REPORT BY THE U.S.

General Accounting Office

Changes Needed In Personnel Practices Of The Agency For International Development

The Agency for International Development continues to have imbalances in its staffing levels, grades, and skills, particularly in its Foreign Service Reserve staff. Many of these employees are occupying positions significantly below their grades, are in Washington positions for extended periods, and often are not assigned to permanent positions for lengthy periods.

The Agency recognizes the existence of these imbalances, and actions to alleviate them include a major Agency reorganization, hiring and promotion freezes, and a shift of more personnel to overseas locations. GAO suggests that additional actions be considered by the Agency in its endeavors to alleviate the personnel imbalances.

ID-78-25
MARCH 15, 1978

UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

INTERNATIONAL DIVISION

B-165731

The Honorable John J. Gilligan
Administrator, Agency for
International Development
Department of State

Dear Mr. Gilligan:

This is our report on the results of our recently completed review of personnel practices in the Agency for International Development. The report relates the reorganization efforts you have made and other actions currently under way in the Agency and recommends additional measures for your consideration.

As you know, section 236 of the Legislative Reorganization Act of 1970 requires the head of a Federal agency to submit a written statement on actions taken on our recommendations to the Senate Committee on Governmental Affairs and the House Committee on Government Operations not later than 60 days after the date of the report and to the House and Senate Committees on Appropriations with the agency's first request for appropriations made more than 60 days after the date of the report.

We made our review pursuant to the Budget and Accounting Act, 1921 (31 U.S.C. 53), and the Accounting and Auditing Act of 1950 (31 U.S.C. 67). The review was directed toward ascertaining whether the Agency was continuing to experience staff imbalances in the management of its personnel resources, a concern expressed by congressional committees in recent years.

We are sending copies of the report to the Acting Director, Office of Management and Budget, to the Chairmen of the House and Senate Committees on Appropriations, and to other committees on authorization and oversight.

Sincerely yours,

J. K. Fasick

J. K. Fasick
Director

GENERAL ACCOUNTING OFFICE
REPORT TO THE ADMINISTRATOR
OF THE AGENCY FOR
INTERNATIONAL DEVELOPMENT

CHANGES NEEDED IN PERSONNEL PRACTICES OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT

D I G E S T

Congressional committees have expressed concern about how the Agency for International Development is managing its personnel. Overstaffing in the top three pay grades, especially in the foreign service ranks, and a heavy concentration of staff in Washington have been a continuous concern.

These imbalances in AID staffing levels, grades, and skills continue. As of October 31, 1977:

--Many foreign service employees occupied positions that were one, two, and three grades below their equivalent foreign service rank.

--A large number of foreign service employees remained in Washington beyond their normal 3-year rotation tour.

--Because of their rank and occupational background, 64 foreign service employees were not assigned to permanent Washington positions, and many had limited assignment prospects either in Washington or overseas.

--Administrative and management positions in AID's overseas missions appear overgraded; many are authorized at the three highest foreign service ranks.

--There are significant variances in staffing patterns of overseas missions in relation to the size and complexity of their aid programs.

These conditions arise, and are further aggravated, by rotation of upper level personnel from overseas to Washington, where frequently only a limited number of positions at their equivalent rank exist. As a result, AID has to place many

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of these employees in positions of lower rank, and when no appropriate positions are available AID has to place them in its reassignment subcomplement pool to await a vacancy.

The problems are frequently attributable to the effect of the "rank-in-person" concept in the foreign service personnel system, which enables such employees to be advanced in personal rank without significant regard to their job responsibilities.

AID's overseas positions are not subjected to a job classification evaluation similar to that done by the Civil Service Commission on general schedule positions in the United States. The absence of a systematic evaluation of overseas positions has contributed to the high number of authorized mission positions in the top three grades.

AGENCY ACTIONS

The AID Administrator taking office in March 1977 recognized staff imbalances in the Agency. Alleviating these imbalances and improving its personnel operations continue to be of concern to AID's top management. Following a top level task force study, a major reorganization is currently under way that will affect AID's organizational structure, operations, and personnel. While some aspects of the study are subject to further examination and review, the effort has already resulted in the shifting of some personnel to overseas locations.

By the end of fiscal year 1978, AID expects the distribution of its total work force to be about one employee in Washington for every two overseas. By restricting new foreign service hiring to middle and lower grades and limiting promotions to higher grades, AID expects to achieve, over time, a lower and more balanced grade structure.

RECOMMENDATIONS

While GAO views AID's actions already taken or planned as positive measures in dealing with its

current staff imbalances, GAO recommends that the Administrator consider the following additional measures.

--As an integral part of the Agency's current reorganization and decentralization effort, undertake a position classification evaluation to confirm or revise the positions and grade levels currently designated for use in overseas missions.

--Explore the desirability, feasibility, and need for legislative remedy, of converting from the foreign service system used in AID for advancing personnel in rank to an alternative method which would more appropriately place employees in properly graded positions both in Washington and in overseas missions.

--As an alternative to the above item, explore the feasibility of creating, within the foreign service system used in AID, a career development and advancement ladder that has a designated journeyman level as an integral part, and advancement beyond this level to be on a competitive or other selective basis.

--Institute a more disciplined system of staff rotation that would more fully comply with AID's current assignment criteria tenures for Washington and overseas and that would provide an equitable balance between Washington and overseas staffing needs.

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ABBREVIATIONS

AID	Agency for International Development
FSR	Foreign Service Reserve
FSS	Foreign Service Staff
GAO	General Accounting Office

CHAPTER 1

INTRODUCTION

The Agency for International Development (AID) has made substantial reductions in its personnel force because of the deescalation of activities and the abrupt termination of AID programs in Indochina. This force, consisting of American and foreign national direct hires, contract personnel, and personnel on loan from other Government agencies, totaled 27,660 at June 30, 1969. At June 30, 1977, its staff had been reduced to 7,872, an aggregate reduction of almost 20,000.

To carry out its worldwide aid mission, AID has a personnel force composed of a variety of employees who are employed under a variety of personnel systems. Foreign Service Reserve (FSR) employees, assigned professional or technical duties, and Foreign Service Staff (FSS) employees, assigned clerical, secretarial, and nonprofessional duties, are employed to serve overseas and are appointed under the authority contained in section 625(d)(2) of the Foreign Assistance Act of 1961, as amended. Foreign Service employees become eligible for a 3-year assignment in the United States after completing two consecutive tours overseas; a tour of duty is 24 months but may be extended. AID's rotation practice is for a 3-year Washington tour after 6 years of overseas duty.

General schedule employees, assigned only to Washington, are appointed pursuant to standards prescribed by the Civil Service Commission. AID's "administratively determined" employees are appointed by and serve at the discretion of the AID Administrator. Also, some of AID's top staff are Presidential appointees and are exempt from the constraints of the Civil Service Commission; their appointments are subject to confirmation by the U.S. Senate. Foreign national employees are local citizens of the host country or citizens of a third country.

In addition to its direct-hire work force, AID also utilizes the services of personnel from other Government agencies and from outside contractors.

The following table shows the composition and distribution of AID's personnel at December 31, 1977.

Direct-hire Personnel	In the United States	Overseas	Total
Americans:			
Full-time employees in permanent positions:			
Presidential appointees	13	-	13
Chiefs of missions	1	1	2
Foreign Service Reserve	551	1,197	1,748
Foreign Service Staff	57	168	225
Classification Act (Civil Service)	1,583	-	1,583
Administratively determined	88	-	88
Wage systems	15	-	15
Total	2,308 (63%)	1,366 (37%)	3,674
Part-time, intermittent, and full-time employees in temporary positions:			
Foreign Service Reserve	9	-	9
Foreign Service Staff	2	-	2
Classification Act (Civil Service)	296	-	296
Wage systems	3	-	3
Experts and consultants (note a)	50	-	50
Stay-in-school participants	15	-	15
Administratively determined	1	-	1
Total	376	-	376
Total American direct-hire personnel	2,684 (66%)	1,366 (34%)	4,050
Foreign nationals:			
Full-time employees in permanent positions	-	1,966	1,966
Part-time employees	-	3	3
Total foreign national direct-hire personnel	-	1,969	1,969
Total direct-hire personnel	2,684 (45%)	3,335 (55%)	6,019
Other Government Agency Personnel			
Participating Agency Service Agreement personnel	285	88	373
Exchanges under the Intergovernmental Personnel Act	15	4	19
Total other Government agency personnel	300	92	392
Contract Personnel			
Americans (note b)	94	799	893
Foreign nationals	22	818	840
Total contract personnel	116	1,617	1,733
TOTAL AID personnel force	3,100 (38%)	5,044 (62%)	8,14[illegible]

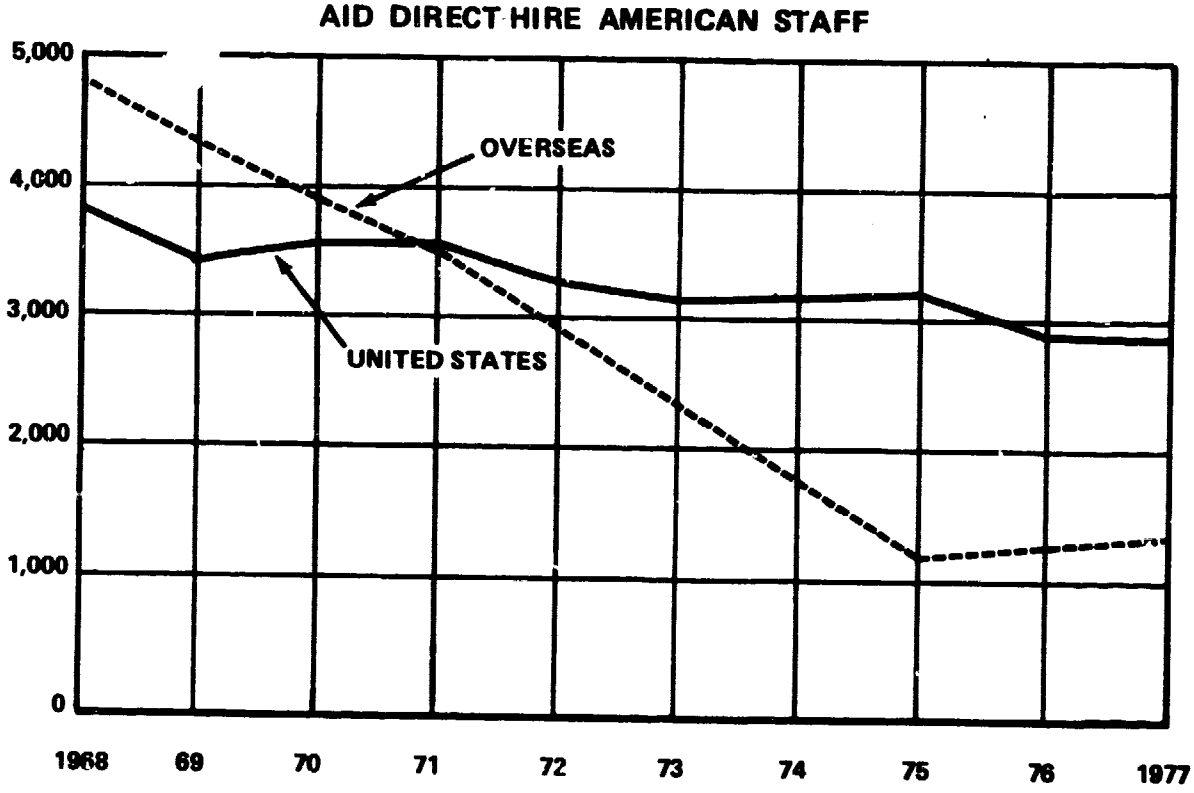
a/Does not include 83 other consultants on AID's rolls but not employed at that date.

b/American contract personnel includes those employed under personnel service contracts and those provided by universities.

The distribution of AID personnel resources between the United States and overseas is shown in the following table. In 1968 about 85 percent of AID's personnel were serving overseas and 15 percent were located in the United States. In 1969 a high of 87 percent served overseas and a low of 13 percent served in the United States. Thereafter, the percentage of staff based in the United States began to rise steadily until leveling off at about 40 percent at June 30, 1975.

As of	United States		Overseas		
June 30	Number	Percent	Number	Percent	Total
1968	3,939	14.6	22,994	85.4	26,933
1969	3,511	12.7	24,149	87.3	27,660
1970	3,774	16.3	19,385	83.7	23,159
1971	3,782	18.7	16,421	81.3	20,203
1972	3,613	20.7	13,826	79.3	17,439
1973	3,453	22.2	12,110	77.8	15,563
1974	3,396	25.5	9,922	74.5	13,318
1975	3,391	40.6	4,968	59.4	8,359
1976	3,140	40.6	4,595	59.4	7,735
1977	3,091	39.3	4,781	60.7	7,872

The trend of having more direct-hire U.S. nationals overseas began to shift by the end of fiscal year 1971 when the number in the United States and overseas was about equal. By June 30, 1977, about 68 percent (2,809) of such staff was in the United States compared with only 32 percent (1,340) overseas. These trends are shown in the following chart.


AID DIRECT HIRE AMERICAN STAFF
5,000
4,000
3,000
2,000
1,000
0
OVERSEAS
UNITED STATES
1968
69
70
71
72
73
74
75
76
1977

SCOPE OF REVIEW

We directed our review toward monitoring reorganization efforts that affect AID personnel practices, and we focused on the use of foreign service personnel. We analyzed personnel reports and statistics and had discussions with numerous AID management officials on significant issues and continuing problems. Our review was performed at AID headquarters in Washington, D.C., and did not include visits to overseas missions.

CHAPTER 2

REORGANIZATION OF AID

The Administrator, in June 1977, directed that a study be carried out of the Agency's organization and management. A task force was established the same month and was directed to examine

--how AID should be organized to implement bilateral foreign assistance effectively and efficiently, and

--what organizational and personnel changes are necessary to achieve the objectives of recent legislation mandating a series of "New Directions" for U.S. bilateral development assistance.

After some 4 months of effort the task force issued its report in October 1977, recommending a series of actions. The report is divided into five chapters, which address the following issues:

--Objectives of U.S. bilateral assistance.

--Functions and operating principles.

--Organizational structure and management precepts.

--Kinds of people needed to staff the organization.

--AID's relationship with other Government organizations, the private sector, and international bodies.

The report was based on the assumptions that (1) the Congress and the administration will continue to pursue the new directions approach for foreign assistance adopted in 1973, (2) the framework of foreign assistance has changed dramatically since AID was established in 1961, and (3) the U.S. bilateral assistance program needs stronger congressional and public support.

The report concluded that reorganization and redirection of AID was needed and that decentralized management

must be the operating principle for AID's functions. The major recommendations affecting organizational structure and personnel included:

--Two new bureaus to replace the Bureau for Technical Assistance, the Bureau for Population and Humanitarian Assistance, and several other offices located independently or in other bureaus.

--Retention of a management consultant to examine and advise on the organization and effectiveness of management support.

--Additional staff overseas, particularly in technical and social science fields.

--Somewhat higher staff levels, but a changed composition attained through new hires and intensive training efforts; particular recruitment areas to be stressed are International Development Interns, minorities, and women.

--Core career service needs to be in program developers, general program managers, some administrative support personnel, and broad-gauged technicians in fields such as agriculture, education, health, population, and social sciences.

--Skills not in continuing demand to be filled by use of contract and time-limited appointments.

--Review of Monitoring Overseas Direct Employment (a system used to determine the size and make-up of embassy staff in effect since May 1975) within the context of a general study of AID employee life-style and other factors affecting the U.S. image abroad.

--Study be undertaken with the objective of finding both short-term and long-term solutions to the problems of the dual personnel system: civil service and foreign service.

The Administrator accepted the report of the task force as a blueprint for reorganization and redirection of AID. The detailed reorganization process is based on a reorganization outline approved by the Administrator on August 31, 1977. The initial decisions of the Administrator included:

--Merging the Technical Assistance and Population and Humanitarian Assistance Bureaus and some other offices and establishing the Bureau for Development Support and Bureau for Private and Development Cooperation.

--Establishing a high-level committee to study program procedures.

--Directing the Bureau for Program and Management Services to study the Agency's Monitoring Overseas Direct Employment system and the lifestyles of AID employees stationed overseas.

One of the recommendations was implemented when AID contracted with an outside consultant to review the effectiveness of the Bureau for Program and Management Services. The contractor's report, dated October 31, 1977, portrays this bureau as inherently inefficient and, in many cases, ineffective. The report presents examples of overgraded positions in relation to responsibilities, supervisory layering, excessive clerical-to-professional ratios, and inappropriate distribution of functions; it also makes recommendations for corrective actions.

CONSTRAINTS

The Agency expects to substantially accomplish the reorganization within the first 6 to 8 months of fiscal year 1978. In implementing the reorganization, the Agency is confronted with a number of constraints, including costs, increasing U.S. presence overseas, and changing the employment profile.

Costs

The task force study was much concerned with decentralization and the moving of personnel overseas. AID estimates the annual cost to support one new U.S. direct-hire employee in African and Near Eastern posts ranges from $100,000 to more than $120,000, exclusive of salary.

While the initial yearly costs of assignments in other areas are lower, the Agency expects such costs to average somewhere near $80,000 per new employee overseas. Thus, to move 250 additional personnel overseas as envisioned by the Administrator, would require about $20 million. Consequently, any major shift in personnel and functions overseas would significantly affect the Agency's operating expense appropriation.

Increasing U.S. presence overseas

The task force assumed that the Agency can overcome concern about U.S. presence abroad and thus achieve what it considers adequate overseas staffing. However, increasing the Agency's overseas staffing conflicts with the Presidential directive to control the number of U.S. direct-hire employees of all agencies working overseas. Monitoring Overseas Direct Employment is the system utilized by the administration to maintain a "low-profile" by limiting the number of official Americans abroad. Consequently, AID's plans for shifting its personnel overseas will have to be negotiated with the Secretary of State as the Agency moves toward expanding its overseas staff.

Changing the employment profile

The task force concluded that the employment profile of AID was inappropriate to the mission assigned by the Congress, which had changed quite dramatically with the new directions legislation, and that the Agency needs different kinds of people with different kinds of talents and skills. The task force concluded that although the occupational categories are not altogether accurate as a reflection of professional skills utilized by AID, the work force was rather weak in the major technical development disciplines. However, the report does not deal with the implementation of appropriate changes in AID's staffing pattern so as to put the right person in the right assignment in a timely manner. The report also does not present data on the extent to which personnel employed will satisfy the needs of the redirected foreign aid program, nor does it present the group(s) of individuals who are expected to be reassigned, especially those to overseas offices, and the timing of such transfers. Other questions not answered include how and where to recruit for skills in short supply for which AID anticipates continuing demand, such as agriculturists, nutritionists, and population planners. All of these actions

will have to take place within current staffing constraints, budget limitations, and AID's dual personnel system.

CONCLUSIONS

The purpose of AID's reorganization and other recent personnel management initiatives are primarily to improve operating efficiency and effectiveness. The reorganization plans are far reaching in their impact on operations and personnel, and some aspects are subject to further examination and review; namely, increasing U.S. presence overseas and the problems associated with the dual personnel system. There are also matters of costs and logistics to be considered in the deployment of additional staff to the field. The Agency is very optimistic in expecting to accomplish the reorganization within the stated time frame, especially in view of the constraints mentioned above.

CHAPTER 3

IMBALANCES IN STAFFING LEVELS, GRADES, AND SKILLS

For a number of years, congressional committees have become increasingly concerned about the Agency for International Development's management of its personnel resources. AID's personnel policies and staffing trends have undergone particular scrutiny by the congressional appropriation committees during their annual appropriation hearings in recent years. Congressional hearings and committee reports have cited a number of concerns about AID's personnel practices, including

--the high number of staff in the top three grades, especially Foreign Service Reserve personnel;

--the overall high average grade structure of AID's personnel; and

--the heavy concentration of U.S. direct-hire personnel in Washington.

Our work in past years has substantiated the presence of these problems in AID's management of its personnel resources. For example, in our August 1974 report to the Senate Committee on Appropriations, Subcommittee on Foreign Operations, entitled "Cost and Use of Personnel in the Agency for International Development," we addressed (1) the existence of a number of personnel imbalances in staffing levels and grades, (2) the failure to rotate FSR employees from Washington to overseas, and (3) the assignment of FSR employees into Washington positions that were significantly below their grade. In commenting on that earlier report, AID advised us that it had taken a series of important actions--a major organization realignment, a reduction in force, and a freeze on hiring and promotions--to help correct the undesirable conditions and to achieve a lean, efficient, and effective organization.

In our review of AID staffing, we found that AID is continuing to have imbalances in its staffing levels, grades, and skills, particularly of its FSR personnel. For example, FSR employees continue to be assigned to positions that are one to four grades below their equivalent

FSR rank; FSR employees have remained in Washington assignments for extended tours; and many FSR employees in Washington were assigned to a subcomplement pool, awaiting assignment to permanent positions. Many Washington FSR employees had limited overseas assignment prospects because their rank and occupational background did not correspond with existing overseas vacancies.

We also observed that the structure of AID's staffing patterns authorizes a large number of overseas positions at the FSR-1, FSR-2, and FSR-3 grades. The subsequent rotation of these FSR employees into Washington, where a limited number of positions in these grades exists, necessitates the Agency placing many of these employees in positions of lower rank or, when no appropriate position is available, assigning them to its subcomplement pool to await a vacancy. These placement problems, we believe, are inherent in AID's implementation of its foreign service personnel system, which enables such employees to advance in their personal rank without sufficient regard to their job assignment responsibilities.

Another aspect contributing to AID's staff imbalances is that fewer employees in the top three grades are leaving the Agency. This is due to (1) last year's executive salary increase, which has caused many upper level employees to remain in service to increase their retirement computation base, and (2) the recent court action extending the mandatory retirement age provision from 60 to 70 years of age.

In commenting on personnel management in its fiscal year 1979 congressional presentation, AID points out that it has established a policy generally restricting new foreign service hiring to middle and lower grades. AID expects that this policy, together with limited promotions to higher grades, will, over time, result in a lower and more balanced grade structure. Although only time will show the effects of these actions, we believe that further consideration should be given to other courses of action that would correct some of the fundamental causes of AID's imbalances in staff levels, grades, and skills.

OVERSTAFFING IN TOP FSR PAY GRADES

As indicated in the following table, of all AID full-time employees in permanent positions by career status, as of December 31, 1977, a high concentration of upper level employees are in the Foreign Service Reserve category. We

defined upper level employees as those earning over $30,000 per annum, and we included all FSR employees in grades 1 through 3, general schedule employees in grades 14 through 18, administratively determined employees, presidential appointees, and chiefs of missions.

Career category	Number of employees: Upper level	Total	Percentage
Presidential appointees	13	13	100
Chiefs of missions	2	2	100
Administratively determined	71	88	81
Civil service	341	1,583	22
Foreign service (FSR and FSS)	862	1,973	44
Wage system	0	15	0
Total	1,289	3,674	35

The table shows that at December 31, 1977, 44 percent of AID's foreign service personnel occupied upper level positions while only 22 percent of its civil service employees were in such positions. It also shows that 862 of 1,289 (67 percent) upper level positions in AID are held by foreign service employees. We conclude, therefore, that the staffing pattern of FSR employees is central to AID's personnel imbalances and that the relatively large number of these employees at the FSR-1, -2, and -3 grades results, in part, from the career ladder embodied in AID's foreign service system.

Career ladder

FSR employees are employed and promoted on the basis of a "rank-in-person" concept, which is based on an evaluation of age, experience, and qualification; civil service employees are employed and promoted on the basis of the "rank-in-position" concept, which is based on the Civil Service Commission's merit promotion standards and regulations.

As a means of managing the FSR staff, AID follows a general policy of assigning its FSR employees to authorized positions of no more than one grade above or below the

employee's FSR grade. Thus assignments and promotions of FSR employees do have a relationship to the position and skill requirements to the extent of this grade variance.

AID policy requires that FSR employees be considered at regular intervals for promotion in their personal rank or class by evaluation panels. A number of those who are considered superior to other employees at the same class in their occupational field are promoted. In the civil service system, an employee is promoted based on the availability and requirements of the position.

One of the conflicts in the operation of the two systems, recognized by the Agency, is that in the civil service, a GS-15 is generally the "aspiration level," with little room to achieve or remain supergrade rank. Whereas in the foreign service system, there tends to be an assumption that personnel are entitled to be advanced to FSR-1 and FSR-2 levels, which are comparable in salary to civil service supergrade positions, GS-18 and GS-16, respectively.

In October 1977, of the 216 authorized overseas supergrade positions, 68 were filled by employees one grade level or more below the authorized level of the position. It would seem that these employees would reasonably expect promotions while serving in such positions. This condition may also indicate that many of the positions may be overgraded.

A summary of AID's overseas supergrade positions and the grade level of the employees assigned to them at October 31, 1977, follows:

Grade	Positions authorized	Employees assigned by FSR grade 1	2	3	4	Positions vacant
FSR-1	56	42	5	3	-	6
FSR-2	160	8	79	53	7	13
Total	216	50	84	56	7	19

OVERSEAS STAFFING PATTERNS

AID is not subject to Civil Service Commission or other prescribed standards in establishing and approving its overseas FSR staffing levels and grades, and it does

not compile workload statistics in allocating personnel resources. AID is also not subject to any external reviews or standards in evaluating the classification of its FSR positions. Instead, each of AID's four regional bureaus is allocated certain personnel ceilings, and the respective bureaus are left to determine overseas staffing patterns based on each mission's requests.

Our analysis of the authorized positions disclosed that:

--A wide difference exists between the number of supergrade positions authorized in each of the four bureaus.

--There is little correlation between program size and the number of grades and positions authorized.

--A large number of overseas direct-hire positions are in administrative or management functions.

--Many of the supergrade positions are allocated for administrative and management functions.

We believe these variances in staff positions and grades suggest a need for AID to reexamine the staffing levels and grades of its overseas missions.

The table below, indicating the number of positions authorized for overseas missions within the four bureaus, shows an apparent "escalation creep" in the higher grades as between the individual bureaus. As can be noted from the schedule, the Latin American region has twice as many FSR-1 positions authorized as the African region. We noted instances in some countries in Latin America where two or three FSR-1 positions were authorized for a single AID mission, while missions in Africa have only one such position authorized. We also noted that the authorized staffing pattern for the African region contains about 50 percent more lower level positions than the Latin American region.

Region	Number of missions	Regional offices	Number of authorized positions FSR 1	2	3	4	5 & above	Total
Africa	15	6	11	40	109	160	154	474
Near East	11	-	11	26	72	77	97	283
Latin America	18	3	23	46	135	118	88	410
Asia	9	1	11	48	74	117	40	290

In judging staffing by program size, there is only a limited relationship between the size of the program and the number of supergrades authorized. For example, Bolivia had a $35.2 million 1977 program and 10 supergrade positions authorized; Colombia had no 1977 program and 7 supergrade positions authorized; and Bangladesh had a $60.8 million 1977 program and 12 authorized supergrade positions.

The following table illustrates the various staffing patterns of AID missions in countries with large programs within the four regions.

	Number of authorized U.S. direct-hire positions 1/ Total	FSR-1	FSR-2	Program size 1976	Transition quarter (millions)	1977	1978
Bolivia	35	3	7	$ 22.2	$ 1.7	$ 35.2	$ 24.7
Peru	25	1	5	12.6	.8	17.0	22.9
Pakistan	52	2	12	59.1	25.2	52.7	51.8
Bangladesh	43	3	9	24.2	8.4	60.8	64.8
Philippines	64	2	8	54.3	6.3	34.9	54.0
Indonesia	64	2	9	49.5	14.8	42.4	73.5
Afghanistan	51	2	6	6.3	1.4	20.0	18.6
Egypt	90	2	10	258.2	536.8	699.3	750.8
Ghana	31	1	4	11.9	2.4	5.1	7.5
Zaire	31	1	1	12.5	7.0	20.0	10.0

1/ As of October 31, 1977.

In addition to the countries listed above, we noted a wide variance between Brazil and Colombia, where U.S. aid programs are being terminated. Colombia had 16 active grants and loans with a total unexpended value of $47.2 million, while Brazil had 12 projects with a total unexpended value of $65.5 million. The AID mission in Brazil has four authorized positions, including an Affairs Officer (FSR-1), Executive Officer (FSR-3), Controller (FSR-3), and a Financial Analyst (FSR-4). As shown in the following list, Colombia has 22 positions authorized, of which 7 were supergrades.

	Grade
Office of the Director	
Mission Director	FSR-1
Deputy Mission Director	FSR-1
Secretary	FSS-5
Executive Office	
Executive Officer	FSR-2
General Service Officer	FSR-4
Communications and Records Supervisor	FSS-6
Office of the Controller	
Controller	FSR-2
Program Office	
Program Officer	FSR-3
Assistant Program Officer	FSR-5
Capital Development Office	
Capital Resource Development Officer	FSR-3
Capital Projects Officers (2)	FSR-4
Office of Rural Development and Credit	
Agriculture Officer	FSR-2
Assistant Agriculture Development Officer	FSR-3
Office of Social Development	
Health Officer	FSR-2
Human Development Officer	FSR-2
Health and Family Planning Officer	FSR-4
Education Advisor	FSR-5

	Grade
Narcotics Group	
Narcotics Advisors (3)	FSR-4
Secretary	FSS-8

Colombia's staffing pattern is fairly typical of the staffing format of AID missions. Organizationally, Colombia has eight divisions, four of which are administrative: Office of the Director, Executive Office, Controller, and Program Office. As an agencywide practice, high grade positions are generally authorized for a number of officials in these administrative offices.

With regard to the larger AID missions, we noted that FSR-3 positions may be authorized for a Deputy Controller, a Deputy Executive Officer, and an Advisor to the Mission Director. In missions of this size, the technical divisions have larger staffs, and each division is usually headed by a supergrade position.

We also noted that for fiscal year 1978 the Afghanistan Mission Director was planning a reduction of 22 of the 51 U.S. direct-hire positions. The planned reduction followed his recent assignment to that post and his own assessment of management, organization, and staffing requirements. Most of these reductions were to be in administrative or mission-support functions.

We believe that the variances we noted in staff positions and grades show a need for AID to reexamine the staffing levels and grades in the overseas missions. We also believe that the actions taken by the Afghanistan Mission Director demonstrate the potential for reducing the number of upper level positions, especially those within the administrative divisions of AID missions.

IMPACT OF ROTATING OVERSEAS STAFF TO WASHINGTON HEADQUARTERS

Our examination showed that the periodic rotation of FSR employees, especially those in the upper three grades, could not be absorbed in comparable grade Washington positions. As a result, in October 1977

--many FSR employees were in civil service positions that were one, two, and three or more grades below their equivalent FSR rank; and

--sixty-four FSR employees were assigned to nonpermanent positions, many of which had limited assignment prospects.

FSR personnel assigned to Washington

AID's FSR employee rotation practice calls for a 3-year Washington tour after 6 years of overseas duty. This practice placed one-third of all FSR employees in Washington at any given time. Agency officials stated that the practice is to approve the assignment of employees to positions no more than one grade below their equivalent FSR grade. (Recall that FSR-1 equates to GS-18, and so on.)

In the period September-October 1977, Washington headquarters comprised 89 supergrade positions. These positions were filled by administratively determined, civil service, and FSR employees as follows.

Type of employees	Authorized Washington positions GS-18	GS-17	GS-16	Total
Foreign Service Reserve	6	8	17	31
Administratively determined	16	9	23	48
Civil service	1	4	5	10
Total	23	21	45	89

Clearly, the assignment of administratively determined employees to these positions effectively limits the positions available to both FSR and civil service employees. As indicated only 31 of the 89 positions authorized in Washington were filled by FSR employees. There were 36 FSR-1 and 107 FSR-2 employees assigned to Washington. Thus, AID was forced to assign the balance of these employees to positions below their rank or to its subcomplement. Upper level FSRs were as follows.

	FSR upper level employees in civil service positions 18	17	16	15	14	13	12	Unassigned
FSR-1	3	6	6	6	2	-	-	13
FSR-2	3	2	10	36	30	10	1	15
FSR-3	-	-	1	23	57	59	18	19

Foreign service reassignment subcomplement

FSR officers not assigned to any authorized position are placed into AID's reassignment, medical, and separation subcomplement. From June 30, 1977, to October 31, 1977, the subcomplement had increased from 37 to 64 employees. The aging of the subcomplement as of October 31, 1977, is shown below.

Period assigned	Number of employees
1 month or less	12
2 to 4 months	30
5 to 7 months	8
8 months to 1 year	8
1 to 3 years	6
Total	64

These employees were assigned to the subcomplement because they

--had been found to be medically disqualified (13),

--had medical limitations (5),

--had family members with medical limitations (4)

--were pending separation or retirement (7),

--were pending reassignment (14),

--were converting from FSR to GS career status (1), and

--were without an assignment and the Agency was unable to identify a potential position for them (20).

We believe that the subcomplement is not a problem in itself; rather, it is a reflection of the imbalances in staff levels, grades, and skills. Efforts are made by AID to utilize these employees in temporary and productive assignments.

ROTATION TO FIELD IS LIMITED

Our review disclosed that as of November 1977, 169 FSR employees of 510 were assigned to Washington for more than 3 years, as shown below.

Number of years in Washington	Number of employees in FSR grades 1	2	3	4	5	6	Total
4	3	9	22	18	3	-	55
5	2	9	17	7	1	-	36
6	3	9	4	5	-	1	22
7	1	4	6	4	1	-	16
8	1	2	9	3	1	1	17
9	2	4	3	-	-	-	9
10	1	3	5	-	-	-	9
11	1	1	2	-	-	-	4
13	-	-	1	-	-	-	1
Total	14	41	69	37	6	2	169

Some of the employees in Washington positions for extended periods are also in positions that are two or more grades below their FSR rank. For example, we found cases of an FSR-1 employee in Washington for 6 years occupying a GS-14 position and three FSR-2 employees in Washington for 4, 6, and 8 years occupying GS-13 positions.

Field vacancies

As of November 1977 there were 294 overseas vacancies, but AID was either unable or unwilling to use some of the Washington FSR employees to fill these vacancies because:

--There were few overseas vacancies for FSR-1 and FSR-2 positions, while many of the Washington employees scheduled for rotation were at these levels.

--The skills required to fill overseas vacancies did not correspond with the skills of the Washington staff.

--The new administration began to fill some upper level positions through the use of outside hires.

Overall, we found that missions had vacancies for only 19 FSR-1s and FSR-2s compared to the 55 employees in these grades who had been in Washington for more than 3 years. This effectively limited the rotation for most upper level employees unless they simply replaced a rotating field officer.

We also compared overseas vacancies for program and economic officers (the largest occupational category) with 48 FSR program and economic officers stationed in Washington for over 3 years so that we could ascertain how many vacancies could be filled. We found that 20 could be matched with overseas vacancies and 28 could not be matched because of grade differences. For example, 16 FSR-1 and FSR-2 officers could not be placed because the highest field vacancy was at the FSR-3 level and there were an adequate number of Washington FSR-3s to fill these vacancies.

In terms of occupational categories, the field required agricultural experts, engineers, project managers, and controllers. On the other hand, the Washington staff consisted of too many program and economic officers and administrative and management officers. Field requirements were estimated prior to AID's pronouncement on reorganization, which stressed the need to put more technically skilled employees in the field. This gap is expected to widen if the Agency adopts staffing patterns placing more technically skilled persons in the field.

The Agency has further exacerbated its problem by bringing in new people rather than assigning a number of senior employees. For example, we noted a number of vacancies overseas in the Mission Director and Deputy Mission Director positions which were filled or planned to be filled with new hires, while at the same time, there were five equally graded FSR employees available from AID's subcomplement pool.

Attrition rate slows

As indicated below, fewer employees in the top grades are leaving the Agency. The decline in such separations may be caused in part by (1) the 1977 increase in executive salary ceiling and (2) the recent court action extending the mandatory retirement age from 60 to 70 years of age.

	Percentage of separations			
Employee grade	FY 1975	FY 1976	Transition quarter	FY 1977
FSR-1	22.14	23.89	7.29	13.19
FSR-2	23.52	16.72	5.38	11.72
FSR-3	24.59	14.95	3.33	8.52

We found that 14 FSR-1s, 33 FSR-2s, and 48 FSR-3s had left the Agency in fiscal year 1977. However, the benefit of these separations was offset by promotions and conversions from other pay systems and by upper level hires of 11 FSR-1s, 19 FSR-2s, and 42 FSR-3s. Moreover, the Agency increased its administratively determined supergrade positions from 34 in June 1976 to 48 in June 1977, further offsetting the positive effect from the separations.

In November 1977 the Administrator endorsed a proposal by the Department of Defense and the Civil Service Commission that would enable AID employees who will be eligible for retirement during fiscal year 1979 to have their annuity computed on the basis of the highest year of basic salary rather than the highest 3 consecutive years. A similar provision is included in the Humphrey bill currently pending in the Congress.

AID ACTIONS

Our discussions with responsible AID officials disclosed an awareness of the problems dealt with in this report. There was a general recognition of the need for better management, better personnel procedures, and better deployment of people. All of these areas, we understand, are under study or proposed for study.

In the fiscal year 1979 congressional presentation released in February 1978, AID stated that

--with increased authorities and personnel shifting to the field, the distribution of the total work force will be about one person in Washington for every two overseas by the end of 1978 and

--it has established a policy generally restricting new foreign service hiring to middle and lower grades, and this policy, together with limited promotion to higher grades, will, over time, result in a lower and more balanced grade structure.

In November 1977 the Administrator, in discussing AID's personnel management before the Subcommittee on Foreign Operations of the House Committee on Appropriations, acknowledged many of the personnel problems discussed in this report. He related a number of constraints confronting the Agency and outlined the actions being taken and those being planned to deal with the problems. He also made the point that it takes time, patience, and knowledge to find solutions to these problems and that there is no quick and easy solution that can be applied across the board.

CONCLUSIONS

Many FSR employees were in civil service positions one, two, and three grades below their equivalent FSR rank and remained in Washington longer than the normal 3-year rotational tour. Some FSR employees were not assigned to permanent positions and many of them had limited assignment prospects. In addition, there was evidence to question the authorizations for many overseas supergrade positions, especially those within the administrative divisions.

In 1974 we reported on many of these same personnel problems. At that time AID took actions much like those currently under way: reorganization and hiring and promotion freezes. In analyzing the problems confronting AID, we believe that these traditional solutions may not have the lasting effect to correct many of the staffing imbalances, particularly with regard to overgrading.

The relatively high grading within the overseas missions, which we perceive as one of the principal causes of AID's overgrading in Washington, should be evaluated in comparison to actual job responsibilities.

We also believe AID needs to give more attention both to its Washington staffing patterns and to the impact that its practice of filling upper level positions with administratively determined employees has on the availability of positions for both foreign service and civil service employees.

With regard to staff rotation (and recognizing the placement difficulties it introduces), FSR employees should not be allowed to occupy Washington positions for extended tours, thereby limiting the available vacancies for other deserving FSR employees. Also, whenever possible these same employees should not be allowed to occupy Washington positions that are significantly below their rank.

RECOMMENDATIONS

While we view AID's actions already taken or planned as positive measures in dealing with the current staff imbalances, we believe there are additional steps that are worthy of consideration and adoption by AID. Since the imbalances currently confronting AID have evolved over a number of years, we believe their ultimate resolution will likewise entail a considerable amount of time and effort.

We are therefore recommending that the Administrator give consideration to adopting and implementing the following measures:

--Undertake, as an integral part of the Agency's current reorganization and decentralization effort, a position classification evaluation, to confirm or revise the positions and grade levels currently designated for use in overseas missions.

--Explore the desirability, feasibility, and need for legislative remedy, of converting from the foreign service system used in AID for advancing personnel in rank to an alternative method which would more appropriately place employees in properly graded positions both in Washington and in overseas missions.

--As an alternative to the item above, explore the feasibility of creating, within the foreign service system used in AID, a career development and advancement ladder with a designated journeyman level as an integral part, and advancement beyond this level to be on a competitive or other selective basis.

--Institute a more disciplined system of personnel rotation that would more fully comply with AID's current assignment criteria tenures for Washington and overseas and that would provide an equitable balance between Washington and overseas staffing needs.

PRINCIPAL OFFICIALS RESPONSIBLE FOR ADMINISTERING ACTIVITIES DISCUSSED IN THIS REPORT

AGENCY FOR INTERNATIONAL DEVELOPMENT

	Tenure of office From	To
ADMINISTRATOR:		
John J. Gilligan	Mar. 1977	Present
John E. Murphy (acting)	Jan. 1977	Mar. 1977
Daniel S. Parker	Oct. 1973	Jan. 1977
ASSISTANT ADMINISTRATOR, BUREAU FOR PROGRAM AND MANAGEMENT SERVICES:		
Donald G. MacDonald	July 1977	Present
Charles A. Mann	May 1975	July 1977
DIRECTOR, OFFICE OF PERSONNEL AND MANPOWER:		
Kenneth F. Dawsey	Oct. 1977	Present
Frederick F. Simmons	July 1976	Oct. 1977

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