985, a study on real property management by the Cabinet Council on Management and Administration criticized the lack of central leadership and a strategic

view of facilities. The main issues were that facilities were not managed as valuable national assets, nor used effectively to support agency missions and programs. The study, while not stating so directly, suggested that emphasis be placed on using real property and the work environment effectively, and that facilities use be tied to strategic goals. The focus should be on creating economically efficient, attractive, and symbolic work environments.

This report and a follow-up report by the President's Council on Management Improvement (PCMI) suggested that GSA's strategic objective should be to provide governmentwide leadership and guidance to help agencies integrate people, tools, technology, and facilities. The studies held that, in this way, the workplace will help create an environment that will increase the efficiency and effectiveness of the people who work there and better support an individual agency's strategic goals. GSA is too far removed from agencies' planning processes to independently achieve these objectives; therefore, GSA and the agencies must work together in a cooperative effort to manage the government's facility resources and ensure that (1) they are used more effectively in supporting program objectives, and (2) taxpayers' investment in these assets is adequately protected.

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## **GSA's Evolving Role**

GSA's facilities management role is evolving in two ways. First, the President has directed GSA to assume a greater governmentwide role in overseeing real property asset management. Second, as a result of its building management delegations program, GSA must oversee operations it previously did itself. Most of GSA's efforts and attention have been focused on the delegations program.

Executive Order 12512, signed by the President on April 29, 1985, requires GSA, among other things, to provide governmentwide policy oversight and guidance for facilities management, and leadership for the development and maintenance of needed real property information systems throughout the government. GSA, however, has done little to incorporate this governmentwide oversight role into its operations.

Federal Property Management Regulations have not been revised to incorporate the basic principles of real property asset management, although a draft regulation to do this has been prepared. Representatives from other agencies helped draft the proposed regulation, as did the Real Property Executive Advisory Committee—senior real property executives from each of the cabinet-level agencies and selected smaller

agencies—formed by the former PBS Commissioner. The regulation, when issued, will be a first step toward setting up sound principles of governmentwide real property asset management policy.

GSA has developed and disseminated a generic real property management system—Foundation Information for Real Property Management (FIRM)—for use by all agencies holding or occupying real property. PBS has given FIRM to 25 agencies; we did not determine whether these agencies are actually using the system to manage their real property. PBS continues to modify the system to adapt to evolving policy and recommendations to incorporate needs identified by the FIRM Users Group.

Until 1982, PBS handled all major facilities management functions for buildings under GSA's control. PBS then began a 5-year pilot project to assess the costs and benefits of delegating building management authority to some agencies in the Washington, D.C., area. The Administration directed GSA, in 1984, to expand its pilot to single-tenant buildings nationwide.

Because GSA does not have good pre-delegation information, hard data as to the cost effectiveness of the delegations program are not available. Without good baseline data on costs, quantity, and quality of building services, the data accumulated since delegations began cannot be compared to the earlier period. Still, delegations do appear to work: All nine pilot agencies told us that the quality of building services improved under delegation.<sup>1</sup>

Other factors besides the direct costs of operating and maintaining buildings should be considered when evaluating the cost effectiveness of these delegations. Facilities' responsiveness in supporting an agency's mission and programs has value, as does the effect facilities have on employee morale and retention, productivity, and mission success. In assessing the overall cost effectiveness of the delegations, a cost-benefit analysis should be made that considers the beneficial effects as well as the cost differential of the program.

We believe that agencies are in the better position to judge whether their physical environment is adequate for their needs. Therefore, we strongly support continuing delegations and refocusing of PBS' efforts to

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<sup>1</sup>Building Operations: GSA's Delegations of Authority to Tenant Agencies (GAO/GGD-88-103, Aug. 3, 1988).

strategically manage the overall inventory of federal facilities. One of the primary concerns in delegations, however, is that the facilities be maintained adequately over the long run. This will require effective leadership and oversight by PBS to ensure that the value and integrity of delegated facilities do not deteriorate. That is where good oversight by GSA becomes important.

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## Resistance to Change

PBS executives do not fully support giving tenant agencies a greater role in managing their own buildings. Acquiring, operating, and maintaining facilities is seen by PBS management as its primary role. At PBS' central and regional offices, its senior executives, managers, and line staff are operations-oriented. As such, they have generally resisted the role change required to delegate building management authority and continue to support an operational role. Some view the change as admission that they cannot do the job.

PBS executives and managers continue to believe that GSA can provide building services more economically than the other agencies; therefore, they do not view delegations as a critical concern for the agency. In responses to our questionnaire, 77 percent of PBS' senior executives and 71 percent of its managers (GM-13/15) said they did not believe that delegating operating functions to line agencies was one of GSA's most critical concerns. A lack of buy-in on delegations was clearly evident in written comments. For example, one manager wrote "... part of the explanation for the Delegation Program [is] that the agency [with a delegation] could respond to their [sic] needs quicker than GSA. I do not agree with this as a reason to support the program." Another wrote "... Agencies with delegations are operating buildings at a greater cost than GSA used to, with more people than GSA, at a higher grade(s), in many cases. Meanwhile GSA is losing people. This makes no sense. ..."

Some PBS staff recognize the need for change as evidenced by the written comments one manager provided in response to our questionnaire.

"The need to become a customer-focused organization is still with us. If we don't do our jobs better ... agencies will do whatever they can to take over these functions ... We do not do a good job of keeping our customers informed. We do not provide them with a single point of contact; we don't provide them with project schedules; we don't make them participants in the design and acceptance process; and we avoid any contact since most news is bad news. Agencies feel that when they send a SF-81 [Request for Space] to GSA, they are relegating their needs to a huge black hole."

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**What Should PBS' Role Be?**

Drawing from research by the International Facility Management Association, the Facilities Institute, the Massachusetts Institute of Technology, and others, we identified those key facilities management elements best done centrally. On the basis of this information, we believe PBS needs to focus on managing the government's facilities inventory from a strategic perspective. This includes acquiring and disposing of facilities; developing and overseeing governmentwide policies and programs to integrate physical, financial, and organizational objectives and strategies; and overseeing building management delegations to ensure that the facilities' value and integrity are maintained. PBS also should provide leadership, oversight, and help in developing effective facilities management systems throughout the government. It has begun this effort with the FIRM system. Finally, PBS' should act as a central training source, do research benefitting governmentwide activities, and share its expertise.

While these functions should be PBS' primary focus, it is not practical to delegate all operational tasks. Some small agencies and commissions may not be able to handle these functions effectively; it also is not feasible to delegate the management of multitenant buildings. In these situations, PBS should use contractors in lieu of providing services itself. This will require strong contract administration to ensure that buildings are properly maintained by the contractor. PBS also will need to continue to handle major renovations and repairs. On a case-by-case basis, however, it should consider delegating these functions to other agencies to the extent they are capable of carrying them out.

To fulfill this new role, PBS must define how it plans to oversee governmentwide facilities management activities and strengthen its oversight of delegated activities. It will need to determine its human resources requirements in terms of numbers and kinds of technical skills. It must also determine the kinds of training it will need to provide so as to retrain existing staff to carry out new duties.

Our consultant panelist from the Massachusetts Institute of Technology, Laboratory of Architecture and Planning, told us that the Laboratory's facilities management research shows that the private sector is actively grappling with issues similar to those facing GSA. Major questions now being discussed in corporations throughout America have to do with the expanding role of the corporate real estate function, how to centralize policy guidance and decentralize operations, and the tools and systems that can be put in place to develop decision support systems. There is also great interest in strategies to lease or own.

Further, the decentralization of facilities management responsibilities, while maintaining overall policy purview at headquarters is being worked out in a variety of corporations—Digital Equipment Company, IBM, Northern Telecom, BP America, to name a few. The consultant noted that most organizations have an easier time determining what to decentralize than they do figuring out what to keep centralized and how to make this distribution work.

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## Managing Role Change Will Be Major Challenge for PBS

The major challenge facing PBS is coping with the fact that it must make extensive changes in the way it operates as it moves into the 1990s. PBS must shift its efforts to managing property—both GSA controlled and that controlled by other agencies—and away from operating buildings in its own inventory. At least three problems will hamper PBS from effectively responding to changing conditions. These are

- operations-oriented practices that are not responsive to customers' need for quality space and services,
- lack of direct accountability for policy implementation between the PBS Commissioner and the assistant regional administrators for PBS, and
- inadequate information systems to support a governmentwide strategic management and oversight role.

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## Customer-Oriented Focus Needed

For over a decade, lack of customer satisfaction has been the most consistent and vehement criticism leveled at PBS. In 1977, its customers were complaining about timeliness and inconsistency among regions in responding to space needs. In 1988, the space delivery system remained the source of frustration for both PBS customers and its realty specialists.

This condition has not gone uninvestigated. Successive studies dating back to 1977 have questioned PBS' management system's adequacy and documented factors that recurrently contributed to customer dissatisfaction. These include the cumbersome leasing process, inadequate or changing requirements, insufficient staffing, an inadequate management information system, and multiple sources of guidance.

A 1988 GSA management review team found the space delivery system to be unfocused and inefficient—and getting worse.<sup>2</sup> During the 11-year period studied, delivery time increased from 239 days in 1977 to 307

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<sup>2</sup>GSA Space Delivery: A Management Review, GSA, Aug. 1988.

days in 1988. The report said that “Over the years the complaints of time consuming process, excessive concern for competition, and disproportionate concern for regulation at the expense of service delivery have become routine.” The review team found a pervasive tone of defeat among the staff, as many voiced the opinion that no one could change the process or make it work faster.

PBS’ actions suggest that it cares little about customer requirements. This was clearly evident in PBS’ analysis of customer views in a 1988 survey. According to the survey analysis:

“They [PBS’ customers] perceive that GSA is not customer oriented, both in terms of its lack of communication with the agency . . . and GSA’s seeming lack of regard for their priorities. . . . Some agencies feel that GSA personnel treat them with disdain because we feel we have a captive audience. Agencies are frustrated that GSA sets its own priorities without consideration for the agency’s needs or priorities. They see us [PBS] act quickly when it suits us (i.e., for the Courts), and they become frustrated that they cannot receive the same service.”

The five agencies we contacted corroborated the PBS survey results. The major complaint was inadequate communications. An official at one large agency, for example, said PBS needs to do a better job explaining its requirements, and consult with agencies sooner in its processes, so they can contribute to the policies and decisions affecting them. Officials from two large agencies said GSA and PBS were not making effective use of communication forums. One said that GSA uses the annual Partnership in Administration conferences to announce and explain program decisions already made, rather than to solicit, obtain, and consider the other agencies’ viewpoints.

Overall, these agencies wanted to be more involved, especially in scheduling and doing nonrecurring repairs for their buildings. They saw PBS’ major role as providing centralized support for governmentwide facilities management activities. One official believed PBS should work more with agencies, and—as agencies acquire expertise—recognize them as peers and involve them more in the total process. Another felt PBS should constructively evaluate facilities management activities, offer agencies support to solve the problems found, and be a central source of needed training.

Quality service and a customer focus need to be ingrained into PBS’ day-to-day operations. Customer agencies see PBS’ current practices as built upon the premise that it provides the facilities, runs them, and allows no

**Make Quality Service Part of  
Daily Routine**

unapproved changes. Quality is defined in PBS' terms with little or no concern for customers' needs. According to one seasoned PBS manager, for example, PBS managers operate under the assumption that they know the types and levels of services agencies need and therefore do not solicit input from them.

Since the early 1980s, the private sector has increasingly emphasized a more structured and systematic approach to quality management to overcome the significant loss of dollars and customers due to poor quality service. Companies such as IBM, Westinghouse, and Motorola have aggressively reemphasized quality improvement as an integral part of their operations through a process called Total Quality Management (TQM). They and others have demonstrated that this is an effective way to improve quality services. This process is a dramatic departure from business as usual. It means creating a culture of excellence where executives, managers, and employees alike continuously strive to meet customer expectations, do the right things right the first time, and achieve ever higher standards of quality. Key elements of successful TQM efforts are shown in table 4.1.

**Chapter 4  
Facilities Management Role Needs to  
Be Refocused**

**Table 4.1: Elements of a Successful Quality Effort**

<b>Element<sup>a</sup></b>	<b>Description</b>
Focus on the customer.	Quality is defined in terms of customer needs and expectations. Managers and employees become so customer-focused that they continually find new ways to meet or exceed customer expectations.
Develop and sustain a long-term commitment.	Experience shows that notable gains come only after management makes a long-term commitment to improving quality. Customer focus must be constantly reviewed to keep that goal foremost.
Establish effective support and direction.	Senior managers must embed quality ideals into their management style. A top-level management group, such as a steering committee, formulates overall strategy and policy and provides leadership.
Ingrain a preventive approach to quality aimed at continuous improvement through employee involvement.	Everyone is responsible for identifying and solving systemic problems and correcting errors before they reach customers. A policy of continuous improvement through employee involvement is essential.
Develop a quality measurement system.	A useful measurement system assesses quality; cost of quality in terms of error, detection, and prevention costs; and customer satisfaction. It allows the organization to evaluate the effect of its improvement efforts and hold managers accountable for quality and customer satisfaction.
Commit to training.	Training is absolutely vital. Awareness training is first given to teams of top-level managers, then mid-level managers and finally non-managers. Implementing total quality management also requires skills training done in teams.
Maintain a rewards/recognition system.	Reinforcing quality performance is an important component of an effective quality system.

<sup>a</sup>These elements are drawn from private sector programs, our prior management reviews of major federal agencies, and the work of the Federal Quality Institute.

To succeed, PBS must build these TQM elements into its daily routine. This will require actions similar to those undertaken by the Internal Revenue Service in its major effort to improve its service quality. For example, the Internal Revenue Service took steps to train managers and employees, show top-level management support by forming a top-level quality council, measure quality and customer satisfaction, breed a greater awareness of customer satisfaction, identify and study barriers to quality, begin quality improvement projects, and start developing an information system to track progress in attaining quality goals and objectives. It is making progress towards establishing an agencywide quality management system: Two of its service centers—in Fresno, California, and Ogden, Utah—were recognized as Quality Improvement Prototype Organizations at the 1989 OMB Conference on Quality and Productivity Improvement for their efforts to improve service quality.

To create a customer-oriented focus, PBS must convey and continually reinforce the importance of quality service. Although GSA's strategic

plan calls for quality customer services, PBS has not yet translated this goal into specific, measurable actions. As of September 1988, PBS had no objective focusing specifically on improving customer satisfaction.

PBS also is not holding its senior executives accountable for improving customer satisfaction. The performance plans of all nine PBS senior executives at the central office contain no quantitative or qualitative objectives on customer service. Likewise, none of the nine PBS assistant regional administrators have quantitative objectives in their performance plans; however, all but one have one or two qualitative objectives relating to customer services. In contrast, 6 of the 12 FSS senior executive plans include measurable objectives on customer services. Also, one IRMS plan has a measurable customer service objective requiring customer surveys and follow-up on all complaints.

If PBS is to improve the quality of its services substantially, it must hold its senior executives and managers accountable for achieving specific goals to improving customer services in their area of responsibility. For example, performance plans need to focus on specific quality problems (space delivery), define a measurable target (amount of time to fill space requests), and set a desired objective (order of magnitude in improvement) and time horizon (rating period). This becomes a quantitative measure for evaluating performance.

To get a better fix on the level of customer satisfaction, PBS has obtained outside help to design a customer satisfaction survey form with which it can gather pertinent data on the quality of its services. At the time we completed our field work, it had not yet administered this data collection instrument. While this effort is a step in the right direction, we believe PBS needs to go one step farther. PBS should use a customer satisfaction survey in its oversight of building management delegations to assess the facilities management performance of agencies with delegated authorities.

### **Forge Stronger Partnerships**

PBS can manage service quality better by forging effective partnerships with its customers. To do this, however, it must create a conducive environment. By exercising its leadership responsibilities, PBS should create an effective infrastructure that complements and supports these partnerships. Neither PBS nor other agencies should take a "go-it-alone" attitude.

PBS should seek ways to ensure that facilities issues receive proper management attention. For example, it can set up regional councils and

forums to share ideas, expectations, and concerns collectively. It can also organize executive focal points in PBS and within each agency. PBS has such a focal point in the Office of Governmentwide Real Property Policy and Oversight, which it set up in October 1986. The five agencies we contacted saw this as a positive step toward better communications. An agency focal point serving as PBS' primary contact could help ensure that property regulations are obeyed; improve agency facilities management by developing long-range plans, reporting procedures, improvement plans, and facilities management systems; and provide a clear line of accountability.

The creation of the Real Property Executives Advisory Committee by the former PBS Commissioner is a good first step towards fostering strong partnerships with other agencies. Regional committees are also needed. Both should provide invaluable counsel and guidance to PBS as it adjusts its operations.

On August 24, 1989, we met with the Acting Administrator and key GSA officials to discuss their positions on the draft report and, specifically, the recommendations we made in the draft. In that meeting, the Acting Administrator expressed his strong feelings about the importance of client relations. He said that, as Regional Administrator in Chicago, he set up a Client Relations Advisory Board, which has been continued by his successor. He said that while our focus was primarily on PBS, he believes this is an agencywide issue relevant to all four services. According to the Acting Administrator, the Chicago advisory board has proven to be an effective forum for discussing, developing, and fostering better relations, communications, and understanding with GSA's customers, and should be duplicated in the other regions. On August 30, 1989, all regions and the central office were directed to form Client Relations Advisory Boards to augment any existing client relations activities.

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### **Oversight of Policy Implementation Needs to Be Improved**

There is an inconsistency in the implementation of program policy within PBS. For example, the 1988 study of GSA's space delivery said there was a problem in this area:

"Inconsistent policy interpretation: Not only do agencies perceive that policies are interpreted differently from region to region, but that each lease action is subject to varied interpretation. They [customer agencies] see no predictability in lease actions and perceive that we apply whatever interpretation suits our own convenience."

Executives at the central office and in the regions identified accountability for policy implementation as an area that GSA needs to address. PBS operates in a decentralized management mode, and has not established an effective means of overseeing policy implementation to ensure effective and consistent implementation in all regions. PBS needs to develop performance measurements that will enable the PBS Commissioner to determine how well regions are implementing policy objectives. GSA needs to define the relationships between headquarters and regional staff more clearly in terms of authority, responsibility, accountability, and lines of communication.

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**Better Management  
Information Needed**

PBS' outdated information system, developed in 1972, can no longer meet current and future agency needs. It will be virtually impossible for GSA to exercise adequate policy guidance and oversight if it does not have good information. In 1982, PBS began to evaluate its information needs and found that the system collected massive amounts of data and was clogged with too much of the wrong kind of data, and that very little of these data were analyzed or converted into relevant, meaningful information. PBS also found that the system took too long to update and lacked the interfaces needed to share information with other systems.

Efforts to acquire an adequate, modern system thus far have failed. PBS embarked on an ambitious effort in 1983 to develop a new system, known as STRIDE (Systematically Tiered Regionally Integrated Data Environment). The project was halted in July 1988, however, because of schedule slippages, increased costs, and technical problems. After spending over \$121 million, PBS managers are still without information essential for effectively planning, budgeting, and overseeing program performance.

**Information Needs Not Being Met**

Besides facilities management information, PBS' current information system collects financial data used by GSA's accounting system for capitalizing improvements; billing tenant agencies; validating lease payments; and assigning PBS employee payroll costs to specific repair, alteration, and construction projects. However, the information in the system often is outdated, incomplete, inaccurate, or inaccessible. While the system gathers massive amounts of data, very little are analyzed and converted into meaningful, relevant information needed to manage, evaluate, and oversee programs.

PBS, for example, has experienced problems in projecting its future leasing requirements because of unreliable information. The Rental Evaluation and Projection System, designed to track and project a region's lease obligations, is the primary control for GSA's annual leasing budget of about \$1 billion. However, we reported in April 1989 that 13 percent of the system's lease information for GSA's five largest regions was missing.<sup>3</sup> In addition, we estimated that 7 percent of the data were inaccurate. As a result, PBS cannot project its future leasing requirements reliably.

Further, GAO reports, GSA Inspector General audits, and GSA's own management studies show that current property inventories are inaccurate, usage information is unreliable, and relevant performance and cost data on individual buildings are not available. PBS consequently does not have the information it needs to make strategic decisions. Without complete building performance data on individual buildings, for example, it cannot realistically compare a specific building against other similar buildings in the same area. It also cannot factually determine whether it is in the government's interest to renovate and keep a facility or dispose of it and acquire a newer, more economical facility fitting current needs better.

Reliable information is vital to strong oversight. PBS is not getting all the data it needs to oversee the management and use of delegated buildings effectively. First, it has not yet developed and implemented a system to collect all the data it needs. Second, systems used by the agencies are not capable of providing sufficient cost and performance data to allow PBS to determine how well agencies are maintaining these buildings and how much it is costing.

Delegation agreements require PBS to give agencies funds from the Federal Buildings Fund to cover the operating expenses it paid before delegation. Because ultimate accountability still rests with GSA, each agency must report to PBS quarterly and annually as to how it spends these funds. PBS officials told us that the data they receive are not consistent among the agencies: some agencies submit cash-basis data, others report accrual-basis data, and still others use a combination of both methods. Also, as of the end of September 1988, one agency had submitted no cost information at all since it had been delegated building management authority on October 1, 1986.

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<sup>3</sup>Public Buildings Service: GSA's Projection of Lease Costs in the 1990s (GAO/GGD-89-55, Apr. 19, 1989).

Agencies are not required to report any additional funds they use to operate or maintain their buildings. Because of this, PBS' knowledge of building operation and maintenance expenditures is less than it was under PBS' reimbursable program. As a result, PBS cannot determine how much it costs to operate a building under the delegation program. It needs this information to plan major repairs and renovations for delegated buildings, and to determine whether they are being properly maintained. If GSA is to monitor effectively the status of buildings being maintained by their tenant agencies, clear guidelines must be established for generating cost information on delegated buildings.

The lack of relevant data for delegated buildings also limits PBS' oversight capability. Without such information, PBS cannot effectively evaluate an agency's facility management and the current condition of its facilities except by making physical inspections. If these measurement data were available, PBS could identify potential problems before they became critical. To carry out a strategic management and oversight role, reliable information on condition and performance, space usage, and operating costs for individual buildings is essential.

#### **A New Management Information Structure Needed**

To manage facilities strategically, PBS needs to make comparative studies to evaluate the performance of specific buildings against other similar buildings in the same area. To do this, it needs an information system that collects relevant operating cost and performance data on individual buildings. It should collect data on at least four categories of performance measures for PBS-operated, delegated, and contractor-operated buildings.

- **Space utilization:** How well are facilities used over time compared with established standards? Underutilized facilities create substantial budget overruns, higher unit operating costs, and wasteful rental expenditures paid monthly regardless of how well the space is used.
- **Financial performance:** How well is the facility performing from a financial standpoint compared with similar buildings in the same general location? Financial indicators include such measures as total annual occupancy costs as a percentage of program costs, annual cost of facility rearrangement (churn rate) per employee, and comparison of annual facilities operating costs with national indexes such as the Building Owners and Managers Association Exchange Report.
- **Facility project management performance:** How well is the facilities management process working over time against established budget and schedule objectives? Integrating facilities performance and project delivery data provides staff efficiency and productivity indicators.

- User satisfaction: How well is the facilities management process and each building serving the customers—occupants and parent organizations? Effective oversight requires that satisfaction be measured routinely and systematically.

Such information provides crucial feedback to evaluate facilities' condition and performance. Without it, success in achieving short- and long-range objectives cannot be determined. PBS' facilities management information system should be designed to meet strategic needs and tied directly to key financial and operational objectives. Measurements should be applicable over disparate facilities, yet relevant to each facility tracked.

GSA also needs to determine what information it will need to effectively oversee governmentwide real property asset management. Currently, it receives real property holdings information from agencies. Whether it will require additional information cannot be determined until GSA defines how it will monitor governmentwide real property asset management.

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## Actions Taken During Review

During our review, PBS initiated actions or developed plans to address many of the issues discussed in this chapter.

The report on GSA's management review of the space delivery system contained 65 recommendations in the areas of policy, management, and organization of the real estate program. PBS evaluated the recommendations and developed action and implementation plans to make program improvements. The implementation plan calls for all actions to be completed by mid-1990. Several major categories of improvements are planned, including revisions to the Federal Property Management Regulations on assignment and utilization of space, the lease process and the appraisal process, and to existing management and personnel programs. Nationwide realty specialist training, staff allocations, and automation of parts of the space requirements and assignment process are also addressed in the plan.

PBS has taken several steps to address its information system problems. On May 16, 1988, it elevated the Director of PBS Information Systems to the Assistant Commissioner level; on October 31, 1988, it set up an Executive Review Board to assist in developing a replacement for PBS' information system; on June 1, 1989, it issued a draft plan to strengthen quality assurance on systems projects; and on June 2, 1989, it issued an

information systems management plan. It has also developed short- and long-term strategies for moving to a new facilities management information system.

PBS has also taken steps to address customer service concerns. The former PBS Commissioner created the Real Property Executives Advisory Committee to bring forth new initiatives, concerns, or suggestions involving PBS operations. Under the "Providing Better Service" Program, PBS staff are being given a 3-day course on client relations, customer agencies are being surveyed, all PBS employees were asked to comment on service quality and give their suggestions and concerns, and a fast track award system was created to provide immediate rewards for commendable customer service.

Under the delegation program, PBS has begun to support agency training needs. In 1988, PBS conducted 9 sessions on contract administration for 195 federal employees, and 14 lease management seminars attended by 320 employees. It has also created a Building Delegation User Group.

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## Conclusions

Strengthening PBS' leadership in facilities management and improving the quality of services will be formidable challenges. To adapt to changing conditions, PBS needs to refocus the way it will operate in the future.

An effective oversight and support infrastructure is needed to ensure that facilities are used effectively to support federal programs and that the value and integrity of these assets are maintained. PBS needs to assume a greater governmentwide leadership role over facilities management and better position itself to strategically manage the government's facilities. It should actively involve other agencies in operating and maintaining their facilities, ensuring these assets are used effectively to achieve their strategic policy and program objectives, and providing humane and productive work environments in which to carry out their programs.

Placing facilities management closer to the user will improve responsiveness to changes taking place in the workplace. Increasing demands are more than PBS can possibly handle and still satisfy all its customers' needs. Therefore, PBS must relinquish control over some functions it traditionally has provided. PBS needs to allow agencies to be more actively involved in functions such as building operations and contracting for major repairs and alterations.

PBS managers have to be committed to this new role. PBS must adopt a customer-oriented philosophy focusing on service quality. It must also ensure that its managers have easy access to accurate, relevant performance measures and financial management tools to support strategic decisions and oversight functions. This will require managers and staff to be reoriented and trained in their new roles.

To succeed in this endeavor, PBS must get a new information system in place soon. While the existing system collects massive amounts of data, very few data are analyzed or converted into the meaningful, relevant information managers need. Therefore, PBS needs to develop a new management information structure and get a new system in place to support its future needs. This system should be compatible with GSA's agency-wide information structure, permit the smooth exchange of information, and give end users greater access to information. It also should (1) include performance measurement capabilities to provide managers with information to evaluate building and facilities management performance and oversee the use and maintenance of delegated buildings and (2) be able to produce management reports with all operating costs for individual buildings operated by PBS, contractors, and other agencies under delegations. Once GSA decides how it will carry out its governmentwide oversight role, FIRM may need to be modified to satisfy new information needs.

Making the adjustment to focus attention on oversight—both governmentwide and delegated functions—is a new experience for the PBS staff. Changing PBS' culture is a major management challenge that cannot be done effectively without a well-thought-out plan to guide the process. This plan should

- define the duties, functions, and responsibilities of all facilities management participants including definition of the way GSA's regional staff will relate directly to headquarters officials responsible for the program;
- require that each agency designate a senior official to serve as its focal point for facilities management issues and be responsible for setting agency-level policies and goals;
- identify and provide for collection and dissemination of management information—such as performance measurement, cost, and asset utilization information—needed to support a strategic management role;
- specify the human resources requirements that will be needed in terms of numbers and skills and the kind of retraining needed for current staff; and

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- stipulate specific steps to open lines of communication and forge cooperative partnerships with customers to ensure that their needs are satisfied, the value and integrity of facilities assets are preserved, and that these assets are used effectively to support agency objectives.

Parts of such a plan already exist, especially for the oversight of delegated buildings. The next step should be to address the governmentwide element of the oversight role and develop a comprehensive, coordinated plan with which to manage the role change. In developing this plan, PBS must ensure that all affected parties—staff, customers, and others, including Congress and OMB—have an opportunity to contribute, thus building support and understanding for GSA’s new role.

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## Recommendations

We recommend that the Administrator focus PBS’ facilities management role on governmentwide leadership and on strategic management and oversight. To do this, we specifically recommend that the Administrator direct the PBS Commissioner to

- expand the delegation of building management authority to cover additional buildings where agencies are capable of and willing to assume these responsibilities, and—on a case-by-case basis—delegate major repair and alteration authority to agencies capable of carrying out these activities;
- revise the information reporting requirements under building delegations to require agencies to report all operating cost and performance information needed to determine annual operating expenses and to oversee delegated building management;
- expand the use of contracts for building management services in multitenant and other buildings where it would not be feasible to delegate to the tenants;
- focus efforts primarily on strategic management issues such as the size and location of government facilities, when and how new facilities are to be acquired, and when it is in the government’s best interests to modernize and renovate a building or to sell it;
- develop policy procedures, guidance, and other support mechanisms to help agencies use and manage their facilities strategically as tools to accomplish the goals and objectives of their missions and programs; and
- strengthen delegation oversight and contract administration to ensure that the value and integrity of the facilities assets are preserved and that they are used effectively to support government programs.

To ensure a smooth transition, we also recommend that the Administrator direct the PBS Commissioner to develop a comprehensive plan and timetable for implementing this role change. This plan, developed in consultation with the agencies, should include the elements outlined on pages 69-70 and be shared with OMB and Congress to ensure their commitment and support for the change.

We recommend that the Administrator direct the PBS Commissioner to take the following steps to help develop a customer-oriented focus to PBS operations:

- Provide total quality management training to PBS personnel.
- Develop effective partnerships with customer agencies.
- Set up regional advisory councils made up of the agencies served in the region to evaluate new program ideas, program changes, and suggestions for improvements and to provide feedback on the quality of services.
- Maintain a one-stop focal point within the central office and regions to field customer inquiries, requests, and complaints.

Further, we recommend that the Administrator direct the PBS Commissioner to

- develop a new facilities management information structure and redefine the relevant management information needed to manage facilities assets strategically, evaluate facilities costs and performance, and oversee delegated functions; and
- acquire and implement a new facilities management information system capable of collecting, analyzing, and disseminating this information and capable of exchanging information with other GSA information systems as needed.

Lastly, we recommend that the Administrator direct the PBS Commissioner to reassess the existing relationship between headquarters and regional staff and officials responsible for facilities management in terms of authority, responsibility, accountability, and lines of communications to better assure consistent, correct implementation of policies and goals.

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## Agency Comments

GSA stated its agreement with our recommendations, noting a number of actions it has taken along the lines recommended. The comments are included in full in appendix IV on pages 115-119.

In general comments pertaining to facilities management, the Acting Administrator said that

“... GSA has a major effort underway that focuses on the client agency. It provides for closer cooperation from the very beginning in determining the space needs of an agency to actual delivery. It recognizes that agencies have a stake and a responsibility in the space delivery process. It also recognizes that client service does not end when the space is delivered. Continued coordination, shared information and cooperative efforts are essential in ensuring that our clients are receiving quality work environments to house their employees and accomplish their mission.”

The Acting Administrator’s statement shows that he shares our concerns about the quality of customer services being provided by GSA and the need for more customer involvement in the processes used by GSA to provide support services. The unanswered question, which only the passage of time will provide, is whether sufficient changes in the culture of GSA will be made to permit this customer-oriented philosophy to be reflected in the operating procedures of the agency.

Concerning PBS’ role, the Acting Administrator said that

“In our view, the dual roles of policy and operations are not mutually exclusive, but rather mutually supportive. The tension which exists in identifying an appropriate balance of roles is a healthy and natural consequence of our management mission. The agency has the talent and experience necessary to move ahead on both fronts. GSA will continue to perform both functions where, when, and if, it makes good management sense to do so. Although the balance of roles may experience adjustments over time, the basic GSA mission remains the same.”

As we have stated in the chapter, we see a continuing need for GSA to be involved in providing operational support to some agencies. We agree that there will be a continuing need to periodically make adjustments in the balance between the various roles played by GSA in the facilities management area. However, we feel strongly that PBS must strengthen its oversight and policy guidance efforts and focus more of its resources on these activities. It should provide operational services only in those areas where it makes sense to have a central agency involved, such as the acquisition and disposal of real property assets. GSA must work closely with the other agencies to help them develop the expertise needed to assume the operational role where appropriate.

GSA agreed to the recommendation to implement a total quality management training program, not only for PBS but for the entire agency. We concur with this response. Also, in responding to our recommendation to

develop a facilities management information structure that collects relevant operating costs and performance data on individual buildings, the Acting Administrator said that the information structure we propose will be considered during the development of the new PBS information systems.

GSA agreed in part with the recommendations to expand building management delegation authority to cover additional buildings and, on a case-by-case basis, to delegate major repair and alteration authority to agencies capable of carrying out these responsibilities. GSA's position is that it has already delegated building management authority to the extent consistent with its delegation standards and that further delegations will be considered on a case-by-case basis. The Acting Administrator said, and we agree, that GSA must now concentrate its efforts on strengthening its support and oversight role. The response did not address the issue of delegated repair and alteration authority. We believe GSA should give careful consideration to granting this authority to agencies when they are capable of handling the responsibility. In the meantime, GSA should be working with the agencies to help them develop this capability.

The other recommendation with which GSA agreed in part called for a one-stop focal point. GSA said that the Office of Client Relations has been created in the Office of the Administrator to serve as the point of contact with the client agencies. While this office is also needed, the intent of our recommendation is to have such an office in PBS. Many of those individuals needing to contact GSA know that they need to talk to someone in PBS, but they just do not know whom. Therefore, a one-stop focal point would help these individuals get to the right person quickly.

# GSA Needs to Give Human Resources More Priority

GSA's performance depends upon the quality of its people, particularly as the demands of carrying out its mandated mission change. Increased use of contractors, delegations of building management authority, and a general downsizing have begun to transform GSA from a predominately blue-collar operations-oriented agency into a white-collar leadership-oriented organization. As its future roles evolve, GSA increasingly needs staff with strong technical and managerial skills.

Compounding this challenging transition are a number of human resources problems. Weaknesses in the areas of training, recruiting, and workforce planning have contributed to high turnover in key professional occupations, low employee morale, and inadequate staff development. These conditions affect GSA's ability to carry out its mission; they also lead to customer dissatisfaction. For example, a 1988 internal GSA management study concluded that high attrition among realty specialists over the last several years has contributed to a 28-percent increase in the time it takes GSA to provide workspace to agencies.

GSA recently has begun some efforts to improve hiring and employee development, but much more needs to be done. It needs to install a workforce planning process to better analyze, project, and plan for workforce needs. It also must develop a workforce of the proper size with the skills needed to match the agency's strategic goals and objectives. To do this, GSA top management should give increased support to human resources management, strengthen employee development and training programs, and improve personnel management oversight.

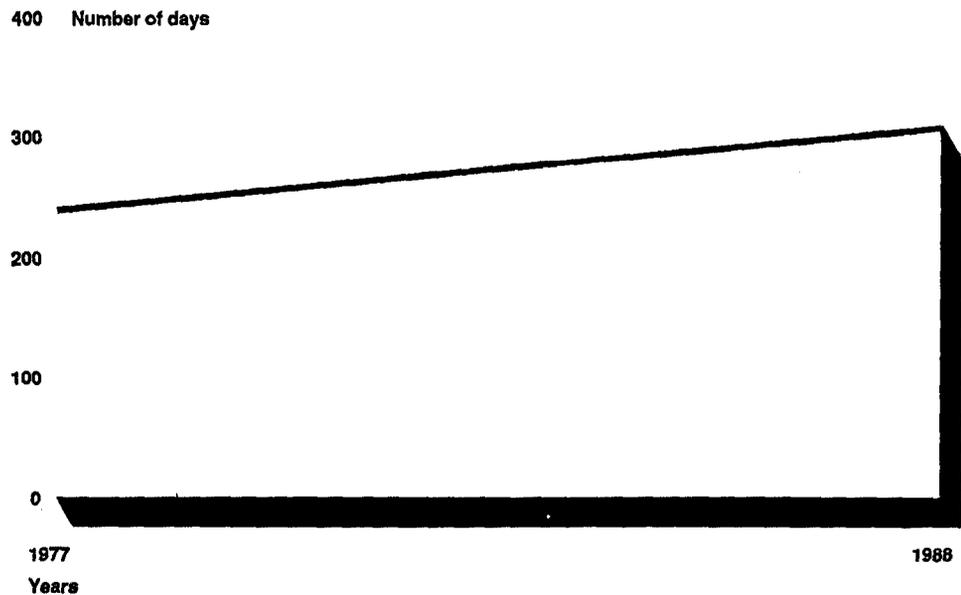
## Workforce Problems Are Affecting GSA's Ability to Perform Its Mission

GSA is encountering human resources problems that hinder its ability to provide goods and services to its customers. Only 16 percent of senior executives and 13 percent of mid-level managers responding to our questionnaire said that GSA can hire employees when needed, to a very great or great extent. Similarly, only 10 percent and 22 percent, respectively, said that their units had more than a moderate ability to retain quality people.

Most senior executives who responded said that workforce problems were hindering agency performance. For example, 91 percent believed that loss of high-potential staff was a problem; of these, more than a third thought it had greatly hindered GSA's ability to implement changes. Also, several studies demonstrate how difficulties in retaining a quality workforce are limiting GSA's ability to carry out its mission.

A 1988 internal management review concluded that long-standing problems of overworked, inexperienced realty specialists have caused customer dissatisfaction, employee turnover, and problems in timeliness. More than 500 GSA realty specialists determine prevailing lease rates and negotiate with building owners for space. The internal study noted that space delivery time increased more than 28 percent between 1977 and 1988—increasing from 239 to 307 days—as shown in figure 5.1.

Figure 5.1: Timeliness of Space Delivery



Source: General Services Administration.

The report attributes this decline to several human resources problems, including (1) excessive turnover among top program managers, (2) high attrition among realty specialists, (3) low quality and amount of training, and (4) a demoralized workforce. Many customers surveyed during the study made such comments as “[GSA’s] Workloads are extremely heavy, a factor which is constantly being exacerbated by high turnover among the leasing specialists.” A follow-up study noted that not only is

attrition of realty specialists high, but most losses occur at grades 11 and 12, the first level of full performance capability. The regional turnover rate for this grade level was 62 percent for the period January 1986 to December 1988.

The GSA Inspector General, in a 1985 review, expressed similar concerns with the realty specialist workforce.<sup>1</sup> The Inspector General cited job frustration, high workload, and limited promotional opportunities as reasons for high turnover. The report said these conditions encourage realty specialists to take improper shortcuts that violate internal controls.

Another factor affecting retention of realty specialists is that the career ladder is too low. GSA officials told us that, once trained, most realty specialists move to other areas in GSA or to another agency in higher positions. The problem was exacerbated in 1987, when the Office of Personnel Management (OPM) studied the classification of realty specialists and determined the position justified no higher than a grade 11. GSA officials told us that OPM argued that the position was basically clerical in nature. GSA officials said they appealed the decision four times, noting that realty specialists negotiate with private contractors for millions of dollars of space. However, their appeals were unsuccessful.

Problems in another key occupation, contract specialists, were highlighted in a 1987 GSA report on its acquisition workforce. The nearly 1,200 contract specialists at GSA award contracts for hundreds of millions of dollars worth of goods and services, including computers, furniture, and office supplies. They must ensure that these items are delivered on time at specified quality. The 1987 report said that high turnover among contract specialists persists and is expected to continue throughout the next decade. The study found that contract specialists were relatively inexperienced; 46 percent had less than 4 years of experience. Further, it said that "GSA has one of the most poorly educated work forces. Only one-third of GSA's Contract Specialists are college graduates compared with a government-wide average of fifty-one percent."

GSA officials told us that the lack of adequately experienced contract specialists can result in delays and can increase errors in all facets of contract negotiation and administration. Our review of contract files in Region 9 (San Francisco) in 1986 showed that PBS was unable to support

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<sup>1</sup>Review of GSA's Lease Award Procedures, Office of Inspector General, GSA, Feb. 15, 1985.

all of the contract payment deductions made against contractors for poor performance or nonperformance of contract work. During the 2-year period of 1984-85, the GSA Board of Contract Appeals reversed decisions on Region 9 building services contracts totaling about \$145,000. Inadequate documentation and noncompliance with specified procedures were often the cited causes for the Board's decisions.

Problems in obtaining and keeping quality employees stem from a variety of factors, both external and internal to GSA. A governmentwide problem is inadequate pay. We reported in January 1989 that more than half of personnel officers throughout the government thought that pay was a major barrier to hiring quality employees. Over 90 percent of these officials believed that federal pay needs to be increased.<sup>2</sup>

At GSA, pay problems are also acute, especially in key professional occupations. For example, the 1988 Annual Report of the President's Pay Agent compares federal and private salaries for a critical GSA occupation—contract specialists (GS-1102). Figure 5.2 shows that the pay gap between federal and private contract specialists ranges from 24 percent at the GS-5 level to 40 percent for experienced GS-11 contract specialists.

While pay is largely outside the control of GSA managers, factors within GSA's control—such as employee morale—also affect retention. In responding to our questionnaires, only 20 percent of the senior executives, 11 percent of the managers, and 28 percent of the employees believed that morale was high at GSA. According to employee and manager respondents, the number one effect of low morale was inability to retain personnel. Table 5.1 provides respondents' opinions on the level of morale in GSA.

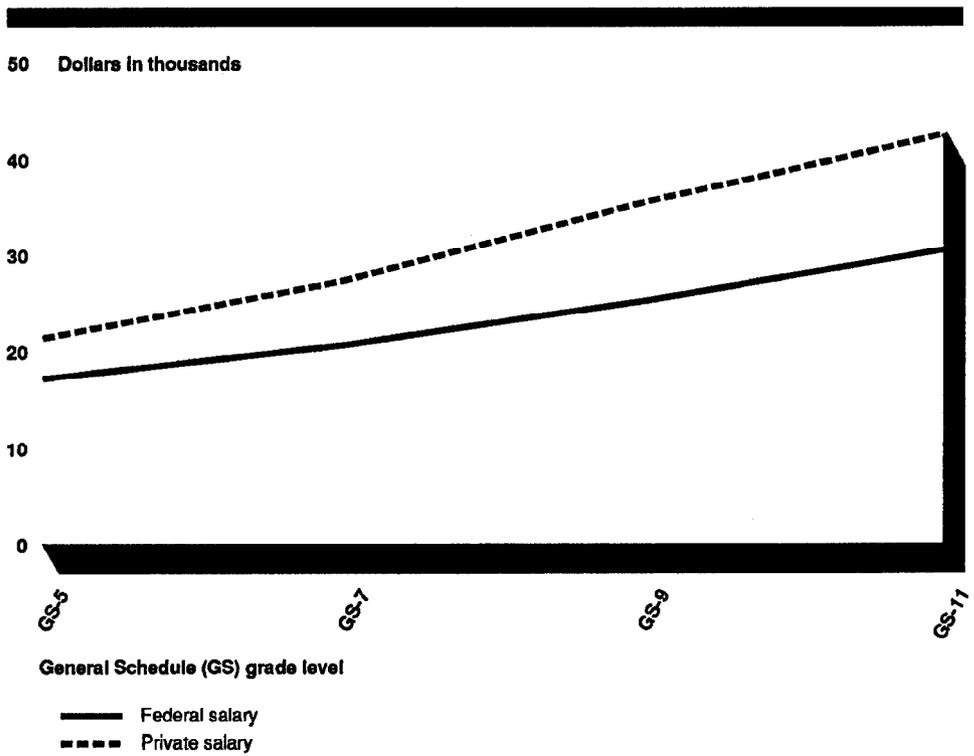
**Table 5.1: Opinions of GSA Morale Level**

(Figures in percent)

	Morale high or very high	Morale neither high nor low	Morale low or very low
Senior executives	20	51	27
Managers	11	30	58
Employees	28	25	46

<sup>2</sup>Managing Human Resources: Greater OPM Leadership Needed to Address Critical Challenges (GAO/GGD-89-19, Jan. 19, 1989).

Figure 5.2: Comparison of Federal and Private Sector Pay for Contract Specialists



Source: Bureau of Labor Statistics.

Employees also do not believe that GSA's central leadership places great value on good employee relations. In responding to our questionnaire, only 28 percent of managers and 34 percent of employees in grades GS-11 and below said that good employee relations were of great importance to central office management. Over half (52 percent) of the senior executives do not think central office management highly values employee relations.

GSA has begun to focus more attention on some aspects of human resources management. For example, after having been out of the recruitment arena since 1980, GSA recently started a nationwide college recruitment program. GSA was pleased with its initial results, noting that for the 2-year period ending September 30, 1988, 658 new graduates were hired. During the first three quarters of fiscal year 1989, 183 recruitment hires had been made against a goal of 258 for the year. Support for this initiative must be sustained for GSA to realize the long-term benefit of this effort.

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## GSA Needs to Better Address Changing Workforce Needs

GSA's current problems in retaining qualified personnel will intensify as GSA's need for higher skilled employees increases. In light of its changing role, future workforce demographics, and persistent turnover problems, GSA needs to develop a process that ensures that the agency will have the skills needed now and in the future. A key part of that strategy should be a strong employee development and training program.

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## Workforce Challenges Will Intensify

Difficulties in retaining a qualified workforce at GSA will escalate. GSA's demand for highly skilled workers will increase as it assumes more of a policy guidance and oversight role. It will need fewer blue-collar skills and stronger technical and managerial skills in areas such as human resources management, financial management, information systems, facilities management, procurement and contract administration, and supply and distribution management. Figure 5.3 shows the change in blue- and white-collar workers at GSA between 1978 and 1988.

Studies of future workforce needs and characteristics—such as Workforce 2000 and Civil Service 2000<sup>3</sup>—forecast a smaller pool of highly skilled workers leading to intense competition among private and public sector employers for these workers. GSA's changing role will require it to compete with the private sector for talented people in fields already in great demand, such as building management, telecommunications, and real estate. Also, the federal government must plan for a more mobile workforce as a result of the new Federal Employees Retirement System. This system, with its portable retirement benefits, is expected to lead to increased turnover, particularly in mid-career employees.

Given the difficulties in obtaining quality workers, training and staff development will be increasingly important. With the decreasing pool of young workers, the average age of the workforce will increase. These factors will require employers to invest more heavily in employee education and retraining.

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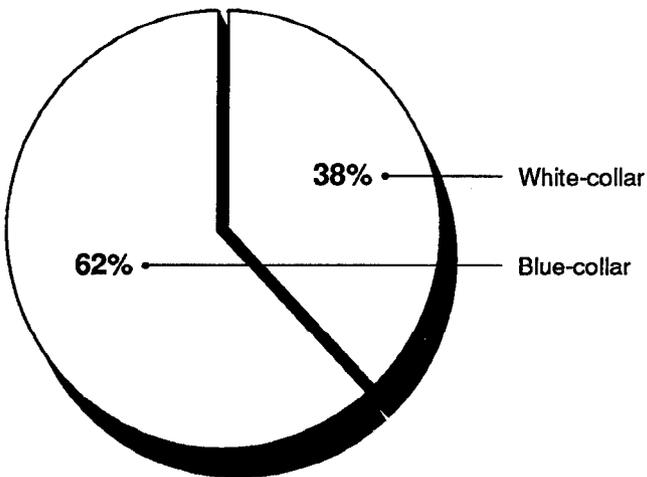
## Workforce Planning Process Has Not Been Established

GSA does not have a process to analyze, project, and plan for workforce needs. Only 17 percent of the senior executives and 16 percent of mid-level managers responding to our surveys believed, to a great extent, that GSA provides adequate staffing information to make future plans

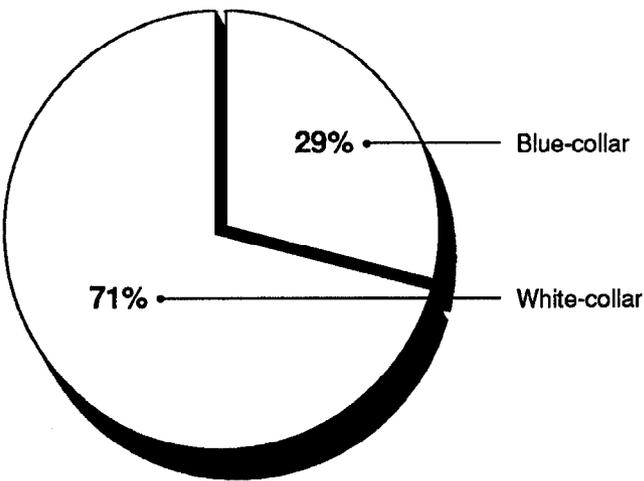
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<sup>3</sup>Workforce 2000 describes the work and workers needed for the 21st century. Civil Service 2000 discusses federal civil service jobs and employees needed next century. Both reports were prepared by the Hudson Institute in 1987 and 1988, respectively.

Figure 5.3: Percentage of Blue-Collar and White-Collar Employees in 1978 and 1988



1978



1988

Source: General Services Administration.

for its workforce. Also, only 7 percent of the senior executives and 13 percent of the managers believe GSA can, to a very great or great extent, systematically plan for the future needs of its workforce. One senior

executive representative of many other officials we interviewed said, "OMB gives them a personnel number and that's it." He added that this is not good human resources planning.

As far back as 1967, GSA's own studies have recommended better planning. For example, a study of personnel management concluded that a comprehensive manpower planning system needed to be developed if GSA was to recruit and retain a highly skilled and motivated workforce. Yet over 20 years later, an internal study found that "GSA lacks hard data on workload and performance measurement, [has] insufficient or no clear, widely understood performance standards, and no staffing models that truly indicate the level of resources needed to perform."

The 1988 GSA strategic plan calls for a highly skilled, technical workforce with considerable expertise in GSA's businesses to achieve strategic program goals. Yet only 15 percent of the senior executives responding to our survey believed that GSA is effectively integrating human resources into its plans.

A human resources planning system developed at the Department of Labor illustrates the type of system GSA needs.<sup>4</sup> Labor's two-phase system links the program planning and budgeting processes with human resources decisions so that program plans are used to identify and budget for workforce needs. First, line managers need to identify the organizational mission, types of output produced, expected workload, productivity measures, and staffing standards. Then staff offices determine current workforce characteristics, turnover data, recruiting and training needs, and career progression paths. From this information action plans can be formulated outlining alternatives for satisfying workforce needs. PCMI concluded that the key to reproducing Labor's effort is not so much the specific elements of its system, but rather the extent to which agencies are willing to commit the time and resources needed to do such workforce planning.

A critical aspect of effective workforce planning is integrating it with other planning systems. In its 1987 review of public and private sector management practices, PCMI reported that, while private sector organizations integrate human resources planning into the business planning process, federal agencies do program and budget planning separate from

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<sup>4</sup>Strong Leadership Needed To Improve Management At The Department of Labor (GAO/HRD-86-12, Oct. 21, 1985); and Department of Labor: Assessment of Management Improvement Efforts (GAO/HRD-87-27, Dec. 31, 1986).

human resources planning.<sup>5</sup> PCMI concluded that “the budget process itself becomes the mechanism for the allocation of human resources.”

**Training Needs to Be  
 Integral Part of Efforts to  
 Develop Future Workforce**

A critical part of plans to build a qualified workforce must be a strong employee development and training program. However, training at GSA has not been sufficient. For example,

- A 1984 internal study of PBS concluded that insufficient emphasis and little priority had been placed on the need to reorient and train staff in new functions—such as contract administration, inspection and enforcement—resulting from changes in the manner and mode of service delivery.<sup>6</sup>
- In 1985, the GSA Inspector General reported that a lack of qualified, adequately trained realty specialists is a major cause of lease award procedure deficiencies such as poor market surveys, inadequate or no price analyses, no negotiation objectives, and weak negotiations.
- In 1988, a GSA internal management review cited low quality and amount of training as factors contributing to increases in space delivery time.
- Our review of the training records for all 47 persons administering building services contracts in GSA’s Region 5 showed that only 8 had completed the basic Contract Administration for Program Personnel course. None had completed more than two GSA-offered contract administration courses, and 10 had had no contract administration training of any kind.

Our questionnaire analysis also showed that a significant number of employees thought that they received less training than needed for various categories of training.

**Table 5.2: Percentages of Employees Believing Amount of Training Less Than Needed**

Type of Training	Percentage
Training to develop your career potential or upward mobility	51
Training to improve your job performance	43
Training to be able to perform your job	34
Training due to change in duties	35
Training for personal development	49

<sup>5</sup> Applying the Best to Government: Improving the Management of Human Resources in the Federal Government Through a Private-Public Partnership, Volume II, sponsored by PCMI in 1987.

<sup>6</sup> A Management Review of the Public Buildings Service - General Services Administration, PBS Study Review Team, Office of the Associate Administrator for Policy and Administration, Apr. 1984.

GSA employees see training as a key motivator; the lack of training is thus a major reason for low morale. Employee responses showed that 79 percent said training opportunities would greatly motivate them, while only 24 percent said their supervisors used training as a motivating tool to a great extent. Also, employees rated inadequate promotion opportunities as the biggest cause of poor morale, closely followed by inadequate career development, inadequate training opportunities, and uncertainty about job future. Further, 68 percent of senior executives said that low levels of training and professionalism among GSA staff is a problem that hinders their ability to implement change.

GSA recently has begun several initiatives to improve its training program. It is developing an occupational certification program to enhance the overall professionalism and expertise of the agency's workforce. A career development path for 20 occupations has been outlined as a guide for suitable training and structured developmental activities to help employees attain basic occupational knowledge, skills, and abilities. Further, in August 1988, GSA made three supervision and management courses mandatory for managers.

One of the top priorities for former Administrator Golden was to ensure that GSA had a highly trained and effective workforce. To meet that objective, he directed that a minimum of 1 percent of the full-time permanent employee salaries be used for training during fiscal year 1988. FSS, for example, increased its fiscal year 1988 training funding by about 60 percent over what it spent in fiscal year 1987.

Despite these initiatives, training still needs to be given greater priority. Sixty-two percent of the senior executives surveyed said insufficient emphasis is placed on management training and executive development. Also, less than half the senior executives—as indicated by their performance plans—have made training a priority for their units. Our analysis of fiscal year 1988 plans showed that 48 percent had a training goal, but only 5 percent contained a quantitative goal.

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## **Central Personnel Office Needs to Be Strengthened**

For the most part, GSA's personnel operations are decentralized. Regional personnel actions, hiring programs, and training are handled by regional personnel offices; similar personnel operations at headquarters are done by the central personnel office. Each region has its own training budget, which is controlled by central office personnel, and each regional personnel office estimates component staffing needs. In addition to providing personnel services to headquarters components, the central

personnel office develops personnel policy, provides guidance and assistance to personnel offices in the regions, administers various personnel functions—including classification and performance appraisals—and oversees personnel programs.

GSA needs to strengthen the planning and oversight functions of its central personnel office. For example, the central personnel office does not systematically plan for future workforce needs. Although the central and regional personnel offices project staffing needs annually as part of the budget process, the central office does not use this information as a basis for longer-term, strategic human resources planning. This office needs to be a key player in attempts to strengthen GSA's entire workforce planning efforts, as outlined earlier in this chapter.

An important component of a decentralized personnel system is a strong personnel management evaluation program to monitor the implementation of personnel rules and regulations and provide information by which to judge the success of personnel programs. Only one staff member monitors GSA's personnel evaluation program. According to the Director of Personnel, on an annual basis, about 20 functional reviews are conducted by central office personnel and regional personnel officers.

The success of new personnel initiatives, such as improved planning, depends in part on a stronger central personnel office; it depends also on the support and involvement of line managers. The GSA Career Advisory Panel (GCAP), composed of top career executives from the services, regional offices, staff offices, and the Director of Personnel, was formed to give increased attention to developing the workforce. The panel has supported a nationwide college recruitment program and the occupational certification initiative. We believe the panel's role should assist in developing an enhanced human resources planning process and building line manager support for this process.

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## **Actions Initiated to Address These Problems**

The Director of Personnel advised us that in November 1988, GSA agreed with American University, Washington, D.C., under the provisions of the Intergovernmental Personnel Act of 1970, that a professor of human resources management would be assigned to work with GSA beginning in September 1989. This individual will help GSA with a variety of projects including (1) a GSA Work Force 2000 study, (2) a GSA Performance Management Systems and Demonstration Project, (3) an assessment of the

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GSA Self-Learning Instructional Center Program, and (4) other projects as they arise. This agreement will expire on or about May 1, 1990.

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## Conclusions

As it moves to the 21st century, GSA faces many challenges to develop a quality workforce. Shifting emphasis from a service provider to a policy guidance and oversight role will result in alterations in the agency's workforce profile. Competing for a smaller, more highly skilled workforce will increase the need for an effective human resources planning system and improved employee development program.

Lack of management support in planning for and providing a commitment to human resources management weakens GSA's ability to maintain a quality workforce. A stronger central human resources management organization and increased management attention is needed to improve planning for GSA's future workforce requirements, enhance employee development and training programs, and strengthen personnel oversight.

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## Recommendations

We recommend that the Administrator

- establish and maintain an active human resources planning system that is integrated with other planning processes to identify future staff resources requirements and stipulate how these resources will be acquired;
- develop stronger employee development and training programs that are based on requirements identified in the human resources plan and input received from across the organization;
- assess the level of central personnel office resources needed to ensure that the office can (1) help develop a human resources planning system in conjunction with line managers, and (2) improve personnel management evaluation of service and regional activities; and
- direct the GCAP to (1) provide oversight in the development of the human resources planning system and ensure the support of line managers for the program, and (2) set up a human resources management agenda with specific objectives and goals that can be used in SES performance plans.

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## Agency Comments

GSA agreed fully to all of the recommendations in this chapter, except for the recommendation that GCAP develop a human resources management agenda and oversee the design and implementation of a human

resources planning system. GSA's response expressed reservations because GCAP is an advisory body without direct line authority. The Acting Administrator, however, said that GCAP, working in cooperation with the Office of Administration and other appropriate organizations, would implement this recommendation after the strategic plan has been developed.

The Acting Administrator told us that it is a good idea to do workforce planning in conjunction with a strategic plan and budget proposals. GSA made a commitment to develop workforce analysis, workforce planning models, and strategic planning in fiscal year 1990. GSA also agreed to make two on-site personnel management evaluations in fiscal year 1990 to both measure program status and to test innovative evaluation techniques. After these reviews, further enhancements may be made.

To address developmental and training needs, GSA said it is developing a workforce profile, GSA 2000, a human resources plan that will carry it through the end of the century. GSA also said that activities are already underway to implement our recommendation. Structured training plans are incorporated into occupational certifications, and the four services are developing training courses that will be used to prepare employees for most of GSA's major job fields.

GSA's specific comments on human resources management recommendations are included in appendix IV on pages 120-121.

# Improved Management Information Is Critical to GSA's Future Performance

GSA has a pervasive information problem that hampers its ability to manage its programs effectively and hold executives and managers accountable for performance. Information systems in each of the four services are outmoded and need to be replaced. Information coming from them is often inaccurate or untimely, and not all needed data are collected. As a result, executives and managers do not have the information they need to evaluate program performance. GSA knows it has problems, yet efforts to upgrade systems have been costly and unproductive, mainly due to weak oversight and direction.

Relevant, accurate, and timely information is needed, for example, to assess customer satisfaction, oversee delegated activities, do workforce planning, and monitor staff development and training. GSA especially needs better information to control its assets and keep its supply operations competitive. Top management needs better information to assess progress and accomplishments, and hold executives and managers accountable for their performance. The information architecture also must permit the services and regions to share data and information and allow the data gathered by various systems to be combined and analyzed for agencywide management purposes.

It is becoming increasingly significant that GSA improve its information retrieval capabilities. If potentially valuable information cannot be accessed in a useful way, it may as well not exist. As GSA assumes a greater policy guidance and oversight role, its information needs will expand, and the people-based communications that most of GSA's senior executives use will be inadequate to support their needs. Computer-based information is becoming the primary means used by executives to evaluate progress and hold staff accountable. GSA's executives can provide the incentives for using good information to make decisions by (1) creating an environment that will produce such information and (2) using this information to assess performance.

To create this environment, GSA needs to take two vital steps. First, it needs to name a senior executive whose sole duty is to plan, coordinate, and oversee the improvement of the agency's internal information management activities.<sup>1</sup> Second, it needs to give much more top management attention to defining the specific information needs of the agency and to overseeing the development of systems to support those needs.

<sup>1</sup>Information management is the overall management and control of the agency's investment in information including, among other things, identifying and sharing management information needs; and ensuring standardization, control, security, and integrity of data stored or manipulated.

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## Inadequate Information Does Not Permit Informed Decisionmaking

The management information currently available to GSA's executives and managers is inadequate. Agencywide financial management information is neither timely nor accurate, is often incomplete, and is therefore of limited use to managers in decisionmaking. Senior executives are not getting the financial and program information they need to do strategic planning, assess progress towards agency goals and objectives, analyze and forecast trends, evaluate program and staff performance, or exercise executive control over GSA's multifaceted businesses. To manage more effectively, they need better personnel data, workload/volume data, performance ratios, cost-effectiveness data, and key program statistics. In addition, PBS managers need reliable information to determine the costs of operating specific buildings and to estimate future leasing expenditures.

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## Executive Information

As early as 1965, GSA officials knew that top management was not getting information on major agencywide problems. A 1965 staff paper pointed out that sometimes a problem was known throughout the agency, but nobody felt that it was their personal problem. Remedial actions were often only taken after the problem embarrassed a top official. Coopers and Lybrand, in a December 1978 study, concluded top management was still not getting adequate information. The firm reported that PBS' only management indicators were funds control data, and that FSS contained few cost effectiveness measures; neither service had comparisons to previous years, trends, or equivalent industry ratios. While there have been improvements, trend and comparative analyses are still missing.

In 1986, former Administrator Golden wanted an executive information system to help him and GSA's other top executives monitor and manage the agency's programs. This led GSA to develop its executive information system, ExecuTrac, to provide a tool to keep senior executives informed on how well they were doing in achieving the agency's goals and objectives. GSA's senior executives, however, are not satisfied with the system. Specifically, they said it does not have timely and accurate information and the information it does supply does not give the agencywide perspective needed by service and office heads. Sixty-eight percent of the senior executives responding to our questionnaire said timely and pertinent information is only available to some, little, or no extent.

We were told that a primary reason former Administrator Golden had ExecuTrac developed was to get unedited information to use in evaluating program performance. He believed "projects which get measured,

get completed." He felt the information he was getting did not focus on agency objectives, so he directed that ExecuTrac be developed to do this.

Even though ExecuTrac is not yet widely accepted or used by GSA's senior executives, GSA should guard against any efforts to abandon the system. We believe that such a system is essential for a multifaceted organization like GSA. Further, as GSA assumes a greater leadership and oversight role, the need for an executive information system becomes even more critical. To make the system a useful decision support tool, GSA must give a high priority to correcting the two most serious problems that threaten the system's future. These are (1) the poor quality of data fed into the system and (2) the lack of automated interfaces between ExecuTrac and the agency's other information systems.

GSA must improve the quality of its information if the system is to fulfill its purpose. This problem must be dealt with on a system-by-system basis. The managers of the information systems that provide data to ExecuTrac must take appropriate steps to improve the quality of the data in their systems. There is little that the ExecuTrac team can do to make ExecuTrac more responsive to the needs of executives if the data being fed into the system are not accurate, complete, and current. If executives do not get quality information from ExecuTrac, they probably will not use the system.

The ExecuTrac team must give a high priority to fixing the interface problem. A major criticism of ExecuTrac is that its information is old and available more quickly from other sources such as one of the service information systems. Systems interfaces would solve this problem. For GSA to realize the full potential of ExecuTrac, information must be fed automatically into the system so that senior executives have instant access to any information in GSA's total information environment without placing additional administrative burdens on the staff.

With proper system interfaces to tie it to GSA's other management information systems, ExecuTrac is capable of providing relevant, meaningful evaluation and oversight information. The Administrator, without placing additional reporting requirements on the staff, can use this system to evaluate trends over a period of time to identify potential and existing performance problems and effectively measure progress toward achieving agency goals and objectives. The system is also a powerful tool the Administrator can use to strengthen executive accountability by measuring individual and organization performance.

To overcome the acceptance problem, the ExecuTrac team needs to work individually with each potential system user to develop a clear understanding of how the system works and how that executive can use it to support his or her information and decisionmaking needs. Critical success factors—the key factors that can be used to measure success—need to be identified for each executive. The team should identify the specific information that each executive wants to see daily, weekly, and/or monthly, and develop ways to present this information in a meaningful format. Consultants involved in implementing executive information systems have found that if the information displayed by the system is not personally valuable to individual executives, they will not use the system.

#### Improvement in ExecuTrac Acceptance

During monthly meetings with the Director, Office of Financial Management Systems, we discussed our findings and concerns about the use and acceptance of ExecuTrac. Reviews done by the Office of Financial Management Systems during 1988 showed findings similar to ours concerning the quality of the information in ExecuTrac. This prompted several activities designed to address the deficiencies. As a result of these initiatives, the Office of Financial Management Systems made a questionnaire survey of ExecuTrac users in June 1989. The questionnaire results showed that 100 of the 124 users surveyed personally use ExecuTrac, 20 do not use the system, and 4 did not respond to this question. Seventy-nine percent of the users responding said they were satisfied with the overall quality. Specifically, 93 percent said they found the data accurate, 70 percent found the data complete, and 92 percent found information easy to understand. This is a dramatic turnaround. Although timeliness has also improved, it is still a concern—only 52 percent said they were satisfied with it.

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#### Financial Management Information

In many respects, GSA mirrors financial management elsewhere in the federal government. A Joint Financial Management Improvement Program report states that federal bureaus have developed unique systems that usually have not been integrated at the agency level.<sup>2</sup> This is the case at GSA, where the financial systems structure evolved over time in response to conditions in each service as opposed to the entire agency. A number of separately operated systems respond to service-specific

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<sup>2</sup>The Core Financial System Requirements report issued by the Joint Financial Management Improvement Program sets the framework for the integration of federal financial management systems and provides a summary of core financial system requirements.

needs but do not adequately address GSA's overall financial management needs.

In 1984, GSA reported several material management information weaknesses in its annual financial integrity report.<sup>3</sup> It said that its financial management systems did not supply reliable, timely data of consistent quality. It also said that it lacked a means to measure agency performance against control objectives and standards. Although GSA reported in its 1986 report that it had corrected these weaknesses, it continues to have problems with major systems and still does not have an adequate performance measurement system. Seventy-four percent of the senior executives responding to our questionnaire said weak information systems are a problem at GSA. Weaknesses in three financial management systems in IRMS and FSS are discussed below.

#### Erroneous Charges

IRMS systems collecting financial data on Federal Telecommunications System (FTS) and ADP transactions are old and need to be replaced. For example, the Telephone Inventory Accounting System, which tracks telephone equipment use by GSA and customer agencies; the FTS Intercity Usage Sample System (FTS Sample), which estimates the number of telephone calls; and the Competitive Procurement Management System, which provides an inventory of leased/owned telephone equipment, are all about 20 years old and use obsolete technology that cannot efficiently handle the current transactions volumes.

The data in these systems are also old and inaccurate, causing erroneous charges and increased operating costs. IRMS officials said agencies complain about errors in the FTS Sample reports. Officials estimate that 10 percent of all charges for telephone calls made by agencies are incorrect. To correct the billings, IRMS must invest staff time to research the bills to resolve the errors. IRMS officials could not estimate the cost of this additional work.

#### Overloaded System

Since 1975, FSS' Office of Transportation Audit has been the centralized authority for auditing commercial transportation billings and recovering overcharges paid by agencies. Overcharges identified by Transportation Audit have increased from about \$12.8 million in fiscal year 1981 to nearly \$58 million in 1987. During fiscal year 1988, it identified \$59 million in carrier overcharges, and collected \$58.4 million from carriers for

<sup>3</sup>The Federal Managers' Financial Integrity Act requires federal managers to identify internal control and accounting systems weaknesses that can lead to fraud, waste, and abuse in government operations. Agencies must report annually to the President and Congress on their efforts to correct identified weaknesses.

overpayments and unused ticket refunds. However, FSS' financial system, the Transportation Accounts Receivable/Payable System, was not designed to handle the number of transactions it currently is processing. GSA reported in its 1988 financial integrity report that the system was inadequate. Managers also told us that it was not a reliable source of timely information for decisionmaking because it was overloaded.

The system was designed to handle 60,000 to 80,000 transactions annually, but in fiscal year 1988, the audit unit processed about 515,000 transactions, thereby creating capacity problems for the system. To cope with the overload, the unit relies heavily on manual processes. GSA plans to design a new system; in the interim, it will add some storage capacity to the existing system.

#### **New Financial Management Tools Needed**

Funding changes make it imperative that FSS control its costs to be competitive with other supply sources. Although FSS has developed new financial management tools to help it meet this challenge, more tools are needed.

For many years, direct appropriations funded the overhead costs of FSS' supply operations. Therefore, the prices FSS charged did not need to cover its total costs. However, Public Law 100-202, approved December 22, 1987, allowed FSS to set up an industrial fund to recoup its supply operations costs by applying a markup to item prices. Also, FSS is no longer the mandatory source of supply for agencies; thus it must compete with other suppliers for business. In most instances, agencies may buy from the most economical supply source available.

FSS switched to industrial funding on February 1, 1988, but all its supply operations costs are not being recovered. FSS' price markups do not include prorated indirect administrative overhead for all support services such as those provided by GSA's personnel, finance, and budget offices. As a result, FSS is not currently recovering all of the costs expended in supplying goods and services to customer agencies. While these indirect costs are relatively minor, FSS officials agreed that to ensure full cost recovery, indirect costs should be included in the price markups. A proposal is being prepared for the fiscal year 1991 budget submission to recover a prorated share of these indirect administrative overhead costs, the officials said.

In fiscal year 1988, the first year FSS' supply operations were industrially funded, the General Supply Fund, which purchases the commodities sold by FSS and finances the operations of the interagency vehicle fleet,

had a net income of \$6.1 million. The fleet management generated a \$29.3 million income, while general supply operations lost \$23.2 million, or about 1.2 percent on sales/services revenues of just over \$2 billion. In the second year under industrial funding, through June 30, 1989, FSS' unaudited consolidated net income statement shows that the fund had a net income of \$51.2 million. Fleet operations had \$8.6 million in income, and supply operations generated income of \$42.6 million, or about 3 percent on revenue of \$1.4 billion. GSA's Deputy Comptroller for Financial Management Systems told us that he attributed this improved financial position primarily to FSS' efforts to control costs and to bill more quickly.

Since industrial funding has been in place less than 2 years, it is too early to assess fully FSS' ability to compete in a competitive arena and break even on its supply operations. More time is needed to see how customers react to their new freedom and how well FSS responds to changes in market conditions and fluctuations in sales volume. FSS' future as a competitive source hinges on its ability to control overhead and direct costs under industrial funding. This will require FSS to closely monitor its financial performance. Managers need better trend and comparative analysis information to help them keep prices at a competitive level. According to FSS officials, they recognize the need for better analytical decision support tools; efforts are continuing to develop appropriate tools to help commodity managers respond quickly and correctly to changing conditions.

FSS is aware of inadequacies within its supply system. It has efforts under way to modernize its depots to increase efficiency and productivity, and to upgrade its information systems to provide the relevant financial and other data its managers and executives need. FSS' success in these efforts is fundamental to its ability to maintain a competitive position in the marketplace and still break even on its supply operations.

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## **GSA Has Tried to Deal With Problems**

For years, GSA has known that its systems were not producing quality information, yet little improvement has occurred. Although some progress has been made in the financial management area since the Office of Financial Management Systems was set up in the Office of the Comptroller, existing system shortcomings are exacerbated by GSA's problems in designing and bringing new systems on-line. PBS' attempt to develop a new facilities management system, for example, resulted in a large dollar outlay without a usable system being developed.

Our audits of fiscal years 1985, 1986, and 1987 financial statements showed that GSA's National Electronic Accounting and Reporting (NEAR) system is capable of producing consistent, comparable statements. This type of information, while important, is only one part of the broad range of management information needed to manage an enterprise as diverse as GSA effectively. Also, some key financial systems do not supply useful GSA-wide information or information useful in managing operations; have outdated, erroneous, and/or incomplete data; and are overloaded to the point of ineffectiveness.

While actions are under way to get new computer systems, the software limitations of older financial management systems are not being addressed. Without new software, GSA cannot unleash the full potential and power of the new hardware to take advantage of their increased capability. GSA needs to take advantage of the fast, more flexible data management technology that is available to help its managers use resources more effectively, align disparate parts of the organization with agencywide goals, and collect data for strategic and operating decisions. Modern information technology offers new solutions to the problems that have overwhelmed GSA—expensive data storage, sluggish data retrieval, and complex systems.

By focusing on the shortcomings in its current financial systems, GSA is trying to put together an integrated masterplan for the future. When complete, this plan will articulate where GSA needs to be in terms of its financial management structure in the next decade. Work on the plan, however, was delayed due to cuts in funding. To improve accountability and the consistency of NEAR's information, GSA has consolidated its regional accounting activities into two regions—at Fort Worth, Texas, and Kansas City, Missouri. To improve data access, GSA has installed a new system, the Financial On Line Data System, that gives users electronic access to summary NEAR data. GSA has also taken steps to simplify data transfer among system modules and to create a better environment for software development and maintenance. In fiscal year 1986, it began to consolidate all NEAR transaction processing at a single computer center. This should result in more efficient program maintenance and lower costs, and the Comptroller will have better control over all GSA financial applications.

A key means to ensure better controls over operations is to have annual financial audits of the results of operations. GSA is one of the first federal agencies to prepare auditable consolidated financial statements. Former Administrator Golden supported this effort and for the past 3

fiscal years GSA's financial statements have been audited by GAO. This has improved accountability and control over GSA's operations and decisionmaking by highlighting opportunities for strengthening financial management and control; it has also increased scrutiny over a wide range of GSA activities.

To improve GSA's financial management, Former Administrator Golden set up the Office of Financial Management Systems in 1987, adding an agencywide strategy and a new capacity for assessing and developing GSA's financial management needs. This office is to identify financial information needs, develop and implement an agencywide financial management information structure, and set system development priorities. During fiscal year 1988, besides working on the financial systems plan, this office began holding monthly financial reviews of operations with senior officials of GSA's major services. These reviews included an analysis of the cash position, net income, and inventory levels.

Our main concern about this effort is whether the Office of Financial Management Systems will get the quality and quantity of resources it needs to carry out its assigned tasks effectively. To date, the office has been unable to produce a plan for an agencywide financial systems structure. While sufficient funds were available in fiscal year 1988 to contract for the required work, the office was unable to define the scope of the work to be done in sufficient time to award a contract before the end of the year. The office requested \$3 million for fiscal year 1989 but got only \$2.1 million. Funds needed to hire a contractor and other staff to develop the financial management systems plan were part of the \$0.9 million cut from the office's request. This will delay the plan and hamper GSA's ability to improve its financial management structure. Given the key role this office plays in GSA's ability to sustain progress in improving its financial management, it is important that it receive the resources and support needed to achieve its goals.

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## **A New Way of Thinking About Management Information Needed**

Poor information has undermined GSA's ability to support the government with efficient and economical property management and related services; to determine whether it is reaching its goals; and to identify and take the actions needed to improve its performance and customer satisfaction. The main reason for all this is inadequate IRM oversight and direction.

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## Active Oversight Needed

GSA's designated senior IRM official for internal IRM activities is the Commissioner of IRMS, who also is responsible for GSA's considerable governmentwide IRM functions. Due to intense congressional interest in external IRM matters, most of the Commissioner's attention is focused on governmentwide issues such as the government's telecommunications system—FTS 2000; as a result, internal IRM needs have received less attention.

In practice, the Commissioner has not personally handled the internal duties but has delegated them to the Assistant Commissioner for GSA Information Systems. Until recently, this position was two management layers below the Commissioner. While this Assistant Commissioner now reports directly to the Commissioner, this is still too low to deal effectively with the organizational and cultural conditions existing at GSA. While this official oversees agencywide IRM activities, the authority and clout to direct, manage, and enforce compliance are missing. Because commissioners and heads of staff offices and regions are at a higher level, the IRMS Assistant Commissioner has little or no power to require units to follow prescribed federal laws and regulations, and agency policies, standards, and procedures.

Accountability for IRM is lacking because no one is evaluating performance. IRMS delegated to the other services the authority to develop and acquire new information systems but gave little guidance and did not monitor major efforts such as STRIDE. As a result, projects to fulfill critical information needs were unsuccessful even though considerable resources have been invested. This lack of oversight contributed to a number of problems as discussed below.

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## Stride

PBS did not meet all GSA quality assurance standards, and IRMS did not satisfy itself that the STRIDE project to develop a new facilities management information system was effectively managed. The GSA Inspector General reported that the project failed because there was no overall system design plan, insufficient quality control, inaccurate progress reporting, and ineffective oversight and monitoring of the project.<sup>4</sup> The Inspector General concluded that PBS did not set up a quality control review team to ensure that assessments of deliverables, tests, plans and procedures, and controls were adequate.

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<sup>4</sup>Review of STRIDE Public Building Service, GSA, Office of Inspector General, Mar. 24, 1989.

IRMS' oversight was ineffective, although it did ask to be involved in the project's installation and acceptance reviews. From the beginning, IRMS did not ensure that PBS used proper procedures. However, PBS excluded IRMS from the installation and acceptance functions. Moreover, project documents were received after the fact—too late for any effective IRMS involvement. Although IRMS reviewed the contractor's task orders and made recommendations, IRMS officials told us these were largely ignored by PBS. As a result, IRMS was unsuccessful in influencing changes in the project. While oversight does not guarantee success, it would have helped the project manager to avoid the pitfalls and to minimize the delays that eventually led to the project's termination. Although some STRIDE subsystems will survive, millions of dollars were wasted on the project.

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### **Transportation Interface and Reporting System**

This NEAR subsystem provides information on vehicles. Put in to service in October 1985, it was unable to generate timely and reliable financial reports for fiscal year 1986. We were told that the system had errors and would not interface properly with other NEAR subsystems. Lack of timely and reliable recurring reports hampered GSA's ability to analyze vehicle inventory, accounts receivable, and depreciation for the fleet's operations.

Our report on GSA's fiscal year 1987 financial statements noted that system information was still inaccurate and unreliable.<sup>5</sup> It does not promptly and accurately account for vehicles sold by GSA. We were, however, able to satisfy ourselves as to the fairness of the fleet management accounts balance sheet presentation based on our review of GSA's manual adjustments. More than 5,700 vehicles, with a capitalized value of more than \$32 million, were erroneously included in year-end inventory even though they had been sold. We learned that this did not cause FSS problems because managers used the Fleet Management System instead of this system to make fleet management decisions.

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### **Agency Contracts Register Nationwide System**

This system was installed October 1, 1986, to generate a detailed listing of the unbilled ADP Fund accounts receivable and to prepare a cumulative history of all bills processed at any point in time. However, it was put in use without adequately testing to ensure that it would provide complete and accurate information. Because it was unable to generate

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<sup>5</sup>Financial Audit: Examination of GSA's Financial Statements for Fiscal Years 1987 and 1986 (GAO/AFMD-89-17, Nov. 21, 1988).

reliable data for unbilled fiscal years 1987 and 1988 accounts receivable and related revenues, extensive time and effort were expended to manually reconcile and calculate year-end accruals for the ADP Fund.

Several consultants we contacted were critical of the dual responsibility held by the IRMS Commissioner. They told us that it was generally not a good practice to mix internal and external duties because one or the other is usually neglected. Also, GSA's own studies point out that:

"Unlike many of the other components which may support only a part of the agency mission, the IRM organization must support and serve every part of the agency. Because the fundamental objective of the IRM organization is to maximize the value, quality, and use of the agency's information, it must be structured in a way that allows it to interact with the entire agency."

In GSA, the existing culture and organizational relationships limit IRMS' ability to promote effective interaction. To be effective, IRMS must overcome these obstacles to forge strong cooperation and teamwork between itself and those it serves. Half of the senior executives we interviewed (25 of 50) told us they were not satisfied with the guidance and technical aid given by IRMS. They expressed a high degree of frustration with IRM activities where IRMS should be involved. We were told that when the current IRM alignment was created in the early 1980s, it was not the preferred option. Since better information is critical to GSA's future and because little progress towards improving its information environment has been made under the current structure, GSA needs to reassess the senior IRM placement.

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### Internal IRM Responsibilities Need to Be Shifted

To improve GSA's information environment, it is vital that the designated senior IRM official have the authority and power to direct, manage, and enforce compliance. This function will require this individual's undivided attention until the quality and availability of GSA's management information improves. To achieve this, GSA will need to designate a senior IRM official, other than the IRMS Commissioner, to report directly to an Administrator, such as an Associate Administrator for Information. This would allow the Commissioner to focus full attention on governmentwide IRMS issues and give GSA's internal information problems the attention they sorely need.

IRM focal points, under the control of the senior IRM official for IRM matters, also need to be set up in the services and staff offices to ensure

that the IRM policies and programs are carried out consistently throughout the entire agency. For example, the Director, Financial Management Systems, should receive technical guidance and direction from this senior official on IRM matters, but report to and receive operational directions from the Comptroller. This would be no different than the current financial management arrangement in which the controllers in the services receive technical guidance and direction from the Comptroller while reporting to the individual service commissioner for operational matters.

A management council on internal information, chaired by the senior IRM, should also be set up to set policy and monitor agencywide information initiatives. The four service IRM officials, the Director of Financial Management Systems, and a representative for other staff offices could serve as members.

GSA's senior IRM official will need to take the lead in developing an agencywide information structure or architecture. GSA has not yet developed an architecture to ensure that senior executives and managers at all levels in the agency get all the information they need to do their jobs effectively. GSA's current 5-year Strategic Plan for Automated Information focuses on systems, not management information needs, and therefore does not do this. The effort to develop a financial information architecture has not progressed as expected due to budget cuts. This effort should be supported and incorporated into a broader effort to create an agencywide architecture for all GSA's information needs.

GSA's difficulty in developing and implementing new information systems precluded it from realizing the benefits that modern automated systems provide. The potential for succeeding in these efforts would be greater if GSA had something to guide new system developments and to ensure that they will interface with other systems so information and applications sharing can be realized. GSA would have this guide if it defined its total information needs by unit and by program. These agencywide information needs could be used to define the supporting technology and systems to carry out mission and program objectives.

GSA should define the structure and relationships of the information itself, and identify agency IRM standards and guidelines for centralized systems, stand-alone applications, and traditional administrative support applications. This model would give GSA's top management a means to ensure that (1) the data and information gathered meet agency needs satisfactorily, (2) information can be shared and transferred from one

system to another, and (3) all new computer equipment is compatible with that used to facilitate information processing and exchange. The model needs to be flexible enough to allow new information technologies to be used as they are introduced. GSA is using some new technology, yet more could be done to take advantage of the improved productivity and lower costs offered by emerging information technologies. Although the agency has greatly reduced its workforce over the last decade, it has not looked enough to new technology to help cope with the increased demands placed on a smaller workforce.

Compact disc technology, for example, is used widely to store and disseminate information such as policies and regulations, construction design guidelines, and other large databases with voluminous amounts of data. Effective use of such technology could—among other things—help GSA reduce and control its costs, improve the quality of information available to customers and contractors, and expand the capabilities and capacities of its dwindling staff. Along this line, GSA is sponsoring research projects at the National Institute of Standards and Technology's Center of Building Technology to explore the use of new information technology in the facilities management area. For example, one project is exploring the use of robotics for functions such as window cleaning, floor cleaning, trash compacting, and miscellaneous materials handling. Another is developing design criteria and guide specifications for direct digital control-based building automation systems for use in future GSA construction projects.

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## Conclusions

GSA's future success is very much dependent upon the availability of reliable, timely, and accurate information. For it to assume a policy guidance and oversight role in the facility management area, improve its human resources and financial management, maintain a competitive posture in its supply operations, and become more responsive to its customer needs, it is essential that it focus its attention on improving its information environment and give this effort a top priority.

Unless changes are made to more effectively manage its information, GSA will have a very difficult time in carrying out its future roles. GSA needs to make more progress in improving the quality of its management information and treat information as a valuable asset. There is neither an agencywide strategy to assess management needs nor an effective organization in place to provide the direction and oversight necessary to ensure that the financial and programmatic information needs of managers are successfully met.

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Because of the fluctuating nature of the retail business, it will be important that the Administrator and the FSS Commissioner closely monitor operating costs to ensure that FSS remains competitive, the focus should be on identifying specific commodity lines that are not profitable and deciding on the desirability of continuing to stock these lines.

GSA has taken several steps over the past few years to provide executives with better information and to improve its financial management environment. However, a number of problems still exist that adversely affect program operations. Setting up the Office of Financial Management Systems and preparing and auditing the financial statements are positive changes that should assist in developing and implementing corrective actions.

There are two steps GSA must take to improve the overall situation. First, it needs to split the internal and external IRM responsibilities and assign the internal duties to a new senior IRM official, such as an Associate Administrator for Information reporting directly to the Administrator, whose sole job would be to create the internal information environment GSA needs to operate effectively.

Second, this individual needs to take the lead in developing an agency-wide information architecture that defines all the information needs of the agency, both financial and nonfinancial; identifies needed systems and systems that must exchange or share information; and allows for new information technology to be introduced when it will provide a better solution. GSA also needs to strengthen the oversight of IRM throughout GSA and provide more advisory services and guidance than are now available to those seeking to upgrade information systems capabilities.

In our opinion, corrective actions will require timely and focused efforts that involve top management commitment as well as interaction among the financial and program managers. To ensure that the financial management environment is consistent and compatible with GSA's agency-wide management information environment and that IRM policies and programs are carried out consistently throughout the agency, the Director of Financial Management Systems should receive technical IRM direction and guidance from the senior IRM official.

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## Recommendations

To improve GSA's internal IRM environment and establish a framework for meeting its financial and program management information needs, we recommend that the Administrator

- remove internal IRM responsibilities from the IRMS Commissioner and assign them to a new senior IRM official, such as an Associate Administrator for Information, whose sole responsibilities are to strengthen and improve the management of GSA's information resources.
- develop an agencywide information architecture that identifies and links all information needs, both financial and nonfinancial, with appropriate systems applications and related hardware to carry out GSA's mission and program objectives.
- strengthen GSA's top management oversight of systems development and implementation of new systems by involving the existing ADP steering committee appropriately.

To improve GSA's financial management systems and provide a sound basis for guiding system development efforts, we recommend that the Administrator

- complete an agencywide financial systems plan as part of the development of the agency's information architecture.
- ensure that the Office of Financial Management Systems is provided with the necessary resources to improve GSA financial management.
- continually monitor supply operations and remove from inventory those commodities that are not cost-effective to stock.

## Agency Comments

The Acting Administrator agreed with all but one recommendation. GSA's comments cited a broad range of activities responsive to our recommendations:

"In the information resources management area GSA has taken action to strengthen and improve management control and oversight of automated information systems. In addition, a complete review and revision of procedural guidance on systems quality assurance and life cycle management has been initiated. Furthermore, consistent with the agency's five-year plan for information resources management, GSA has initiated an acquisition project that will help to ensure compatibility and interoperability between agency data processing resources. Finally, we have begun a Four Point IRM Improvement Program to strengthen the interaction of GSA's information resources management community to improve technical support activities, and to increase access to common-use software."

Although GSA agreed with our recommendation to develop an agencywide information architecture, we believe it is important to clarify the intent of our recommendation. GSA's response indicates that the agency's 5-year IRM plan addresses this issue and its current efforts are focused on the logical flow of information. In our view, the 5-year plan focuses

on systems, while the logical flow of work focuses on the ability of systems to share and exchange information. Neither of these activities focuses on the first step in developing an agencywide information architecture—developing GSA's management information needs.

The agency needs to identify in detail what information it needs to carry out its various roles and to keep managers and executives informed on current program status and trends. We believe that one of the problems with many GSA information systems is that too much data—often unneeded data—are being gathered, while relevant data are not being collected. Once GSA has clarified its management information needs, then it should move to systems and hardware identification and interconnectivity.

GSA reserved judgment on our recommendation to remove internal IRM responsibilities from the IRMS Commissioner and assign them, at least temporarily, to a new senior IRM official, whose sole responsibilities are to strengthen and improve the management of GSA's information systems. GSA expressed concern that a temporary reassignment would weaken a new organization's ability to exercise effective leadership. The Acting Administrator also wants to postpone judgment until he receives an internal report on the optimal organization placement of GSA's senior IRM official. He requested this report in May 1989.

We have revised our recommendation to clarify our intent that the responsibilities for directing and overseeing GSA's internal IRM development and implementation be separated from the IRMS Commissioner. We believe this realignment is fundamental to ensuring that GSA's management information problems receive the attention they deserve and require.

GSA's specific comments on the recommendations in this chapter are included in appendix IV on pages 121-123.

# Reports and Studies Analyzed

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Cabinet Council on Management and Administration, Report on Real Property Management, Washington, D.C.: CCMA, Jan. 1985.

Facility Management Institute, What's Next for Facility Management, Volumes I and II, report on symposium to raise and examine issues surrounding the work environment held on October 2-3, 1986, in Ann Arbor, MI., Ann Arbor: Herman Miller Research Corporation, 1986.

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Hudson Institute, Workforce 2000, Work and Workers for the Twenty-First Century, prepared for Department of Labor, Indianapolis: June 1987.

National Academy of Public Administration, Revitalizing Federal Management: Managers and Their Overburdened Systems, Washington, D.C.: NAPA, Nov. 1983.

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Office of Inspector General, GSA, Final Report on the Review of STRIDE, Washington, D.C.: GSA-IG, Mar. 1989.

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President's Council on Management Improvement, Report of the PCMI Task Group on Real Property Management, Washington, D.C.: PCMI, June 1987.

U.S. Congress, Office of Technology Assessment, Automation of America's Offices, 1985-2000, Washington, D.C.: U.S. Government Printing Office, OTA-CIT-287, Dec. 1985.

U.S. Office of Personnel Management, Civil Service 2000, prepared by Hudson Institute, Washington, D.C.: OPM, June 1988.

# Consultant Panel

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Mr. Michael L. Joroff  
Director  
Laboratory of Architecture and Planning  
Massachusetts Institute of Technology

Mr. Ray Kline  
President  
National Academy of Public Administration

Mr. Thomas C. Komarek  
Assistant Secretary for Administration and Management  
Department of Labor

Dr. Bernard J. LaLonde  
Professor of Transportation and Logistics  
Ohio State University  
College of Business

Mr. Howard Messner  
Executive Vice President and Chief Operating Officer  
American Consulting Engineers Council

Mr. James G. Mitchell  
Retired GAO facilities management expert

Mr. Thomas Morris  
Consultant in the logistics management area

Mr. Don Wortman  
Consultant  
National Academy of Public Administration

# Summary Information on Questionnaires and Interviews

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During our review, we sent a series of questionnaires to GSA managers and employees and interviewed senior executives and mid-level managers. Summary information related to these data-gathering efforts is provided below.

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## Questionnaires Administered to GSA Employees

To obtain an agencywide view of GSA, we sent 2,232 questionnaires to senior executives, mid-level managers, and employees in grades 11 and below. While questionnaires were tailored to each respondent group, each included questions on central leadership, human resources, and other general management issues. Questionnaires were pretested with selected potential respondents. Data were collected between July and September 1988.

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## Senior Executive Questionnaire

To obtain opinions on GSA's operating environment, leadership, human resources, and information management, we sent a standardized questionnaire to all GSA senior executives. The universe included all 118 senior executives as of June 5, 1988, but was adjusted to 117 to exclude 1 person receiving only administrative support from GSA. Of the 117 executives, 95, or 81 percent, responded.

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## Mid-Level Managers Questionnaire

We sent standardized questionnaires to mid-level managers to obtain their views on various GSA management and functional area issues. This questionnaire was sent to all 1,715 employees in grades 13 to 15 under the General Management System as of June 8, 1988. The universe was adjusted to 1,671 to exclude persons who were no longer employed by GSA, or who received only administrative support from GSA, or whose questionnaires were returned as undeliverable. We received 1,270 completed questionnaires for a response rate of 76 percent.

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## Employee Questionnaire

We sent a standardized questionnaire to a random sample of General Schedule and Federal Wage System employees in grades 11 and below to obtain their opinions on GSA's operating environment and various management functions. The universe consisted of 13,939 employees from which we drew a random sample of 399 employees. The sample was adjusted to 317 to exclude persons no longer employed by GSA or those whose questionnaires were returned as undeliverable. We received 265 completed questionnaires for a response rate of 71 percent. The sample was designed to yield an expected sampling error of  $\pm 5$  percent at a 95 percent confidence level. Actual sampling error was larger than the

planned sampling error because of the less than complete response rate. Actual sampling error for the responses used in the report ranged from 4.9 percent to 6.3 percent. Table III.1 gives detailed sampling error information.

**Table III.1: Sampling Errors for Employee Questions Used in Report**

Survey question number	Question content	Actual response percentage <sup>a</sup>	Sampling error percentage
6.1	Good employee relations <sup>b</sup>	34	±5.7
14.5	Use of training to motivate <sup>c</sup>	24	±5.2
15.5	Training as a motivator <sup>c</sup>	79	±4.9
16.1	Career development training <sup>c</sup>	51	±6.3
16.2	Improve job training <sup>c</sup>	43	±6.1
16.3	Basic job training <sup>c</sup>	34	±5.8
16.4	Duty change training <sup>c</sup>	35	±5.9
16.5	Personal development training <sup>c</sup>	49	±6.2
11	Morale level (high, very high) <sup>b</sup>	28	±5.4
11	Morale level (neither) <sup>b</sup>	25	±5.2
11	Morale level (low, very low) <sup>b</sup>	46	±6.0

<sup>a</sup>Rounded to nearest whole number.

<sup>b</sup>See p. 79.

<sup>c</sup>See p. 83.

## Senior Executives and Mid-Level Managers Interviewed

To obtain detailed information on issues relating to GSA's management functions and processes, we selected the following employees to be interviewed:

- 50 senior executives, including 3 service commissioners, 3 heads of staff offices, and 4 regional administrators;
- 3 directors of administration for a service, 9 personnel officers; and
- 31 financial managers.

In addition, 23 senior managers were interviewed on their use of Execu-Trac, GSA's executive information system.

## Other Interviews

We also interviewed officials of the Departments of Health and Human Services, Housing and Urban Development, Justice, and Labor and the Internal Revenue Service, to obtain perceptions on GSA's building delegation program. These agencies were targeted because they had accepted delegations under GSA's building delegation program. In addition, we

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**Appendix III  
Summary Information on Questionnaires  
and Interviews**

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reviewed and analyzed 102 of GSA's fiscal year 1988 SES performance plan and assessment summary forms to appraise the extent to which the performance elements, standards, and narrative comments considered the appraisal criteria outlined in the Civil Service Reform Act of 1978 (Public Law 95-454, approved Oct. 13, 1978).

# Comments From the Acting Administrator, General Services Administration



Administrator  
General Services Administration  
Washington, DC 20405



August 30, 1989

The Honorable  
Charles A. Bowsher  
Comptroller General  
of the United States  
General Accounting Office  
Washington, DC 20548

Dear Mr. Bowsher:

Thank you for the opportunity to comment on the general management review draft of the General Services Administration (GSA), entitled "Actions Needed to Manage Critical Challenges in a Changing Environment", dated July 31, 1989.

The draft report offers a number of recommendations, and as you can see from the enclosure, we generally concur. In many cases we had already recognized a need for improvement and begun to take actions to address specific issues; in other cases we began to implement recommendations as a result of discussions with your staff during the review. Our Audit Resolution and Internal Controls Division will monitor progress and track implementation of the recommendations.

There are, however, two significant matters which need to be addressed.

First, the draft report makes much of the fact that in fulfilling its property management mission, GSA performs both policy and oversight functions as well as operational service activities. The report cites conflicting views and divergent expectations (current and historical) regarding GSA's "appropriate role." GAO believes that GSA's current strategic plan, which emphasizes that centralized operations are to be performed only where there are economic or management advantages in doing so, is correct. GAO sees this as a significant change in our role. In our view, the dual roles of policy and operations are not mutually exclusive, but rather mutually supportive. The tension which exists in identifying an appropriate balance of roles is a healthy and natural consequence of our management mission. The

Appendix IV  
Comments From the Acting Administrator,  
General Services Administration

-2-

agency has the talent and experience necessary to move ahead on both fronts. GSA will continue to perform both functions where, when, and if, it makes good management sense to do so. Although the balance of roles may experience adjustments over time, the basic GSA mission remains the same.

Second, we realize that a general management review conducted by GAO is designed to focus on problem areas and recommend solutions. However, some individuals may form opinions of an agency, based on the incorrect assumption that the resulting report provides a more comprehensive perspective.

At the same time that we at GSA are working to implement the recommendations in your report, GSA employees can look back with pride on the positive accomplishments they have made over the past ten years that were, understandably, not the subject of the report.

GSA's system of management controls and its Occupational Certification Program are among the finest in the Federal Government. The implementation of office automation technology within GSA was undertaken at a time when it was only a vision for most agencies. We are now a respected leader in the procurement community, and our ethical standards are among the highest in the Federal Government. In addition, we have demonstrated a remarkable ability to adapt to changing times and environments through, for example, our child care facility program and our responsiveness to the needs of the Nation's homeless. We have faced and overcome critical challenges in awarding the FTS 2000 contracts. What makes these successes even more remarkable is that while we were achieving them GSA underwent a staffing cut in excess of 47 percent.

We are appreciative that GAO acknowledges that during the two-year period required to develop this report, GSA was, in fact taking action to address many of the areas now the subject of review. The reader should understand this and consider the report within the context of the time taken to prepare it, the agency's actions during the two-year period, and GSA's response to each recommendation.

GSA employees continued to strive for excellence during the period that the GAO review was being conducted. In supplying services and commodities to agencies, GSA has completed the transition to full cost recovery funding of the supply operations. Enhancements were made to the econometric decision model which has proved to be a reliable source for projecting full cost recovery markups. As a major cost reduction initiative, GSA has developed a total Distribution Management

-3-

Plan to modernize warehouse and distribution operations involving all locations and processes in the wholesale and retail programs. The issuance of the Governmentwide Commercial Credit Card contract, which simplifies the financial management practices effecting the small purchase market of over \$18 billion, the consolidation of 12,000 vehicles into the Interagency Fleet Management System, and the transfer of \$6.2 million in surplus personal property to assist the homeless are examples of projects that support our strategic direction.

In providing housing, GSA has a major effort underway that focuses on the client agency. It provides for closer cooperation from the very beginning in determining the space needs of an agency to actual delivery. It recognizes that agencies have a stake and a responsibility in the space delivery process. It also recognizes that client service does not end when the space is delivered. Continued coordination, shared information and cooperative efforts are essential in ensuring that our clients are receiving quality work environments to house their employees and accomplish their mission.

In the information resources management area GSA has taken action to strengthen and improve management control and oversight of automated information systems. In addition, a complete review and revision of procedural guidance on systems quality assurance and life cycle management has been initiated. Furthermore, consistent with the agency's five-year plan for information resources management, GSA has initiated an acquisition project that will help to ensure compatibility and interoperability between agency data processing resources. Finally, we have begun a Four Point IRM Improvement Program to strengthen the interaction of GSA's information resources management community to improve technical support activities, and to increase access to common-use software.

The foregoing was accomplished during the same period in which GSA successfully completed two major telecommunications acquisitions: FTS 2000 and the Washington Interagency Telecommunications System. Accomplishments such as these will enable GSA and the rest of the Federal community to improve productivity and cost effectiveness through the use of advanced communications technologies.

Appendix IV  
Comments From the Acting Administrator,  
General Services Administration

-4-

We appreciate the time and effort you and your staff have expended in developing this draft report, and we look forward to working with you to continue to improve the management of GSA.

Sincerely,



Richard G. Austin  
Acting Administrator

Enclosures

GENERAL SERVICES ADMINISTRATION (GSA) RESPONSE  
TO THE  
GENERAL ACCOUNTING OFFICE (GAO) DRAFT REPORT  
OF JULY 31, 1989 ON  
"ACTIONS NEEDED TO MANAGE CRITICAL CHALLENGES  
IN A CHANGING ENVIRONMENT"

The General Services Administration's (GSA's) response to the General Accounting Office's recommendations in the July 31, 1989, report "Actions Needed to Manage Critical Challenges in a Changing Environment" follow:

**1) Establish a forward-looking strategic planning process that allows heavy involvement of the agency's senior executives in the process.**

Agree. As noted in the draft report, GSA management has long recognized the value of strategic planning and, indeed, of a more comprehensive integrated planning process. We do understand, however, that the process by which such strategic and operational planning has been accomplished has been the subject of differing management styles and approaches. Accordingly, we have already begun to establish a more formal integrated planning process which ensures the participation of senior managers throughout the GSA organization. As strategic planning is by its very nature an evolutionary process, we will undoubtedly make future adjustments to our current strategic plan as circumstances warrant.

**2) Strengthen the link between strategic planning, operational planning, and budget development by using the strategic plan to drive budget development, and deriving operational plans from the strategic plan.**

Agree. The development of a more "formal" planning process has already begun. The resulting product will define an integrated planning methodology which will connect the agency's strategic plan with operational planning, budgeting, and results management. GSA is currently engaged in updating its strategic plan and defining its FY 1990 operational plan. Complete integration should be implemented under the formal process.

-2-

**3) Familiarize other key organizations with GSA's strategic plan, particularly OMB and Congress.**

Agree. As noted in the draft report, GSA's strategic plan has been communicated to OMB and Congress as well as other external organizations. Any adjustments or updates of our long range goals will be similarly coordinated. This element will be incorporated into our formal planning process.

**4) Use the ExecuTrac system to support the strategic planning process and collect information on plan accomplishments and key performance indicators to hold managers accountable.**

Agree. The ExecuTrac system is a key component of the integrated planning process. Goals and objectives will be established to support the strategic plan and results indicators will be established to monitor progress.

**5) Direct that all Civil Service Reform Act assessment criteria be used in developing objectives and measurements in each senior executive's performance plan.**

Agree. Performance plans can be improved and will be tied to the strategic planning process.

**6) Ensure that performance plans articulate more specific, measurable, and prioritized goals and objectives to allow for the assessment of individual and organizational contributions to the achievement of agency results.**

Agree. The Acting Administrator has issued a memorandum to all senior agency managers to develop performance plans for fiscal year 1990 and succeeding years which stress the need for more specific and measurable goals and objectives and to assure they assess the achievement of agency results.

**7) Identify ways to ensure that Central Office policies and goals are effectively carried out in the regions.**

Agree. GSA is proud of the Central Office and Regional working relationships established in the past two years with the Management Council process. During the quarterly meetings, key program goals are discussed and action items developed to solve specific problems. In addition, ExecuTrac monitors monthly

Appendix IV  
Comments From the Acting Administrator,  
General Services Administration

-3-

progress toward meeting goals, objectives, and business indicators, supplemented by quarterly general management reviews with the Acting Administrator. Plans are underway to merge the Management Council process with the General Management Reviews (GMR) and to have Regional Administrators participate directly in the GMR's.

**8 & 9) Implement an executive development program which includes core technical and managerial training requirements for all senior executives and elective courses to update executive skills in areas such as change management, quality management, human resources management, performance measurement, and financial management.**

Agree. GSA's Career Advisory Panel has appointed a subcommittee to study executive development needs and to develop a program for implementation. Our Executive Excellence and Executive Skills programs will be altered accordingly.

**10) Deleted.**

**11) Institute an active program to develop the managerial and executive skills and capabilities of the agency's managers to provide a pool of qualified personnel to be considered for SES vacancies as they occur.**

Agree. As part of our Occupational Certification Program, we have developed a module called "Managerial Excellence" that provides a systematic plan for developing managerial competencies. Implementation of this plan is scheduled for October of 1989.

**12) Continue delegating building management authority and expand coverage to additional buildings where agencies are capable and willing to assume these responsibilities, and on a case-by-case basis, delegate major repair and alteration authority to agencies capable of carrying out these responsibilities.**

Agree in part. GSA's strategic plan in this regard is still intact. However, the Public Buildings Service (PBS) already has delegated building management authority to the extent consistent with our delegation standards. GSA must now concentrate its

**Appendix IV  
Comments From the Acting Administrator,  
General Services Administration**

-4-

efforts on strengthening our support and oversight role. Further delegations will be considered on a case-by-case basis within the context of the strategic course we have set for ourselves.

In our strategic plan, one of the most important issues states, "PBS will insure that services are provided in the most efficient and effective manner through a variety of methods within the framework of our regulatory responsibilities." To accomplish this, we will establish criteria for choosing the best approach method utilizing an array of service delivery methods (in-house, contract, agency delegations) that allow flexibility in successfully satisfying agency requirements. Certainly delegating is an important method, but it is not the only one.

**13) Revise the information reporting requirements under building delegations to require agencies to report all operating cost and performance information needed to determine annual operating expenses and oversee delegated building management.**

Agree. We will meet with representatives of the agencies to discuss the best means to obtain the data.

**14) Expand the use of contracts for building management services in multi-tenant and other buildings where it would not be feasible to delegate to the tenants.**

Agree. Within the confines of A-76, we are in full compliance.

**15) Focus efforts primarily on strategic management issues such as the size and location of Government facilities, when and how new facilities are to be acquired, and when it is in the best interest of the Government to modernize and renovate a building or to sell it.**

Agree. PBS has mechanisms in place that address these concerns. The Planning and Project Review Board (PPRB) process is the focal point for these activities from strategic direction through specific project recommendations. Decisions on the size and location of Government facilities are based on long-term Federal housing requirements with the full participation of agencies to be housed and local officials. Decisions on acquisition, renovation or disposition of facilities are based on

-5-

the characteristics of the space need, local real estate markets, and funding considerations. Facilities are evaluated periodically to determine utilization levels, possible problems relating to building operations and reinvestment levels required to maintain and maximize the property's value as a Federal asset.

**16) Develop policy procedures, guidance, and other support mechanisms to help agencies use and manage their facilities strategically as tools to accomplish the goals and objectives of their missions and programs.**

Agree. GSA has these procedures in place and will ensure they are utilized to assist agencies.

**17) Strengthen delegation oversight and contract administration to ensure that the value and integrity of the facilities assets are preserved, and that they are used effectively to support Government programs.**

Agree. GSA acknowledges the need for enhanced oversight and its impact on asset management.

**18) Develop a comprehensive plan and timetable for implementing this role change.**

Agree. PBS has already initiated the role change with the development of draft chapter 101-16, Governmentwide Real Property Asset Management. PBS will continue in consultation with OMB and agencies, to build on this regulation to ensure that all the real property assets of the government are preserved and protected.

**19) Provide total quality management training to PBS personnel.**

Agree. We plan to provide this type of training to all GSA managers.

**20) Develop effective partnerships with customer agencies.**

Agree. GSA has continued to strengthen the relationships with both the large and small client agencies through a number of interagency groups, meetings, and conferences. The annual

**Appendix IV  
Comments From the Acting Administrator,  
General Services Administration**

-6-

"Partnership in Administration" conference, the PBS Real Property Executive Advisory Committee, numerous FSS user panels, the Interagency Committee on Information Resources Management, and the FTS 2000 Interagency Management Council are several examples of GSA and the client agencies working together to improve the delivery of products and services to the Federal Government. GSA is committed to continue to forge partnerships with the client agencies.

**21) Set up regional advisory councils, made up of agencies served in the region, to evaluate new program ideas, program changes, and suggestions for improvements, and provide feedback on the quality of services.**

**Agree.** A Client Relations Advisory Committee was established in Chicago in 1987 by the Acting Administrator during his tenure as the Regional Administrator. He recognized the benefits resulting from this Committee and has directed all Regional Administrators to establish similar committees in their regions. These committees will be effective forum for discussing, developing and fostering better relations, communications and understanding with the agencies we are required to serve. The committees will meet several times a year and will report to the Administrator through the Office of Client Relations.

**22) Maintain a one-stop focal point within the Central Office and regions to field customer inquiries, requests, and complaints.**

**Agree in part.** The Office of Client Relations has been established in the Office of the Administrator to serve as the point of contact with the client agencies. Depending on the type of inquiry or concern, the appropriate operating official is notified and follow through requested. In many cases, the best response to a complaint is to communicate to the responding official the concerns of the client agency. The Office of Client Relations is improving and strengthening communications with the client agencies through the annual "Partnership in Administration" conferences, both at the headquarters level and in the regions, through the bi-monthly publication of the **Alert Bulletin**, and through regular meetings with the senior administrative officials in the departments and agencies.

At the regional level, each Regional Administrator or Senior Advisor serves as a focal point for inquiries regarding facilities and/or services in his respective region.

**Appendix IV  
Comments From the Acting Administrator,  
General Services Administration**

-7-

**23) Develop a new facilities management information structure and redefine the relevant management information needed to strategically manage facilities assets, evaluate facilities costs and performance, and oversee delegated functions.**

Agree. This information structure will be considered within the context of the PBS Information Systems (PBS/IS) currently underway.

**24) Acquire and implement a new facilities management information system capable of collecting, analyzing, and disseminating this information, and exchanging information with other GSA information systems as needed.**

Agree. This information structure will be considered within the context of the PBS Information Systems (PBS/IS) currently underway.

**25) Reassess the existing relationship between headquarters and regional staff and officials responsible for facilities management in terms of authority, responsibility, accountability, and lines of communication to better assure consistent, correct implementation of policies and goals.**

Agree. To ensure greater responsibility and accountability at all levels, an organizational change will be implemented by the Acting Administrator. Regional Administrators will report directly to the Acting Deputy Administrator, putting them at the same management level as the Heads of Services, and formalizing the lines of communication directly between the Administrator's office and the regions.

In addition, in order to promote consistent implementation of the Administrator's policies and goals, the General Management Reviews (GMR) have been scheduled in conjunction with the Management Council and Board of Directors (MCBD) meetings. With these organizational and programmatic changes, the Regional Administrators will have direct lines of communication to the Acting Administrator and their participation at both GMR and MCBD meetings will require direct accountability from these regional officials. Furthermore, the delegation of certain organizational authority to the Regional Administrators will increase their authority and responsibility to respond to the regional issues and to carry out the Administrator's policies and goals.

-8-

**26) Establish and maintain an active human resource planning system, that is integrated with other planning processes, to identify future staff resource requirements and stipulate how these resources will be acquired.**

Agree. It is a good idea to do work force planning in conjunction with a strategic plan related to the direction of GSA's missions, and budget proposals.

GSA can provide data on current work force characteristics, turnover data, recruiting and training needs, and career progression paths. In fact, much of this information is provided on a monthly or quarterly basis to managers/executive offices from Personnel Information Resources System (PIRS), and regularly are called upon to provide reports to meet specific needs.

**27) Develop stronger employee development and training programs which are based on requirements identified in the human resource plan and input received from across the organization.**

Agree. GSA has the structure in place to meet the needs identified in a human resources plan. We are developing a work force profile, GSA 2000, a human resources plan that will carry us through the end of the century. The Occupational Certifications Program provides formal and structured training plans which identify the knowledge, skills, abilities and training requirements for an occupation. The plans are applied at each grade level from entry level through the full performance level. Training plans are available for 20 occupations, and 18 additional plans are scheduled for implementation. Plans were developed by job experts and input was obtained nationwide. The plans provide a career development path for employees to gain the needed competence and expertise in their occupational fields. Employees are certified in their occupation when they have met the full set of certification criteria and demonstrated proficiency of all the required competencies. The services are in the process of developing training courses that will be used to develop employees in most of our major job fields.

**28) Assess the level of central personnel office resources needed to ensure that it can (1) help develop a human resources planning system in conjunction with line managers, and (2) improve personnel management evaluation of service and regional activities.**

Agree. (1) GSA will develop work force analysis, work force planning models, and strategic planning in fiscal year 1990.

Appendix IV  
Comments From the Acting Administrator,  
General Services Administration

-9-

**Agree.** (2) Enhancing the current Personnel Management Evaluation Program is useful. In fiscal year 1990 we are committed to conducting two on-site personnel management evaluations to both measure program status and to test innovative evaluation techniques. Based on the results of these reviews, both from a results and cost perspective, further enhancements may be made.

**29) Direct the Career Advisory Panel to (1) provide oversight in the development of the human resource planning system and ensure the support of line managers for the program, and (2) set up a human resource management agenda with specific objectives and goals that can be used in SES performance plans.**

**Agree in part.** The Career Advisory Panel is an advisory group and does not have line authority. It will, however, work with the Office of Administration and other appropriate organizations to implement this recommendation. However, this type of human resource planning must be based upon clear statements of the agency's mission and strategic plans. Thus, work will begin on this recommendation after the project on strategic planning has been completed.

**30) Remove internal IRM responsibilities from the IRMS Commissioner and assign them, at least temporarily, to a new Senior IRM Office, such as an Associate Administrator for Information, whose sole responsibilities are to strengthen and improve the management of GSA's information systems.**

**Undecided.** In February 1989, GSA began internal discussions on the optimum organizational placement of this function. In May 1989, the Acting Administrator requested a report and recommendation from internal management groups. The Acting Administrator will make a decision after considering that report advice from appropriate staff organizations.

We believe a temporary reassignment would cause more damage than the benefits which may be derived from it. The internal IRMS organization is in the process of implementing significant long range initiatives requiring a committed, dedicated staff. Policy, procedures, and technical direction for future years must be implemented by an organization in which people have confidence; this cannot be achieved by a temporary organization.

-10-

**31) Develop an agencywide information architecture that identifies and links all information needs, both financial and non-financial, with appropriate systems applications and related hardware to carry out GSA's mission and program objectives.**

Agree. GSA recognizes the importance of making available reliable, timely and accurate information. It is an issue addressed in the agency's five-year Information Resources Management (IRM) plan. Current efforts toward establishing an information architecture are focused on the logical flow of information. Along with the formalization of the agencywide information needs, compatibility and interoperability between systems are seen as key factors for future success.

GSA is currently planning to establish an "enterprise" level information system fed by real time data transfers from GSA systems through the use of FTS 2000 services. A core of common information elements needed by GSA management to conduct the agency's business will be developed. These information needs will be defined through the agencywide strategic planning initiatives now underway coupled with the information requirements identified in conjunction with ExecuTrac reporting.

Additionally, GSA is planning to acquire a compatible multi-tiered architecture which will greatly facilitate its ability to create a comprehensive information system responsive to growing and changing information needs.

**32) Strengthen GSA's top management oversight of systems development and implementation of new systems by appropriately involving the existing ADP steering committee.**

Agree. In an effort to strengthen its information technology program, GSA is in the process of reassessing its current oversight activities. As part of this effort, existing charters of the Executive Steering Committee for IRMS and the IRMS Management Council have been reviewed. GSA is looking at what functions need to be performed, and how to best utilize the management skills of its executives in performing those functions. GSA will ensure that an executive level oversight committee is actively involved in establishing policy, providing program direction, and reviewing and approving information technology projects. The top management of GSA is strongly committed to achieving an effective information technology program.

-11-

**33) Complete an agencywide financial systems plan as part of the development of the agency's information architecture.**

Agree. GSA has developed a conceptual financial management information model. Development of an overall systems architecture will require significant support. Because any systems architecture must incorporate the NEAR System, a decision was made to defer architecture development until the NEAR System conversion was complete. As soon as the "new" NEAR System is operational, we will define resource requirements and develop a comprehensive financial management systems architecture plan for GSA.

**34) Ensure that the Office of Financial Management Systems is provided with the necessary resources to improve GSA financial management.**

Agree. As soon as the "new" NEAR System is operational, we will begin working with the Office of GSA Information Systems to define resource requirements and develop a comprehensive financial management systems architecture plan for GSA.

**35) Continue to monitor the supply operations part of the General Supply Fund and remove from inventory the commodity lines for which there is not a competitive advantage to maintain the commodity.**

Agree. In the retail operations, FSS has already reviewed and discontinued some 2,913 slow-moving items, and efforts are underway to review all items. Slow-moving items which regional officials believe are unique to their operation will be stocked at the respective distribution centers.

In the wholesale operations, an inactive item review is generated annually and candidate items are sent to registered users for concurrence in deleting these items from the system. Nonconcurring responses result in retention of items, usually for mission essentiality reasons. Stocks of such items are maintained at minimum levels. On a monthly basis, long supply, demand, and stocking pattern reports are reviewed to determine if there are items which could be more economically supported, and actions are initiated to make appropriate changes.

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