



News Release

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SBA Changes Show Improving Agency Performance And Employee Morale, GAO Says

WASHINGTON – According to a GAO report issued last week, SBA has substantially improved the agency's overall performance and improved employee morale.

“Over the past six years, the U.S. Small Business Administration has sought to transform the agency and improve its operations,” the GAO said in a performance audit. “In the past two years, SBA has applied key practices that support successful transformations to improve agency operations and, thereby, has taken actions to address recommendations GAO made in its 2003 report, including improving communication, performance management, and employee involvement.”

“I am very pleased with GAO's findings that confirm the hard work of my predecessor Steve Preston, the diligence of SBA employees both at headquarters and in the field, and the Agency's commitment to continuous improvement, transparent communications, and high employee morale,” said SBA Acting Administrator Sandy K. Baruah. “SBA's ability to serve small businesses and entrepreneurs and ensure that our employees are equipped with the tools and support they need, depends on improving all aspects of SBA operations.”

“Instituting a solid performance management framework, improving agency communication and transparency, creating SBA University and additional training, and particularly, substantially improving SBA's National Guarantee Purchase Center and other loan processing centers going forward, has helped to cement this progress,” he said. “While I am gratified by progress SBA has made, we have more work to do to further improve management and processes,” Baruah added.

The SBA made the following changes as a result of its commitment to the GAO recommendations, the GAO report noted. They include:

- “The development of a performance management framework was a key step in linking the agency's reforms with strategic goals and employee roles.”
- “The Administrator also made a concerted effort to engage SBA's employees in improving the agency, and meetings with employees affirmed that these efforts had a positive effect.”

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- “Some employees continued to feel that management does not consider their ideas and concerns. SBA recently conducted focus groups to understand these concerns and plans to implement initiatives to address them.”
- “SBA senior officials also said that they are taking steps to institutionalize these improvements. SBA leadership’s commitment will be important to ensure that the agency’s transformation and reforms are successful. SBA took some actions to address its low employee morale . . . SBA’s 2007 survey results suggest that these recent actions, such as improving communication and training, have had a positive impact on employees.”
- “The creation of SBA University in 2007 was an important action since it provided training and also showed that the agency was willing to invest resources in the development of employees. SBA officials said they are developing a core training program.” Spanning three weeks in August, 2007, the SBA completed the largest staff training in its history, covering more than 1,300 of its 2,500 permanent employees with a near 80 percent approval rating by employees. Another 330 employees and managers attended a second round in April 2008. The SBA has provided GAO with a draft plan for continued future training.
- “SBA continues to define the roles and responsibilities of the district offices, as evidenced by its recent determination that district offices should retain a role in loan processes that have been centralized. District directors and employees made positive comments about the flexibility they had in using resources to meet office goals.”
- “SBA recently re-engineered its guaranty purchase process. Its measures to track progress have emphasized the timeliness of the process, completeness of packages lenders submit, and customer service. Performance measures could provide more attention to the quality of reviews.”

SBA both agrees with, and is currently implementing, GAO’s recommendations to “develop measures to track and monitor quality assurance of its centralized loan guaranty purchase center” and to “develop a strategic training plan” for employees.

“In this difficult economic environment, SBA is committed to continuing to build upon the success achieved and will continue to focus on employee morale and agency performance and operations. We continue to be mindful of the agency’s mission, to provide access to capital, training and technical assistance, and to provide federal procurement opportunities for the nation’s small businesses and entrepreneurs,” said Baruah.

The full GAO report is available at <http://www.gao.gov/cgi-bin/getrpt?GAO-08-995>
Highlights - <http://www.gao.gov/highlights/d08995high.pdf>

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