

MLEC

Testimony

Before the Committee on Government Operations, House of Representatives

For Release on Delivery
Expected at
10:00 a.m., EDT
Thursday,
October 28, 1993

Views of Mid-Level Staff

Statement of Debra McKinney, Chair of GAO's Mid-Level Employees Council

Acc # 150140

INTRODUCTION

Good morning, Mr. Chairman and members of the Committee. My Name is Debra McKinney. I am a senior evaluator with GAO's Program Evaluation and Methodology Division. I am also the Chair of GAO's Mid-Level Employees Council. With me is Ruth Glandorf, senior evaluator and Council representative from GAO's Denver Regional Office. We would like to thank the Committee for this unique opportunity to discuss the views of GAO mid-level staff on matters of concern to our constituents.

The Mid-Level Employees Council was established as a means for mid-level employees to provide GAO management with input on management and policy decisions. The Council consists of 30 elected mid-level staff who represent a diverse group of almost 2,100 Band II, GS-13, and GS-14 employees. Most of these employees (about 85 percent) are Band II senior evaluators located in GAO's 16 field offices and 6 headquarters divisions, with about 44 percent located in the field. Some evaluators are members of an assignment team, some supervise a team, and some manage multiple teams. Other mid-level employees include investigators, economists, attorneys, information specialists, human resource specialists, and training instructors.

In preparing for our testimony today, we considered the results of GAO-wide employee attitude surveys, discussions with constituents, and input from Council representatives, including our own questionnaire. Although we recognize that not all mid-level employees agree on all issues, we believe our comments represent the views of most GAO mid-level employees.

Overall, mid-level staff are proud of what GAO accomplishes and we have confidence in the integrity of GAO's products. The professionalism of our GAO colleagues, the interesting and challenging work, and the contributions that we make are primary factors that motivate most mid-level staff to continually strive for excellence in their work. However, we bring three major concerns before the Committee today: (1) communication and trust within GAO, (2) our work environment, and (3) the rewards, recognition, and compensation systems.

COMMUNICATION AND TRUST

Communication and trust concerns permeate the working environment of all GAO staff. Effective communication is greatly influenced by the degree of respect and trust that exists between the parties. Unfortunately, many staff believe that trust, the essential ingredient to effective communication, is lacking.

More than 1,400 Band II evaluators responded to the 1993 Employee Attitude Survey. Of these, only 20 percent felt that management was willing, to a great extent, to listen to and consider the views of individuals and employee groups in formulating policy or programs. Further, just 24 percent of the survey respondents said they trust upper-level management to be fair and honest.

In some cases, management's handling of GAO-wide changes has tended to undermine trust. The implementation of the pay-for-performance system and broad banding is an example. GAO management pushed forward these changes even though the mid-level and other councils expressed grave misgivings about the proposed systems. While we recognize it is management's prerogative to make such decisions, management has been slow to respond to significant negative feedback despite the initial assurances that if

problems were encountered, the system could be modified.

Another example was the year-long uncertainty concerning the merger of the Information Management and Technology Division with the Accounting and Financial Management Division. Staff believed management should have done more to refute the unending stream of rumors, among them that staff would lose their jobs, and bring the merger to closure more expeditiously. Currently, GAO is conducting a study of its field office structure. Staff are concerned about the outcome of this study and how they may be affected by possible office closings or staffing reductions. While management has been more open in their discussions of this study, we believe that more could be done to alleviate the anxiety of potentially affected staff.

Management has recognized that the lack of communication and trust is a serious problem in our organization, and has made it a priority issue in GAO's Quality Improvement Plan. Mid-level staff agree this issue merits this high level of attention since we believe that communication and trust are the underlying foundation for our concerns about GAO's working environment and its rewards, recognition, and compensation systems.

WORK ENVIRONMENT

The work environment at GAO is affected by both external forces and internal adjustments. GAO, like other federal agencies, is facing fiscal austerity. As a result, travel has been reduced, modernization of facilities has been delayed, the purchase of upgraded equipment has been postponed, staff size has been trimmed, and hiring has virtually stopped. Despite these cutbacks, it seems that the demand for GAO work has not abated. We realize that these reductions and the continued demand for GAO work result from external conditions beyond our control.

However, as we continue to do our work with fewer resources, GAO can change the internal environment to improve its efficiency. A prime candidate for such change is the cumbersome process of review and rework of GAO products. This process is time consuming, frustrating, and discouraging. It causes delays and takes away valuable time that could be used to work on other jobs. While we agree that a quality assurance process is necessary, we believe it can be streamlined, and encourage GAO to continue to propose improvements.

The issue of rework also impacts on the level of trust within the organization. Evaluators are skilled analysts, entrusted with designing and implementing jobs, analyzing the most complex issues in the nation, conducting meetings with high-level officials in both the public and private sectors. Yet when it comes time to report our findings, staff feel as if their abilities are questioned and their views are not respected. Excessive levels of review interfere with two-way communication and, consequently, the level of trust suffers.

Another competing demand for our time is GAO's effort to implement a total quality management system (TQM). Many mid-level staff are actively involved in executing TQM efforts. While we welcome the opportunity to participate, it does take time away from our other work. At this point, TQM has received mixed reviews from mid-level staff. While we endorse the principles of TQM, we are skeptical that its full potential can be realized without total commitment from GAO management to change our culture. As previously mentioned, we believe that increased respect and trust for people and improved communication are necessary to improve GAO's culture.

GAO'S REWARDS, RECOGNITION, AND COMPENSATION SYSTEMS

Surveys of mid-level employees identified the rewards, recognition, and compensation systems as a major concern. These systems changed radically in 1988 and 1989 when GAO (1) eliminated GS grade levels for evaluators by combining them into 3 broad bands and (2) moved to a pay-for-performance system (PFP) under which employees would receive pay increases and bonuses based on their performance. We believe that no matter how well intended these changes were, banding and PFP have had a detrimental effect.

Banding

GAO's controversial system of broad banding combined GS-13s and 14s into one pay band. This has caused confusion and tension over the roles and responsibilities of these staff. For example, banding treats mid-level supervisors and mid-level staff as peers. When Band IIs supervise other Band IIs, they usually prepare performance appraisals that are used in determining pay increases and bonuses amounts. This creates a possible conflict when supervisors and their subordinates compete with each other for placement into pay and bonus categories.

On the positive side, many employees, particularly in our regions, appreciate the opportunities to move to higher pay levels within the band and sometimes to assume greater responsibilities without the need to compete for limited promotion opportunities. Yet many staff spend much of their careers at the Band II level and we believe GAO needs to ensure that mid-level staff are adequately challenged and motivated throughout their tenure in this band.

Pay for Performance

GAO introduced PFP, in part, to better reward high-performing staff. Indeed, the data show that staff are somewhat better off financially under this system. While the Council supports the principle of paying and rewarding people for their performance, the means through which these decisions are made have been perceived as inequitable by many mid-level staff.

Most GAO employees are highly qualified, motivated people whose overall job performance is consistently rated at high levels. The PFP process involves managers making very fine distinctions in staff's performance in order to place them in discrete performance categories. These categories set artificial limits on the number of staff being recognized for their contributions with merit pay and bonuses. And until this year, the system forced management to place a specific percentage of employees in what staff perceived to be an unacceptable category. Even those staff who have been rewarded under PFP have reservations about its merits because of the subjectivity of the system.

Yet the issue is not really one of money but of recognition. The loss of personal and professional esteem through this de facto ranking process has made losers out of winners. Moreover, ranking employees tends to undermine the sense of teamwork when members compete with one another for merit pay and bonuses which conflicts with the tenets of quality management.

Recent employee attitude surveys indicated that half of Band II respondents felt that PFP had a negative impact on morale. While appreciative of the financial benefits many have enjoyed under PFP, staff reported that bonuses are of much less importance to them than such things as challenging and interesting work, opportunities to improve

government operation, and competent managers and coworkers. The most recent employee attitude survey showed that only 3 percent of Band II evaluators were strongly encouraged by bonuses and merit pay to work hard, while 67 percent reported they were strongly driven by personal pride. In addition, numerous social psychology studies raise questions about the extent to which rewards act as performance incentives.

Problems with the pay-for-performance system were recently addressed by a TQM initiative, and these recent efforts to modify the PFP system demonstrate how some improvements in communication have occurred within GAO. Employee councils were included on a recent task team that recommended changes to the current PFP system. Members of this team gave numerous briefings to GAO headquarters and field offices on the status of their efforts to revise the PFP system. Some suggestions made by staff at these briefings were incorporated into the recommendations presented to upper-level management. We believe that this type of effort is a step in the right direction and will help build trust throughout the organization. We offer our assistance in helping in any future efforts to develop alternative rewards, recognition, and compensation systems that meet the needs of GAO and its people.

CONCLUSION

GAO has trained us well to be skilled analysts and critics. These comments are not intended to be an indictment of our agency. As we said at the beginning of our statement, we are generally satisfied working at GAO, and we want to assure you that our goal is to work with management to ensure that we continue to provide objective, quality, and timely assistance to you, our customers.

This concludes the prepared statement of the mid-level staff. Ruth and I will be glad to respond to any questions you may have.