



Report to the Chairman, Committee on  
Homeland Security and Governmental  
Affairs, U.S. Senate

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November 2018

# FEDERAL WORKFORCE

## Opportunities Exist for OPM to Further Innovation in Performance Management

# GAO Highlights

Highlights of [GAO-19-35](#), a report to Chairman, Committee on Homeland Security and Governmental Affairs, U.S. Senate

## Why GAO Did This Study

Managing employee performance has been a long-standing government-wide issue and the subject of numerous reforms since the beginning of the modern civil service. Without effective performance management, agencies risk not only losing the skills of top talent, they also risk missing the opportunity to effectively address increasingly complex and evolving mission challenges.

GAO was asked to examine federal non-Senior Executive Service performance management systems. This report examines (1) government-wide trends in employee perceptions of performance management as measured by the results of selected FEVS statements, (2) practices that selected agencies use to improve performance management, and (3) OPM's guidance and resources to support agency efforts to improve performance management government-wide.

GAO analyzed responses to selected FEVS statements related to the five performance management phases from 2010 through 2017; selected four agencies based on the highest average scores for the five phases, among other criteria, to identify practices which may contribute to improved performance management; reviewed OPM documents; and interviewed OPM and other agency officials.

## What GAO Recommends

GAO is making three recommendations, including that OPM improve its website and share innovations in performance management with agencies. OPM agreed with GAO's recommendations.

View [GAO-19-35](#). For more information, contact Robert Goldenkoff, (202) 512-2757, [goldenkoff@gao.gov](mailto:goldenkoff@gao.gov)

November 2018

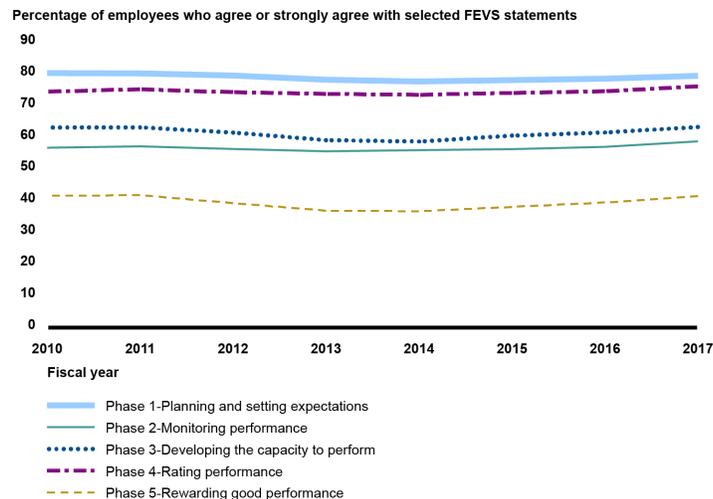
## FEDERAL WORKFORCE

### Opportunities Exist for OPM to Further Innovation in Performance Management

## What GAO Found

GAO found that from 2010 through 2017, surveyed employees generally demonstrated positive responses to selected Federal Employee Viewpoint Survey (FEVS) statements related to four of the Office of Personnel Management's (OPM) five performance management phases, including: planning and setting expectations, monitoring performance, developing the capacity to perform, and rating performance. Employees responded least positively to statements related to rewarding performance, with only 39 percent of employees, on average, agreeing with statements regarding this phase.

#### Results of Selected FEVS Statements Related to OPM's Performance Management Phases Government-wide, 2010 to 2017



Source: GAO analysis of Office of Personnel Management (OPM) Federal Employee Viewpoint Survey (FEVS) data, 2010-2017. | GAO-19-35

Note: The margin of error for all estimates was within plus or minus 1 percent, except for 2010, when the margin was within plus or minus 2 percent.

Of the four agencies with among the highest average scores for the performance management phases (Bureau of Labor Statistics, Centers for Disease Control and Prevention, Drug Enforcement Administration, and Office of the Comptroller of the Currency), GAO identified practices that may contribute to improved performance management including strong organizational culture and dedication to mission; use of FEVS and other survey data; and a focus on training.

OPM provides guidance and opportunities for agencies to share promising practices on performance management; however, some of this information is not easily accessible on its performance management website. In addition, OPM does not leverage its leadership position to formally identify and share emerging performance management research and innovation with agencies. As a result, agencies, and therefore their employees, may not benefit from the best information available.

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## Abbreviations

BLS	Bureau of Labor Statistics
CDC	Centers for Disease Control and Prevention
CFO	Chief Financial Officers
CHCO	Chief Human Capital Officers
DEA	Drug Enforcement Administration
FEVS	Federal Employee Viewpoint Survey
forums	Performance Management Forums
HC	human capital
MAX	MAX Information System
OCC	Office of the Comptroller of the Currency
OMB	Office of Management and Budget
OPM	Office of Personnel Management
PMA	President's Management Agenda
portal	Performance Management Portal
SES	Senior Executive Service
TNA	Training Needs Assessment

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November 20, 2018

The Honorable Ron Johnson  
Chairman  
Committee on Homeland Security and Governmental Affairs  
United States Senate

Dear Mr. Chairman:

The federal government is in a period of profound transition. It faces an array of mission challenges and opportunities to enhance performance, ensure accountability, and position the nation for the future. As part of a broader effort to help modernize government and improve the ability of agencies to deliver on their missions, in March 2018, the Office of Management and Budget (OMB) released the President's Management Agenda (PMA).<sup>1</sup> Among other things, the PMA noted the important role that federal employees play in ensuring the smooth functioning of our democracy, but acknowledged that the government needs to do a better job in actively managing the workforce to better align employees' skills with evolving mission needs.

Consistent with this approach, in our past work, we have noted how an organization's workforce defines its character, affects its capacity to perform, and represents its knowledge base.<sup>2</sup> Additionally, an agency's workforce plays a central role in transforming an agency into a high-performing organization. High-performing organizations have attributes such as:

- an effective employee performance management system that includes expectation setting, coaching, and feedback;

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<sup>1</sup>See <https://www.whitehouse.gov/omb/management/pma/> for the President's Management Agenda. Accessed on August 24, 2018.

<sup>2</sup>For relevant prior work, see GAO, *Human Capital: Key Principles for Effective Strategic Workforce Planning*, GAO-04-39 (Washington, D.C.: Dec. 11, 2003); *Government Printing Office: Advancing GPO's Transformation Effort through Strategic Human Capital Management*, GAO-04-85 (Washington, D.C.: Oct. 20, 2003); and *A Model of Strategic Human Capital Management*, GAO-02-373SP (Washington, D.C.: Mar. 15, 2002).

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- a clear “line of sight” between individual performance and organizational success;<sup>3</sup> and
  - an engaged workforce that feels a sense of connection to both the agency and its mission.

However, managing employee performance has been a long-standing government-wide challenge and the subject of numerous reforms since the beginning of the modern civil service. Without effective performance management, agencies risk not only losing (or failing to utilize) the skills of top talent, they also risk missing the opportunity to effectively address increasingly complex and rapidly evolving challenges.

You asked us to examine federal non-Senior Executive Service (SES) performance management systems. This report (1) describes federal employee perceptions of performance management as measured by the results of selected statements from the Office of Personnel Management’s (OPM) annual survey of federal employees, the Federal Employment Viewpoint Survey (FEVS); (2) identifies practices that selected agencies use to develop and implement strategies to improve performance management; and (3) evaluates OPM’s guidance and resources to support agency efforts to improve performance management government-wide. The report is the latest of several studies we have done in recent years examining how agencies can better address employee performance and misconduct. A complete list is included at the end of this report.

To describe government-wide trends in employee perceptions of performance management as measured by the results of FEVS, we selected 15 FEVS statements that generally align with OPM’s description of an agency’s performance management cycle. We consulted with our internal human capital (HC) experts as well as external HC experts at OPM who concurred, as well as the Merit Systems Protection Board, to determine the appropriateness of our FEVS statement selection and categorization.<sup>4</sup> Using the selected statements, we analyzed FEVS data, including supervisory level, for the 24 Chief Financial Officers Act (CFO Act) departments and agencies for the years 2010 through 2017—the

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<sup>3</sup>GAO, *Results-Oriented Cultures: Creating a Clear Linkage between Individual Performance and Organizational Success*, [GAO-03-488](#) (Washington, D.C.: Apr. 4, 2003).

<sup>4</sup>The Merit Systems Protection Board’s mission is to protect the merit system principles and promote an effective federal workforce free of prohibited personnel practices.

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most recent data available at the time of our review.<sup>5</sup> To assess the reliability of the FEVS data, we examined descriptive statistics and data distribution, and reviewed missing data.<sup>6</sup> We also reviewed FEVS technical documentation. On the basis of these procedures, we believe the data were sufficiently reliable for use in the analysis presented in this report.

To identify practices used by selected agencies to develop and implement strategies to improve performance management, we used the results of our government-wide analysis of FEVS data for 2015 (the most recent data available at the time) to select four agencies as illustrative case studies. Among other attributes, these agencies had the highest levels of employee agreement with FEVS statements dealing with their performance management processes. We also considered such factors as the number of respondents, agency size, mission, and types of employees. As such, we selected the Bureau of Labor Statistics (BLS), Department of Labor; Centers for Disease Control and Prevention (CDC), Department of Health and Human Services; Drug Enforcement Administration (DEA), Department of Justice; and the Office of the Comptroller of the Currency (OCC), Department of the Treasury. We reviewed documents and interviewed officials from the four case study agencies.<sup>7</sup>

To evaluate the guidance and resources OPM provides to agencies to improve performance management government-wide, we analyzed both

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<sup>5</sup>The CFO Act agencies are the executive branch agencies listed at 31 U.S.C. § 901(b). The agencies covered by the CFO Act of 1990, as amended, are generally the largest federal agencies and accounted for an estimated 90 percent of career SES in fiscal year 2013. The 24 CFO Act agencies are the U.S. Departments of Agriculture, Commerce, Defense, Education, Energy, Health and Human Services, Homeland Security, Housing and Urban Development, the Interior, Justice, Labor, State, Transportation, the Treasury, and Veterans Affairs, as well as the U.S. Agency for International Development, Environmental Protection Agency, General Services Administration, National Aeronautics and Space Administration, National Science Foundation, Nuclear Regulatory Commission, OPM, Small Business Administration, and Social Security Administration. The agencies covered by the CFO Act, as amended, are generally the largest federal agencies and account for more than 98 percent of the federal workforce.

<sup>6</sup>OPM's FEVS was administered biennially prior to 2010 and annually thereafter. We did not include the results before 2010 because FEVS did not include all of the statements currently used in our analysis.

<sup>7</sup>For purposes of this report, we are referring to bureaus or components within departments as "agencies."

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OPM's performance management website and the Chief Human Capital Officers (CHCO) Council's website to identify available guidance, resources, and tools.<sup>8</sup> We compared these documents to OMB's memorandum on federal agency public websites, OPM's strategic plan for fiscal years 2018 through 2022, and internal controls.<sup>9</sup> We also reviewed agency documentation and other OPM-referenced websites that contained performance management-related information. To supplement the documentary evidence obtained, we also interviewed officials from OPM, the CHCO Council, and the four selected case study agencies to describe the extent to which OPM provides assistance to agencies on performance management. For further information on our scope and methodology, see appendix I.

We conducted this performance audit from December 2016 to November 2018 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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## Background

Performance management systems can be powerful tools in helping an agency achieve its mission and ensuring employees at every level of the organization are working toward common ends. According to OPM regulations, performance management is a systematic process by which an agency involves its employees, both as individuals and members of a group, in improving organizational effectiveness in the accomplishment of agency mission and goals.<sup>10</sup>

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<sup>8</sup>The CHCO Council was established under the Chief Human Capital Officers Act of 2002, enacted as part of the Homeland Security Act of 2002, to advise and coordinate the activities of members' agencies on such matters as the modernization of human resource systems, improved quality of human resource information, and legislation affecting human resource operations and organizations. See, Pub. L. No. 107-296, § 1303(a)(1) and (b), 116 Stat. 2135, 2288 (Nov. 25, 2002), at 5 U.S.C. § 1401 note.

<sup>9</sup>Office of Management and Budget, *Policies for Federal Agency Public Websites and Digital Services*, Memorandum M-17-06 (Nov. 8, 2016); *OPM Strategic Plan Fiscal Years 2018-2022*; and GAO, *Standards for Internal Control in the Federal Government*, [GAO-14-704G](#) (Washington, D.C.: Sept. 10, 2014).

<sup>10</sup>5 C.F.R. § 430.102(a).

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An agency's performance management system defines policies and parameters established by an agency for the administration of performance appraisal programs. Under federal law and corresponding regulations, agencies are required to develop at least one employee performance appraisal system. OPM is required to review and approve an agency's performance appraisal system(s) to ensure it is consistent with the requirements of applicable law, regulation, and OPM policy, and defines the general policies and parameters the agency will use to rate employees. Once the appraisal system is approved, the agency establishes a performance appraisal program. The agency's performance appraisal program—which does not require OPM review or approval—defines the specific procedures, methods, and requirements for planning, monitoring, and rating employee performance.<sup>11</sup> The program is tailored to the agency's needs.<sup>12</sup>

OPM policy identifies five phases to the performance management cycle: (1) planning work and setting expectations; (2) continually monitoring performance; (3) developing the capacity to perform; (4) rating periodically to summarize performance; and (5) rewarding good performance (see table 1).

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<sup>11</sup>An agency's performance appraisal program(s) must also comply with all legal and regulatory requirements, and the requirements of the applicable agency appraisal system.

<sup>12</sup>5 U.S.C. § 4302 and 4304(b)(1), 5 C.F.R. § 430.204-205.

**Table 1: Description of OPM's Five Phases of Performance Management**

<b>Performance Management Phase</b>	<b>Description</b>
<b>Planning and Setting Expectations<sup>a</sup></b>	<ul style="list-style-type: none"> <li>Setting performance expectations and goals for employees that should be measurable, understandable, verifiable, equitable, and achievable.</li> <li>Helps employees channel their efforts toward achieving organizational objectives.</li> </ul>
<b>Continually Monitoring Performance<sup>b</sup></b>	<ul style="list-style-type: none"> <li>Monitoring well means consistently measuring performance and providing ongoing feedback to employees and work groups on their progress toward reaching their goals.</li> <li>By monitoring continually, supervisors can identify unacceptable performance at any time during the appraisal period, and provide assistance to address such performance rather than wait until the end of the period when summary rating levels are assigned.</li> </ul>
<b>Developing the Capacity to Perform</b>	<ul style="list-style-type: none"> <li>In an effective organization, employee developmental needs are evaluated and addressed.</li> <li>Developing in this instance means increasing the capacity to perform through training, giving assignments that introduce new skills or higher levels of responsibility, improving work processes, or other methods.</li> </ul>
<b>Rating Periodically to Summarize Performance</b>	<ul style="list-style-type: none"> <li>Rating means evaluating employee or group performance against the elements and standards in an employee's performance plan, and assigning a summary rating of record.</li> <li>It is based on work performed during an entire appraisal period and the final rating should not be a surprise to the employee, particularly when the supervisor and the employee should have had numerous performance discussions during the rating period.</li> <li>This includes, but is not limited to, conducting one or more progress reviews during each appraisal period.</li> </ul>
<b>Rewarding Good Performance</b>	<ul style="list-style-type: none"> <li>In an effective organization, rewards are used often and well, and recognition is an ongoing, natural part of day-to-day experience.</li> <li>Rewarding means recognizing employees, individually and as members of groups, for their performance and acknowledging their contributions to the agency's mission.</li> <li>Awards regulations provide a broad range of forms that more formal rewards can take, such as cash, time off, and many recognition items.<sup>13</sup></li> </ul>

Source: GAO analysis of Office of Personnel Management (OPM), A Handbook for Measuring Employee Performance, (September 2011), I GAO-19-35

<sup>a</sup>The regulatory requirements for planning employees' performance include establishing the elements and standards of their performance appraisal plans. 5 C.F.R. § 430.206(b).

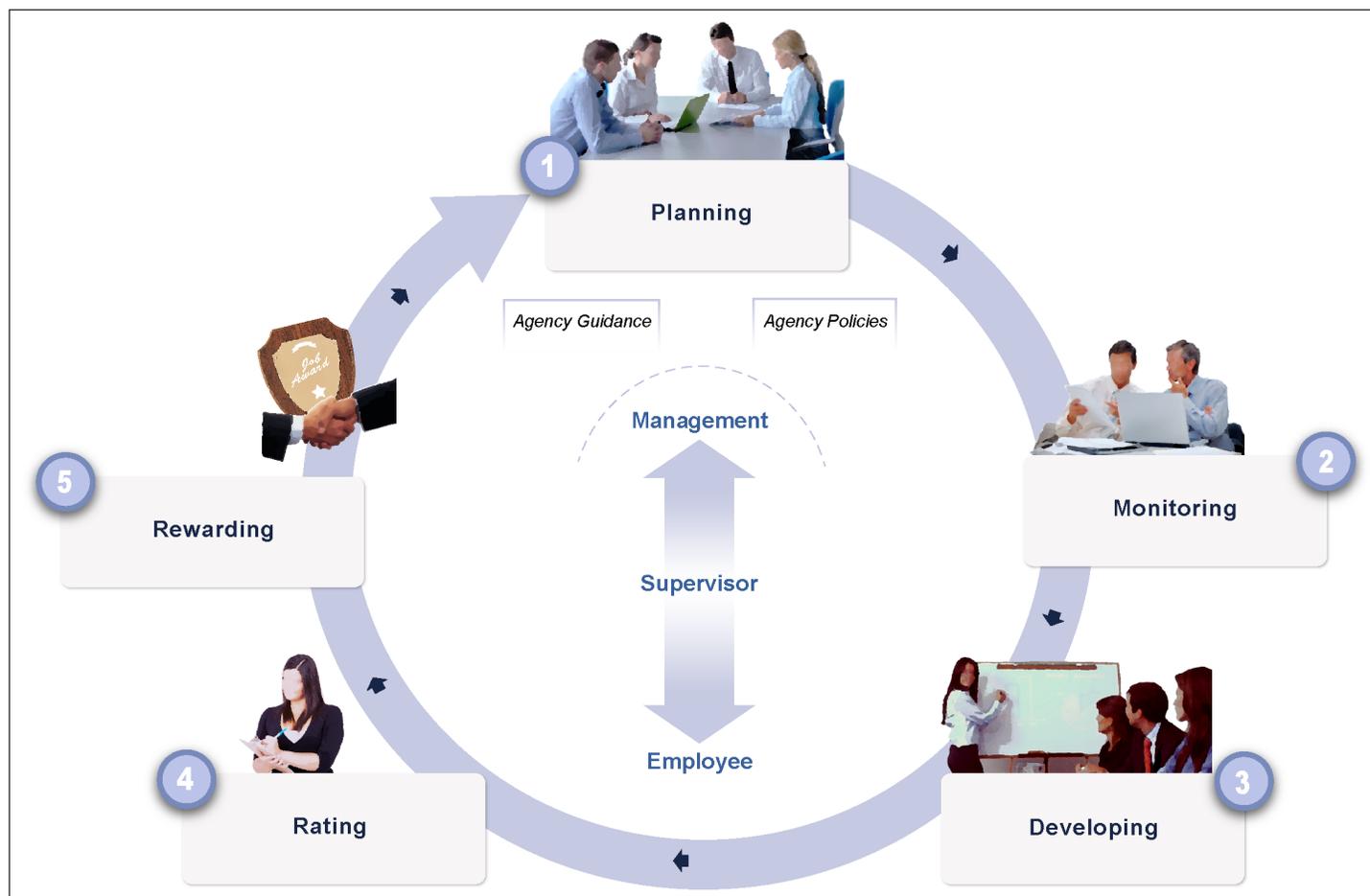
<sup>b</sup>The regulatory requirements for monitoring performance include conducting progress reviews with employees where their performance is compared against their elements and standards. 5 C.F.R. § 430.207(b).

According to OPM, performance management is a continuous cycle in which an agency involves its employees, both, as individuals and members of a group, in improving organizational effectiveness in accomplishing agency mission and goals (see figure 1). Each phase of the performance management cycle plays an important part in helping to provide structure and focus to an employee's roles and responsibilities within the organization. Within each phase of the cycle, employees are

<sup>13</sup>5 C.F.R. § 451.104(a)-(c); 5 C.F.R. § 451.104(a) and (f), 5 U.S.C. § 4502(e).

given the opportunity to provide input, ask questions, and request feedback from their supervisors on their performance.

**Figure 1: Five Phases of OPM's Performance Management Cycle**



Source: GAO analysis of Office of Personnel Management (OPM) guidance with stock photo libraries images, Corbis, Comstock, Eyewire and Creatas. | GAO-19-35

One of the tools agencies can use to determine the effectiveness of their performance management cycle is data from OPM's annual FEVS. To help understand federal employees' opinions about what matters most to them and how they feel about their jobs, their supervisors, and their agencies, FEVS scores can help agencies identify challenges and improve guidance. FEVS measures employees' perceptions of whether, and to what extent, conditions characterizing successful organizations are

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present in their agencies.<sup>14</sup> According to OPM, the federal workforce is the backbone of the government. Employee opinions shared through FEVS provide an essential catalyst to achieving effective government.

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## Employees Responded Most Positively to Statements Related to Planning and Setting Expectations Phase; Least Positively to Those Related to Rewarding Performance

From 2010 through 2017, surveyed employees generally demonstrated positive responses to FEVS statements related to four of OPM's five performance management phases, including: planning and setting expectations, monitoring performance, developing the capacity to perform, and rating performance (as shown in figure 2).<sup>15</sup> Employees had the lowest levels of agreement with statements related to rewarding performance (or an estimated 39 percent positive response).<sup>16</sup>

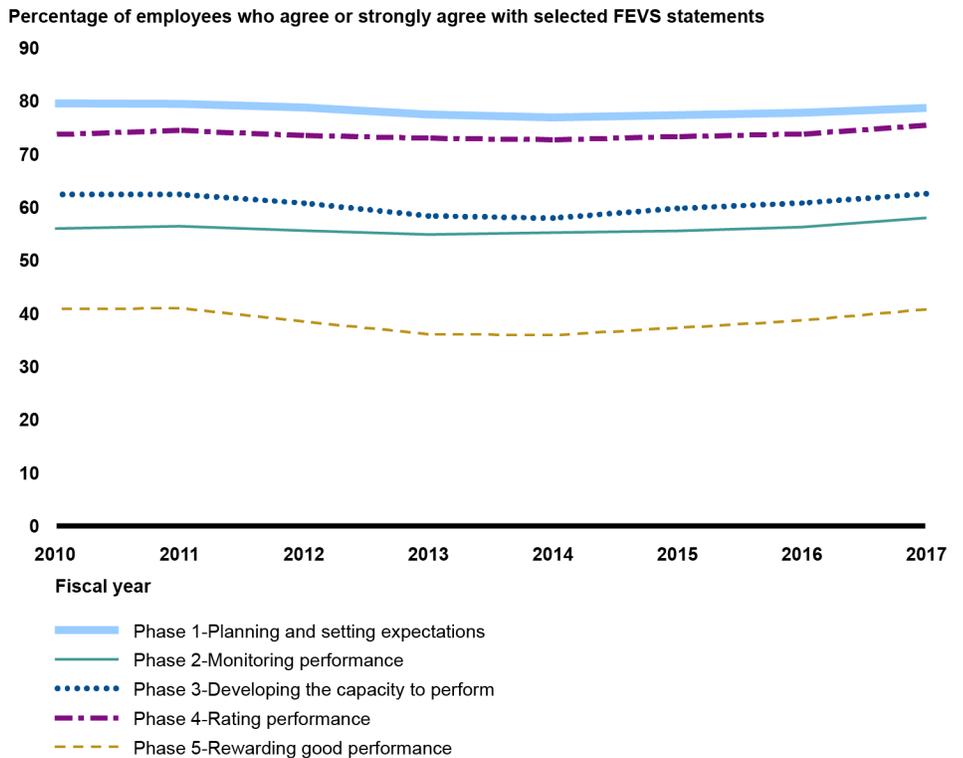
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<sup>14</sup>FEVS statements are grouped into eight topic areas: (1) work experience, (2) work unit, (3) agency, (4) supervisor, (5) leadership, (6) satisfaction, (7) work-life, and (8) demographics.

<sup>15</sup>For purposes of this report, we selected, in consultation with human capital specialists, 3 FEVS statements that best described each phase of OPM's performance management system for a total of 15 selected statements. The statements we identified primarily focus on employees' perceptions of their roles and responsibilities, as well as their direct relationships with their supervisors. FEVS was not designed to measure performance management and the selected FEVS statements do not necessarily represent all key aspects of performance management. See appendix I for the selected FEVS statements.

<sup>16</sup>For purposes of this report, we are using the term "percent positive" to refer to the combined percentages of respondents who answered Strongly Agree or Agree; Very Satisfied or Satisfied; or Very Good or Good, depending on the item's response categories.

**Figure 2: Estimated Employee Responses on Statements Related to Performance Management Phases Government-wide, 2010 to 2017**



Source: GAO analysis of Office of Personnel Management (OPM) Federal Employee Viewpoint Survey (FEVS) data, 2010-2017. | GAO-19-35

Note: We calculated the average percent of employees who agreed or strongly agreed with the three statements comprising the phase for those who answered all three statements to identify these trend lines. The number of respondents varied by year and statement, ranging from a low of 227,320 for statement 23 in 2010 to a high of 669,834 for statement 1 in 2012. The margin of error for all estimates was within plus or minus 1 percent, except for 2010, when the margin was within plus or minus 2 percent.

In addition, many more supervisors than nonsupervisors agreed with statements concerning how well their agencies deal with poor performers and reward good performance. Collectively, the results help point agencies and OPM to performance management processes where there is room for improvement. Details on each phase are as follows:

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## Phase 1: Planning Work and Setting Expectations

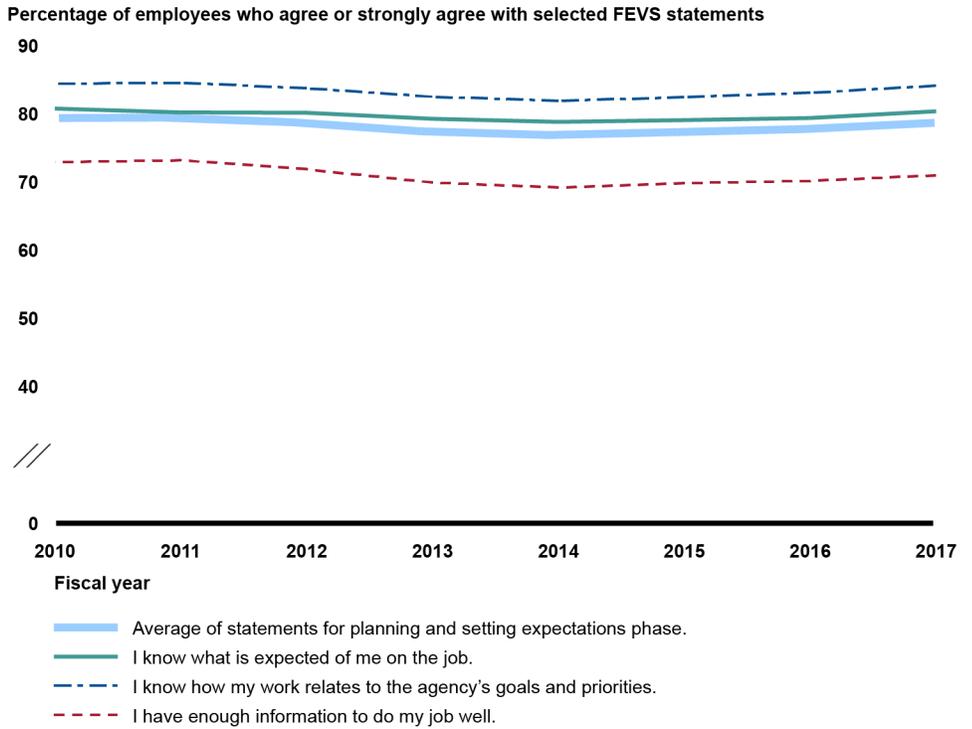
We have previously reported that an explicit alignment of daily activities with broader results is one of the defining features of effective performance management systems in high-performing organizations.<sup>17</sup> These organizations use their performance management systems to improve performance by helping individuals see the connection between their daily activities and organizational goals, a line of sight, and encouraging individuals to focus on their roles and responsibilities to help achieve these goals. Such organizations continuously review and revise their performance management systems to support their strategic and performance goals, as well as their core values and transformational objectives.

Based on surveyed employees' responses, agencies were more successful at planning and setting expectations, which includes how an employee's work relates to the agency's goals and priorities, than at all other phases of performance management. The response to these statements highlights the role agencies have in providing information to employees about their responsibilities within the organization. Of the three selected FEVS statements for this phase, "I know how my work relates to the agency's goals and priorities," was the statement with the highest percent of employees who agreed or strongly agreed across all of our selected FEVS statements from 2010 to 2017 (see figure 3).

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<sup>17</sup>[GAO-03-488](#).

**Figure 3: Estimated Employee Responses on Statements Related to Planning Work and Setting Expectations Government-wide, 2010 to 2017**



Source: GAO analysis of Office of Personnel Management (OPM) Federal Employee Viewpoint Survey (FEVS) data, 2010-2017. | GAO-19-35

Note: We calculated the average percent of employees who agreed or strongly agreed with the three statements comprising the phase for those who answered all three statements to identify these trend lines. The number of respondents varied by year and statement, ranging from a low of 245,906 for statement 12 in 2010 to a high of 668,204 for statement 6 in 2012. The margin of error for all estimates was within plus or minus 1 percent, except for 2010, when the margin was within plus or minus 2 percent.

## Phase 2: Continually Monitoring Performance

Performance management and feedback should be used to help employees improve so that they can do the work or—in the event they cannot do the work—so management can take appropriate action for unacceptable performance. The first opportunity a supervisor has to observe and correct poor performance is in day-to-day performance management activities. We have previously reported that, in general, agencies have three means to address employees' poor performance, with dismissal as a last resort: (1) day-to-day performance management activities (which should be provided to all employees, regardless of their

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performance levels); (2) dismissal during probationary periods; and (3) use of formal procedures to dismiss employees.<sup>18</sup> We have also reported that supervisors who take performance management seriously and have the necessary training and support can help poorly performing employees either improve or realize they are not a good fit for the position.<sup>19</sup> However, some supervisors may lack experience and training in performance management, as well as the understanding of the procedures for taking corrective actions against poor performers. We previously recommended that OPM, in conjunction with the Chief Human Capital Officers (CHCO) Council, assess the adequacy of leadership training that agencies provide to supervisors to help ensure supervisors obtain the skills needed to effectively conduct performance management responsibilities.<sup>20</sup> In response, OPM conducted a survey to assess the adequacy of leadership training that agencies provide to supervisors. Based on the survey results, OPM issued a memorandum in May 2018 recommending a number of actions agencies should take to improve the accessibility, adequacy, and effectiveness of supervisory training.

Of the FEVS statements we analyzed, the statement, “In my work unit, steps are taken to deal with a poor performer who cannot or will not improve,” had the lowest percent positive agreement by surveyed employees each year from 2010 to 2017 government-wide.<sup>21</sup> However, the other two statements selected for this phase were viewed much more positively by surveyed employees (see figure 4).

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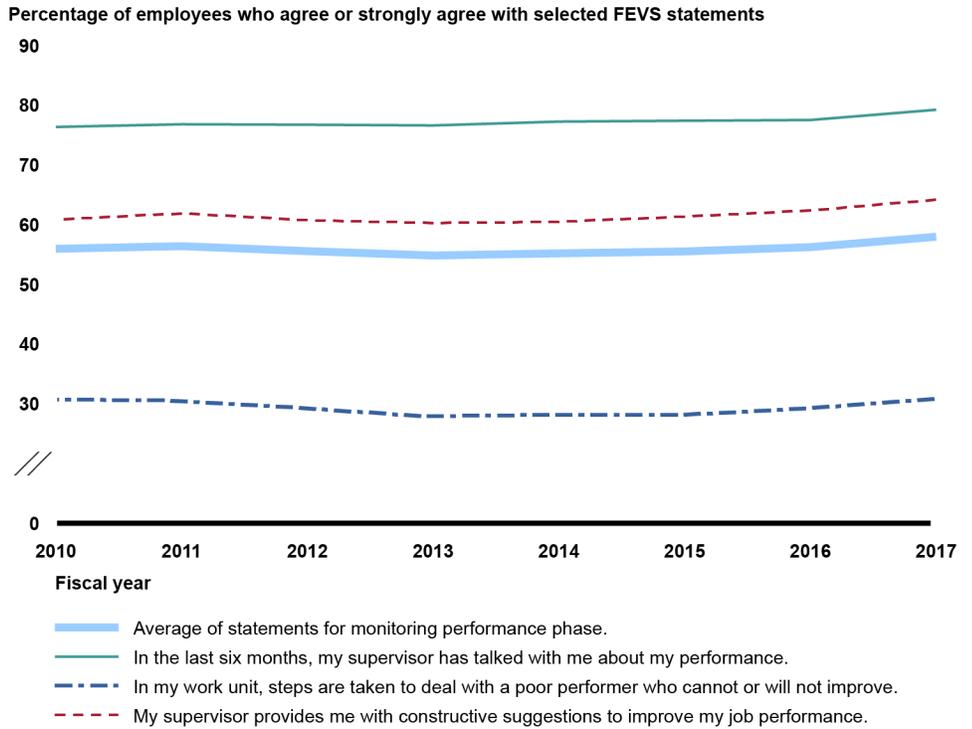
<sup>18</sup>GAO, *Federal Workforce: Improved Supervision and Better Use of Probationary Periods Are Needed to Address Substandard Employee Performance*, [GAO-15-191](#) (Washington, D.C.: Feb. 6, 2015).

<sup>19</sup>[GAO-15-191](#).

<sup>20</sup>[GAO-15-191](#).

<sup>21</sup>Although poor performance is not defined by statute, title 5 of the *United States Code* defines “unacceptable performance” as “performance of an employee which fails to meet established performance standards in one or more critical elements of such employee’s position.” 5 U.S.C. § 4301(3). See also, 5 C.F.R. § 432.103(h).

**Figure 4: Estimated Employee Responses on Statements Related to Continually Monitoring Performance Phase Government-wide, 2010 to 2017**



Source: GAO analysis of Office of Personnel Management (OPM) Federal Employee Viewpoint Survey (FEVS) data, 2010-2017. | GAO-19-35

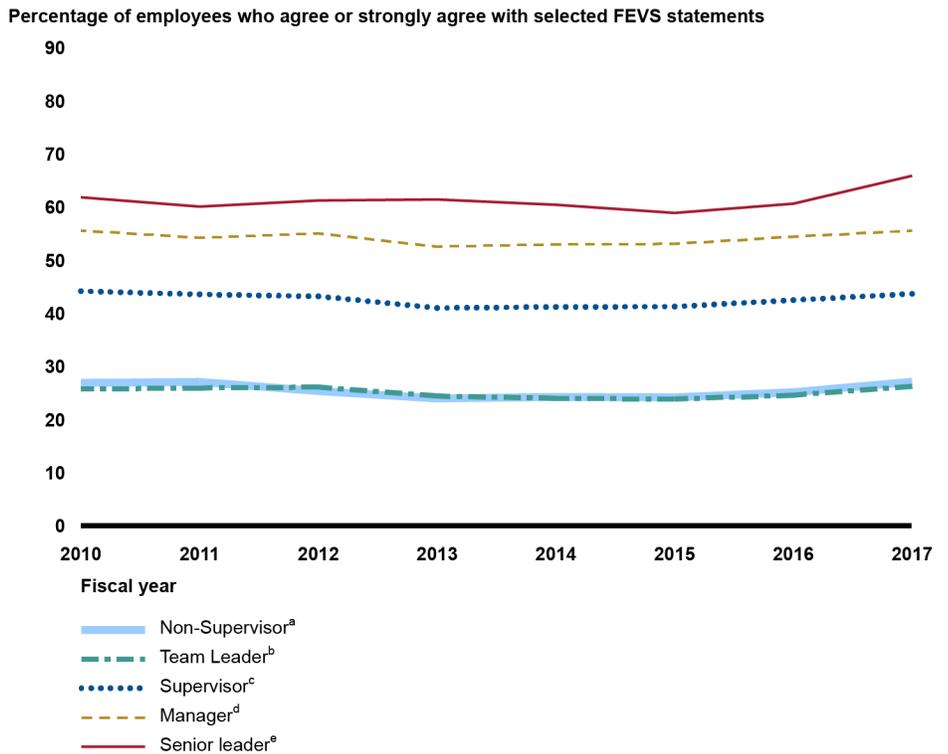
Note: We calculated the average percent of employees who agreed or strongly agreed with the three statements comprising the phase for those who answered all three statements to identify these trend lines. The number of respondents varied by year and statement, ranging from a low of 227,320 for statement 23 in 2010 to a high of 647,751 for statement 50 in 2012. The margin of error for all estimates was within plus or minus 1 percent, except for 2010, when the margin was within plus or minus 2 percent.

When we further analyzed the responses to the statement on poor performance, employee responses differed in agreement based on the respondent's supervisory level.<sup>22</sup> On average, an estimated 25 percent of surveyed employees who identified themselves as nonsupervisors and team leaders agreed with this statement from 2010 through 2017,

<sup>22</sup>FEVS survey statement 86 asks respondents what is their supervisory status. We further analyzed the results of the 15 selected FEVS statements by the supervisory status demographic.

compared with an estimated average of 54 percent of surveyed employees who identified themselves as managers (see figure 5).

**Figure 5: Estimated Employee Responses on Statement on Poor Performers by Supervisory Status Government-wide, 2010 to 2017**



Source: GAO analysis of Office of Personnel Management (OPM) Federal Employee Viewpoint Survey (FEVS) data, 2010-2017. | GAO-19-35

Note: The number of respondents varied by year, ranging from a low of 227,320 in 2010 to a high of 617,439 in 2012. The margin of error for all estimates was within plus or minus 1 percent, except for 2010, when the margin was within plus or minus 2 percent and for the response from senior leaders, where the margin was within plus or minus 3 percent.

<sup>a</sup>Nonsupervisor means anyone who does not have supervisory responsibilities.

<sup>b</sup>Team leader means someone who provides employees with day-to-day-guidance, but does not have supervisory responsibilities or conduct performance appraisals.

<sup>c</sup>Supervisor means first-line supervisors typically responsible for employees' performance appraisals but who do not supervise other supervisors.

<sup>d</sup>Manager means those in management positions who typically supervise one or more supervisors.

<sup>e</sup>Senior leader means the political or career agency or department head or a member of the immediate leadership team responsible for directing the policies and priorities of the department or agency. The individual is typically a member of the Senior Executive Service (SES) or equivalent. Prior to 2014, this category was called Executive and was defined as a member of the SES or equivalent. Career SES members are individuals with civil service status (permanent) who are appointed competitively to SES positions and serve in positions below the top political appointees in the executive branch of government.

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## Phase 3: Developing the Capacity to Perform

According to OPM guidance, the capacity to perform means having the competencies, the resources, and the opportunities available to complete the job.<sup>23</sup> We have previously reported that the essential aim of training and development programs is to assist an agency in achieving its mission and goals by improving individual and, ultimately, organizational performance.<sup>24</sup> In addition, constrained budgets and the need to address gaps in critical federal skills and competencies make it essential that agencies identify the appropriate level of investment and establish priorities for employee training and development. This allows the most important training needs to be addressed first.<sup>25</sup> However, fewer surveyed employees agreed with the statement, “My training needs are assessed,” than with the other statements in this phase (see figure 6).

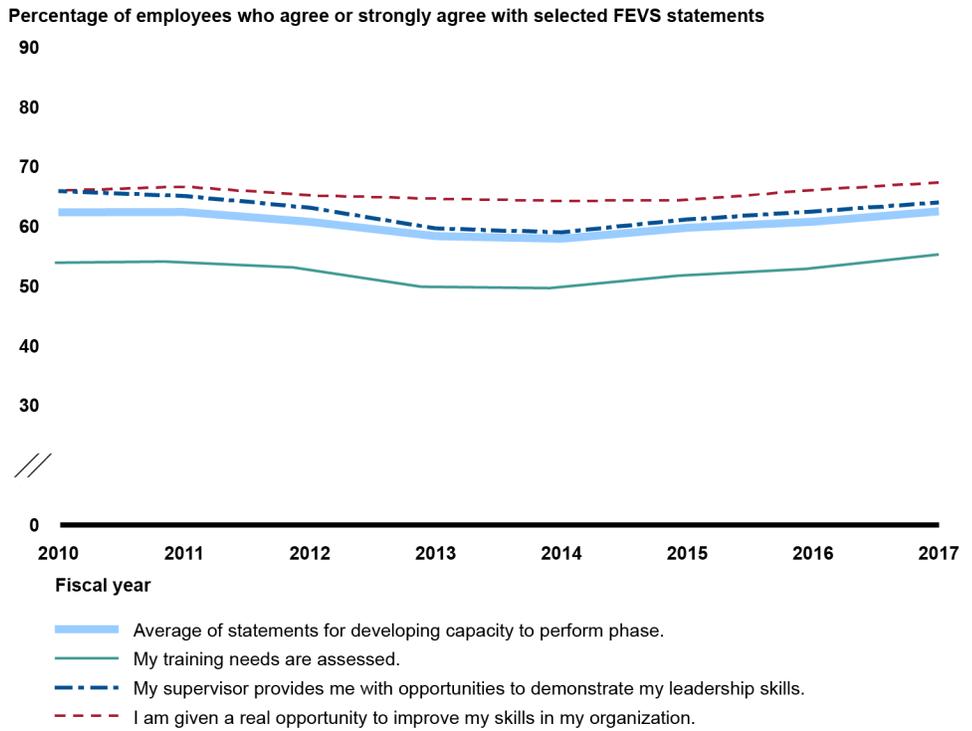
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<sup>23</sup>Office of Personnel Management, *A Handbook for Measuring Employee Performance*, (September 2011), page 6.

<sup>24</sup>GAO, *Human Capital: A Guide for Assessing Strategic Training and Development Efforts in the Federal Government*, [GAO-04-546G](#) (Washington, D.C.: March 2004).

<sup>25</sup>GAO, *Federal Training Investments: Office of Personnel Management and Agencies Can Do More to Ensure Cost-Effective Decisions*, [GAO-12-878](#) (Washington, D.C.: Sept. 17, 2012).

**Figure 6: Estimated Employee Responses on Statements Related to Developing the Capacity to Perform Phase Government-wide, 2010 to 2017**



Source: GAO analysis of Office of Personnel Management (OPM) Federal Employee Viewpoint Survey (FEVS) data, 2010-2017. | GAO-19-35

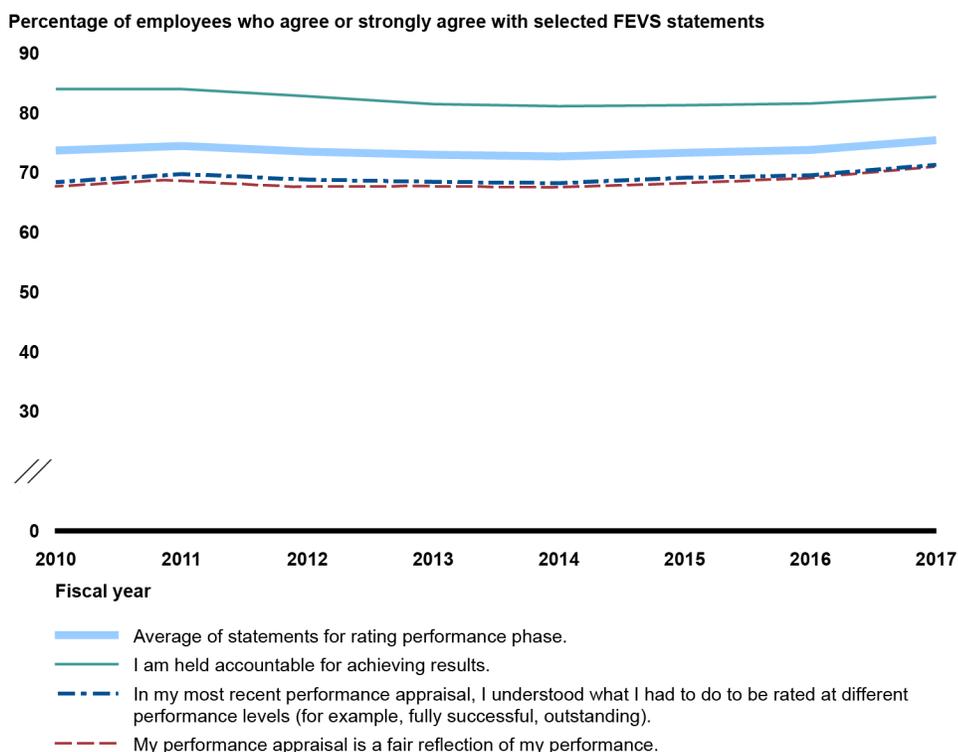
Note: We calculated the average percent of employees who agreed or strongly agreed with the three statements comprising the phase for those who answered all three statements to identify these trend lines. The number of respondents varied by year and statement, ranging from a low of 241,527 for statement 43 in 2010 to a high of 669,834 for statement 1 in 2012. The margin of error for all estimates was within plus or minus 1 percent, except for 2010, when the margin was within plus or minus 2 percent.

#### Phase 4: Rating Periodically to Summarize Performance

Supervisors should establish performance standards that clearly express what is expected of the employee. An average estimated 82 percent of surveyed employees agreed or strongly agreed with the statement, “I am held accountable for achieving results,” from 2010 to 2017 (see figure 7). Overall, this statement had the second highest level of agreement of the 15 statements selected for our review. According to OPM’s website for performance management, while accountability means being held answerable for accomplishing a goal or assignment, the guidance cautions against using accountability only for punishing employees as

fear and anxiety may permeate the work environment.<sup>26</sup> This may prevent employees from trying new methods or proposing new ideas for fear of failure. According to OPM's website for performance management, if approached correctly, accountability can produce positive, valuable results.

**Figure 7: Estimated Employee Responses on Statements Related to Rating Periodically to Summarize Performance Phase Government-wide, 2010 to 2017**



Source: GAO analysis of Office of Personnel Management (OPM) Federal Employee Viewpoint Survey (FEVS) data, 2010-2017. | GAO-19-35

Note: We calculated the average percent of employees who agreed or strongly agreed with the three statements comprising the phase for those who answered all three statements to identify these trend lines. The number of respondents varied by year and statement, ranging from a low of 243,652 for statement 19 in 2010 to a high of 664,618 for statement 16 in 2012. The margin of error for all estimates was within plus or minus 1 percent, except for 2010, when the margin was within plus or minus 2 percent.

<sup>26</sup>See <https://www.opm.gov/policy-data-oversight/performance-management/reference-materials/more-topics/accountability-can-have-positive-results/>. Accessed on August 14, 2018.

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## Phase 5: Rewarding Good Performance

According to OPM guidance, rewards are used often and well in an effective organization.<sup>27</sup> We have previously reported that high-performing organizations seek to create effective incentive and reward systems that clearly link employee knowledge, skills, and contributions to organizational results.<sup>28</sup> Rewarding means recognizing employees, individually and as members of groups, for their performance and acknowledging their contributions to the agency's mission. According to OPM's website for performance management, the types of awards include: cash; honorary recognition; informal recognition; or time off without charge to leave or loss of pay.<sup>29</sup>

From 2010 to 2017, an estimated 39 percent of surveyed employees consistently agreed when asked statements related to how their agency rewards performance (see figure 8). Of the five phases of performance management, the statements related to this phase consistently had the least positive agreement of surveyed employees.

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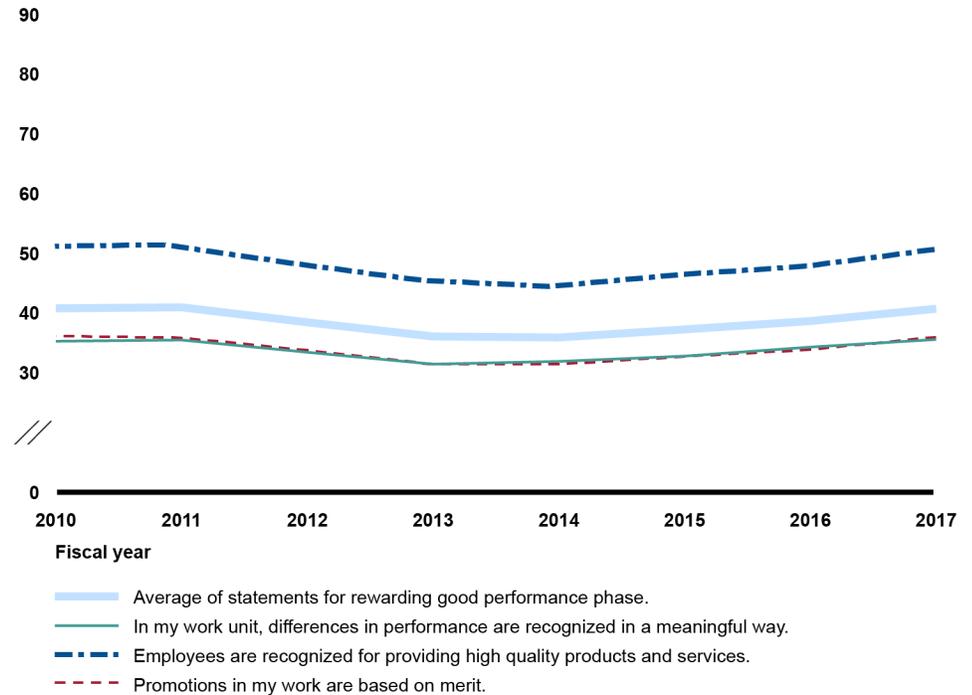
<sup>27</sup>Office of Personnel Management, *A Handbook for Measuring Employee Performance*, Ch. 1, at 6 (September 2011).

<sup>28</sup>[GAO-03-488](#).

<sup>29</sup>See <https://www.opm.gov/policy-data-oversight/performance-management/performance-management-cycle/rewarding/supervisors-quick-review-of-awards/>. Accessed on August 14, 2018.

**Figure 8: Estimated Employee Responses on Statements Related to Rewarding Performance Phase Government-wide, 2010 to 2017**

Percentage of employees who agree or strongly agree with selected FEVS statements



Source: GAO analysis of Office of Personnel Management (OPM) Federal Employee Viewpoint Survey (FEVS) data, 2010-2017. | GAO-19-35

Note: We calculated the average percent of employees who agreed or strongly agreed with the three statements comprising the phase for those who answered all three statements to identify these trend lines. The number of respondents varied by year and statement, ranging from a low of 233,131 for statement 22 in 2010 to a high of 642,628 for statement 31 in 2012. The margin of error for all estimates was within plus or minus 1 percent, except for 2010, when the margin was within plus or minus 2 percent.

We have previously reported that effective performance management requires the organization’s leadership to make meaningful distinctions between acceptable and outstanding performance of individuals.<sup>30</sup> Approximately one-third of surveyed employees agreed or strongly agreed with the statement, “In my work unit, differences in performance are recognized in a meaningful way.” Meaningful distinctions in performance ratings are the starting point for candid and constructive conversations between supervisors and staff. These distinctions also add

<sup>30</sup>GAO-03-488.

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Employees in Supervisory Roles Responded More Positively to Statements Related to Rewarding Performance than Other Employees

transparency to the ratings and rewards process. In addition, such distinctions help employees better understand their relative contributions to organizational success, areas where they are doing well, and areas where improvements are needed.<sup>31</sup>

We also found that, across our selected statements, many of the largest gaps between supervisors and other employees were related to rewarding performance. Specifically, the responses to the statement, “Promotions in my work unit are based on merit,” varied the most based upon the supervisory status of the employee (see figure 9). Senior leaders agreed or strongly agreed with this statement at an average estimated 40 percentage points more than employees in a nonsupervisory role. We have previously reported that agencies must design and administer merit promotion programs to ensure a systematic means of selection for promotion based on merit.<sup>32</sup> We have also previously reported that perceptions of favoritism, particularly when combined with unclear guidance, a lack of transparency, and limited feedback, negatively impact employee morale.<sup>33</sup>

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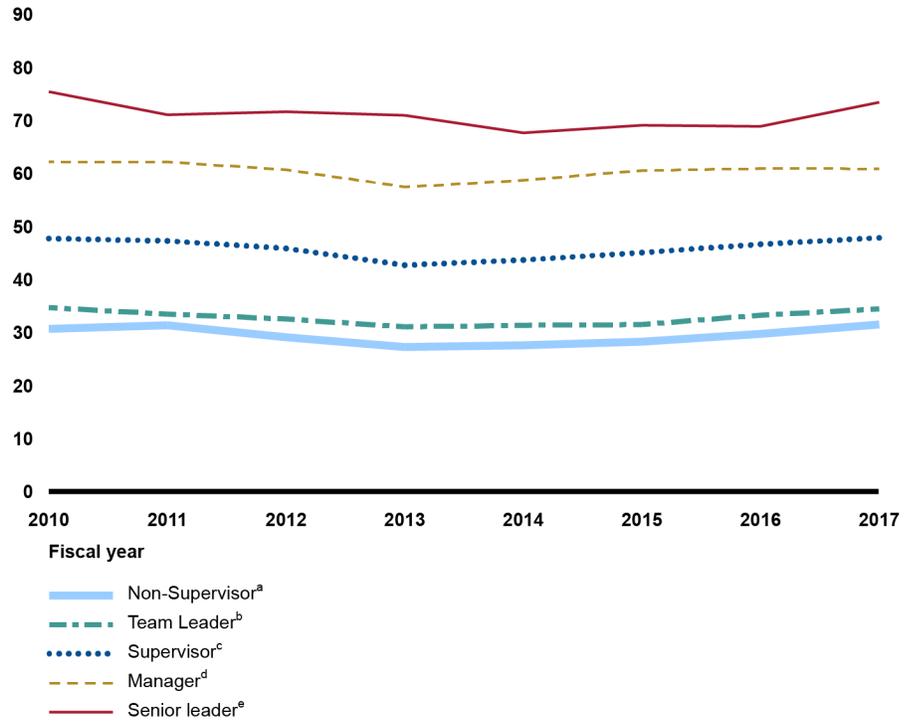
<sup>31</sup>GAO, *Federal Workforce: Distribution of Performance Ratings Across the Federal Government, 2013*, [GAO-16-520R](#) (Washington, D.C.: May 9, 2016).

<sup>32</sup>GAO, *U.S. Marshals Service: Additional Actions Needed to Improve Oversight of Merit Promotion Process and Address Employee Perceptions of Favoritism*, [GAO-18-8](#) (Washington, D.C.: Oct. 17, 2017).

<sup>33</sup>[GAO-18-8](#).

**Figure 9: Estimated Employee Responses on Statement about Promotions Based on Merit by Supervisory Status Government-wide, 2010 to 2017**

Percentage of employees who agree or strongly agree with selected FEVS statements



Source: GAO analysis of Office of Personnel Management (OPM) Federal Employee Viewpoint Survey (FEVS) data, 2010-2017. | GAO-19-35

Note: The number of respondents varied by year, ranging from a low of 233,131 in 2010 to a high of 629,808 in 2012. The margin of error for all estimates was within plus or minus 1 percent, except for 2010 and 2011, when the margin was within plus or minus 2 percent and for the response from senior leaders, where the margin was within plus or minus 3 percent.

<sup>a</sup>Nonsupervisor means anyone who does not have supervisory responsibilities.

<sup>b</sup>Team leader means someone who provides employees with day-to-day-guidance, but does not have supervisory responsibilities or conduct performance appraisals.

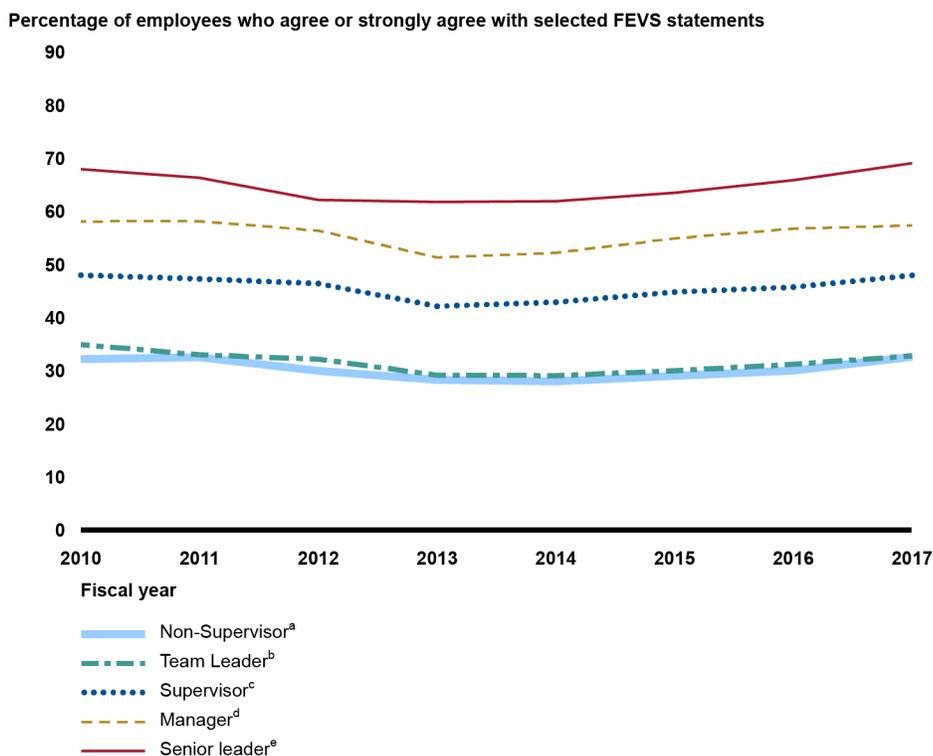
<sup>c</sup>Supervisor means first-line supervisors typically responsible for employees' performance appraisals but who do not supervise other supervisors.

<sup>d</sup>Manager means those in management positions who typically supervise one or more supervisors.

<sup>e</sup>Senior leader means the political or career agency or department head or a member of the immediate leadership team responsible for directing the policies and priorities of the department or agency. The individual is typically a member of the Senior Executive Service (SES) or equivalent. Prior to 2014, this category was called Executive and was defined as a member of the SES or equivalent. Career SES members are individuals with civil service status (permanent) who are appointed competitively to SES positions and serve in positions below the top political appointees in the executive branch of government.

Senior leaders and managers agreed or strongly agreed with the statement, “In my work unit, differences in performance are recognized in a meaningful way,” more frequently than surveyed employees who identified themselves as nonsupervisors (see figure 10). Those who identified themselves as team leaders and nonsupervisors agreed with the statement less frequently than all of the other categories of supervisory status. For example, in 2017, an estimated 69 percent of senior leaders agreed or strongly agreed with the statement, compared to an estimated 48 percent of supervisors and an estimated 33 percent of nonsupervisors and team leaders.

**Figure 10: Estimated Employee Responses on Statement on Meaningful Recognition of Differences in Performance by Supervisory Status Government-wide, 2010 to 2017**



Source: GAO analysis of Office of Personnel Management (OPM) Federal Employee Viewpoint Survey (FEVS) data, 2010-2017. | GAO-19-35

Note: The number of respondents varied by year, ranging from a low of 234,404 in 2010 to a high of 636,554 in 2012. The margin of error for all estimates was within plus or minus 1 percent, except for 2010, when the margin was within plus or minus 2 percent and for the response from senior leaders, where the margin was within plus or minus 4 percent.

<sup>a</sup>Nonsupervisor means anyone who does not have supervisory responsibilities.

<sup>b</sup>Team leader means someone who provides employees with day-to-day-guidance, but does not have supervisory responsibilities or conduct performance appraisals.

<sup>c</sup>Supervisor means first-line supervisors typically responsible for employees' performance appraisals but who do not supervise other supervisors.

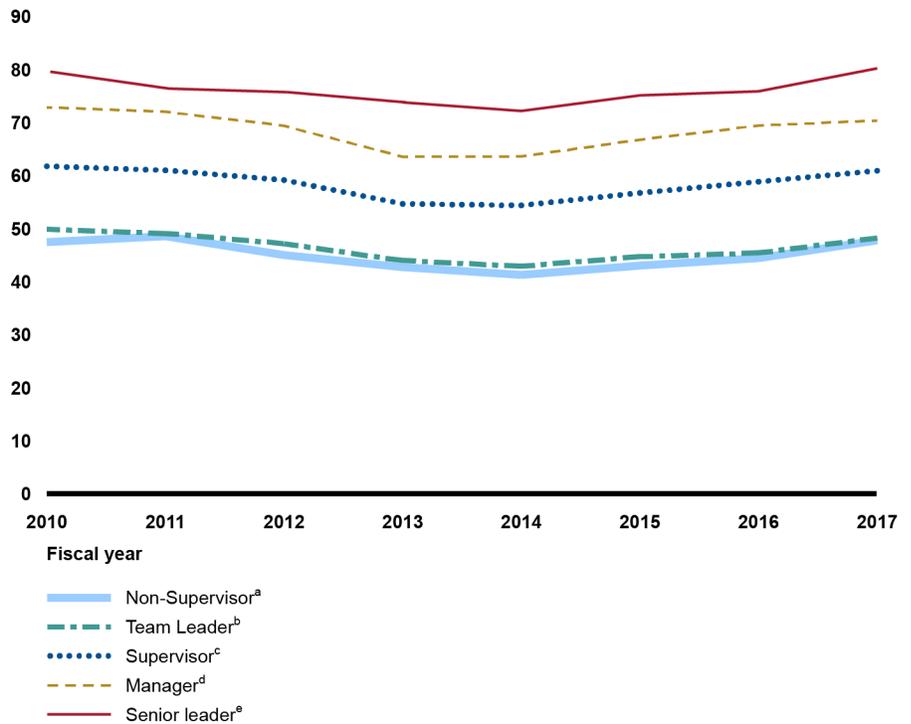
<sup>d</sup>Manager means those in management positions who typically supervise one or more supervisors.

<sup>e</sup>Senior leader means the political or career agency or department head or a member of the immediate leadership team responsible for directing the policies and priorities of the department or agency. The individual is typically a member of the SES or equivalent. Prior to 2014, this category was called Executive and was defined as a member of the SES or equivalent. Career SES members are individuals with civil service status (permanent) who are appointed competitively to SES positions and serve in positions below the top political appointees in the executive branch of government.

Finally, senior leaders and managers agreed or strongly agreed with the statement, "Employees are recognized for providing high quality products and services," more frequently than nonsupervisors (see figure 11).

**Figure 11: Estimated Employee Responses on Statement on Employee Recognition by Supervisory Status Government-wide, 2010 to 2017**

Percentage of employees who agree or strongly agree with selected FEVS statements



Source: GAO analysis of Office of Personnel Management (OPM) Federal Employee Viewpoint Survey (FEVS) data, 2010-2017. | GAO-19-35

Note: The number of respondents varied by year, ranging from a low of 239,398 in 2010 to a high of 642,628 in 2012. The margin of error for all estimates was within plus or minus 1 percent, except for

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2010, when the margin was within plus or minus 2 percent and for the response from senior leaders, where the margin was within plus or minus 3 percent.

<sup>a</sup>Nonsupervisor means anyone who does not have supervisory responsibilities.

<sup>b</sup>Team leader means someone who provides employees with day-to-day-guidance, but does not have supervisory responsibilities or conduct performance appraisals.

<sup>c</sup>Supervisor means first-line supervisors typically responsible for employees' performance appraisals but who do not supervise other supervisors.

<sup>d</sup>Manager means those in management positions who typically supervise one or more supervisors.

<sup>e</sup>Senior leader means the political or career agency or department head or a member of the immediate leadership team responsible for directing the policies and priorities of the department or agency. The individual is typically a member of the SES or equivalent. Prior to 2014, this category was called Executive and was defined as a member of the SES or equivalent. Career SES members are individuals with civil service status (permanent) who are appointed competitively to SES positions and serve in positions below the top political appointees in the executive branch of government.

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## Selected Agencies Implement Some Similar Practices That May Help Improve Employee Performance Management

An effective performance management system can be a strategic tool to improve employee engagement and achieve an agency's desired results. We found that selected agencies demonstrated some similar practices. This may have been a contributing factor in having relatively high scores on FEVS performance management related statements.<sup>34</sup> Specifically, employees at the Bureau of Labor Statistics (BLS), the Centers for Disease Control and Prevention (CDC), the Drug Enforcement Administration (DEA), and the Office of the Comptroller of the Currency (OCC) consistently agreed or strongly agreed to selected FEVS statements related to the five phases of OPM's performance management cycle. While these agencies developed different performance management systems to reflect their specific structures and priorities, we found a number of practices common to all four agencies that are intended to help reinforce effective employee performance management and improve agency performance (see figure 12). All four agencies agreed that these practices helped contribute to their employees' responses to the selected FEVS statements and improved performance management.

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<sup>34</sup>We reviewed 2017 FEVS data, when available, and the results for the four selected agencies—BLS, CDC, DEA, and OCC—remained high and generally similar for the selected FEVS statements.

**Figure 12: Similar Practices Demonstrated at Four Selected Agencies That May Help Improve Performance Management Systems**

Demonstrated practice	
	Strong organizational culture and dedication to agency mission
	Data driven using FEVS and other survey data
	Focus on training
	Improved internal communication from agency management

Source: GAO analysis of information from the Bureau of Labor Statistics, Centers for Disease Control and Prevention, Drug Enforcement Administration, and the Office of the Comptroller of the Currency. | GAO-19-35

## Strong Organizational Culture and Dedication to Agency Mission

We have previously reported that organizations with more constructive cultures generally perform better and are more effective.<sup>35</sup> Within constructive cultures, employees exhibit a stronger commitment to mission focus, accountability, coordination, and adaptability.<sup>36</sup> According to OPM FEVS guidance, climate assessments like FEVS are, consequently, important to organizational improvement largely because of the key role culture plays in directing organizational performance. Each of the agencies in our review cited a strong organizational culture that was based on and tied to their agency’s mission. Table 2 highlights examples from CDC and DEA.

<sup>35</sup>GAO, *Consumer Financial Protection Bureau: Additional Actions Needed to Support a Fair and Inclusive Workplace*, [GAO-16-62](#) (Washington, D.C.: May 19, 2016). Organizational culture is defined as the underlying assumptions, beliefs, values, attitudes, and expectations shared by an organization’s members that affect their behavior and the behavior of the organization as a whole.

<sup>36</sup>GAO, *Securities and Exchange Commission: Improving Personnel Management Is Critical for Agency’s Effectiveness*, [GAO-13-621](#) (Washington, D.C.: July 18, 2013). In that report, we stated that in organizations with a more constructive culture, employees exhibit a stronger commitment to (1) mission focus (pursuing goals that define the best course of action for an organization); (2) accountability (empowering employees and holding them responsible for their decisions and actions); (3) coordination (involving other employees in decisions affecting them, resolving differences collaboratively, and cooperating across organizational lines); and (4) adaptability (accepting new approaches and responding positively to demands and opportunities posed from within and outside of the organization).

**Table 2: Selected Agencies' Mission Statements May Help Define an Employees' Purpose and Role within the Organization**

Selected Agency	Mission	Examples of Reinforcing Mission
CDC	CDC conducts critical science and provides health information that protects our nation against expensive and dangerous health threats, and responds when these arise.	According to CDC officials, the agency promotes a culture of learning and improvement. For instance, it embeds a program evaluation component in one of its funding programs to achieve continuous program improvement. The program's staff monitor implementation and provide feedback to recipients as standard practice, but the agency also recognizes staff have an important role in monitoring how their organizational units are performing, and recommending changes to leadership that will lead to improvement. At the agency level, CDC routinely brings leadership together for data-driven reviews to understand the drivers of program performance and collaboratively strategize solutions to performance challenges.
DEA	DEA is responsible for enforcing the controlled substances laws and regulations of the United States.	DEA officials stated that the agency's unique mission not only attracts individuals to the agency, but also contributes to low levels of attrition. However, officials stated that due to the nature of the agency's work, DEA personnel (in particular agents) are at greater risk to become victims of traumatic incidents. Such incidents not only have the potential to be emotionally painful, but can adversely impact employee safety, productivity and readiness. As a result, the agency tries to keep employees engaged across the life cycles of their respective careers. For example, DEA has an active Employee Assistance Program which provides free counseling services for all employees, including a "signature" Trauma Team.

Source: Information from CDC and DEA. | GAO-19-35

## Data Driven Using FEVS and Other Survey Data

Each of the four selected agencies in our review demonstrated a focus on analyzing FEVS data to identify areas of improvement and create action plans around the analysis. According to OPM guidance on FEVS, the results from the survey can be used by agency leaders to assist in identifying areas in need of improvement as well as highlight important agency successes. FEVS findings allow agencies to assess trends by comparing earlier results with the 2017 results to (1) compare agency results with the government-wide results, (2) identify current strengths and challenges, and (3) focus on short- and long-term action targets that will help agencies reach their strategic human resource management goals. The recommended approach to assessing and driving change in agencies utilizes FEVS results in conjunction with other resources, such as results from other internal surveys, administrative data, focus groups, exit interviews, and so on.<sup>37</sup> We have previously reported that for agencies to attain the ultimate goal of improving organizational performance, they must take a holistic approach—analyzing data,

<sup>37</sup> OPM, *2017 Federal Employee Viewpoint Survey: Empowering Employees. Inspiring Change. Government Management Report* (Washington, D.C.: 2017).

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developing and implementing strategies to improve engagement, and linking their efforts to improved performance.<sup>38</sup>

We have also previously reported that OPM stated that agencies are increasingly using FEVS as a management tool to help them understand issues at all levels of an organization, and to take specific action to improve employee engagement and performance. Further, OPM officials noted that if agencies, managers, and supervisors know that their employees will have the opportunity to provide feedback each year, they are more likely to take responsibility for influencing positive change.<sup>39</sup> We found that all four of the selected agencies were building a culture of analyzing their FEVS results to identify areas of improvement, and develop action plans to achieve results, including improving performance management (see table 3).<sup>40</sup>

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<sup>38</sup>GAO, *Federal Workforce: Additional Analysis and Sharing of Promising Practices Could Improve Employee Engagement and Performance*, [GAO-15-585](#) (Washington, D.C.: July 14, 2015).

<sup>39</sup>[GAO-15-585](#).

<sup>40</sup>FEVS calculates the response rate by the number of eligible employees returning completed surveys divided by the number of eligible employees.

**Table 3: Selected Agencies Analyzed FEVS Results and Developed Action Plans**

Agency	Description of FEVS Analysis and Action Plans
<b>BLS</b>	<ul style="list-style-type: none"> <li>Using its FEVS results from fiscal years 2016 and 2017, BLS developed agency-wide action plans that were shared with all employees.</li> <li>In addition, each of the nine Associate Commissioners was encouraged to analyze results for their organizations, and to develop an office-specific action plan to address areas in which employee responses indicated a need to improve. For instance, two of the focus areas targeted for improvement were employee recognition and training, which were documented in the fiscal year 2016 and 2017 action plans.</li> </ul>
<b>CDC</b>	<ul style="list-style-type: none"> <li>Each CDC center, institute, and office has a FEVS coordinator who analyzes and interprets FEVS data.</li> <li>According to CDC officials, FEVS action plans are developed by and tailored to the needs of each center, institute, and office. The results are presented to CDC’s senior leadership who commit to improving FEVS scores. For example, CDC’s Human Resources Office developed 2017 FEVS Action Plans (based on the 2016 results) at the office and activity level. As a result, CDC launched improvement initiatives to address engagement, communication, recognition, and diversity targeted to improve employee engagement and overall organizational performance.</li> <li>According to CDC officials, going forward, the agency will continue to use FEVS results to build upon strategic human capital planning efforts, and design action plans to drive higher employee engagement, satisfaction, and organizational performance.</li> </ul>
<b>DEA</b>	<ul style="list-style-type: none"> <li>DEA delved further into the areas where the agency’s FEVS results were not as high in comparison to other agencies, for example in the area of work-life.</li> <li>DEA officials stated that the agency is committed to offering flexible work/life options to employees that, consistent with mission requirements, will better enable them to balance the demands of their work and personal lives.</li> <li>As a result, DEA’s plans include expanding its work-life program flexibilities for all employees contingent on the job requirements, such as major investments in technology that support a secure and adaptable workforce, and compressed work schedules, part-time schedules, and job sharing.</li> </ul>
<b>OCC</b>	<ul style="list-style-type: none"> <li>As of 2017, each of the nine lines of business within OCC has conducted its own analysis of FEVS data, and communicated the results to its employees.</li> <li>In addition, OCC has an internal organizational development team that: manages the overall strategy for FEVS administration; provides resources, guidance and consulting to the lines of business to interpret FEVS data; identifies areas that need improvement; provides coaching to managers; and helps facilitate discussion.</li> <li>Further, FEVS results were used to help build a case for the agency to redesign its performance management system (currently in the development process), and also helped target specific questions to track any improvements.</li> </ul>

Source: GAO analysis of selected agencies’ information. | GAO-19-35

In addition, three of the four selected agencies also used other practices. These practices include using other available survey results to corroborate identified action plans and identify additional areas needing support to create a more complete picture of the employee perspective. We have previously reported that an agency’s FEVS scores should be used as one of several data sources as leaders attempt to develop a comprehensive picture of engagement within an organization, and better

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target their engagement efforts, particularly in times of limited resources.<sup>41</sup> The key is identifying what practices to implement and how to implement them. This can and should come from multiple sources. Three of four of the case study agencies—BLS, CDC, and DEA—use supplemental survey data to help focus agency efforts to improve performance management. For example, DEA developed its own internal survey—Leadership Engagement Survey—in 2016 because it identified leadership as a key driver for organizational climate and employee engagement. According to agency officials, there was a strong internal push to use the survey results to identify areas of improvement. The fourth agency, OCC, had administered a separate internal engagement survey from 2013 to 2016. According to agency officials, however, they discontinued this effort to focus exclusively on FEVS as the primary survey data source, and to reduce the redundancy of two surveys. However, OCC emphasized the need to consider FEVS data as only one source of data, at a point in time, and to use a diversity of other data (quantitative and qualitative) to inform the survey results.

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## Focus on Training

As we have previously reported, agencies invest significant time and resources in recruiting potential employees, training them, and providing them with institutional knowledge that may not be easily or cost-effectively replaceable. Therefore, effective performance management—which consists of activities such as expectation-setting, coaching, and feedback—can help sustain and improve employee performance management. We have also reported that good supervisors are key to the success of any performance management system. Supervisors provide the day-to-day performance management activities that can help sustain and improve the performance of more talented staff, and can help marginal performers to become better.<sup>42</sup> However, agencies may not be providing supervisors with the appropriate training that prepares them for success, such as having difficult performance management conversations. Moreover, we have previously reported that mission-critical skills gaps across the federal government pose a high risk because they impede the government from cost effectively serving the public and achieving results.<sup>43</sup> Strategies to address these gaps include

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<sup>41</sup>[GAO-15-585](#).

<sup>42</sup>See, for example, [GAO-15-191](#).

<sup>43</sup>GAO, *Federal Workforce: OPM and Agencies Need to Strengthen Efforts to Identify and Close Mission-Critical Skills Gaps*, [GAO-15-223](#) (Washington, D.C.: Jan. 30, 2015).

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training and development activities focused on improving employees' skills needed for mission success.<sup>44</sup>

All four selected agencies had taken steps in identifying appropriate training for not only supervisors, but also all employees. For example, BLS conducted a general training needs assessment (TNA) for all employees in 2016. The officials stated that the purpose of the TNA was to give employees an avenue to express their interests in various kinds of training. Employee responses were used to inform elements of the BLS training plan for fiscal year 2017. As a result of the TNA, BLS is conducting a training evaluation of its vendor-provided writing courses. During this evaluation, BLS hopes to determine if the techniques and material taught in these courses have actually resulted in expected improvements in the writing of those employees who have taken the course as observed by their supervisors and managers. TNA results showed that managers also expressed a strong interest in additional training on employee leave, labor relations, and employee relations. BLS officials stated that courses on these topics were provided as part of the agency's fiscal year 2017 training plan.

As another example, CDC recently developed two onboarding checklists for new executives in 2017 for training purposes. The intent was to provide a comprehensive, consistent onboarding experience so that new executives are more engaged and knowledgeable. In addition, within the last year, the agency developed a mentoring circle for new supervisors that meets monthly. The purpose of the circle is to provide new supervisors with insider help from their peers, such as how to handle difficult situations. Supervisors are also provided assistance through the agency's performance management appraisal working group. This group meets quarterly to discuss how to better assist supervisors and employees with performance management related questions.

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<sup>44</sup>Training refers to in-person, virtual instructor-led, self-paced virtual courses, and a combination of virtual instructor-led and self-paced courses.

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## Improved Internal Communication from Agency Management

We have previously reported that successful organizations empower and involve their employees to gain insights about operations from a frontline perspective, increase their understanding and acceptance of organizational goals and objectives, and improve motivation and morale.<sup>45</sup> We have also previously reported that what matters most in improving engagement levels is valuing employees—that is, an authentic focus on their performance, career development, and inclusion and involvement in decisions affecting their work.<sup>46</sup>

Each of the selected agencies in our review stated that they had made efforts over the last few years to improve internal communication between management and employees, as well as increase the transparency of actions taken and decisions made by management. For instance, BLS hosts quarterly breakfast sessions with the BLS Commissioner in which employees have access to agency leadership where they can offer suggestions or feedback. BLS also provides agency information through its intranet website, which is updated almost daily. Examples include features such as the *BLS Daily Report*, *What's Up at BLS*, and BLS tweets. Specifically, the *What's Up at BLS* feature of the BLS intranet is an internal communications hub that includes four sections, including “Employee and Team Spotlight”—highlighting the work of employees and teams across the agency—and “Changing Lanes,” which features stories about employees who decided to switch their career paths by changing occupations or programs within BLS.

According to OCC officials, the agency has increased the frequency of agency-wide communications and those from middle management that cascade priorities, decisions, and organizational changes to employees. OCC has also executed enterprise change management to manage the people side of change, including building awareness, knowledge, and ability through stakeholder analysis and communications planning. It also maintains an engagement portal for teams to document action plans related to employee engagement—of which there are more than 200 action items related to improved communications using a top-down and two-way approach.

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<sup>45</sup>GAO, *Department Of Homeland Security: Taking Further Action to Better Determine Causes of Morale Problems Would Assist in Targeting Action Plans*, [GAO-12-940](#) (Washington, D.C.: Sept. 28, 2012).

<sup>46</sup>[GAO-15-585](#).

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## OPM Provides Performance Management Resources to Agencies, but Some Information is Not Easily Accessible or Routinely Shared

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### OPM Provides Performance Management Resources for Agencies on Its Website but Some Information is Not Easily Accessible or Regularly Updated

As the government's chief human resources agency and personnel policy leader, OPM's role in the federal government is to, among other things, design and promulgate regulations, policy, and guidance covering all aspects of the employee life cycle from hire to retire, including performance management. OPM provides such performance management guidance and resources to agencies on its website, as shown in figure 13, as well as in a new Performance Management Portal (portal) accessible through the Office of Management and Budget's (OMB) MAX Information System (MAX).<sup>47</sup>

Examples of guidance and resources include information for the five phases of the performance management cycle, descriptions on the how to write performance standards, critical components of effective and timely feedback, answers to performance management frequently asked questions, and a list of the various award programs open to employees from all federal agencies. In addition, the Chief Human Capital Officers

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<sup>47</sup>OMB uses the MAX Information System to collect, validate, analyze, model, collaborate with agencies on, and publish information relating to its government-wide management and budgeting activities. Additional examples of performance management resources that OPM provides include: (1) performance management facilitated forums held semi-annually to provide agencies with updated information, guidance, training, and support to design, implement, and apply non-SES performance appraisal systems and programs; and (2) performance and employee accountability workshop for agencies to collaborate with their peers and speak to policy experts as they developed their agency reform plans to maximize employee performance. OPM also hosts the UnlockTalent Connect Community of Practice, which is designed to serve as an online platform for federal agencies to share promising practices to help create an engaged federal workforce. UnlockTalent is divided into six sections—engagement, talent management, performance culture, strategic planning and alignment, evaluation, and tools.

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(CHCO) Council's website includes information provided by OPM on performance management as well as various OPM memorandums to CHCOs, human resource directors, and agency leaders.<sup>48</sup>

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<sup>48</sup>The council supports OPM in the strategic management of human capital at federal agencies, and provides a forum for senior management officials to exchange human resources best practices. The council includes 25 members drawn from the 15 executive departments and eight additional agencies designated by OPM's director. The CHCO Council is chaired by the Director of OPM, and serves to coordinate and collaborate on the development and implementation of federal human capital policies.

**Figure 13: OPM's Website Includes Links to Performance Management Guidance and Resources**

The screenshot shows the OPM.gov website's Performance Management page. At the top, there is a navigation bar with the OPM logo and the text 'OPM.GOV'. The navigation menu includes 'ABOUT', 'POLICY' (which is highlighted), 'INSURANCE', 'RETIREMENT', 'SUITABILITY', 'AGENCY SERVICES', and 'NEWS'. Below the navigation bar, there is a breadcrumb trail: 'OPM.gov Main > Policy > Performance Management'. On the left side, there is a sidebar menu titled 'IN THIS SECTION' with various categories, each with a dropdown arrow. 'Performance Management' is highlighted in orange. Below the sidebar, there is a section titled 'RESOURCES FOR' followed by a decorative wavy line. The main content area has a heading 'Performance Management' in green. Below the heading, there is a paragraph of text: 'This Performance Management guidance relates to the management of employee performance (i.e., planning, developing, monitoring, rating, and rewarding employee contributions), rather than performance-based or performance-oriented approaches to managing, measuring, and accounting for agency program performance. While these concepts can and should be linked and integrated, they remain distinct in some respects, particularly with regard to establishing individual accountability and [dealing with poor performers](#). We also provide information that specifically addresses [performance management for the Senior Executive Service](#).'

Source: <https://www.opm.gov/policy-data-oversight/performance-management/> [accessed on August 13, 2018]. | GAO-19-35

According to OPM officials, information on the performance management website is reserved for policy guidance based on current and applicable law and regulation. As such, only minor updates have been made to the website because the law and regulatory requirements for performance management have not recently changed. However, there is no date included on the website that indicates when it was last updated. OPM

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officials stated that the last update made to the website was in June 2016 when an external entity requested that a public service award be added to OPM's awards list page.

However, OPM has issued training, guidance, and other performance management related resources since the last website update in June 2016. Specifically, we examined more than 100 performance management related online links on both OPM's and the CHCO Council's websites, and found that in some instances, the CHCO Council's website included more up-to-date information issued by OPM that was not found on OPM's performance management website. Some examples include:

- The release of OPM's web-based training course, "*Basic Employee Relations: Your Accountability as a Supervisor or Manager*," dated October 12, 2016;
- *Management Tools for Maximizing Employee Performance*, dated January 11, 2017;
- *Performance Management Guidance and Successful Practices in Support of Agency Plans for Maximizing Employee Performance*, dated July 17, 2017;
- The release of OPM's web-based training course, "*Performance Management Plus—Engaging for Success*," dated October 6, 2017;
- *Federal Supervisory Training Program Survey Results*, dated May 21, 2018; and
- *Guidance for Implementation of Executive Order 13839 - Promoting Accountability and Streamlining Removal Procedures Consistent with Merit System Principles*, dated July 5, 2018.<sup>49</sup>

According to OPM officials, the agency does not coordinate with the CHCO Council on its website postings. However, OPM officials stated that performance management guidance approved by OPM is provided to the CHCO Council. We did not find any reference to the CHCO Council's website using OPM's internal search engine with the term "performance management" (see figure 14). As a result, agency officials and federal employees who are looking for comprehensive information on

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<sup>49</sup>While the web-based training course on basic employee relations and federal supervisory training program survey results could be found on OPM's wiki page for supervisory leadership development, they could not be located on OPM's website for performance management.

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performance management using OPM's website may be unable to easily find or access related performance management guidance or resources.

Figure 14: CHCO Council Website Not Referenced on OPM’s Main Website Using the Term “Performance Management”

Search

Search

OPERATING STATUS: OPEN ✓

OPM.GOV ABOUT POLICY INSURANCE RETIREMENT SUITABILITY AGENCY SERVICES NEWS

## Search

performance management Search

### Search Results

Displaying 1 - 48

**Performance Management - OPM.gov**  
[www.opm.gov/policy-data-oversight/performance-management](http://www.opm.gov/policy-data-oversight/performance-management)  
This Performance Management guidance relates to the management of employee performance (i.e., planning, developing, monitoring, rating, and rewarding employee contributions), rather than performance-based or performance-oriented approaches to managing, measuring, and accounting for agency program performance.

**United States Office of Personnel Management - Official Site**  
[www.opm.gov](http://www.opm.gov)  
Performance Management; Senior Executive Service; ... The Director of the Office of Personnel Management shall serve as the Suitability and Credentialing Agent ...

**Overview & History - U.S. Office of Personnel Management**  
[www.opm.gov/policy-data-oversight/performance-management/overview...](http://www.opm.gov/policy-data-oversight/performance-management/overview...)  
Performance management is the systematic process by which an agency involves its employees, as individuals and members of a group, in improving organizational effectiveness in the accomplishment of agency mission and goals.

**Performance Management - OPM.gov**  
[www.opm.gov/services-for-agencies/performance-management](http://www.opm.gov/services-for-agencies/performance-management)  
Performance Management (PM) is more than the end of year appraisal. It's about translating goals into results. Performance Management focuses not only on individual employees, but also on teams, programs, processes and the organization as a whole.

**Frequently Asked Questions : Performance Management - OPM.gov**  
[www.opm.gov/faqs/topic/perform/index.aspx](http://www.opm.gov/faqs/topic/perform/index.aspx)  
A performance-based cash award, also commonly known as a rating-based award, is a lump-sum cash payment and requires only the most recent rating of record as the sole justification for the award.

**Performance Management Cycle - OPM.gov**  
[www.opm.gov/policy-data-oversight/performance-management/...](http://www.opm.gov/policy-data-oversight/performance-management/...)  
"Planning" means setting performance expectations and goals for groups and individuals to channel their efforts toward achieving organizational objectives.

Source: [https://www.opm.gov/search/#1402/performance management/](https://www.opm.gov/search/#1402/performance%20management/) accessed on August 2, 2018. | GAO-19-35

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A 2016 Office of Management and Budget memorandum on federal agency public websites and digital services states that federal agency public websites and digital services are the primary means by which the public receives information from and interacts with the federal government, provides government information or services to a specific user group across a variety of delivery platform and devices, and supports the proper performance of an agency function.<sup>50</sup> The memorandum states that, “Federal websites and digital services should provide quality information that is readily accessible to all.” In addition, federal internal control standards state that management should use quality information to achieve the entity’s objective. Quality information should be appropriate, current, complete, accurate, accessible, and timely.<sup>51</sup> However, OPM does not have a process for regularly updating its performance management website with new guidance and resources to ensure that the information is readily available. Agency employees, such as human capital specialists, who visit OPM’s performance management website may be unable to find or access the most recent guidance and training available.

In addition to its website, OPM officials stated that the agency recently launched the Performance Management Portal (portal) in September 2017 on OMB MAX to communicate with agencies and provide information and resources related to non-SES performance management, as highlighted earlier. OPM officials said that the portal will be updated with information regarding announcements or updated guidance as needed, or when it is released and becomes available.

Although not as comprehensive as the information included on OPM’s performance management website, the portal included slides from OPM’s semiannual facilitated performance management forums and updated information on awards guidance for non-SES employees for fiscal year 2017—neither of which were on OPM’s website. As the government’s chief human resources agency, agencies may see OPM as their primary source of performance management guidance. By establishing a process to ensure that information on the performance management website is

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<sup>50</sup>Office of Management and Budget, *Policies for Federal Agency Public Websites and Digital Services*, Memorandum M-17-06 (Nov. 8, 2016). For purposes of this report, the public also includes federal agency employees, such as human capital specialists, who use federal websites to gather information for their agencies’ human capital activities, including performance management.

<sup>51</sup>[GAO-14-704G](#).

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regularly updated to include the most recent guidance, agencies would have access to the most current information.

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### OPM Could Better Lead Efforts to Identify and Share Emerging Performance Management Research and Innovation

OPM provides opportunities for agencies to share promising practices. For example, OPM has several efforts in place that allow agencies to share promising information with each other such as at its semiannual Performance Management Forums (forums), annual Performance Management Steering Committee meetings, and through the previously mentioned portal.<sup>52</sup> According to OPM, the forums provide agencies with updated information, guidance, and support to encourage performance excellence amongst employees.

In 2017, OPM began holding annual steering committee meetings which allow interagency representatives to discuss the needs of the federal performance management community, to identify and/or request potential content for future forums, and to share promising practices and lessons learned regarding performance management, according to OPM officials. However, there is no formal process in place or mechanism for agencies to routinely and independently share their own experiences and lessons learned in implementing performance management efforts. For instance, the portal does not currently allow for agencies to post and share their own promising practices with each other in a centralized location. Instead, agencies must rely on OPM to post such information on the portal. OPM officials stated that, although permission to view the portal is granted to all users in the executive branch with a MAX account, OPM is the only agency that has permission to make edits to the portal. OPM officials said they are exploring options to allow for an interactive experience with other agencies. Federal internal control standards state that management should externally communicate the necessary quality information to achieve the entity's objective.<sup>53</sup> Additionally, our prior work on collaboration practices has shown that agencies can enhance and sustain collaborative efforts, and identify and address needs by leveraging resources, such as through sharing information.<sup>54</sup> Establishing a

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<sup>52</sup>OPM officials provided additional avenues for sharing performance management information related to the SES including quarterly executive resource forums and annual SES workshops.

<sup>53</sup>[GAO-14-704G](#).

<sup>54</sup>GAO, *Results-Oriented Government: Practices That Can Help Enhance and Sustain Collaboration among Federal Agencies*, [GAO-06-15](#), (Washington D.C.: Oct. 21, 2005).

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mechanism to allow agencies to routinely share promising practices and lessons learned from their experiences could assist agencies that are undertaking or considering similar efforts and help inform agencies' decision-making related to performance management.

In addition to driving modernization, OPM identified innovation as one of its five values in its most recent strategic plan for fiscal years 2018 through 2022.<sup>55</sup> Specifically, OPM stated that the agency “constantly seeks new ways to accomplish its work and generate extraordinary results. OPM is dedicated to delivering creative and forward-looking solutions and advancing the modernization of human resources management.” OPM officials stated that innovation was included as one of OPM’s values because the agency seeks to embrace forward-leaning policies and practices within all aspects of human capital management.

While OPM officials told us that they maintain a constant scan of the environment to identify and follow promising practices—which could include innovative concepts—in the private sector and other sources to include performance management and performance management systems, they did not specifically identify which promising practices they incorporated into guidance or training. In addition, when we asked OPM to identify innovative performance management practices based on its own research, officials provided us with articles from leading experts that focused on eliminating performance ratings, using a growth mindset concept, and the SCARF model—status, certainty, autonomy, relatedness, and fairness—for collaborating with and influencing others.<sup>56</sup> They also provided references and their notes on new performance management system programs at three corporations. OPM officials said they have not placed these articles, references, or notes on their

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<sup>55</sup> *OPM Strategic Plan Fiscal Years 2018-2022*. The other four values are integrity, excellence, service, and leadership. In addition, OPM officials stated that innovation is linked to strategic goal 3.1 on strengthening coordination of policy, service delivery, and oversight resulting in agencies' achievement of human capital objectives.

<sup>56</sup> The concept of growth mindset focuses on the idea that people can grow at every level. For instance, setting goals that are growth-mindset driven from stating “I will show everyone I am the best at customer service” to “I will study the art and thus gain mastery with serving customers.” The SCARF model involves five domains of human social experience: status, certainty, autonomy, relatedness, and fairness. Understanding these drivers can help individuals and organizations to function more effectively, reducing conflicts that occur so easily amongst people, and increasing the amount of time people spend in the approach state, a concept synonymous with good performance.

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performance management website or shared them with agencies, and have no plans to do so at this time.

Instead, OPM officials stated they were monitoring the progress of these new practices to assess if the methods were effective in maximizing employee and organizational outcomes, in addition to stimulating collaboration and innovation. However, OPM provided no criteria in use to determine when the results would be considered effective or when they could be shared with agencies. Without OPM sharing their research results, agencies may be unaware of current practices in the performance management field because they may not be conducting their own research. Including innovation as an agency value is not sufficient to change an organization's culture for it to become innovative; it is necessary to also introduce, for example, a strategy to identify and address emerging research and promising practices in performance management. Such a strategic approach could include criteria that identify what research results to share with agencies, when to share them, and by which process (for example, by website). It would also enable OPM to increase transparency and consistency in identifying emerging innovations.

One of our case study agencies told us that in the absence of OPM providing research results, the agency used its own resources to research and identify leading practices in the private sector that could potentially apply to their own performance management system, such as focusing on ongoing performance conversations and recognition to increase engagement and performance, while reducing burdensome administrative requirements that do not add value. Officials at this agency stated that OPM's guidance was not modernized to the extent that the human capital and performance management industry was changing. Without OPM taking the lead to share emerging and innovative research, agencies, and therefore their employees, may not benefit from the best information available.

Although OPM identified innovation as one of its five values, we were unable to find any recent information on innovation for performance management in the government on OPM's website. Specifically, we used "innovation performance management" as a search term on the website and found the "Promoting Innovation in Government" web page, which included archived material and was no longer being updated (see figure 15). As a result, agencies that use OPM's website as a source of performance management guidance would be unable to find any current resources on performance management innovation. OPM officials

explained that older material is archived based on the current leadership's vision. The officials also confirmed that OPM did not have other active websites that contained innovative performance management practices gathered from external sources, which could be shared with other federal agencies. Implementing a strategic approach to sharing innovation in performance management would then allow OPM to provide relevant and updated information that agencies could use to modernize their performance management systems.

**Figure 15: OPM is No Longer Updating Their Web Page on “Promoting Innovation in Government”**

The screenshot shows the OPM.gov website interface. At the top, there is a navigation bar with links for 'ABOUT', 'POLICY', 'INSURANCE', 'RETIREMENT', 'SUITABILITY', 'AGENCY SERVICES', and 'NEWS'. The 'POLICY' link is highlighted. Below the navigation bar, the page title is 'Performance Management' and the sub-section is 'REFERENCE MATERIALS'. A prominent red banner with white text reads: 'You have reached a collection of archived material. The content available is **no longer being updated** and as a result you may encounter hyperlinks which no longer function. You should also bear in mind that this content may contain text and references which are no longer applicable as a result of changes in law, regulation and/or administration.' To the right of this banner is an icon of a document with a checklist. Below the banner, the main content area is titled 'Promoting Innovation in Government' and contains text discussing the challenge for senior managers in the public sector to provide incentives and support for innovation, citing a report by Sandford Borins. A sidebar on the left lists navigation options: 'OPM.gov Main >', 'IN THIS SECTION', 'RESOURCES FOR', 'New / Prospective Employees', 'Federal Employees', 'HR Professionals' (with a red arrow pointing to it), and 'Managers'.

Source : <https://www.opm.gov/policy-data-oversight/performance-management/reference-materials/historical/promoting-innovation-in-government/> accessed on August 2, 2018. | GAO-19-35

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## Conclusions

Managing employee performance has been a long-standing government-wide issue. As the current administration moves to reform the federal government to become leaner, accountable, and efficient, an effective performance management system is necessary to increase productivity, sustain transformation, and foster a culture of engagement that enables high performance. Federal agencies have a primary responsibility for managing their employees' performance, but OPM maintains a key role in developing and overseeing human resources programs and policies that support the needs of federal agencies. As the government's chief human resources agency and personnel policy leader, OPM is responsible for designing and promulgating regulations, policy, and guidance covering all aspects of the employee life cycle, including performance management. While OPM provides performance management resources on its website, some information is not regularly updated and can be challenging to find. Establishing a process to provide agencies with current, accurate, and easy access to guidance and resources would provide them with the most recent guidance and resources available.

To be at the forefront of innovation, OPM must consistently challenge traditional performance management practices, and identify opportunities to present and promote new and creative solutions to agencies. Although OPM has identified potential innovative and promising practices for performance management through its own research, OPM has not actively shared these practices with agencies. In addition, agencies do not have access to a common forum by which they could routinely and independently share their own promising practices and lessons learned to avoid common pitfalls. In times of limited resources, developing a strategic approach to identify and share emerging research and innovations in performance management would help agencies inform and, as needed, reform their performance management approaches. As a result, federal employees may have more opportunities to maximize their performance.

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## Recommendations for Executive Action

We are making the following three recommendations to OPM. Specifically:

1. The Director of OPM, in consultation with the CHCO Council, should establish and implement a process for regularly updating the performance management website to include all available guidance and resources, making this information easily accessible, and providing links to other related websites. (Recommendation 1)

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2. The Director of OPM, in consultation with the CHCO Council, should develop and implement a mechanism for agencies to routinely and independently share promising practices and lessons learned, such as through allowing agencies to post such information on OPM's Performance Management portal. (Recommendation 2)
  3. The Director of OPM, in consultation with the CHCO Council, should develop a strategic approach for identifying and sharing emerging research and innovations in performance management. (Recommendation 3)

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## Agency Comments and Our Evaluation

We provided a draft of this report to the Secretaries of the Departments of Health and Human Services (Centers for Disease Control and Prevention), Labor (Bureau of Labor Statistics), and Treasury (Office of the Comptroller of the Currency), the Acting Attorney General (Drug Enforcement Administration) and the Acting Director of OPM. In its written comments, reproduced in appendix II, OPM agreed with our findings and concurred with our recommendations. It added that it would establish and implement a process for regularly updating its performance management website, among other things. OPM and the Departments of Health and Human Services, Labor, and Treasury also provided technical comments that we incorporated, as appropriate.

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We are sending copies of this report to the appropriate congressional committees, the Secretaries of the Departments of Health and Human Services, the Department of Labor, the Department of the Treasury, the Acting Attorney General, the Acting Director of OPM, and other interested parties. In addition, the report is available at no charge on the GAO website at <http://www.gao.gov>.

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If you or your staff have any questions about this report, please contact me at (202) 512-2757 or [goldenkoffr@gao.gov](mailto:goldenkoffr@gao.gov). Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report are listed in appendix III.

Sincerely yours,

A handwritten signature in black ink that reads "Robert Goldenkoff". The signature is written in a cursive style with a large, prominent initial "R".

Robert Goldenkoff  
Director, Strategic Issues

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# Appendix I: Objectives, Scope, and Methodology

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This report (1) describes federal employee perceptions of performance management as measured by the results of selected statements from the Office of Personnel Management's (OPM) annual survey of federal employees, the Federal Employment Viewpoint Survey (FEVS); (2) identifies practices that selected agencies use to develop and implement strategies to improve performance management; and (3) evaluates OPM's guidance and resources to support agency efforts to improve performance management government-wide.

FEVS provides a snapshot of employees' perceptions about how effectively agencies manage their workforce. Topic areas are employees' (1) work experience, (2) work unit, (3) agency, (4) supervisor, (5) leadership, (6) satisfaction, (7) work-life, and (8) demographics. OPM has administered FEVS annually since 2010. From 2002 to 2010, OPM administered the survey biennially. FEVS includes a core set of statements. Agencies have the option of adding questions to the surveys sent to their employees. FEVS is based on a sample of full- and part-time, permanent, non-seasonal employees of departments and large, small, and independent agencies. According to OPM, the sample is designed to ensure representative survey results would be reported by agency, subagency, and senior leader status as well as for the overall federal workforce. Once the necessary sample size is determined for an agency, if more than 75 percent of the workforce would be sampled, OPM conducts a full census of all permanent, nonseasonal employees.

To describe government-wide trends in employee perceptions of performance management, we selected 15 FEVS statements that generally align with OPM's five phases of performance management cycle: (1) planning and setting expectations; (2) continually monitoring performance; (3) developing the capacity to perform; (4) rating periodically to summarize performance; and (5) rewarding good performance (see table 4). We used indexes such as the Employee Engagement Index, the Human Capital Assessment and Accountability Framework Results-Oriented Performance Culture Index, and the Public Partnership for Public Service's Best Places to Work categories to help guide our selection process of three FEVS statements per OPM performance management phase. We did not look at how surveyed employees responded to the statements when considering which ones to select. Upon selection of our statements, we consulted with our internal human capital (HC) experts as well as external HC experts at OPM and the Merit Systems Protection Board to determine the appropriateness of

our FEVS statement selection and categorization. They generally agreed that these statements aligned with the phases.<sup>1</sup> However, FEVS was not designed to measure performance management and, although these statements all provide useful insights, they do not necessarily represent all key aspects of performance management.

**Table 4: Selected FEVS Statements by OPM Performance Management Phase (Survey Statement Number in Parenthesis)**

<b>Phase 1—Planning Work And Setting Expectations</b>	<b>Phase 2—Continually Monitoring Performance</b>	<b>Phase 3—Developing the Capacity To Perform</b>	<b>Phase 4—Rating Periodically To Summarize Performance</b>	<b>Phase 5— Rewarding Good Performance</b>
I have enough information to do my job well. (2)	My supervisor provides me with constructive suggestions to improve my job performance. (46)	I am given a real opportunity to improve my skills in my organization. (1)	My performance appraisal is a fair reflection of my performance. (15)	Promotions in my work unit are based on merit. (22)
I know what is expected of me on the job. (6)	In the last six months, my supervisor has talked with me about my performance. (50)	My training needs are assessed. (18)	I am held accountable for achieving results. (16)	In my work unit, differences in performance are recognized in a meaningful way. (24)
I know how my work relates to the agency's goals and priorities. (12)	In my work unit, steps are taken to deal with a poor performer who cannot or will not improve. (23)	My supervisor provides me with opportunities to demonstrate my leadership skills. (43)	In my most recent performance appraisal, I understood what I had to do to be rated at different performance levels (for example, Fully Successful, Outstanding). (19)	Employees are recognized for providing high quality products and services. (31)

Source: GAO analysis of OPM FEVS Statements. | GAO-19-35

<sup>1</sup>The Merit Systems Protection Board's mission is to protect the merit system principles and promote an effective federal workforce free of prohibited personnel practices.

In addition, we analyzed the 15 FEVS performance management-related questions by supervisory status for the 24 Chief Financial Officers Act (CFO Act) departments and agencies for the years 2010 through 2017.<sup>2</sup> We conducted this analysis because our prior work had shown that supervisory status was the employee population variable that displayed the greatest degree of difference in responses between the categories of respondents in it.<sup>3</sup> For this report, we did not analyze the extent of differences in responses in the performance management questions by other employee population groups, such as age or gender, because that was outside the scope of our engagement. We examined the results for the 15 FEVS questions by supervisory groups, and report the 4 that had the greatest degree of differences by supervisory levels.<sup>4</sup> All of these 4 had differences of at least 28 percentage points between the most and least favorable categories of respondents while the remaining 11 had differences in the range of 2 to 25 percentage points between the views of senior leaders and nonsupervisory employees.

We calculated the average percent of employees who agreed or strongly agreed with the three statements comprising the phase for those who answered all three statements to identify trends. Survey respondents who did not answer one or more of the phase statements were not included. Because OPM followed a probability procedure based on random selections for most agencies, the FEVS sample is only one of a large number of samples that could have been drawn. Since each sample could have provided different estimates, we express our confidence in the precision of the FEVS statement estimates using the margin of error at

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<sup>2</sup>The CFO Act agencies are the executive branch agencies listed at 31 U.S.C. § 901(b). The agencies covered by the CFO Act of 1990, as amended, are generally the largest federal agencies and accounted for an estimated 90 percent of career Senior Executive Service in fiscal year 2013. The 24 CFO Act agencies are the U.S. Departments of Agriculture, Commerce, Defense, Education, Energy, Health and Human Services, Homeland Security, Housing and Urban Development, the Interior, Justice, Labor, State, Transportation, the Treasury, and Veterans Affairs, as well as the U.S. Agency for International Development, Environmental Protection Agency, General Services Administration, National Aeronautics and Space Administration, National Science Foundation, Nuclear Regulatory Commission, OPM, Small Business Administration, and Social Security Administration. The agencies covered by the CFO Act, as amended, are generally the largest federal agencies and account for more than 98 percent of the federal workforce.

<sup>3</sup>[GAO-15-585](#).

<sup>4</sup>Supervisory groups include nonsupervisor, team leader, supervisor, manager, and senior leader.

the 95 percent level of confidence. This margin of error is the half-width of the 95 percent confidence interval for a FEVS estimate. A 95 percent confidence interval is the interval that would contain the actual population value for 95 percent of the samples that OPM could have been drawn.

To assess the reliability of the FEVS data, in addition to assessing the sampling error associated with the estimates we examined descriptive summary statistics and the distribution of both the survey data and the human capital framework indexes, and assessed the extent of item-missing data. We also reviewed FEVS technical documentation. On the basis of these procedures, we believe the data were sufficiently reliable for use in the analysis presented in this report.

To identify practices used by selected agencies to develop and implement strategies to improve performance management, we complemented our government-wide analysis with an additional analysis of agencies (those agencies and units within 1 of the 24 CFO Act departments). Specifically, we analyzed agency results for the same 15 statements in 2015 (the most recent data available at the time) to select a nongeneralizable sample of four agencies to obtain illustrative examples of how they approached performance management and their strategies to improve performance within their agencies. We calculated averages for the agencies based on their scores for our selected statements, and rank ordered them based on these averages. Among other attributes, these agencies had the highest levels of employee agreement with FEVS statements dealing with their performance management processes.

We selected agencies that had the highest average scores for the performance management phases. In addition to the FEVS data, we also used secondary factors such as the number of respondents, agency size, mission, and types of employees to identify the following agencies: (1) Bureau of Labor Statistics, Department of Labor; (2) Centers for Disease Control and Prevention, Department of Health and Human Services; (3) Drug Enforcement Administration, Department of Justice; and the (4) Office of the Comptroller of the Currency, Department of the Treasury. We developed a set of standard questions that asked about agency strategies to improve performance management and relevant successes, which we administered to human resources/human capital officials and other officials responsible for performance management at the agencies. We reviewed and analyzed the responses the agencies provided, and identified and reported examples of practices that all four described, which are intended to improve performance management. We also asked agencies about the types of guidance and resources they obtained from

OPM. The four common practices we identified do not represent the only practices these agencies employ to improve performance management at their agency. In addition, the practices are not intended to be representative of all those employed by all other federal agencies.

To evaluate the guidance and resources OPM provides to agencies to improve performance management government-wide, we reviewed both OPM's performance management website and the Chief Human Capital Officers (CHCO) Council's website to identify available guidance, resources, and tools.<sup>5</sup> We compared these documents to OMB's memorandum on federal agency public websites, OPM's strategic plan for fiscal years 2018 through 2022, and internal controls.<sup>6</sup> We observed the Performance Management Portal, hosted on OMB's MAX website, in July 2018 with an OPM official as we did not have access to the portal.<sup>7</sup> We also reviewed agency documentation and other OPM-referenced websites that contained performance management-related information. We used OPM's internal site search engines and search terms, such as "performance management" and "performance management innovation," to identify relevant guidance. During the course of our review, we compared performance management guidance posted on the OPM and CHCO websites as well as the portal, and identified discrepancies between what we found on the respective websites. We discussed the discrepancies with OPM officials and included their responses within the report. To supplement the documentary evidence obtained, we also interviewed officials from OPM, the CHCO Council, and selected case study agencies to describe the extent to which OPM assists agencies on performance management.

We conducted this performance audit from December 2016 to November 2018 in accordance with generally accepted government auditing

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<sup>5</sup>The CHCO Council was established under the Chief Human Capital Officers Act of 2002, enacted as part of the Homeland Security Act of 2002, to advise and coordinate the activities of members' agencies on such matters as the modernization of human resource systems, improved quality of human resource information, and legislation affecting human resource operations and organizations. See, Pub. L. No. 107-296, § 1303(a)(1) and (b), 116 Stat. 2135, 2288 (Nov. 25, 2002), at 5 U.S.C. § 1401 note.

<sup>6</sup>Office of Management and Budget, *Policies for Federal Agency Public Websites and Digital Services*, Memorandum M-17-06 (Nov. 8, 2016); *OPM Strategic Plan Fiscal Years 2018-2022*; and [GAO-14-704G](#).

<sup>7</sup>Access to OPM's Performance Management Portal on OMB MAX is restricted to executive branch employees only.

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standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

# Appendix II: Comments from the Office of Personnel Management



Employee Services

UNITED STATES OFFICE OF PERSONNEL MANAGEMENT

Washington, DC 20415

OCT 26 2018

The Honorable Gene Dodaro  
Comptroller General  
U.S. Government Accountability Office  
441 G Street, NW  
Washington, DC 20548

Dear Mr. Dodaro:

Thank you for providing us the opportunity to respond to the Government Accountability Office (GAO) draft report: *Opportunities Exist for OPM to Further Innovation in Performance Management*, GAO-19-35, GAO Job Code 101314.

The President's Management Agenda acknowledges that effective and efficient mission achievement and improved service to America can be achieved through enhanced strategic management of the Federal workforce. The *Workforce for the 21<sup>st</sup> Century* cross agency priority goal identifies improving employee performance management and engagement as a key area of focus, and we appreciate GAO's work to help highlight this important issue and potential opportunities for improvement. Responses to your recommendations are provided below. In addition, technical comments are enclosed.

**Recommendation #1:** The Director of OPM, in consultation with the CHCO Council, should establish and implement a process for regularly updating the performance management website to include all available guidance and resources, making this information easily accessible, and providing links to other related websites.

**Management Response: Concur**

OPM agrees to establish and implement a process for regularly updating the performance management website to include relevant guidance and resources, including links to relevant memoranda on the CHCO Council transmittal website, and to the performance management portal, making this information easily accessible. OPM will work internally to complete this action and from time to time, will confer with the CHCO Council to solicit views and feedback from the CHCOs to help ensure the website is providing information that is useful to CHCOs and the human resources community at large.<sup>1</sup>

**Recommendation #2:** The Director of OPM, in consultation with the CHCO Council, should develop and implement a mechanism for agencies to routinely and independently

<sup>1</sup> For this recommendation and others suggesting OPM consult with the CHCO Council, OPM will work internally to complete this action and confer with the CHCO Council within the parameters of its statutory responsibility and the Council's establishing statutes.

Mr. Gene Dodaro

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share promising practices and lessons learned, such as through allowing agencies to post such information on OPM's Performance Management Portal.

**Management Response: Concur**

OPM agrees with this recommendation and proposes a specific approach, where it will host quarterly discussions based on inputs obtained from the agencies, and at times from the CHCOs, to better utilize the Performance Management Portal. This will enable and encourage agencies to share promising practices and lessons learned in implementing performance management policies; agencies will be able to routinely and independently share information. OPM will monitor this space to ensure information being shared reflects sound/proven practices. OPM will also issue guidance to the agencies on the implementation of this new feature once it is available on the Performance Management Portal.

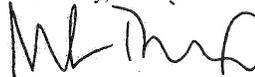
**Recommendation #3:** The Director of OPM, in consultation with the CHCO Council, should develop a strategic approach for identifying and sharing emerging research and innovations in performance management.

**Management Response: Concur**

Currently, OPM shares emerging research, along with guidance on implementing such research, after determining that said research leads to successful policies and/or practices. OPM will, from time to time, solicit views and feedback from the CHCOs, and continue to strengthen and formalize its processes for sharing emerging research to better track and communicate to agencies practices that research has proven are effective.

I appreciate the opportunity to respond to this draft report. If you have any questions regarding our response, please contact Ms. Janet Barnes, Director, Internal Oversight and Compliance, 202-606-3207.

Sincerely,



Mark D. Reinhold  
Associate Director

Enclosure

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# Appendix III: GAO Contacts and Staff Acknowledgments

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## GAO Contact

Robert Goldenkoff, (202) 512-2757 or [goldenkoffr@gao.gov](mailto:goldenkoffr@gao.gov)

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## Staff Acknowledgments

In addition to the contact named above, Thomas Gilbert, Assistant Director; Dewi Djunaidy, Analyst-in-Charge; Jehan Chase; Martin DeAlteriis; Krista Loose; and Susan Sato made major contributions to this report. Also contributing to this report were Carl Barden; Won Lee; Robert Robinson; and Stewart Small.

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# Related GAO Products

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*Federal Employee Misconduct: Actions Needed to Ensure Agencies Have Tools to Effectively Address Misconduct.* [GAO-18-48](#). Washington, D.C.: July 16, 2018.

*Federal Workforce: Distribution of Performance Ratings Across the Federal Government, 2013.* [GAO-16-520R](#). Washington, D.C.: May 9, 2016.

*Federal Workforce: Additional Analysis and Sharing of Promising Practices Could Improve Employee Engagement and Performance.* [GAO-15-585](#). Washington, D.C.: July 14, 2015.

*Federal Workforce: Improved Supervision and Better Use of Probationary Periods Are Needed to Address Substandard Employee Performance.* [GAO-15-191](#). Washington, D.C.: February 6, 2015.

*Results-Oriented Management: OPM Needs to Do More to Ensure Meaningful Distinctions Are Made in SES Ratings and Performance Awards.* [GAO-15-189](#). Washington, D.C.: January 22, 2015.

*Federal Workforce: OPM and Agencies Need to Strengthen Efforts to Identify and Close Mission-Critical Skills Gaps.* [GAO-15-223](#). Washington, D.C.: January 30, 2015.

*Federal Workforce: Human Capital Management Challenges and the Path to Reform.* [GAO-14-723T](#). Washington, D.C.: July 15, 2014.

*Office of Personnel Management: Agency Needs to Improve Outcome Measures to Demonstrate the Value of Its Innovation Lab.* [GAO-14-306](#). Washington, D.C.: March 31, 2014.

*Federal Employees: Opportunities Exist to Strengthen Performance Management Pilot.* [GAO-13-755](#). Washington, D.C.: September 12, 2013.

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

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Chuck Young, Managing Director, [youngc1@gao.gov](mailto:youngc1@gao.gov), (202) 512-4800, U.S. Government Accountability Office, 441 G Street NW, Room 7149, Washington, DC 20548

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## Strategic Planning and External Liaison

James-Christian Blockwood, Managing Director, [spel@gao.gov](mailto:spel@gao.gov), (202) 512-4707, U.S. Government Accountability Office, 441 G Street NW, Room 7814, Washington, DC 20548



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