



Testimony

Before the Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia, Committee on Homeland Security and Governmental Affairs, U.S. Senate

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## HUMAN CAPITAL

# Greater Focus on Results in Telework Programs Needed

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Highlights of [GAO-07-1002T](#), a testimony before the Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia, Committee on Homeland Security and Governmental Affairs, U.S. Senate

## Why GAO Did This Study

Telework continues to receive attention within Congress and federal agencies as a human capital strategy that offers various flexibilities to both employers and employees, including the capacity to continue operations during emergency events, as well as benefits to society, such as decreased energy use and pollution.

This statement highlights some of GAO's prior work on federal telework programs, including key practices for successful implementation of telework initiatives, identified in a 2003 GAO report and a 2005 GAO analysis of telework program definitions and methods in five federal agencies. In addition, the statement discusses GAO observations on the Telework Enhancement Act of 2007, S. 1000.

## What GAO Recommends

This statement makes no new recommendations but reiterates that Congress should determine ways to promote more consistent telework definitions and measures. In particular, Congress might want to have the Office of Personnel Management (OPM) and the Chief Human Capital Officers Council develop definitions and measures that would allow for a more meaningful assessment of progress in agency telework programs.

[www.gao.gov/cgi-bin/getrpt?GAO-07-1002T](http://www.gao.gov/cgi-bin/getrpt?GAO-07-1002T).

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

## HUMAN CAPITAL

### Greater Focus on Results in Telework Programs Needed

#### What GAO Found

Through a number of legislative actions, Congress has indicated its desire that agencies create telework programs to accomplish a number of positive outcomes. Many of the current federal programs were developed in response to a 2000 law that required each executive branch agency to establish a telework policy under which eligible employees may participate in telecommuting to the maximum extent possible without diminishing employee performance. The legislative framework has provided the OPM and the General Services Administration (GSA) with lead roles for the governmentwide telework initiative, providing services and resources to support and encourage telework. Although agency telework policies meet common requirements and often share characteristics, each agency is responsible for developing its own policy to fit its mission and culture.

In a 2003 report, GAO identified a number of key practices that federal agencies should implement in developing their telework programs. Four of these were closely aligned with managing for program results: (1) developing a business case for telework, (2) establishing measurable telework program goals, (3) establishing systems to collect data for telework program evaluation, and (4) identifying problems and making appropriate adjustments. None of the four agencies we reviewed, however, had effectively implemented any of these practices. In a related review of five other agencies in 2005, GAO reported that none of the agencies had the capability to track who was actually teleworking or how frequently, relying mostly on the number of telework agreements as the measure of program participation.

S. 1000 is intended to enhance the existing legislative framework and provides that all employees of the executive, judicial, and legislative branches are eligible for telework except in some circumstances related to an employee's duties and functions. The bill also recognizes the importance of leadership in promoting an agency's telework program by requiring the appointment of a senior-level management official to perform several functions to promote and enhance telework opportunities. GAO's statement suggests changes to the assignment of responsibilities for rating and reporting along with changes to make the responsibilities for heads of agency and entities in the legislative and judicial branches more consistent with those of executive branch officials. The statement also points out several provisions of S. 1000 that are not clear in relation to existing legislation.

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Mr. Chairman and Members of the Subcommittee:

I am pleased to be here today to discuss our observations of federal telework policies based on our past work and to provide additional observations that relate to the provisions of S. 1000, the Telework Enhancement Act of 2007. Telework is a human capital strategy which offers flexibilities to both employers and employees. It is increasingly recognized as an important means to achieving a number of federal efforts, including effective strategic human capital management of the federal workforce, and a greater capability to continue operations during emergency events, as well as affording environmental, energy, and other benefits to society.

Congress has demonstrated its keen interest in promoting the use of telework in the federal government by establishing a wide-ranging statutory framework. This framework has included provisions directed at increasing employee eligibility for telework, requiring reporting and evaluation of telework implementation, establishing agency telework coordinators to lead the program, setting goals for the application of telework provisions to the federal workforce, and even withholding funds from some agencies that fail to show progress. S. 1000 is intended to advance this framework and the implementation of telework programs and to increase the eligibility of federal employees for telework as well as its use.

My statement today will describe first the statutory framework that drives the agency telework programs and processes. We will also share observations from our past work that relate to agency telework methodologies, as well as our views of the specific legislation under consideration. And finally, we will offer some suggested next steps to advance the purposes of the bill.

My comments are based on previously issued GAO reports that were developed in accordance with generally accepted government auditing standards.

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## Congress Has Established a Statutory Framework to Promote Agency Telework Programs and Increase Employee Participation

Through a number of legislative actions, Congress has indicated its desire that agencies create telework programs to accomplish a number of positive outcomes. These actions have included recognizing the need for program leadership within the agencies; encouraging agencies to think broadly in setting eligibility requirements; requiring that employees be allowed, if eligible, to participate in telework, and requiring tracking and reporting of program results. Some legislative actions have provided for funding to assist agencies in implementing programs, while other appropriations acts withheld appropriated funds until the covered agencies certified that telecommuting opportunities were made available to 100 percent of each agency's eligible workforce. The Telework Enhancement Act of 2007, S. 1000, continues the efforts of Congress to achieve greater participation.

The most significant congressional action related to telework was the enactment of Section 359 of Public Law No. 106-346 in October 2000, which provides the current mandate for telework in the executive branch of the federal government by requiring each executive agency to establish a policy under which eligible employees may participate in telework to the maximum extent possible without diminishing employee performance. The conference report language further explained that an eligible employee is any satisfactorily performing employee of the agency whose job may typically be performed at least one day per week by teleworking. In addition, the conference report required the Office of Personnel Management (OPM) to evaluate the effectiveness of the program and report to Congress.

The legislative framework has provided both the General Services Administration (GSA) and OPM with lead roles for the governmentwide telework initiative, to provide services and resources to support and encourage telework, including providing guidance to agencies in developing their program procedures.<sup>1</sup> In addition, Congress required certain agencies to designate telework coordinators to be responsible for overseeing the implementation of telework programs and serve as points of contact on such programs for the Committees on Appropriations.

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<sup>1</sup>GAO reported that the efforts of OPM and GSA, with lead roles in implementation of telework in the federal government, had not been well coordinated and, in response, the two agencies took a number of actions to improve coordination, including developing and signing a joint memorandum of understanding. GAO, *Human Capital: Key Practices to Increasing Federal Telework*, [GAO-04-950T](#) (Washington, D.C.: July 8, 2004).

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GSA and OPM provide services and resources to support the governmentwide telework implementation. OPM publishes telework guidance, which it recently updated, and works with the agency telework coordinators to guide implementation of the programs and annually report the results achieved. GSA offers a variety of services to support telework, including developing policy concerning alternative workplaces, managing the federal telework centers, maintaining the mail list server for telework coordinators, and offering technical support, consultation, research, and development to its customers. Jointly, OPM and GSA manage the federal Web site for telework, which was designed to provide information and guidance. The site provides access for employees, managers, and telework coordinators to a range of information related to telework, including announcements, guides, laws, and available training.

Although agency telework policies meet common requirements and often share some common characteristics, each agency is responsible for developing its own policy to fit its mission and culture. According to OPM, most agencies have specified occupations that are eligible for telework and most apply employee performance-related criteria in considering authorizing telework participation. In addition, OPM guidance states that eligible employees should sign an employee telework agreement and be approved to participate by their managers. The particular considerations in regard to these requirements and procedures will differ among agencies.

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## Better Performance Measures and Program Evaluations Could Improve the Assessment of Telework in the Federal Government

In our 2003 study of telework in the federal government,<sup>2</sup> we identified 25 key practices that federal agencies should implement in developing their telework programs. A full list of the key practices appears in appendix I. Among those were several practices closely aligned with managing for program results, including:

- developing a business case for implementing a telework program;
- establishing measurable telework program goals;
- establishing processes, procedures, and/or a tracking system to collect data to evaluate the telework program; and

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<sup>2</sup>GAO, *Human Capital: Further Guidance, Assistance, and Coordination Can Improve Federal Telework Efforts*, GAO-03-679 (Washington, D.C.: July 18, 2003).

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- identifying problems and/or issues with the telework program and making appropriate adjustments.

Yet, in our assessment of the extent to which four agencies—the Department of Education, GSA, OPM, and the Department of Veterans Affairs—followed the 25 key practices, we found these four practices to be among the least employed.

In discussing the business case key practice in our 2003 study, we cited the International Telework Association and Council, which had stated that successful and supported telework programs exist in organizations that understand why telework is important to them and what specific advantages can be gained through implementation of a telework program. A business case analysis of telework can ensure that an agency's telework program is closely aligned with its own strategic objectives and goals. Such an approach can be effective in engaging management on the benefits of telework to the organization. For example, making a case for telework as a part of an agency's Continuity of Operations (COOP) plan can help organizations understand why they support telework, address relevant issues, minimize business risk, and make the investment when it supports their objectives. Through business case analysis, organizations have been able to identify cost reductions in the telework office environment that offset additional costs incurred in implementing telework and the most attractive approach to telework implementation. None of the four agencies we reviewed, however, had effectively implemented this practice.

Moreover, none of the four agencies had established measurable telework program goals. As we noted in our report, OPM's May 2003 telework guide<sup>3</sup> discussed the importance of establishing program goals and objectives for telework that could be used in conducting program evaluations for telework in such areas as productivity, operating costs, employee morale, recruitment, and retention. However, even where measurement data are collected, they are incomplete or inconsistent among agencies, making comparisons meaningless. For example, in our 2005 report of telework programs in five agencies—the Departments of State, Justice, and Commerce; the Small Business Administration; and the Securities and

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<sup>3</sup>U.S. Office of Personnel Management, *Telework: A Management Priority—A Guide for Managers, Supervisors, and Telework Coordinators* (Washington, D.C.: May 2003).

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Exchange Commission—measuring eligibility was problematic.<sup>4</sup> Three of the agencies excluded employees in certain types of positions (e.g., those having positions where they handle classified information) when counting and reporting the number of eligible employees, while two of the agencies included all employees in any type of position when counting and reporting the number of eligible employees, even those otherwise precluded from participating.

With regard to the third key practice aligned with managing for results—establishing processes, procedures and/or a tracking system to collect data to evaluate the telework program—in our 2003 review we found that none of the four agencies studied were doing a survey specifically related to telework or had a tracking system that provided accurate participation rates and other information about teleworkers and the program. At that time, we observed that lack of such information not only impeded the agencies in identifying problems or issues related to their programs but also prevented them from providing OPM and Congress with complete and accurate data. Also, in our 2005 study at five agencies, we found that four of the five agencies measured participation in telework on the basis of their potential to telework rather than their actual usage. The fifth agency reported the number of participants based on a survey of supervisors who were expected to track teleworkers. According to OPM, most agencies report participation based on telework agreements, which can include both those for employees teleworking on a continuing basis as well as those for episodic telework. None of the five agencies we looked at had the capability to track who was actually teleworking or how frequently, despite the fact that the fiscal year 2005 consolidated appropriations act covering those agencies required each of them to provide a quarterly report to Congress on the status of its telework program, including the number of federal employees participating in its program. At that time, two of the five agencies said they were in the process of implementing time and attendance systems that could track telework participation, but had not yet fully implemented them. The other three agencies said that they did not have time and attendance systems with the capacity to track telework.

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<sup>4</sup>GAO, *Agency Telework Methodologies: Departments of Commerce, Justice, State, the Small Business Administration, and the Securities and Exchange Commission*, [GAO-05-1055R](#) (Washington, D.C.: Sept. 27, 2005).

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Based on our findings, the following language was included for those five agencies in their fiscal year 2006 appropriations act's conference report:

"The conferees are troubled that many of the agencies' telework programs do not even have a standardized manner in which to report participation. The conferees expect each of these agencies to implement time and attendance systems that will allow more accurate reporting."

Despite this language, officials at four of the five agencies said that they have not yet developed such systems and are still measuring participation as they did in 2005. For the fifth agency—the Department of Justice (DOJ)—an official told us that the department has now implemented a Web-based time and attendance system in most bureaus and that this system allows DOJ to track actual telework participation in those bureaus. According to this official, the Federal Bureau of Investigation is the major exception, but DOJ is working towards having all bureaus use this system.

As for the fourth key practice closely related to managing for program results—identifying problems and/or issues with the telework program and making appropriate adjustments—none of the four agencies we reviewed for our 2003 study had fully implemented this practice and one of the four had taken no steps to do so despite the importance of using data to evaluate and improve telework programs. An OPM official told us, for example, that she did not use the telework data she collected to identify issues with the program; instead, she relied on employees to bring problems to her attention.

To help agencies better manage for results through telework programs, in our 2005 study, we said that Congress should determine ways to promote more consistent definitions and measures related to telework. In particular, we suggested that Congress might want to have OPM, working through the Chief Human Capital Officers Council, develop a set of terms, definitions, and measures that would allow for a more meaningful assessment of progress in agency telework programs. Some information could be improved by more consistent definitions, such as eligibility. Some information may take additional effort to collect, for example, on actual usage of telework. Some of this information may already be available through existing sources. The Federal Human Capital Survey, for example, which is administered biennially, asks federal employees about their satisfaction with telework. In the latest survey, only 22 percent indicated they were satisfied or very satisfied, while 44 percent indicated they had no basis to judge—certainly there seems to be room for improvement there. In any case, OPM and the Chief Human Capital Officers Council are



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well-situated to sort through these issues and consider what information would be most useful. The council and OPM could also work together on strategies for agencies to use the information for program improvements, including benchmarking.

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## The Telework Enhancement Act of 2007, S. 1000, Addresses Key Telework Issues, but Some Provisions Merit Additional Consideration

S. 1000 is intended to enhance the existing legislative framework and provides that all employees of executive agencies are eligible for telework except in some circumstances related to an employee's duties and functions. In addition, the bill addresses the coverage of employees in the legislative and judicial branches and provides that within 1 year from the date of enactment, policies shall be established to allow such employees, unless otherwise excluded, to participate in telework to the maximum extent possible without diminishing employee performance or legislative or judicial branch operations. The bill further recognizes the importance of leadership in promoting an agency's telework program by requiring the appointment of a senior-level management official to perform several functions to promote and enhance telework opportunities.

We have several observations to offer on the bill. As we have discussed with your staff, we have specific concerns about section 5 of the bill, which would require GAO to establish and implement a rating system for agency compliance with and participation in telework initiatives and report the results. For executive branch agencies, we believe this function is more appropriately placed with OPM. A GAO rating system that does not have the benefit of a full GAO evaluation of the underlying information would raise concerns that our independence is compromised if we were asked at a future time to evaluate telework programs in the federal government. Accordingly, we have provided Committee staff with substitute language that would place these rating and report functions in OPM, the agency that is currently responsible for reporting on most telework activities and participation in the executive branch. Our substitute language would have the Comptroller General instead provide his views on the OPM report to the Senate Committee on Homeland Security and Governmental Affairs and the House Committee on Oversight and Government Reform within 6 months of the report.

We would also like to bring several other issues to your attention. The bill would extend coverage of these telework initiatives to the legislative and judicial branches. We suggest substituting a reference to "the head of each legislative branch entity" in sections 2(c)(3) and 4(a) of the bill so that the heads of the Library of Congress, the Government Printing Office, and GAO, for example, would be responsible for developing agency policies on

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telework, determining which employees are eligible for telework, and designating senior-level employees to serve as telework managing officers. This approach would be consistent with the coverage of the executive branch under the bill where the head of each agency would perform similar functions.

With regard to the bill's requirement to appoint a telework managing officer in each executive branch agency, it is not clear how that employee's duties would relate to the duties of the agency officials currently designated as telework coordinators pursuant to the provisions of section 627 of Public Law No. 108-199. Another provision of the bill would define telework as occurring on at least 2 business days per week, leaving unclear how this would relate to the broader definitions of telework currently defined in existing legislation and OPM guidance, which includes episodic or occasional instances. It is also unclear whether the bill intends to allow agencies to consider employee performance in making telework eligibility decisions. Current legislation and agency practice requires employees to be performing satisfactorily.

The bill also provides for "productivity awards" for teleworking employees, but it is not clear whether nonteleworking employees would also be eligible to receive productivity awards and would be evaluated on the same performance standards. We would note that one of the key practices identified in our 2003 report was ensuring that the same performance standards are used to evaluate both teleworkers and nonteleworkers. The perception that care had not been taken to establish fair and equitable eligibility criteria could present performance and morale issues. Finally, the bill includes among the duties of the telework managing officer assisting the head of the agency in designating employees to telework in order to continue agency operations in the event of a major disaster as defined under the Stafford Act, 42 U.S.C. § 5122. We would note, however, that telework can be effective in a variety of emergency conditions not limited to those emergencies defined under the Stafford Act. For example, we reported that GAO's telework capability was significant to assisting the House of Representatives and minimizing the disruption to its own operations when anthrax bacteria were released on Capitol Hill in 2001.<sup>5</sup>

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<sup>5</sup>GAO, *Human Capital: Opportunities to Improve Federal Continuity Planning Guidance*, GAO-04-384 (Washington, D.C.: April 20, 2004).

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In conclusion, telework is a key strategy to accomplish a variety of federal purposes. Telework is an investment in both an organization's people and the agency's capacity to perform its mission. We continue to believe that OPM and the Chief Human Capital Officers Council are well-positioned to help agencies better manage for results through telework. Mr. Chairman and members of the subcommittee, this completes my statement. I would be pleased to respond to any questions that you might have.

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## Contacts and Acknowledgements

For further information on this testimony, please contact Bernice Steinhardt, Director, Strategic Issues, (202) 512-6806 or at [steinhardtb@gao.gov](mailto:steinhardtb@gao.gov). Individuals making key contributions to this testimony include William J. Doherty, Joyce D. Corry, Allen Lomax, and Michael Volpe.

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# Appendix I: Key Telework Practices for Implementation of Successful Federal Telework Programs

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<p><b>Program planning</b></p> <ul style="list-style-type: none"><li>• Designate a telework coordinator.</li><li>• Establish a cross-functional project team, including, for example, information technology (IT), union representatives, and other stakeholders.</li><li>• Establish measurable telework program goals.</li><li>• Develop an implementation plan for the telework program.</li><li>• Develop a business case for implementing a telework program.</li><li>• Provide funding to meet the needs of the telework program.</li><li>• Establish a pilot program.</li></ul>
<p><b>Telework policy</b></p> <ul style="list-style-type: none"><li>• Establish an agencywide telework policy.</li><li>• Establish eligibility criteria to ensure that teleworkers are selected on an equitable basis using criteria such as suitability of tasks and employee performance.</li><li>• Establish policies or requirements to facilitate communication among teleworkers, managers, and coworkers.</li><li>• Develop a telework agreement for use between teleworkers and their managers.</li><li>• Develop guidelines on workplace health and safety issues to ensure that teleworkers have safe and adequate places to work off-site.</li></ul>
<p><b>Performance management</b></p> <ul style="list-style-type: none"><li>• Ensure that the same performance standards, derived from a modern, effective, credible, and validated performance system, are used to evaluate both teleworkers and nonteleworkers.</li><li>• Establish guidelines to minimize adverse impact on nonteleworkers before employees begin to work at alternate worksites.</li></ul>
<p><b>Managerial support</b></p> <ul style="list-style-type: none"><li>• Obtain support from top management for a telework program.</li><li>• Address managerial resistance to telework.</li></ul>
<p><b>Training and publicizing</b></p> <ul style="list-style-type: none"><li>• Train all involved, including, at a minimum, managers and teleworkers.</li><li>• Inform workforce about the telework program.</li></ul>
<p><b>Technology</b></p> <ul style="list-style-type: none"><li>• Conduct assessment of teleworker and organization technology needs.</li><li>• Develop guidelines about whether organization or employee will provide necessary technology, equipment, and supplies for telework.</li><li>• Provide technical support for teleworkers.</li><li>• Address access and security issues related to telework.</li><li>• Establish standards for equipment in the telework environment.</li></ul>
<p><b>Program evaluation</b></p> <ul style="list-style-type: none"><li>• Establish processes, procedures, and/or a tracking system to collect data to evaluate the telework program.</li><li>• Identify problems and/or issues with the telework program and make appropriate adjustments.</li></ul>

Source: GAO analysis of telework-related literature and guidelines.

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