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PEOPLE FOR DEVELOPMENT:
WORKFORCE ALIGNMENT

A Report by the
USAID MANAGEMENT COUNCIL

October 19, 1998

PEOPLE FOR DEVELOPMENT: WORKFORCE ALIGNMENT

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OVERVIEW: PEOPLE FOR DEVELOPMENT

The Administrator charged the Management Council (MC) with reviewing the recommendations of the Workforce Planning and A&A Taskforces and developing a strategy for their implementation. Composed of senior staff from each Bureau, the MC concluded that adoption of a corporate, "non-partisan" perspective represented the only effective approach to addressing the very serious staffing, funding and operational issues facing the Agency.

A sense of urgency has driven the MC agenda. OE funding will be approximately \$480 million in FY 99, more than once thought possible but still austere. We are in a time of financial stringency. The Administrator will make every case for a substantial increase in our OE for FY 2000. We expect to have a clearer understanding of our likely FY 2000 OE position in late December. In the meantime, the MC must proceed with workforce planning based on currently known OE levels. To continue to accomplish its traditional development mission and to contribute to US foreign policy, USAID must manage attrition and hiring to realign its workforce.

The MC reaffirmed the Workforce Planning Taskforce conclusion that the Foreign Service constitutes an indispensable asset if the Agency wishes to remain a premier development agency. Yet, the Foreign Service workforce has declined by one-third over the past five years. And of the remaining FS cadre, nearly 40% work in Washington. The MC has determined that this trend must be altered and a strong field presence rebuilt. As a result, the MC accepted the Workforce Planning Taskforce recommendation establishing a minimum target of 700 overseas DH staff by 2001. Even with significant increases in OE for FY 2000 and beyond, the MC expects overall Agency staffing to decline by 9/30/2001.

The Agency can reach these workforce levels within this timeframe by attrition alone. But attrition will not produce the number, type and quality of required employees. MC workforce analysis also demonstrates the need to institute a focussed hiring program, especially for the Foreign Service, to replenish the Agency's staff.

Faced with limited resources and expanding responsibilities, the MC concluded that the Agency must proactively manage its workforce. Thus, the MC carried out three studies which focussed on (1) developing example mission profiles (2) meeting technical staffing needs and (3) reapportioning Washington staff. These studies provided the MC the position, function and structure information needed to make informed workforce planning decisions - a capacity previously lacking. The MC also reviewed issues cutting across these areas. In addition, it required that all Washington hirings be approved by the Council, directed M/HR to proceed with a hiring plan for FS for FY 99 (details of this plan in the Summary Report and Appendix G), and affirmed the need for a sustained Agency commitment to meaningful FS recruitment over the next several years.

The MC believes that current circumstances preclude Agency workforce planning from proceeding in a "business as usual" manner. The attached report and appendices detail MC recommendations for trimming and realigning the Agency workforce and provide supporting statistics and rationale.

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PEOPLE FOR DEVELOPMENT: WORKFORCE ALIGNMENT
Summary Report

USAID MANAGEMENT COUNCIL

October 19, 1998

USAID's single most important asset is our dedicated, competent, flexible workforce. To maintain our capabilities at a time when our resources are stretched and the challenges and opportunities we face are changing requires greater attention to workforce alignment: the kinds of skills we need and how people are recruited, trained, deployed, evaluated and rewarded. Only comprehensive, integrated agency-wide workforce planning tied to agency goals can accomplish this. The Management Council believes that the information and policy guidelines suggested will permit senior managers to align the workforce effectively now and in the future. This report attempts to ensure that we take the steps necessary to do so. It is the product of a comprehensive effort by the USAID Management Council (chaired by the Deputy Administrator and made up of senior representatives of each bureau) to respond to the request of the senior managers and the Administrator as identified in the January 1998 retreat.

To undertake this task, the Management Council formed working groups to deal with Overseas Staffing, Technical Staffing needs and Headquarters Workforce Alignment. While much of the work was carried out by these groups, the full council considered their findings, and added to them in a fourth area, which we have called "crossover" issues because they bridge the subject matter of the studies. Every attempt was made to approach issues from an agency-wide and corporate perspective. The full analyses and recommendations of the three working groups and the conclusions of the crossover analysis are presented as appendices. In addition, the Council directed that all Washington hiring be approved by it, and that M/HR should proceed with a hiring plan for FS for FY 99. The Council also strongly affirmed the need for a sustained Agency commitment to a meaningful FS recruitment effort over the next several years.

Guiding Principles and Assumptions

Although each working group developed its own guidelines for inquiry (see appendices), the congruence among them is notable. The essential elements are:

-- USAID's overseas presence remains its strength, and must be maintained and realigned. In-country staff are vital to create workable solutions to development problems, make significant contributions to U.S. foreign policy objectives, and ensure the prudent management of public funds. We must recognize the need for

changing the way we do business and the way we think about how we operate, so that our activities become less labor-intensive. Further reductions overseas would seriously impair our operational effectiveness.

- USAID programs will continue to involve a mix of traditional development and more dynamic transition and humanitarian elements. We must improve our ability to respond to changing situations.
- The basic finding of the Workforce Planning Task Force, that 700 US Direct Hire staff in the field is the minimal number to maintain effectiveness, remains valid.
- Highest priority should be placed on maintaining within our presence countries strategic direction, program management and oversight. Otherwise, increased vulnerability, decreased effectiveness and inadequate ability to respond to foreign policy and Congressional priorities will further erode support for the agency and for foreign assistance in general.
- USAID performance has heavily depended on the technical skills of the agency's direct hire staff. This cadre must be maintained and strengthened if USAID is to remain a premier bilateral development agency.
- The ability to effectively deploy technical and other staff depends on a coherent strategic plan for the Agency, including the types of countries and specific sectors USAID will emphasize and the relative balance between direct program implementation and the leveraging of other donor and partner resources.
- Direct hire technical staff are likely to continue assuming greater managerial and supervisory responsibilities. Both direct and nondirect hire staff must be treated as part of an integrated workforce if USAID is to remain the leader among development agencies.
- USAID will continue to rely heavily on partners to implement development assistance activities and programs, especially in transition countries.

REBUILDING OUR FIELD PRESENCE

The Overseas Staffing working group was established to assist the Council in developing recommendations for allocating USDH staff and OE resources among field missions and regional bureaus. It 1) reviewed current overseas structures and staffing levels by region and mission; 2) examined anomalies and explored reasons these exist; and 3) developed a typology of missions including staffing reference points that may help inform resource allocation (OE and USDH) decisions.

The following chart summarizes the Council's proposed categorization of missions and the hypothetical norm for each mission type. This typology is not meant to be a fixed template for all missions. It is suggestive, not prescriptive. There will be anomalies due to unique circumstances, and the breakdown of staffing backstops within each mission type may be modified according to mission needs. Still, the

four models would provide clear direction for Agency management.

Proposed Typology/Staffing Profiles of Missions

Small (1-4 USDH)	Medium (5-8) ave 6	Full (10-14) ave 12	Full Support (16-22) ave 20
<p>1. Senior Mgt (1) 2. EXO/Cont/ Prog/PDO (0-1) 3. Tech (0-2)</p> <p>Definition:</p> <ul style="list-style-type: none"> *Receives vast majority of its admin, program, and technical support from region and/or AID/W. *Typically active in 1-2 goal areas. 	<p>1. Senior Mgt (1) 2. EXO/Cont (1) 3. Prog/PDO (1-2) 4. Tech (2-4)</p> <p>Definition:</p> <ul style="list-style-type: none"> *Carries out an in-country program. *Receives significant amount of administrative and technical services off site. *Typically active in 2-3 goal areas. 	<p>1. Senior Mgt (2) 2. EXO (1) 3. Controller (1) 4. Contracts/Legal (0-2) 5. Prog/PDO (2) 6. Tech (4-6)</p> <p>Definition:</p> <ul style="list-style-type: none"> *Carries out an in-country program. *Self-contained on admin side. *May receive or provide limited amounts of services (i.e. legal). *Typically active in 4 or more Agency goals. 	<p>1. Senior Mgt (2) 2. EXO (1-2) 3. Controller (2-3) 4. Contracts (2-3) 5. Legal (1-2) 6. Prog/PDO (2-3) 7. Tech (6-7)</p> <p>Definition:</p> <ul style="list-style-type: none"> *Provides a range of admin support to neighboring missions (i.e. legal, contracts, exo, controller). *May provide technical/program support and oversight. *Manages regional programs. *Carries out an in-country program. *Serves as training grounds for IDIs, etc. *Typically active in 4 or more goal areas.

Typology

The proposed mission staffing models are based on USAID's need to maintain a maximum practical field presence to build upon the comparative advantages provided by a field mission, while conserving scarce operating expense resources. The models provide, for the most part, the necessary technical and managerial staff needed to manage and develop a USAID program as close to our beneficiaries and stakeholders as possible, while maximizing the use of regional hubs or centers for support functions.

Senior management should also consider the development paradigm for mission structures as staffing decisions are made. They are not static. As programs and relationships evolve, the size and mix of staff must change. The typology assumes a "life cycle" for missions which provides for different skills and

levels of presence as programs are initiated, reach maturity and phase out. The USDH staffing level of 700 overseas is based on the needs of current programs. This will be an on-board level, not a position target; "spare" personnel will not be available within the 700. Additional staff and OE resources will have to be found to meet the demands of new transition or emergency programs. The mission typology is discussed at length in Appendix A.

USDH Staffing

The four mission models demonstrate a clear progression in the types of staff required. In small and medium size missions, the emphasis is on executive management and technical expertise. Technical leadership and expertise is critical to the success of Agency programs. Only minimal administrative and program support staff are provided for these smaller missions.

Full and Full Support missions have a complete cadre of backstops to implement their bilateral programs, provide backstopping of small and medium size missions and serve as a training ground for IDIs or other new hires. While most regional administrative/program support will be provided by full support missions, full missions may be requested to provide such services on a very limited basis.

Non-USDH

These models do not provide staff levels for non-USDH staff. This is consistent with the Workforce Planning Task Force recommendation which led to the elimination of non-direct hire position ceilings. This provides an added incentive for "Managing to Budget;" updated guidance on the authorities and restrictions on non-direct hire employees needs to be provided. Recognizing that operating expense levels will be constrained, mission managers must streamline program management and minimize program proliferation.

On an annual basis, the Management Bureau would use the typology as a guide to review the allocation of USDHs among bureaus. This review would be conducted in close consultation with each regional bureau to reflect changes in their field operations. A chart in Appendix B profiles how the four types of missions might be arrayed across regional bureau areas of responsibility.

Recommendations: Overseas Staffing

The working group, and the Council, endorsed a wide-ranging group of recommendations, intended to buttress our overseas capacities while operating at lean staffing levels. The full recommendations may be found in Appendix A.

Overseas Staffing: New commitments should not be undertaken unless resources can be found to support them; all overseas positions must be kept filled; FS recruitment must be active and focused on agency needs; certain backstops should be merged and cross-staffing training provided.

Overseas Missions: Each bureau should manage sub-allocations of staff; larger missions must provide support for smaller ones; efficiency must be maximized in all operations.

Conserving Staff: Less staff-intensive means of structuring programs must be found; smaller staffs must mean smaller workloads and more outside support; common measures of resource use are needed; regionalization of services must be increased; and workload impact of non-presence programs must be considered.

OE Issues: Resources must be provided to regional centers to handle their increased workload; fuller use of ICASS is warranted; TDY personnel should be used when practicable and when less costly than OE funded PSCs.

RENEWING OUR TECHNICAL BASE

The starting point for the Technical Staffing working group was a set of Workforce Planning Task Force Recommendations calling for better knowledge of where our technical personnel are located and what they do, emphasis on the development of Technical Managers and joint bureau and sector council assessment of staffing needs for each technical backstop. The working group's conclusions on these matters, as well as the skill mix needed for technical staff, the role of non-direct hire personnel, and their career prospects are presented in full in Appendix B. Key findings and recommendations follow here.

Technical staff profile

Technical staff functions. Respondents and focus group participants generally agreed that USAID/W technical staff spend too much time on process, as opposed to technical or development issues and results, and have a widespread sense of being grossly overburdened, a condition which, according to many, has actually worsened with the agency-wide changes in the way we do our business.

Direct Hire Technical Staff. From 1992 to 1998, the proportion of USDH technical staff in USAID has remained relatively constant compared to overall USDH staff. FS technical staff has declined slightly over this period, from 39.11% to 39.03%, while GS technical staff has increased from 10.12% to 11.61%. However, the percentage change in the total number of direct hire technical officers in all sectors has dropped by 34% from September 1992 through June 1998. The decline has been 38% overseas and 27% in Washington. Moreover, a large proportion of out technical staff, especially Foreign Service, are now eligible for retirement, and a majority will be within five years.

Non-USDH Technical Staff. The Agency has more some 1,340 nondirect hire technical staff, compared with about 560 direct hires (see Appendix B for current allocations in the field and Washington). This trend toward providing technical skills through non-DH personnel will continue, and is a major reason for our belief that DH employees must be Technical Managers.

Recommendations: Technical Staffing

As was the case for Overseas Staffing, the recommendations (presented in full in Appendix B) can be grouped as follows:

Maintaining quality direct hire technical staff: We must recruit technical officers who can be technical managers, and we must train them effectively; technical recruitment should include at least 45 IDIs annually, mid-level FS, with the PMI program used for civil service technical officers; incentives are needed to retain experienced officers; the full range of authorities (AD, IPA, PSC in Washington, "Reserve Corps") should be used.

Prioritizing among sectors: Sector priorities for now should be determined by degree of shortage; the Strategic Plan should provide more precise guidance about areas of emphasis to guide technical staffing decisions; technical officer backstops should be restructured to correlated more directly to the six agency goals; a skills bank should be developed for use in making assignments.

Assignment of DH technical staff: Program factors, organizational structure and partnership conditions should guide assignment priorities; sector councils should have a greater role in assignments.

Developing an integrated technical workforce: Roles played by CS and non-direct hire in technical work must be acknowledged and encouraged; better planning for FSNs and non-DH must be incorporated in planning; sector councils must play an active role in management of their sector personnel; PSC authority should be sought for Washington to help address the need for added flexibility in staffing to deal with a changing global development environment.

Emphasize the Technical Manager role of DH technical staff: we must recruit and train individuals who have the capacity to become technical managers (as measured by explicitly established competencies), and provide training throughout their careers.

RETOOLING OUR WASHINGTON OPERATIONS

The Headquarters Workforce Alignment group strongly endorses the need to retain at least 700 U.S. FSOs overseas. Without this core staff in the field, we will create serious vulnerabilities that cannot be managed from Washington. In order to maintain such a presence overseas, it will be necessary to seek increased OE in FY 2000 and to reduce the staff in Washington. The group has reviewed functions and staff that can be reduced and eliminated.

Because of the uncertain OE levels in the coming years and the essential need to retain our field presence, the group has worked with a worst-case scenario of reducing Washington to 1300 U.S. direct hire staff by 2001. We believe this is the absolute lowest level USAID/Washington can withstand and still deliver a foreign assistance program (and some think this number is too low). Attrition projections suggest that we can make all needed reductions just by freezing hiring. But we cannot control departures; many who leave must be replaced because their functions remain critical. Attrition alone is not a viable solution.

A staff reduction of this magnitude in Washington will require:

- 1) Major changes in functions and workload, particularly:
 - the OYB and budget planning process,
 - non-presence and limited presence programs,
 - limiting new directives,
 - the number of procurement actions,
 - personnel management between HR and the Bureaus, and
 - technical policy and evaluation practices.

- 2) Forward planning:
 - identify staff reductions now for the next 3 years rather than an ad hoc adjustment each year;
 - place staff from deleted positions as attrition occurs;
 - increase training of staff to assume new responsibilities and avoid a RIF;
 - use attrition levels to hire new FS staff each year but only replace GS staff on a limited basis in accordance with new alignment and Bureau levels;
 - encourage a serious effort by supervisors to appropriately evaluate employees and address non-performance issues.

- 3) Focus the reductions on management, policy, and process functions to retain the priority on operations and delivery of development programs and the changing foreign policy environment:
 - All Bureau and Offices in Washington would take some reductions;
 - M Bureau, PPC and G would take the greatest proportion of the reductions;
 - Regional Bureaus would take the smallest proportion of reductions but some realignment between bureaus is recommended for a more even workforce distribution.

More details on the Workforce Realignment study are found in Appendix C.

"CROSSOVER" ISSUES

In the course of the Management Council's discussions, a number of issues were identified which involved more than one of the studies, or which have an impact across subject areas. They are presented at greater length in Appendix D. Conclusions reached by the council on these issues include:

Communications: The Council believes that we need a strategy for communicating our proposed management changes internally, to partners, and for working with Congress and OMB. These communications efforts must begin now.

Limited Presence/Non-Presence Support: Regional bureaus should clear global programs as one way of bringing consistency to programming in non-presence programs. A new policy regarding nonpresence activities should be developed, reviewed by the Council, and disseminated soon. This policy should categorize different kinds of nonpresence programs and objectives and propose more discipline about how we decide what programs to carry out.

Staffing Policies/Managerial Authority: The Agency's policies on staffing --

especially for non-direct hires -- need to be clarified; Council Members will advise AA/M on revised guidance.

Training: Training must have high priority, not just for direct hire staff, but also for PSCs, FSNs and others. The entire workforce needs to understand our ethics regulations, procurement and project management procedures and other practices. The Council recommends and M has agreed that AA/M should create a dedicated reserve for funding training in FY 99, and to report on its utilization to the Management Council, even though full protection cannot be guaranteed under current circumstances.

Dealing With Emergencies: We must balance the Agency's development and transition/crisis prevention goals, and require seasoned staff to take hardship assignments. We should explore additional incentives to facilitate such assignments, and use creatively all available authorities, for example "when actually employed"(WAE), retired annuitant and PSC staffing to help increase our "surge capacity," and a "Reserve Corps" could help supply surge needs. We also need a corporate decision-making mechanism for responding to opportunities/crises. At the present time, each bureau must absorb the FTE and other OE costs for unanticipated and rapidly expanding programs in their areas. All USAID staff need better training in dealing with emergencies, transitions and crisis prevention.

Agency Strategic Plan: Our current strategic plan focuses directly and rather exclusively on the Agency's development agenda, ignoring almost entirely our foreign policy implementation and crisis response roles. Even our training programs tend to focus on development to the exclusion of the other two responsibilities. Our training must do a better job of acknowledging the more complex environment in which USAID now operates.

FY 99 FOREIGN SERVICE RECRUITMENT PLAN

The first operational example of the refined approach to workforce planning proposed by the Management Council can be found in the FY 99 FS recruitment plan it has endorsed, prepared by M/HR following the assumptions and findings contained in this report.

One fact is sufficient to demonstrate the perilousness of our field presence. Over the last five years, we have lost 500 more FS members than we have hired. Given our small base of 1540 to begin with(9/30/94), this is 32% of our Foreign Service cadre, only countered in small degree by non-career GS to FS conversions. We must rebuild or die.

With this imperative in mind, M/HR has developed and the Management Council has endorsed a Foreign Service Recruitment Plan for FY 99 intended to begin the process of rebuilding our Foreign Service cadre in order to maintain at least minimally needed staffing levels abroad. For this year, the Council determined that priority should be given to IDIs, emphasizing those backstops in greatest deficit. This analysis yielded the following plan, taking account of

expected OE levels and the need to do Civil Service hiring in critical areas, since while we can meet the need OE levels simply by attrition under current projects, this would not produce the needed mix of staff.

The table following summarizes both long-term and short-term hiring recommendations by occupation for each of the nine backstops examined. See Appendix E. for additional details.

Occupational Group	Recruitment Recommendations	
	Long Term	Short Term
BS-12, Democracy & Governance	6 IDIs	up to 4 non-careers
BS-40, Environment	7 IDIs	0
BS-50, Health, Nutrition, & Pop.	12 IDIs	up to 9 non-careers
BS-04, Controllers	6 IDIs	0
BS-93, Contract Officers	10 IDIs/FS-3s	up to 6 non-careers
BS-85, Legal Officers	4 FS-2s	0
BS-02/94, Program/PD Officers	9 IDIs	up to 6 non-careers
BS-03, Executive Officers	0	0
Grand Total	54	u p to 25 non-careers

It should be noted that the Council is also undertaking analysis of the new hiring needs on the Civil Service side (the types of PMIs needed, for example). We are also closely following this year's efforts to promote Civil Service to Foreign Service conversions, and expect to continue this practice.

CONCLUSION

The challenges USAID faces in aligning its workforce to the realities we face are formidable. But with a coherent, integrated planning approach, there are opportunities as well. We can match our talent to the jobs at hand in a way which has not previously been possible, and we can ensure that we do not starve our comparative advantage, our overseas missions, and we can carry out our sustainable development and foreign policy responsibilities more effectively than has been possible heretofore. But to do so, we need clear decisions about the directions we need to go, and discipline in carrying them out over a substantial period of time.

PEOPLE FOR DEVELOPMENT: WORKFORCE ALIGNMENT

APPENDICES

- A. Overseas Staffing Working Group Report
- B. Technical Staffing Working Group Report
- C. Washington Workforce Alignment Working Group Report
- D. "Crossover Issues" Identified by the Council
- E. Proposed FY99 Foreign Service Recruitment Plan
- F. Origins of this Report
- G. Workforce Planning Task Force Report, Tab D, "Vision of the USAID Workforce in the Year 2000," November 26, 1997
- H. Summary of Recommendations

**OVERSEAS STAFFING AND REFERENCE POINTS:
Working Group Report**

I. INTRODUCTION

This report summarizes the findings and recommendations of the Working Group on Overseas Staffing and Reference Points, which was commissioned by the Management Council. The Management Council established the Working Group to assist the Council in developing recommendations for allocating USDH staff and OE resources among field missions and regional bureaus.

The Working Group undertook to review existing mission organizational structures and to make recommendations on how a typical mission should be structured and staffed. The Working Group: 1) reviewed current overseas staffing levels by region and mission; 2) examined anomalies and explored reasons these exist; and 3) developed a typology of missions including reference points that may help inform resource allocation (OE and USDH) decisions.

Carl Leonard, DAA/LAC, led the Working Group composed of the following principal members from each regional bureau and M: Roberta Mahoney, AFR; Mary Lewellen, ANE; Brian Kline, ENI; Marcus Rarick, M; and Joseph Lombardo, LAC. Principal members consulted other appropriate bureau staff to review and discuss issues. In particular, the Working Group would like to acknowledge the contributions of Harry Dorcus, Frank Caropreso, Maria Marigliano, Adam O'Malley and Annette Paniccia.

This report is divided into the following sections: methodology, guiding principles, findings, and conclusions and recommendations.

II. METHODOLOGY

Two approaches were taken to develop standards and reference points for USDH and OE levels. The first was an empirical examination of the relationship between staff/operating expenses and program levels. The analysis involved a comparison within each region and among regions. Although the analysis proved useful for examining existing patterns and how they evolved, it also highlighted the difficulties in developing standards to allocate resources among bureaus. We found much variation in such factors as degree of support provided by Washington; quality and availability of local hire staff; reliance on ICASS or other institutional arrangements versus on-board staff; local cost of living and relative appreciation of local currencies with the U.S. dollar; program implementation modalities due to the nature and objectives of the program; the costs due to the relative security situation of a post; availability and costs related to government-leased quarters and government-owned buildings; and so forth. This variation impedes the use of empirical analysis to develop standards for relationships between staff, including non-USDH, and program resources among bureaus. Given the greater homogeneity of these factors within regional bureaus, however, analysis of these relationships may prove useful for bureau managers to examine the extent to which their missions conform with the averages across all their missions. The analysis did show, however, a strong relationship between USDH and OE, leading to the preliminary conclusion that OE is a derivative of USDH levels. For this reason, the Working Group focused its efforts on the allocation of USDHs among

bureaus.

The Working Group also reviewed previous Agency efforts to develop staffing models and reference points (e.g., the Overseas Workforce Restructuring Analysis). Since these prior models assumed resource levels that are no longer realistic, the Working Group then developed a new typology that factored in current assumptions regarding anticipated resource levels. In refining the typology, the Working Group made adjustments that take into account actual conditions in each region, as well as the experience of each regional bureau in implementing its programs.

III. GUIDING PRINCIPLES

The following set of principles guided the Working Group's analysis and proposed recommendations.

- USAID's overseas presence remains its strength. Every effort must be made to preserve that. As noted by the Workforce Planning Task Force, field missions have been deeply cut and any future staff reductions should be in Washington.
- Instead of opting to close small missions, we must find more efficient ways of operating so that we can maintain the small programs and continue to achieve our development objectives.
- Highest priority should be placed on maintaining within our presence countries strategic direction, program management and oversight (to partner with NGOs, monitor progress, to carry out policy dialogue with host country). Otherwise, increased vulnerability, decreased effectiveness and non-responsiveness to foreign policy and Congressional priorities which result from inadequate program management and oversight staffing will further erode Congressional and public support for the agency and for foreign assistance in general.
- Nonetheless, the anticipated resource environment and OE constraints will limit USAID to 700 USDH overseas. These are filled positions--including IDIs. Priority should be given to ensuring that all USDH FS positions overseas are filled.
- USAID's culture has been built around the concept of using in-country staff to create workable solutions to development problems, make significant contributions to USG foreign policy objectives, and ensure the prudent management of public funds. This tradition requires continuing nurturing, particularly in the changing environment which USAID faces as we are called upon to work more closely with all of our development partners while being forced to accept declining operating expense resources. What has worked so well in the past must be sustained if our relevance and impact are to be extended into the new century. We must recognize the need for an internal "cultural" change in the way we do business and the way we think about how we operate (i.e. team building/sharing across geographic lines) to make this proposed typology work.
- Implementation plans to affect this cultural evolution must be designed to provide on-going training for all staff. The staffing typology must also provide for a true mentoring environment for IDIs so that a continuous stream of Foreign Service Officers are developed with the overseas experience and management skills needed by USAID now and in the

future.

-- Any typology the Working Group recommends should allow for flexibility to meet distinct in-country program and implementation environments.

-- USAID overseas may not be able to retain the same level of self-sufficiency in the future. Careful examination is needed of increased reliance on ICASS as a means of reducing staff--as long as the total cost of providing the administrative services does not increase. By reducing our administrative staff and consolidating administrative support in strategically located regional hubs, we can focus in-country USDH on strategic direction, program management and oversight.

-- Consistency of guiding principles is important among the various groups striving to improve Agency operations. Implementation of the Overseas Staffing Working Group's recommendations should be reconciled with recommendations from the Washington Staffing Reference Group and the Technical Staffing Task Force. We need a common approach to next steps.

IV. FINDINGS

Proposed Typology/Staffing Profiles of Missions: The following chart summarizes the Working Group's proposed categorization of missions and the hypothetical norm for each mission type. This model is meant only as a reference point from which to examine missions and is not meant to be a fixed template for all missions. There will be anomalies due to political directives, initiatives, or other unique circumstances. In addition, the breakdown of staffing backstops within each mission type below may be modified according to mission needs.

Small (1-4 USDH)	Medium (5-8) ave 6	Full (10-14) ave 12	Full Support (16-22) ave 20
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Typology

The proposed mission staffing models are based on USAID's desire to maintain a field presence to the maximum extent practical, build upon the comparative advantages provided through a field mission, and conserve scarce operating expense resources. The models provide, for the most part, the necessary technical and managerial staff needed to manage and develop a USAID program as close to our beneficiaries and stakeholders as possible, while maximizing the use of regional hubs or centers for support functions.

The typology is intended to be suggestive, not prescriptive. Unique circumstances in regions or countries underline the need for careful deliberation in applying the typology. But, the models described provide a clear sense of direction for senior management.

Senior management should also consider the development paradigm for mission structures as staffing decisions are made. They are not static. As programs and relationships evolve, the size and mix of staff must change. The typology assumes a "life cycle" for missions which provides for different skills and levels of presence as programs are initiated, reach maturity and phase out.

The proposed mission typology provides four mission models.

Small Mission (1-4 USDH)

A small mission is staffed by a senior manager and up to one or more technical/program managers. Small missions engage directly with host governments and implementors in the planning and oversight of U.S. assistance programs and rely on USAID/W, full missions or "regional hubs" for technical, program and administrative support services. Small missions also maximize the use of ICASS arrangements for in-country administrative support to the extent that it is cost effective.

Small missions may manage start-up, on-going or terminating programs. Programs are limited in size and breadth to one or two strategic areas.

Medium Mission (5-8 USDH)

Medium-size missions have additional technical/program management staff to manage a larger in-country program (two - three goal areas). In general, medium-sized missions will rely on "regional hubs", full missions, or USAID/W for program and PDO support and on ICASS or "regional hubs" for administrative support to the extent that it is cost-effective.

Full Mission (10-14 USDH)

Full missions are generally self-supporting in their management, administration, and implementation of in-country programs. The normal staff contingent would include two senior managers (allows training ground for senior managers) and a complete complement of program, technical, and administrative staff (financial, contracts, legal). A full mission may manage a program in four or more goal areas. In some instances, full missions may provide limited support in the contract, legal and financial areas to near-by small or medium missions. Maximum use of ICASS arrangements (both as a provider or receiver) is encouraged.

Full Support Mission (16-22 USDH)

A full support mission or "regional hub" would have designated and clear responsibility for providing support to small and medium missions as well as managing its own bilateral program. Given the high cost of establishing a mission, full support missions will only be located in countries where there is a large USAID in-country program to manage: there will be no free-standing missions which only provide support functions. Full support missions would normally manage a bilateral program in four or more goal areas and be able to provide technical support and oversight to small and medium missions in all sectors.

Full support missions will provide contract, legal and financial management support to its in-country program as well as to designated small and medium missions.

Full support mission directors will receive clear guidance in their management contract with USAID/Washington regarding expectations and responsibilities for providing support services to designated small and medium missions. Some of these support responsibilities may include missions in other regions--e.g., USAID/Cairo may support small and medium missions in Africa or ENI if suitable travel connections exist. Full support missions may also manage regional programs and non-presence country programs in conjunction with USAID/W. Full support missions may also be ICASS service providers to the extent it is cost effective.

Non-Presence Programs

Increasingly, USAID is required to respond to foreign policy objectives and needs in countries where we do not have an on-going bilateral relationship. In such cases, USAID/W will evaluate the program requirement, identify the staffing needs, and assign the appropriate management responsibility to a USAID/W office or a full-support mission. Frequently because of the political sensitivities of non-presence programs and activities, and the increased needs to liaise with the Department of State or other USG agencies, non-presence program management will reside in a USAID/W regional bureau while a full-support mission will be expected to provide administrative and/or technical support and oversight.

A non-presence program may graduate to a small mission, if, and when, USAID/W determines that the program has grown in sufficient complexity and size to require in-country program management and oversight. The cost of opening a bilateral mission, the size and complexity of the program, and the availability of support from the regional hub or ICASS will factor into the decision in opening a new mission.

Transition and Rapid Response Situations

The rapid transition of political and economic opportunities in post-conflict states places a special burden on USAID's overseas management capacity. Introducing or re-establishing programs after a period of turmoil will require flexibility in the assignment of staff, and the reliance on Washington, regional hubs and in-country staff to provide a quick and comprehensive USG response. Such situations will also require USAID to engage other agencies in policy formulation, objective-setting and program implementation to a greater extent than we may find in on-going programs.

The "life-cycle" of a mission managing a transition program will likely move more quickly. A quick start-up will require experienced senior/executive management as well as an array of technical expertise to design and initiate implementation of quick-response interventions. Frequently, there will be a period of uncertainty about the sustainability of political and economic transitions or humanitarian, economic or political crises to which the USG will respond on a priority basis, thus forcing the Agency to refrain from permanent decisions on program content and staffing.

These situations will place unplanned burdens on full support missions, but the key response must come from USAID/Washington. Each USAID/W regional bureau, in conjunction with M and PPC, will be responsible for determining when a mission or program requires a full-time program management staff, either in Washington or the field. Staffing for such programs will often have to be absorbed within existing staff ceilings given the USDH and OE limitations. To the extent practical, the regional bureaus will be responsible for identifying the most appropriate modalities for "transition" programs.

The USDH staffing level of 700 overseas is based on the needs of current programs. We note elsewhere in the report that this will be an on-board level, not a position target; "spare" personnel will not be available within the 700. Unless coincidentally other programs are well along in closing-out, additional staff and OE resources will have to be found to meet the demands of new transition or emergency programs.

USDH Staffing

The mission typologies outlined above demonstrate a clear progression in the types of staff required. In small and medium size missions, the staffing emphasis is on executive management and technical expertise. Technical leadership and expertise is critical to the success of Agency programs. Only minimal administrative and program support staff are provided within the overall USDH staff profiles for small and medium size missions to ensure that the Agency's focus remains on program implementation. It is anticipated that each regional bureau would evaluate the needs and the capacity in each country program when deciding the exact mix of staff required. Furthermore, senior management (field and USAID/W) is expected to be held accountable for ensuring that small and medium missions do not proliferate in program scope. Small and medium missions are not expected to "chase" earmarks and directives in order to expand their program and size.

Overhead costs can be excessive in small/medium posts. Accordingly, the working group expects that administrative support would be sourced from ICASS, USAID/W, or the regional hub. While there may be extenuating circumstances which would require that a mission have minimal levels of administrative staff, each mission will be required to absorb these requirements within their overall staff ceiling. Additional staff ceilings will not be available to supplement the target staff level. Generally, IDIs will not be assigned to medium or small missions.

Full and Full Support missions have a complete cadre of backstops to implement their bilateral programs, provide backstopping of small and medium size missions and serve as a training ground for IDIs or other new hires. While most regional administrative and program support will be provided by full support missions, full missions may be requested to provide such services on a very limited basis.

Non-USDH

The above typologies do not provide staff levels for non-USDH staff. This is consistent with the Workforce Planning Task Force recommendation which led to the elimination of non-direct hire position ceilings. Senior mission management will be responsible for ascertaining the non-USDH staff mix required to effectively manage the in-country program while minimizing the potential vulnerabilities. Recognizing that operating expense levels will be constrained in the outyears, mission managers must make every attempt to streamline their program management and minimize program proliferation.

**TYOLOGY/PROFILE OF USAID MISSIONS
(PROPOSED FY2000)**

The following chart represents the impact of the proposed typology, as described in this report, when applied regionally.

<u>CATEGORY</u>	<u>ANE</u>		<u>AFR</u>		<u>LAC</u>		<u>ENI</u>		<u>TOTALS</u>	
	<u>STAFF</u>	<u># MSNS</u>	<u>STAFF</u>	<u># MSNS</u>						
FULL SUPPORT	110	3	80	4	60	3	60	3	310	13
FULL	49	4	73	6	49	4	25	2	196	16
MEDIUM	18	3	42	7	18	3	18	3	96	16
SMALL	<u>4</u>	<u>3</u>	<u>24</u>	<u>8</u>	<u>12</u>	<u>6</u>	<u>16</u>	<u>6</u>	<u>56</u>	<u>23</u>
SUBTOTAL	181	13	219	25	139	16	119	14	658	68
BHR									1	
PPC									4	
SUBTOTAL									663	
IDs									<u>37</u>	
GRAND TOTALS	181	13	219	25	139	16	119	14	700	68

The chart below illustrates how the proposed typology would impact USDH staffing for the bureaus as compared against actual on board numbers as of 6/30/98.

FY 2000

BUREAU	RECOMMENDED BY TYPOLOGY	O/B LEVELS as of 6/30/98	CHANGE
AFR	219	211	+ 8
ANE	181	180	+ 1
ENI	119	102	+17
LAC	139	148	- 9
BHR	01	01	-
PPC	04	05	- 1
TOTAL	663	647	+16
IDs	37	16	+21
TOTAL O/S STAFF	700	663	+37

On an annual basis, the Management Bureau would use the typology as a guide to review the allocation of USDHs among bureaus. This review would be conducted in close consultation with each regional bureau to reflect changes in their field operations. Regional bureaus in turn would use the typology to inform their decisions on the allocation of USDHs among field missions. Missions experiencing a significant change in program focus, or organizational structure due to implementation of the foregoing recommendations would need to consult with their partners.

V. CONCLUSIONS AND RECOMMENDATIONS

Overseas Staffing

1. USAID's overseas presence is key to successfully carrying out its foreign policy and development objectives. While the workforce levels proposed by the Overseas Staffing Working Group are lower than levels of several years ago, reliance on ICASS and Full Support Missions would enable the Agency to carry out proper management of programs at these levels. However, further reductions in its overseas presence would seriously impair the Agency's ability to operate effectively. As new programs are proposed for new locations, or programs in existing locations change in structure, staffing and OE resources must be made available. The Agency is facing a zero sum game - it can no longer afford to accommodate growing challenges without being given the resources to manage the challenges. If OE and workforce resources are not available, the Agency must either decline to initiate the new activities or eliminate existing activities to offset the OE and workforce resource requirements.

2. Senior management must ensure that, to the maximum extent possible, all overseas positions are kept filled, even at the expense of leaving mid and senior level FS positions in Washington vacant or filling such positions with CS employees on a temporary basis. FS officers must be required to accept overseas assignments to meet Agency needs, even if not the choice of the individual, as part of their agreement in becoming FS officers. Needs of the Agency must take precedence in the assignment process, with priority assigned to "hard to fill" positions. Greater flexibility should be adopted by HR in interpreting regulations when assigning employees if doing so would be in the combined interest of the Agency and the employee.
3. The Agency needs an active recruitment process to bring in new and qualified staff with greater focus on workforce profile and needs of the Agency, which should include maintaining a minimum level of 35 to 40 IDIs in training status overseas. IDI assignments should be made based on proper senior training/mentoring at the post of assignment (e.g. generally at full or full support missions). This means that the Agency will need to begin recruiting now for 35 to 40 IDIs to be assigned overseas during FY 2000.
4. The Agency needs to consider merging some backstops and provide cross-training, where it makes sense and will reduce workforce requirements. This is highly recommended where it has been determined that incumbents could carry out dual responsibilities. For example, an Executive Officer might also be trained in Contract Officer functions or vice versa; for many missions, Project Development and Program Officer backstops have already been merged.
5. Since Egypt is considered an anomaly, the review of its staffing size should be a separate exercise. To the extent that program levels decline in the future, the Egypt mission may be in a position to reduce staff and utilize its installed capacity for expanded regional support.

Overseas Missions

6. While the recommended mission structure, including IDIs, is within the 700 recommended by the Workforce Planning Task Force, the typology was not based on 700 as the "magic" number.
7. The model developed is illustrative only and is intended to be used with judgment in setting bureau staffing levels. Within established bureau levels, each bureau should be given the authority to make sub-allocations taking into account mission specific circumstances. The proposed typology is neither prescriptive nor is it an entitlement.
8. Senior Managers at Full Support Missions must buy into providing administrative, technical and program services as proposed in the typology developed. Along these lines, it is crucial that Full Support Missions be provided the necessary resources to successfully carry out support services (i.e. adequate travel budget to allow for staff to assist other missions).
9. Senior Management must be responsible for ensuring maximum efficiency of

workforce operations and staff. As a means of holding Senior Managers accountable, "efficiency" should be incorporated as a factor in performance evaluations.

Conserving Staff

10. In the past many programs were structured in ways that were labor intensive (i.e., operating through numerous small grants to indigenous organizations), in part because workforce levels to manage the programs were higher. With declining workforce levels, missions must actively look for less staff intensive means of structuring programs, such as through the use of "umbrella" grants/contracts.
11. As staff is reduced in smaller missions, efforts must be made to reduce workload on these smaller missions (i.e. require R4s every other year, rather than every year). In addition, Full Support Missions will need to provide greater support to these missions in areas such as performance monitoring, particularly as AID/W becomes smaller and less able to carry out these support activities.
12. Encourage examination of less labor intensive business practices without sacrificing development objectives; i.e. standardized and simplified documentation requirements for small missions, greater use of grants rather than contracts, and greater use of non-project sector grants, where appropriate.
13. Recognizing that there are differences among regions, common techniques for ensuring accountability of resources applicable to most should be developed which reduce work load and do not encourage micromanagement.
14. The Agency should examine further regionalization of other services (e.g. voucher review and payment) including the possibility of additional support from Washington as communication technology improves.
15. The Agency must recognize the workload implications when approving non-presence programs, and ensure resources are available to manage these programs without reducing management of other programs.
16. A block of time should be reserved for a discussion of "Best Practices" at the upcoming Mission Directors' Conference for participants to share ways of increasing efficiencies and creating overhead savings. Directors with significant experience with issues related to improving mission efficiency in each region might be asked to provide a presentation.

OE Issues

17. The Agency should allocate sufficient funds for the creation/expansion of regional centers (Full Support Missions) in order to consolidate administrative support in certain strategic locations. These centers should be located in missions with active, longer term, in-country programs in order to minimize OE costs. With the creation of such centers, staff at some other missions can be reduced for a net savings in OE and positions, but only if the support missions have adequate resources.

18. Encourage establishment of trust funds where not currently utilized. A target of 10% of each mission's OE budget should be established to avoid dependency.
19. Where cost effective, small and medium missions should acquire administrative support through ICASS in lieu of reliance upon regional centers. Also, Full Support Missions should consider becoming ICASS service providers where cost effective and where reductions in related Embassy staff can be made to reduce overall costs.
20. To save OE resources, TDY support should be provided from Support Missions, Washington, or Full Missions (including across bureau lines) instead of missions hiring expensive OE-funded PSCs. In addition, resident hire PSCs should always be pursued prior to looking to off-shore PSCs.

**TECHNICAL STAFFING:
Working Group Report****Introduction**

This report presents the findings and conclusions of the Technical Staffing Working Group (TSWG) established by the Management Council in April 1998. The TSWG was asked to present options for addressing USAID's technical staffing needs.

Management Council member Larry Garber was asked to lead the TSWG, together with council members Bill Bacchus, David Cowles, Dirk Dijkerman and Barbara Turner. Robert Clay and David McCloud, who were key members of the Workforce Planning Task Force (WPTF), and Maribeth Zankowski, from M/HR, were invited to support the core group as resource persons. Marion Warren and Peggy Schultz also assisted the TSWG's work, particularly in conducting two focus groups and analyzing survey results. The TSWG also benefitted from the contributions of the following virtual team members: Frank Almaguer, D/Bolivia; Patricia Lerner, D/RSC/Budapest; Buff McKenzie, D/REDSO-E; Linda Morse, D/India, and Cynthia Rozell, D/Mozambique. Finally, Linda Lion, DAA/M, actively participated in a July working group retreat.

The recommendations of the WPTF provided the starting point for the TSWG's deliberations. Specifically, four recommendations regarding technical staffing were included in the WPTF report:

- a) USAID should conduct an Agency-wide technical functions performance assessment of regional and central bureaus and realign, as necessary, the allocation of technical staff to respond to customer demands and preferences;
- b) regional and central bureaus should provide a clearer definition of their respective technical functions and their interrelationships with each other and with field missions;
- c) the Agency should improve development of U.S. Direct Hire (USDH) technical staff as "technical generalists" who can more effectively manage working a technical area; and
- d) staffing needs for each technical area should be assessed through a joint effort and be put forward to the Management Council.

Based on information collected by the TSWG, the issues for consideration were refined as follows:

- a) What are the key functions that we expect technical officers to perform? What skill mix is required to assure that they can best perform these functions over a period of time with the agency?
- b) What roles can we expect nondirect hire technical staff to play? Does this vary by sector?

c) Are the current divisions of USDH technical staff across the agency's six goal areas appropriate, given level of resources, number of SOs, agency demographics, and the need for direct hire involvement in a particular sector?

d) What changes in policies regarding promotion and selection-out for technical officers should be considered to ensure that the quality of USAID technical staff is maintained?

Operating Assumptions

The following assumptions provided direction and established set boundaries for the TSWG:

- USAID performance has always benefitted from the technical skills of the agency's direct hire staff. To remain a premier bilateral development agency, USAID must find creative ways of maintaining the vitality provided by a strong technical staff.
- The ability to make appropriate decisions regarding the use of technical staff depends on defining a coherent future vision for the Agency. This will require projecting the types of countries and specific sectors USAID will emphasize, as well as the relative balance between direct program implementation and the leveraging of other donor and partner resources.
- Workforce planning, including the development of effective training programs, requires accurate and adequately internalized data regarding the composition of the Agency's direct hire and nondirect hire workforces.
- The trend toward decreased operating expense funds will not likely be reversed.
- The current proportion of technical officers to non-technical officers will likely remain constant for the coming 3-5 year period.
- Direct hire technical staff are likely to continue assuming greater managerial and supervisory responsibilities.
- USAID will continue to rely heavily on partners to implement development assistance activities and programs in transition countries.
- USAID will have only a few world class specialists per sector and some of these individuals may not be direct hires.
- USAID programs will continue to involve a mix of traditional development and more dynamic transition settings.

Methodology

The WPTF established as a priority the collection of specific data to better inform Management Council deliberations regarding workforce planning. With this in mind, the

TSWG solicited information from bureaus and missions, and examined the data already collected by the WPTF. Key sources of information relied on by the TSWG included the following:

- The November 1997 Workforce Planning Task Force report, USAID policy on Appropriate Use and Funding of USAID's Non-Direct Hire Workforce, the 1990 Workforce Planning Initiative, and several other agency documents that have addressed workforce planning issues during the past decade.
- Survey data provided by regional bureaus that described: a) the identity of their technical staff; b) the functions technical staff are currently performing and the appropriateness of the time they spend performing these functions; c) the perceived effectiveness of the relationships between technical staff and others in the Agency; and d) the criteria for determining whether to rely on direct-hire or non-direct hire technical specialists, and the advantages associated with each type of employee.
- Data collected from missions and USAID/W bureaus regarding the identity and responsibilities of nondirect hire technical staff distinguished by backstop.
- Impressions gleaned from two focus groups of AID/W technical staff, which used questions similar to those asked in the bureau surveys.
- Input provided by the Sector Councils regarding future skill needs in their sector, perceptions on how direct hire technical staff are used today, and recommendations on how best to use direct hire and non-direct hire technical staff in the future.
- Input from several mission directors and heads of regional offices regarding the specific issues being addressed by the TSWG.
- Input from the team reviewing agency fellows programs and from participants in the most recent Foreign Service promotion panels reviewing technical staff.

Before elaborating the TSWG's principal findings, a caveat is in order regarding the difficulties associated with collecting and analyzing technical staffing data. A lack of precision in backstop definitions is a recurrent problem, which is further exacerbated by the fact that many agency personnel switch backstops, or work in a position other than that associated with their principal backstop, at least once during their USAID careers.

Findings

Technical staff functions

- Survey respondents and focus group participants generally agreed that USAID/W technical staff spend too much time on process, as opposed to technical or development issues and results. More specifically, technical staff highlighted the time spent on staff support and program reviews. They also commented on the lack of time available for: support to missions and nonpresence and transition countries; active participation in policy and strategy development, and activity design and management; and effective coordination with colleagues and partners.

- Technical staff report a widespread sense of being grossly overburdened, a condition which, according to many, has actually worsened with the Agency-wide changes in the way we do our business.

Numbers of Direct Hire Technical Staff

- From 1992 to 1998, the proportion of USDH technical staff in USAID has remained relatively constant when compared to overall USDH staff.

FS - %39.11 to 39.03
 GS - %10.12 to 11.61

- The percentage change in the total number of direct hire technical officers in all sectors from September 1992 through June 1998 has dropped by 34%.

Overseas -38%
 AID/W -27%

- In the Foreign Service pool of employees, 34% are currently eligible for retirement, and 59% will be eligible within five years. For civil service employees, 18% are currently eligible for retirement, and 28% will be eligible within five years.

Workforce Demographics - Distribution by Age

Age	Foreign Service		Civil Service	
	Numbers	%	Number	%
55 or older	193	18%	204	18%
50-54	279	27%	227	20%
45-49	305	29%	210	19%
40-44	153	15%	174	15%
30-39	114	11%	233	21%
29 or less	4	-0%	73	7%
	1048	100%	1121	100%

Non-USDH Technical Staff

- The Agency has more than 1,300 technical nondirect hire technical staff.
- There are 100 technical PASAs, RSSAs and IPAs in USAID/W. The following are the bureau breakdowns.

Global	49	PPC	3
AFR	36	ANE	1
LAC	6		
ENI	5		

- Of the 138 fellows in USAID locations, 40 are in field missions and 98 are in USAID/W bureaus (Global bureau and the regional bureaus).
- Based on information reported by field missions, there are nondirect hire staff in every technical backstop in the field. The top three categories of nondirect hire technical staff at missions are:

Health/Nutrition/Population - 186.5
Democracy and Governance - 194.8
Environment - 116

Comparison of USDHs and Non-USDHs

- The number of nondirect hire technical staff considerably exceeds technical staff, especially in the field.

AID/W - 270 DH and 319 nondirect hires
Field - 289 DH and 1024 nondirect hires

Allocation of Technical Staff (DH and Non-DH)

		AID/W		Field	
Backstop Code	BS Code	DH	NonDH	DH	NonDH
Agriculture	10	26	20	37	89.4
Economics	11	15	8	23	93
GDO	12	40	29	70	194.5
Democracy	12	27		26	
Rural Development	14			4	
Food for Peace	15	10	1	13	42
Private Enterprise	21	25	32	25	101.3
Engineering	25	3		4	68.5
Environment	40	31	49	20	116
Health/Pop	50	42	144	54	186.5
Education	60	15	12	13	98.5
Disaster Operations	72	12			
Physical Science	75	24	14		13
		270	309	289	1002.7

- For the Agency as a whole (including field and AID/W staff), the three specialties containing the most nondirect hires are Health/Nutrition/Population (330.5), Democracy (223.8), and Environment (165).
- Actual implementation of program activities (excluding inherently governmental functions) are increasingly the responsibility of nondirect hire staff.
- Nondirect hire technical staff provide a flexible instrument for procuring much needed, in-depth technical skills, and a more cost effective way of recruiting technical staff to meet short-term needs.

Trends Towards Technical Managers

- As missions experience decreased staffing levels, the number of USDH technical specialists in the field have declined, with two exceptions. There was a 4%

increase in environment technical officers, and an 13% increase in the number of General Development Officers (backstop 12). The change in the number of General Development Officers could be attributed partly to the designation of democracy officers as BS 12 and to missions creating GDO positions in the hopes of catching the best available technical talent, without regard to the specific expertise of the direct hire employee.

Changes in Overseas USDH Staffing within Backstops

Backstop	9/92	6/98	Change #	% Change
Agriculture	110	32	-78	-71%
Economist	36	21	-15	-42%
Gen. Devel. Officer	66	75	11	14%
Rural Development	11	4	-7	-64%
Food for Peace	13	10	-3	-23%
Private Enterprise	32	28	-4	-12%
Engineering	25	4	-21	-84%
Environment	25	24	1	4%
Health/Population	64	43	-21	-33%
Education	26	11	-15	-58%
Physical Science	1	1	0	0%
Totals	409	253	156	38%

Promotability of Technical Officers

- At the FS 1-3 grades, technical officers make up 40 to 45 percent of the total pool, or higher than their percentage in the overall Foreign service. The number dips to 22 percent in the FE-OC category; it is unclear whether the latter dip reflects the fact that technical officers are not promotable to the senior foreign service or that they switch to more generalist categories if they are interested in entering the senior foreign service.
- Direct hire technical staff who demonstrate experience and expertise in multiple sectors and understand the linkages between and among sectors are viewed favorably by the promotion panels.

Hiring

- Each sector council, not surprisingly, reported a need for more USDH personnel; although several of the reports were quite helpful, none of the sector councils did a particularly good job of incorporating nondirect hire personnel into their overall assessment of the sector capacity nor effectively described the specific expectations of direct hire versus nondirect hire staff in their sector.
- The R4 data shows additional requests for Democracy officers (and contracts officers), a more marginal increase for PHN and environmental officers, and a slight decrease in Ag, FFP and Education (as well as SMG, EXO and PDOs)
- Between 1992 and 1998, the number of IDIs has dropped by 50%. The decrease overseas is 64%. In USAID/W, the numbers decreased by 27%.

Conclusions

Maintain quality, direct hire technical staff: Given technical officers demographics within the agency and the constant evolution of agency areas of engagement, the agency must aggressively recruit technical officers through the IDI, PMI and similar programs, and develop effective training programs for new and currently employed technical staff. In this context, the TSWG concurs with M/HR's intent to recruit at least 45 IDIs (including, as necessary, mid-level hirings) during the next two fiscal years of whom approximately 50 percent will fill technical backstops, and also endorses continued use of the PMI program as a source of recruitment for civil service technical officers, many of whom are likely to consider conversion to the foreign service when such opportunities are offered. The TSWG also recommends that the agency implement programs that provide incentives for experienced and high quality, direct hire technical officers to remain with the agency; these incentives might include a limited number of sabbaticals and assignments to work with partner organizations. Better use of AD authority and IPAs in USAID/W also can provide the agency with the high quality technical officers needed to address specific sectoral issues.

Prioritize among sectors based on field needs and USAID/W judgements: The TSWG considered three approaches for identifying relative technical staff shortages by sector and for setting recruitment goals accordingly: a) reliance on a future-oriented agency vision, which identifies specific sectors that are likely to be areas of agency concentration during a five-to-eight year timeframe; b) design of an allocation model that considers the number of SOs per sector, expenditures per sector and the demographics of each sector; and c) a determination based on the specific positions requested by field missions in their R4s and an informed judgment by M/HR and the Management Council. The TSWG endorses M/HR's decision, at least for the time being, to utilize the third approach and concurs with M/HR's identification of Population, Health and Nutrition, Environment, and Democracy and Governance as the three priority areas for technical officer recruitment during the next fiscal year.

The TSWG notes that possible shortages of Food For Peace officers have not been well analyzed in recent workforce planning exercises, and encourages M/HR to assess the specific needs of this category. In addition, M/HR has committed to review the needs of the education and agriculture sectors, given that these were afforded a more elevated

status in the Agency Strategic Plan submitted to Congress in September 1997 than was recognized in the 1993 *Strategies for Sustainable Development*. Finally, further analysis is required of the relative need for private sector officers and economists.

In the future, the TSWG hopes that a revised Agency Strategic Plan will provide more precise guidance regarding areas of emphasis over the five-to-eight year time frame, and that this prioritization could then be used by M/HR and the Management Council in making judgements regarding technical staffing shortage categories. The TSWG also recommends that M/HR be tasked with restructuring the technical officer backstops to correlate directly to the six agency goal areas; implementing this change would implement the specific recommendation of several earlier workforce planning exercises that we compress the number of technical backstop areas and would align our strategic plan with workforce planning considerations. M/HR also should undertake a parallel effort to develop a computer program, which would facilitate a much easier process for cataloguing and retrieving the various technical skills of all USAID employees, thereby enhancing agency flexibility in filling technical officer positions.

Assign direct hire technical staff to the field based upon agreed principles: Given the limited number of direct hire technical staff, particularly in certain shortage categories, M/HR, the Global Bureau Centers and the affected regional bureau and mission require a basis for determining where to assign direct hire technical staff. The TSWG recommends that the following factors be considered in making such determinations: a) the existence of an SO related to a particular sector in a field operating unit strategic plan; b) the amount of funds allocated to the SO; c) the clarity and priority of the program in terms of USAID goals; d) the organizational structure of the mission (teams, role of nondirect hire); and e) the quality of partnerships within the country. The TSWG also recommends that the Sector Councils assume a much greater role in the assignment process to ensure that the appropriate technical officers are assigned to the mission where the need exists most for their specific talents.

Develop integrated technical workforce: The agency must more openly acknowledge the roles played by civil service and nondirect hire technical staff in supporting agency field operations and in ensuring that the agency continue providing quality technical programs. The TSWG encourages continued use, where appropriate, of temporary foreign service assignments for civil service technical officers. The TSWG further recommends that the agency better incorporate considerations relating to the availability of nondirect hire technical staff by sector into agency workforce planning decisions and the implementation of agency training programs. As a means of taking advantage of the skills that have developed among Foreign Service Nationals, USAID should develop mechanisms for utilizing them outside their country of nationality.

In accordance with the notion of an integrated technical workforce, the Management Council should instruct each Sector Council a) to keep track of all direct and nondirect hire technical staff, b) to assist with the recruitment of both categories, c) to develop appropriate training programs for direct and nondirect hire technical staff, d) to participate in assignment decisions to ensure that agency priorities are reflected in the process, and e) to establish rosters of individuals with specific technical expertise, who can be retained on a "just in time" basis. While much of the above is already done with respect to direct hire technical staff, the TSWG emphasizes the need for the Sector Councils to play a more proactive role with respect to nondirect hires. To ensure

accountability, the TSWG suggests that the Management Council require an annual report from each Sector Council regarding their perception of workforce issues and that the Management Council set aside time at least once a year to review these reports.

Emphasize technical generalist role of direct hire technical staff: The TSWG reinforces the recommendation in the WPTF regarding the need for the agency to recruit and train technical generalists. Direct hire technical staff should manage programs, determine policy/programmatic directions and, where appropriate or necessary, represent the U.S. Government. They should possess sufficient sectoral knowledge to understand the issues being addressed by more specialized nondirect hire, technical staff. They also should provide continuity in management, knowledge of Agency programs, organizational direction and an appreciation of US foreign policy interests.

Given the above considerations, the TSWG recommends that M/HR and the Sector Councils recruit staff and devise training programs with the goal of ensuring that technical officers, in addition to a Masters Degree level familiarity with the sector in which they are working, have the following competencies in a rough order of priority:

- planning and implementing programs within USAID (as elaborated in the reaching for results course);
- a general development knowledge (i.e., key principles of concepts underlying USAID sustainable development approach) and corresponding knowledge with respect to operating in transition environments;
- basic principles associated with engaging key counterparts (e.g., grantees, contractors, host government, other donors, interagency colleagues, etc.);
- essential oral and written skills for communicating within USAID and to external groups;
- technical knowledge within sector that permits informed resource allocation decisions and effective performance monitoring; and
- enhanced technical knowledge relating to the sector deriving from agency best practices.

Because many USAID technical officers will not have several of the competencies listed above when recruited, the TSWG emphasizes the need to provide training from the outset of a technical officer's USAID career and to ensure that training programs are available throughout their association with the Agency.

**WASHINGTON WORKFORCE ALIGNMENT:
Working Group Report**

SUMMARY: The Washington Workforce Alignment Working Group was tasked by the Management Council with implementing key recommendations of the Workforce Planning Task Force (WPTF) to reduce Washington to approximately 1300 staff. The group first reviewed the assumptions on which this staff estimate was made, including the need to retain at least 700 U.S. foreign services officers overseas. The Working Group strongly agrees that without this core staff in the field, we will create serious vulnerabilities that cannot be managed from Washington. While we were able to identify a number of Washington functions to be streamlined, the Working Group feels the target level of 1300 staff in Washington could be attained, but only at a serious cost to the Agency's effectiveness. We found that this number will require major restructuring of several central Bureaus and would not permit the flexibility necessary to respond to upcoming foreign policy imperatives and more complex development issues which we anticipate in the coming years.

Therefore, we recommend not accepting an OE level in FY 2000 that would require reducing to 1300 staff in Washington. Even at a higher level, we are recommending some reduction and realignment of staff in Washington, and the Workforce Alignment group has reviewed functions that can be reduced or eliminated and staff levels that could be reduced.

Because of the uncertain OE levels in the coming years and the essential need to retain our field presence, the group has laid out how, under a worst-case scenario, Washington could be reduced to 1300 U.S. direct hire staff by 2001. However, we are not certain that USAID/Washington can withstand this level and still deliver an effective foreign assistance program and retain a "surge" capacity to respond to new global issues.

Coping with the proposed reduction of staff in Washington will require:

- 1) Major changes in functions and workload, particularly:
 - reengineering the OYB and budget planning process,
 - focusing non-presence and limited presence programs,
 - limiting USAID management intensity of new directives,
 - reducing the number of procurement actions,
 - developing less staff-intensive approaches to management functions of USAID,
 - reducing personnel management actions (in HR and Bureaus),
 - redefining technical policy and evaluation practices,
 - reengineering financial management and IRM functions in the out years.

- 2) Forward planning:
 - identify staff reductions now for the next 3 years rather than an ad hoc adjustment each year;
 - give staff from deleted positions priority as attrition vacancies occur;
 - increase training of staff to assume different responsibilities and avoid a RIF;

- use attrition levels to hire new FS staff each year and replace GS staff in accordance with new alignment and reduced Bureau levels;
- encourage a serious effort by supervisors to appropriately evaluate employees and address non-performance issues.

3) Focus the reductions on management, policy, and process functions to retain the priority on operations and delivery of development programs and the changing foreign policy environment:

- All Bureau and Offices in Washington would take some reductions;
- M Bureau, PPC and G (and central Offices) would take the greatest proportion of the reductions.
- Regional Bureaus would take the smallest proportion of reductions but some realignment between bureaus is recommended for a more even workforce distribution.

OVERVIEW: Vision of the USAID Workforce in the Year 2000

This working group began by reviewing the recommendations of the WPTF with respect to the future size and distribution of our direct-hire workforce. This analysis is worth revisiting, because of our tendencies to overlook or ignore some of the realities that must be faced. Some of the key points from the WPTF are summarized below:

The Agency's overseas presence has been cut too deeply.

While the Agency's USDH workforce declined 29.5 percent (not including the Office of the Inspector General) since 1992 and the total workforce (USDH and non-USDH) declined 33 percent over the same period, the cost of doing business overseas meant that the field, excluding the Office of the Inspector General, took a larger cut in personnel (35 percent overseas vs. 27 percent in Washington).

If we do nothing, M/HR's best forecasting is that this trend will continue. By September 30, 2000, one model predicts that USAID will have 1,041 Civil Service employees and 840 Foreign Service employees for a USDH total of 1,881. These reductions further undermine the Agency's stated comparative advantage, i.e., its field presence....

[The WPTF assumed that the OE budget is likely to remain constant through 9/30/2002, with no upward adjustments for the inflationary effects of step increases, annual general salary increases and similar human resource increases, which generally amount to about 3 percent per year. Because nearly 60 percent of the Agency's OE budget is allocated to staff salaries and benefits, and with severely limited flexibility for the balance of OE resources, funds available for staff direct costs are likely to decrease by 3 percent each year. This means that the Agency's OE-funded workforce may have to decline by 3 percent each year over the next five years.

The Taskforce Vision. The WPTF reviewed several options for effecting non-salary related OE savings, but found that there are relatively minor possibilities in this area. This Year 2000 scenario includes: 35 percent of USAID's USDH overseas (up from 31 percent today); a total workforce (excluding the OIG) of 7,200 (down from 7,258 on September 30, 1997, but 200 more than the FY 99 budget estimate); a less sharp decline in the OE-funded local hire staff; and a sharper decline in the USDH total (down to 2,000 from an actual level of 2,235 as of September 30, 1997).

It is estimated that the Agency will be able to recruit a limited number of new employees while moving to meet these workforce targets. This Year 2000 scenario also assumes an increase of approximately 200 program-funded positions over current levels to provide a margin of flexibility with the shift to managing-to-budget rather than continuing the current practice of managing by personnel ceiling.

The major savings from this scenario will be accrued through the reduction of 235 USDH (all but 4 will come from Washington in order to balance the CS and FS staff numbers at 1,000 each and at the same time have 35 percent of the USDH overseas). The WPTF estimates that this level of reductions is feasible if the Agency manages the normal attrition process carefully.

The WPTF concluded their analysis with a recommendation for realignment of staff which would include a reduction in USAID/W by 231 occupied positions by September 30, 2000, through means other than reductions-in-force, and that the precepts and principles presented by the task force, some cited above should guide decisionmaking about how the Washington Reductions should be made.

Management Council Findings

The Workforce Alignment Working Group, after a careful review of the WPTF report coupled with more recent developments and consultations throughout the agency, endorsed their lead recommendation that we should maintain a field presence of at least 700 foreign service officers. The Group developed a plan to reach the worst-case scenario of 1300 in Washington. It may be necessary to adjust the division of positions between Foreign Service and Civil Service in Washington to accommodate foreign service rotations. A significant difference, made possible by higher than projected current and expected attrition, especially in the Civil Service and more current estimates of available OE funds, is that the Council believes in consultation with the Bureau of Management that the target date for reaching 2000 direct hires can be moved back to September 30, 2001. The Management Council concurred with the working group in the 2000 number, divided 700/1300.

This target could be reached by attrition alone, assuming a very controlled approach to hiring. However, there is no likelihood that those who depart would serendipitously 35 leave our lowest priority positions. Rather, it will almost inevitably be necessary to replace a significant number of those leaving. Our conclusion is that we must identify and abolish lower priority positions, while using training and departure incentives to relocate incumbents of them.

The working group focused on identifying functions and processes needing to be reduced or streamlined in Washington, as elaborated below. However, a direct relationship of the reduced functions to saving of specific positions was not possible. A proposal will be presented to Washington Bureaus and Offices for reaching the 1300 level by FY 2001. Such levels will require major changes in how most Bureaus do business. Reductions below this level (1300) change the ability of the Bureaus and Offices to perform their basic functions and should not be considered without a major restructuring of the Agency and its mandates.

The Management Council after reviewing the working group's findings recommended a strong case be made for increased OE levels in FY 2000 and 2001 to assure continued support for the field and a "surge" capacity to take on new foreign policy priorities as they emerge.

In addition, the Council recommends a regular hiring process to replenish the foreign service and civil service must be reinstated to strengthen USAID's ability to respond to changing international situations.

It will be necessary for the Management Council to monitor progress in meeting the workforce reduction and realignment goals which will be established through a consultative process leading to a decision by the Administrator.

Reducing Positions: Process and implications

A fundamental assumption of the WPTF, and of this working group, is that we must find ways to limit what we do, and to do it better. Continuing to add functions and activities with a declining workforce is no longer viable, and may threaten the very existence of USAID, if we cannot be relied upon to carry out what we have undertaken. In addition, USAID must retain an ability to respond to changing foreign policy and technical challenges facing the international community. A regular hiring process must be reinstated to replenish the Foreign Service and Civil Service. Even with reversal of OE trends, some realignment and reductions in Washington will be necessary.

Thus the working group analyzed USAID/processes and activities, in order to identify those which seemed to be the most promising candidates for reductions in needed work and therefore staff, either through cutting back activities or making the processes more efficient. These areas include:

- The Budget process, including the Strategic Plans, R4, OYB, CN, field support must be reengineered in Washington with less staff involved and a quicker decision making process involving DAAs earlier in the cycle. PPC is taking the lead on the R-4, M on the OYB, LPA on the Statistical annex and CN, and G and M jointly on field support.
- Non Presence Countries: A clear policy for use of DA in non presence countries and a set of approaches for non-presence or limited presence foreign policy imperatives needs to be developed to reduce the increasing Washington (and field) staff pressures. USAID may not be able to respond to as many directives and will not be in a position to undertake full R4 processes for short term non presence programs. New programs must identify sources of staff and OE to support them. PPC is developing a new policy on Non-presence.
- Directives: Reductions of staff in Washington to a level of 1300 will mean a reduced capacity to have full USAID implementation of new directives. New directives should specifically identify sources of OE and staff to manage them.
- Personnel management: A review process has been initiated between M/HR and Bureau AMS's to identify duplication and areas for streamlining.
- Procurement: A concerted Washington effort to implement the A&A recommendations will be undertaken, including reduction of the number of procurement actions. The field support review by G and M will have as a target specific reduction of the number of transactions and procurement actions.
- Technical policy and evaluations: The Agency needs to review the

sectoral/technical policy functions in order to reduce redundancies (and staff levels) between PPC and G. Similarly, although recognizing the value of USDH employees playing an active role in doing good cross-cutting evaluations by PPC/CDIE, staff constraints dictate that this function in PPC be increasingly assigned to non-direct hire staff.

- Financial Management and IRM functions absorb a disproportionate amount of Washington management staff. As the current issues of a new accounting system, NMS and the Y2K issues are addressed, the functions in these offices should be reengineered for less staff intensive approaches.

We recommend the Agency undertake changes in each of these USAID/ Washington processes, and assumptions that we will be able to do so are a fundamental basis for the Council's recommended position cuts.

Reaching Washington Numbers: Options

The working group explored several possible ways of achieving the reduction of some 231 Washington positions by September 30, 2001. They were:

- A. Attrition and freeze Washington vacancies, filling only key positions approved by the Management Council;
- B. Make "proportional" cuts across Washington bureaus (equalling 230 over 3 years) and let each Bureau adjust to how to manage changed functions;
- C. Ask bureaus to identify how they could take significant reductions by FY 2001 with the changed functions;
- D. Adjust WPTF numbers based on the working group application of principles; ask AAs to respond; readjust based on response.

The large majority of the Management Council endorses Option D, while recognizing that the approach taken was necessarily subjective and the assistance of the bureaus and consideration of all relevant factors is a necessity prior to final numerical reduction recommendations to the Administrator.

To accomplish these reductions in Washington:

- the Agency must invest in training its staff;
- the Agency must have a process for transparent staffing decisions;
- supervisors must make a serious effort to appropriately evaluate staff and address non-performance issues;
- restructuring should be identified now so effective retraining, transfer, and outplacement can be put in place.

A process has been set in place with the Deputy Administrator and AA's to identify staff levels for each Bureau and independent Office in Washington at the straightline OE level of \$480 million, the amount appropriated for FY 99 -- by the end of December, 1998.

APPENDIX D

"CROSSOVER" ISSUES IDENTIFIED BY THE COUNCIL

In the course of the Management Council's discussions, a number of issues were identified which involved more than one of the studies, or which have an impact outside their subject area. In what follows, these issues are framed as presented to the Council, while the conclusions emerged from the discussion.

D1. Communications

The recommendations and actions contemplated by the Management Council and other Agency working groups have significant implications for the way we work with partners. Will our interests be better served by involving partners sooner rather than later? If yes, how should this be done?

Conclusion: In addition to meeting with our partners to convey the results of the task forces work, the Council believes that we need a strategy for internal communications, and for working with Congress and OMB, coordinated by LPA and including M and PPC. The changes dictated by resource constraints and the changing policy environment are not necessarily negative; they can provide a chance for renewal. These communications efforts should begin immediately.

D2. Limited Presence/Non-Presence Support

As AID/W shrinks, how will bureaus effectively handle continuing Mission requests for field support? On the other hand, assuming the OYB remains close to current levels, how will shrinking missions deal with the information needs of central bureaus, other agencies, and Congress? How will the Agency manage to sustain its programs and activities in the non-presence countries?

Conclusion: There is broad agreement that the Agency lacks, and needs, a consistent approach to programming in non-presence countries. Given the foreign policy imperatives that usually surround non-presence activities, there was general agreement that ignoring or resisting an involvement was not advisable or realistic. How then, should the Agency respond? The Global Bureau for example, is organized to support mission programs, but is not well structured to support programs where there is no mission. **The Council endorsed the idea of regional bureaus clearing all global programs as one way of bringing consistency. A new policy regarding non presence activities should be disseminated soon, and the Council should review it during October 1998.**

D3. Staffing Policies/Managerial Authority

The Agency will be trimming the number of USDH, especially in many field posts. Missions can manage workloads if they maintain adequate numbers of FSNs and PSCs. Should Missions be delegated reasonable authority to manage to budget without fixed personnel ceilings?

Conclusion: There remains a great deal of confusion over the Agency's policies on staffing -- especially non-direct hire staffing. The Council recognizes that the extant guidance, dating from 1995, is dated and no longer reflects current practices or precepts. **Council members will review the 1995 guidance, and submit comments to AA/M, who will undertake to provide and distribute widely revised guidance by the end of October. Managing to budget" and allowing Foreign Service officers to**

remain overseas beyond 14 years are also now Agency practice but should be better publicized. The R4 process should continue to be used to review overall mission personnel levels.

D4. Training

Reduced staffing levels may propel many DH into management and/or leadership positions fairly early in their careers. As a result, major implementation responsibility could fall to relatively junior or inexperienced FSNs and PSCs. Training can help to compensate. Yet training budgets are among the first to go in a budget crunch. Is there a way to build a firewall around Agency training budgets, especially in the field?

Conclusion: The group agreed that training needs to be kept on the front burner -- not just for direct hire staff, but also for PSCs, FSNs and other non-direct hires. The entire workforce needs to understand our ethics regulations, procurement, project management and other practices. **The Council recommends and M has agreed that AA/M should create a dedicated reserve for funding training in FY 99, and to report on its utilization to the Management Council during the year, even though a firewall to fully protect these training funds cannot be guaranteed under current circumstances.**

D5. Dealing With Emergencies

The Agency lacks a consistent approach for identifying and assigning longer term staffing to unanticipated crisis or transition countries. What approach should we take to ensure that there is in place a cadre of staff with appropriate skills willing to be reassigned when the urgent, unplanned need arises?

Conclusion: The Council is concerned with the need to balance the Agency's development and transition/crisis prevention goals, and the difficulty of getting seasoned staff to take hardship assignments (the demographic profile of the Agency is such that many of the staff who are ready for these most difficult assignments may be simultaneously dealing with aging parents or children needing high schools. We should explore additional incentives to facilitate assignment of DH employees to difficult posts. We need to use creatively all available authorities, for example "when actually employed"(WAE) and PSC authorities to help increase our surge capacity, and believe there is no reason why PSCs and retired annuitants should not be called upon. Expansion of the idea of a "reserve corps to expand our technical and other "surge" needs such as OTI is now using and has been employed is a promising approach. We also need a corporate decision-making mechanism for responding to opportunities/crises. At the present time, each bureau is expected to "eat" the FTE and other OE costs for unanticipated and rapidly expanding programs in their areas.

D6. Agency Strategic Plan

The Agency Strategic Plan (ASP) sets forth the Agency's objectives. However, the ASP is less clear on the matter of priorities among sectors, regions, countries and field vs AID/W. The ASP focusses on development goals but does not relate the Agency to overall U.S. foreign policy goals. Without a complete vision or sense of priorities how does the Management Council make recommendations in which it has a measure of confidence?

Conclusion: Our current strategic plan focuses directly and rather exclusively on the Agency's development agenda, ignoring almost entirely our foreign policy implementation

and crisis response roles. Even our training programs tend to focus on development to the exclusion of the other two responsibilities. The Council strongly recommends that our training must do a better job of acknowledging the more complex environment in which USAID now operates. It is important, for example, not to lose sight of the important foreign policy role that USAID officers assigned to Washington play. While the Council concludes that the ASP should include the humanitarian and foreign policy aspects of the Agency, it recognizes that it would be very difficult and probably undesirable for the ASP to be used as the principal tool or final word in decision-making or resource allocation. It also recognizes that this not the best time to rewrite the Agency Strategic Plan.

APPENDIX E

PROPOSED FY99 FOREIGN SERVICE RECRUITMENT PLAN

Summary: The proposed FY99 Foreign Service Recruitment Plan described herein calls for the hiring of up to 79 Foreign Service Officers (FSOs) in FY99 consisting of: 1) 50 International Development Interns (IDIs) in seven different backstops and four mid-career (FS-02) career candidate Legal Officers to meet long-term staffing needs; and 2) up to 25 mid-career (FS-02) non-career candidates in four different backstops to meet short-term staffing needs.

Background: Recruitment of FSOs in the Agency over the past five fiscal years has not benefitted from systematic and holistic workforce planning. It has been budget-driven and focused primarily on short-term needs. As shown below, between FY94 and FY98, the Agency hired 66 FSOs at the FS-03, FS-02, and FS-01 levels and 68 IDIs at the FS-05 and FS-04 levels for a total of 134. During the same period, attrition of FSOs totalled 634.

Fiscal Year	FS Hiring			FS Separations
	Career FSOs*	IDIs	Total	
1994	17	19	36	168
1995	23	**12	35	96
1996	2	**20	22	183
1997	6	0	6	90
1998	18	17	35	97
Total	66	68	134	634

* Includes GS to FS conversions to career candidate status; excludes non-careers

** Second FY 1994 IDI class EOD February 1995, and FY 1995 IDI class EOD October, 1996.

Budget constraints forced the Agency to shrink its workforce so it is not surprising that FS attrition exceeded hiring. However, the absence of holistic and long-term workforce planning and a sustained commitment to the annual hiring of a meaningful number of entry level employees has resulted in serious consequences regarding the makeup of the Agency's Foreign Service today.

- The average FSO is 49 years old with 18 years of service. High levels of retirements for the next five to seven years are likely. In fact, within five years, 50 percent of those currently in the FS will be eligible to retire.

- Only 19 percent of the FS is at class FS-03 or below. To provide an adequate pipeline in light of the anticipated high levels of attrition, the figure should be closer to 30 percent.

- The average grade for the FS has steadily increased even as the overall size of the Service has shrunk. And an increase in the average grade translates into increased costs. The table below shows the average salary costs of the FS by grade as of September 30, 1996 and as of August 31, 1998 and the number of FSOs at each grade level.

As Of	September 30, 1996		September 30, 1998	
	Avg Salary	Number of Employees	Avg Salary	Number of Employees
FE-CM	\$120,358.67	9	\$122,685.71	7
FE-MC	\$116,039.78	36	\$119,692.40	30
FE-OC	\$101,744.15	104	\$109,596.29	96
FS-1	\$88,684.89	322	\$92,960.99	330
FS-2	\$74,765.70	391	\$78,244.45	369
FS-3	\$59,623.11	169	\$60,106.54	146
FS-4	\$49,463.39	114	\$52,436.05	56
FS-5	\$39,239.96	27	\$44,213.43	7
FS-6	\$36,986.00	2	41,047.00	1
FS-9	\$28,021.00	1	0	0
FA-14	\$115,700.00	1	\$118,400.00	1
Total	\$77,061.46	1176	\$83,126.61	1043

In the face of shrinking workforce levels, persistent budget uncertainties and changing program priorities, the Agency focused on filling critical vacancies today with mid-career professionals rather than investing in the future by hiring entry level employees who would be in training status for several years. Some of the short-term needs were met by limited numbers of GS to FS conversions, both career and non-career. However, in FY98, there was an unprecedented 23 GS to FS conversions approved, signalling that the number of vacancies in the FS relative to the number of available FSOs had reached crisis proportions.

There are only 1,043 FSOs in the Agency today. By September 30, 2001, the Agency's stated goal is to have 1,000 FSOs on board. With a projected annual attrition level of 90 or higher, the Agency must launch a major FS recruitment effort in FY99. The FS workforce challenges faced by the Agency are two-fold:

- To ensure the survival and viability of the Foreign Service, the Agency needs to commit to hiring an adequate number of entry level employees on an annual basis for the next four to five years, beginning in FY99; and,

- To meet immediate, short-term needs in critical shortage categories, the Agency, in the interim, needs to continue to convert GS employees to non-career limited appointments and to hire mid-career (FS-02 and FS-03) professionals under non-career, limited appointments until such time as the makeup (skills mix and numbers) of the Foreign Service more closely approximates the needs of the Agency.

The proposed FY99 Plan seeks to address both needs although it is recognized that unforeseen short-term needs over and above what are projected may arise during the course of the fiscal year.

Discussion: At its July 28, 1998 meeting, the Agency's Management Council, based on workforce analyses provided by M/HR and budget projections provided by M/B, agreed that the Agency would hire up to 45 IDIs in FY99. The Council also identified the following six backstops as priorities for initial examination by M/HR: 1) Democracy and Governance Officers; 2) Population, Health, and Nutrition Officers; 3) Environment Officers; 4) Contracts Officers; 5) Controllers; and 6) Executive Officers. If any slots remained, needs would be examined in the following four other backstops, in the order shown: 7) Program Officers; 8) General Development Officers (excluding Democracy Officers who were treated as a separate group above); 9) Private Enterprise Officers; and 10) Economists.

Subsequently, M/HR determined that an analysis of Program Officers without also looking at Project Development Officers was not logical, especially given the increasing trend of combining these positions in the field and often using these officers interchangeably. In addition, M/HR decided to examine hiring needs for Legal Officers this year, given the critical role played by these officers in the Agency and the increasing trend in this backstop to cross-overs (to Senior Management Group and Democracy positions). As a result, nine backstops were analyzed in developing the FY99 FS Recruitment Plan - the initial group of six above plus Program Officers, Project Development Officers, and Legal Officers.

There are currently 21 FS backstops. The nine examined in preparing the FY99 Plan have 615 employees or 59 percent of the total FSOs in the Agency. Of the remaining 12 backstops, six do not lend themselves to this type of analysis either because of the nature of the backstop (Senior Management Group and IDIs), the small number of individuals in the backstop (Commodity Management Officers and Physical Scientists) or the fact that the Agency does not plan to hire in the backstop (Secretaries and Engineers). The other six backstops, which together comprise about 25 percent of all FSOs -- Agriculture Officers, Rural Development Officers, Economists, Private Enterprise Officers, Food for Peace Officers, and Education Officers -- as well as the remaining officers in the General Development Officer category (minus Democracy Officers) will be examined in preparing the FY2000 Recruitment Plan. A re-examination and update of the nine backstops included in the FY99 Plan also will be conducted in preparing the FY2000 Plan.

Methodology: For each backstop, the projection of hiring needs was based on projections of the number of employees and the number of positions as of September 30, 2002. To

determine the total number of all employees in the backstop, a profile of all career employees by class in the backstop was prepared first. The profile included: average age, average time in government service, and average time in class for the occupation as a whole and by grades within the occupation. To determine the total number of all employees in the backstop by September 30, 1998, the number of IDIs on board who are expected to graduate into the occupation and the number of non-careers were added to the number of career employees, and known separations which will take place by September 30, 1998 were subtracted out.

To arrive at the number of projected employees who will be on board at the end of FY 2002, separations were projected based on known time-in-class expiration dates, mandatory retirements for age, retirements planned and projected using the profile of the average retiree, and planned resignations. The total number of employees as of September 30, 2002, is the difference between the number on board as of September 30, 1998, minus the projected separations between September 30, 1998, and September 30, 2002, and assuming no recruitment.

To determine the number of projected positions as of September 30, 2002, we started with the current number of positions in the backstop, subtracted out those in "D" status, and then made adjustments (plus or minus) based on the most recent R4 data. We also thoroughly reviewed the preliminary analyses of both projected positions and projected employees with staff and senior level officials in the cognizant backstop offices and their AMS staff (G/DG, G/PHN, G/ENV, M/FM, M/OP, M/AS/OMS, GC) and made adjustments where necessary. This "validation exercise" was not possible for either Program Officers or Project Development Officers as there is no home or backstop office in the Agency for either of these two occupations. (For the FY 2000 Plan, we plan to use the findings and recommendations of the three study groups commissioned by the Management Council (Overseas Staffing, Technical Staffing, and Washington Workforce Alignment) to provide more definitive information on what positions are likely to continue into the future.)

The difference between the projected number of employees and the projected number of positions yields the projected shortfall that would occur if no recruitment occurred between now and September 30, 2002. The recruitment recommendations explain how the projected shortfall can be met and take into account both short-term needs, reflecting the shortfall between employees and positions as of September 30, 1998, as well as long-term needs as of September 30, 2002.

* * * * *

Recommendations: The table below summarizes both long-term and short-term hiring recommendations by occupation for each of the nine backstops examined.

Occupational Group	Recruitment Recommendations	
	Long Term	Short Term
BS-12, Democracy & Governance	6 IDIs	up to 4 non-careers
BS-40, Environment	7 IDIs	0
BS-50, Health, Nutrition, & Pop.	12 IDIs	up to 9 non-careers
BS-04, Controllers	6 IDIs	0
BS-93, Contract Officers	10 IDIs/FS-3s	up to 6 non-careers
BS-85, Legal Officers	4 FS-2s	0
BS-02/94, Program/PD Officers	9 IDIs	up to 6 non-careers
BS-03, Executive Officers	0	0
Grand Total	54	up to 25 non-careers

- Total needs for the nine backstops are for 54 career candidates rather than 45 and up to 25 non-career employees.

- Career candidates should be recruited in FY99 in eight of the nine backstops examined, excluding Executive Officers. (M/AS/OMS recently undertook a comprehensive analysis of Executive Officers in the Agency, both direct-hire and non-direct-hire, and has come up with a proposed new typology for Executive Officers worldwide, based on the number of Mission personnel. A comparative analysis of M/AS/OMS's typology with that proposed by the Overseas Staffing Team should be undertaken as soon as possible to arrive at an Agency decision on future Executive Officer staffing which can then feed into the FY2000 Recruitment Plan. It should also be noted that 6 of the 17 IDIs recruited in FY98 were Executive Officers.)

- Although the majority of the 54 career candidates should be IDIs, the Agency should recruit the recommended four Legal Advisors at the FS-02 level, given the nature of their work, and also allow for the possibility of hiring some Contract Officers at the FS-03 level in order to encourage applications from GS-13 Contract Officers governmentwide.

- Given that Contract Officers are the only officers in the Agency who must meet mandated governmentwide certification requirements which may require that they remain in USAID/W for up to two years, every effort should be made to ensure that career candidate FS Contract Officers are sent to the field as soon as possible so that they can meet Agency tenuring requirements.

- Up to 25 non-career candidates should be hired for four backstops -- Democracy Officers; Population, Health and Nutrition Officers; Contracts Officers; and Program/Project Development Officers -- at either the FS-02 or FS-03 level only

against specific established positions to meet urgent short-term needs, to the extent these cannot be met by GS to FS non-career conversions or cross-overs from other backstops. Regional Bureaus, cognizant backstop offices (G/DG, G/PHN, M/OP) and M/HR should jointly identify those priority vacant positions for which non-career outside recruitment is deemed appropriate.

- The analysis of Program Officer and Project Development Officer needs is complicated by several factors. The roles of officers in these two backstops are increasingly becoming interchangeable. Thus, from a recruitment perspective, the two should be treated as one. Also, their roles and responsibilities in a reengineered environment are being redefined, especially in field missions. In addition, about 60 percent of the Program Officer jobs are in USAID/W, and many of those positions describe general work which officers in other backstops could and do perform. What this means is that the methodology does not completely work for these two groups. The Program Officer backstop analysis shows a shortfall of 30, and the Project Development Officer backstop analysis shows a shortfall of 14. While 44 is an overstatement, significant attrition from these two occupations is inevitable over the next four years. Perhaps the Agency's greatest vulnerability to unplanned attrition is from its general management jobs and that is where the Agency's institutional memory resides. Officers in these two backstops are the ones who are expected to know the rules and regulations and to be the experts regarding the business processes of the Agency. They also have a longer learning curve and are not easily replaced by mid-level hires from the outside. As Missions get smaller, the need for general management or general development types, which these two occupations represent, will remain. Therefore, the Agency should recruit up to nine "general management" or "general development" IDIs. These IDIs would fill Program Officer, Project Development Officer, and, in some cases, General Development Officer positions.

- The Agency should convert to career candidate status any existing non-career candidates at the FS-03 and FS-04 levels provided that the individuals want to convert and meet all necessary qualifications.

- The Agency should convert to career candidate status any existing non-careers at the FS-02 level who desire to convert and meet all necessary qualifications only on a case by case basis.

- The Agency should not convert any existing non-career candidates to career candidate status at the FS-01 level. If a non-career FS-01 wants to convert, the Agency should only permit conversion at the FS-02 level. Preference should be given to those who have converted from the GS as they have more extensive work experience with the Agency than outside hires. The Agency has very few opportunities to promote FSOs to the FS-01 level and will have fewer if non-careers are permitted to convert to career candidate status at the higher grade levels. Promotion opportunities to FS-02 also are limited and must be preserved.

- Recruitment of technical officers should be guided by the findings and recommendations of the Technical Staffing Study completed September 25, 1998, under the auspices of the Agency's Management Council.

- The Agency should assign IDIs to Missions only where there is an adequate supervisory/mentoring environment and a commitment by Mission management to provide opportunities for growth and development. Recruitment targets should be modified if these conditions cannot be met.

- Once IDIs graduate, to the maximum extent possible, they should be assigned to positions where they can be supervised by a more experienced employee in their backstop.

- For the foreseeable future, priority should be given to filling FS positions overseas before filling FS positions in USAID/W.

- All newly recruited FS outside hires should be assigned overseas, except in unique and compelling circumstances.

Drafted by: M/HR:Maribeth Zankowski/Linda Lion:fshires.99:9-30-98

APPENDIX F

ORIGINS OF THE MANAGEMENT COUNCIL REPORT

The Workforce Planning Task Force was established as a result of discussions at an Agency senior managers retreat in June, 1997, "out of a recognition that USAID must actively manage workforce planning if it is to maintain its bilateral assistance leadership and its comparative advantage of overseas presence."¹ In its report, the Task Force made a number of wide-ranging recommendations, intended to result in an improved workforce planning process, realignment of the workforce, enhancement of workforce flexibility, and greater attention to professional development.

Implementation of this report, and of the report of the Acquisition and Assistance Task Force which was functioning at the same time, were major topics considered at a second senior managers retreat in January, 1998. Each report recognized the need for a more corporate approach to agency decision-making to ensure that implementation actually took place. These concerns led to creation of the USAID Management Council by the Administrator in late February, 1998, specifically charged with providing the corporate institution recommended by the two task forces and overseeing and encouraging implementation of their reports.

The Management Council was formed in March, 1998 and began meeting in early April. Its work on Acquisition and Assistance will be reported separately. With respect to workforce planning, three working groups were formed, to carry out reviews which had been recommended by the original Workforce Task Force. They were assigned to consider Headquarters Workforce Alignment, Overseas Staffing Standards and Reference Points and Technical Staffing needs. The results of these studies were presented and considered by the Management Council on September 25, 1998. The product of these discussions became the summary report presented here.

¹ "Executive Summary," Workforce Planning Task Force Report to the Steering Group, November 26, 1997, p. 1.

VISION OF THE USAID WORKFORCE IN THE YEAR 2000
(Appendix D to Workforce Task Force Report, November 26, 1997)

ISSUE/PROBLEM: What will/should the USAID workforce look like in the year 2000?

While the Agency's USDH workforce declined 29.5 percent (not including the Office of the Inspector General) since 1992 and the total workforce (USDH and non-USDH) declined 33 percent over the same period, the cost of doing business overseas meant that the field, excluding the Office of the Inspector General, took a larger cut in personnel (35 percent overseas vs. 27 percent in Washington).

Since 1994, USAID has had more Civil Service than Foreign Service staff. The attrition rates for FY 1997 mimicked a five-year trend where the Foreign Service experienced an attrition rate 2 to 3 percentage points higher than the Civil Service. The FY 1997 rates were 7.1 percent for the Foreign Service and 4.7 percent for the Civil Service. Not only has the Civil Service become larger than the Foreign Service, but the difference in size continues to grow yearly.

If we do nothing, M/HR's best forecasting is that this trend will continue. By September 30, 2000, one model predicts that USAID will have 1,041 Civil Service employees and 840 Foreign Service employees for a USDH total of 1,881. Another model predicts 1,034 Civil Service and 879 Foreign Service for a total of 1,913.

Rather than correcting the imbalance between Washington and the field, the Agency's FY 99 budget submission continues the trend of deeper overseas cuts relative to Washington. These reductions further undermine the Agency's stated comparative advantage, i.e., its field presence.

BACKGROUND/DISCUSSION:

The FY 99 Budget Scenario The OE budget is likely to remain constant through 9/30/2002, with no upward adjustments for the inflationary effects of step increases, annual general salary increases and similar human resource increases, which generally amount to about 3 percent per year. Because nearly 60 percent of the Agency's OE budget is allocated to staff salaries and benefits, and with severely limited flexibility for the balance of OE resources, funds available for staff direct costs are likely to decrease by 3 percent each year. This means that the Agency's OE-funded workforce may have to decline by 3 percent each year over the next five years.

The FY 99 budget recently submitted to OMB projects a 6 percent decline in USDH workforce (including IDIs) for the FY 97-99 period (consistent with the assumption stated above). The projected decline in the overall Agency's workforce (including local hires and program-funded staff), however, is 10 percent (or 5 percent annually for the FY 97-99 period). This reduction in total workforce is applied more deeply overseas (11.2 percent) than in Washington (5.6 percent), and more deeply for non-DH positions (11.4 percent) than USDH (7.1 percent). OE-funded local hires (primarily FSNs) represent the staffing category most adversely affected (14 percent reduction).

The FY 99 budget submission calls for 31 percent of the Agency's U.S. Direct Hire staff to be overseas; down from 34 percent in FY 92.

The Taskforce Vision

The Agency's overseas presence has been cut too deeply. While the Agency's total workforce must necessarily decline, the overall decline does not need to be as deep as the FY 99 budget projects and future workforce reductions should be absorbed proportionately more in Washington than the field.

The WPTF projects a workforce scenario for the year 2000 which both shifts the balance more in favor of our overseas presence and generates significant OE savings (over \$18 million for the FY 99-00 period). The WPTF reviewed several options for effecting non-salary related OE savings, but found that there are relatively minor possibilities in this area. This Year 2000 scenario includes: 35 percent of USAID's USDH overseas (up from 31 percent today); an equal balance between Civil Service and Foreign Service employees; a total workforce (excluding the OIG) of 7,200 (down from 7,258 on September 30, 1997, but 200 more than the FY 99 budget estimate); a less sharp decline in the OE-funded local hire staff; and a sharper decline in the USDH total (down to 2,000 from an actual level of 2,235 as of September 30, 1997). Table A compares the WPTF's Year 2000 scenario and a revised workforce projection for FY 1999 with the FY 99 budget. Table B presents a comparison of Agency workforce (total, USDH, non-USDH, and FS vs. CS) levels for FYs 92, 97 and the Year 2000.

It is estimated that the Agency will be able to recruit a limited number of new employees while moving to meet these workforce targets. The Agency already plans to hire 33 IDIs in Fiscal Year 98, and at least 15 in each of the next two fiscal years (FY 99 and 00). The WPTF recommends that all hiring, not just IDIs, be based on a workforce planning analysis performed by M/HR in consultation with the Bureaus and EOP.

This Year 2000 scenario also assumes an increase of approximately 200 program-funded positions over current levels to provide a margin of flexibility with the shift to managing-to-budget rather than continuing the current practice of managing by personnel ceiling.

The major savings from this scenario will be accrued through the reduction of 235 USDH (all but 4 will come from Washington in order to balance the CS and FS staff numbers at 1,000 each and at the same time have 35 percent of the USDH overseas). The WPTF estimates that this level of reductions is feasible if the Agency manages the normal attrition process carefully. These reductions should be achieved by a combination of a Civil Service hiring freeze (until such time as the Agency reaches agreement on how to allocate the staffing cuts), deletion of excess positions, and reassignment of displaced staff in other parts of the Agency, if possible.

In addition, the Year 2000 scenario will require enforcement of the Agency's policy requiring that FSOs rotate overseas after 8 years in Washington. This policy should be applied to fill immediate overseas vacancies, assisting in correction of the Washington/field imbalance.

Precepts for Staff Reductions in Washington The WPTF developed recommendations on how a reduction in USAID/W might be achieved. The following precepts guided our decisions and we strongly recommend that Senior Managers also use them if staff reductions are made:

- There should be no reduction in force. Reductions should be achieved through attrition and deletion of excess positions. Staff whose positions are identified for deletion should be offered training and considered for reassignment in other parts of the Agency.
- There should be a time limited outside CS hiring freeze until Agency plans for achieving the new staff levels are in place.
- The field needs to be realigned, but not cut.
- Work processes must be streamlined and simplified in order to conduct the Agency's business with fewer people. Elimination of some processes will be necessary given that there will be fewer people to do the work.
- Reductions should be done in a way that makes the Agency "flatter" at the top, with less depth in senior managers above the office director level.
- While there are issues outstanding with regard to where technical officers sit, the Agency recognizes that having a technical core staff is important. Any further reductions of technical staff should be kept to a minimum and be proportional with other staff reductions.

1. **RECOMMENDATIONS:**

(a) That the Agency endorse the WPTF proposal for a realignment of staff as outlined above, to include a reduction in USAID/W staff by 231 presently occupied positions by 9/30/00, through means other than a reduction-in-force.

(b) That the Agency endorse the precepts presented by the WPTF to guide decisionmaking with regard to how staff reductions in Washington should be made.

TABLE A

IMPACT OF CHANGES IN AGENCY STAFF COMPOSITION						
Staffing Categories	FY 1999 (OMB Submission)		FY 1999 Revised		FY 2000 Scenario	
	Staff Levels	Cost (Mil. \$)	Staff Levels	Cost (Mil. \$)	Staff Levels	Cost (Mil. \$)
USDH • Washington	1,566	138.1	1,460	128.8	1,300	118.1
• Overseas	714	132.9	720	134.1	700	134.3
• Sub-Total	2,280	271.0	2,180	262.9	2,000	252.4
Local/Intl. Hire	3,299	57.4	3,500	60.9	3,500	62.7
Total OE-funded Staff	5,579	328.5	5,680	323.7	5,500	315.1
Program-funded Staff	1,373	-	1,500	-	1,700	-
Total Workforce	6,952		7,180		7,200	
OE Savings				4.7		13.4

TABLE B

	9/30/92	9/30/97	9/30/2000
USDH Total	3,169	2,235	2,000
Total WF w/o OIG	10,780	7,258	7,200
Total WF with OIG	11,096	7,468	7,400

	9/30/92	9/30/97	9/30/2000
USDH overseas	1,083 (34.2% of USDH)	704 (31.5% of USDH)	700 (35% of USDH)
USDH in Washington	2,086	1,531	1,300
Total USDH	3,169	2,235	2,000

	9/30/92	9/30/97	9/30/2000
FS	1,598	1,092	1,000
CS	1,571	1,143	1,000
Total USDH	3,169	2,235	2,000

	9/30/92	9/30/97	9/30/2000
Non-USDH Overseas		4,539*	4,850*
Non-USDH Washington		474*	350*
Total Non-USDH		5,013*	5,200*

* w/o OIG

SUMMARY OF RECOMMENDATIONS**Recommendations: Overseas Staffing****Overseas Staffing**

- If OE and workforce resources are not available, the Agency must either decline to initiate the new activities or eliminate existing activities to offset the new OE and workforce resource requirements.
- Senior management must ensure that, to the maximum extent possible, all overseas positions are kept filled. FS officers must be required to accept overseas assignments to meet Agency needs.
- The Agency needs an active recruitment process to bring in new and qualified staff with greater focus on workforce profile and needs of the Agency, which should include maintaining a minimum level of 35 to 40 IDIs in training status overseas. IDI assignments should be made based on proper senior training/ mentoring at the post of assignment.
- The Agency needs to consider merging some backstops and providing cross-training, where it makes sense and will reduce workforce requirements. More generally, adoption of the typology with its emphasis on fewer people at most missions will require greater training resources to equip our direct-hire staff for broadened responsibilities.

Overseas Missions

- Within established bureau levels, each bureau should be given the authority to make sub-allocations taking into account mission specific circumstances. Senior Managers at Full Support Missions must buy into providing program, administrative and technical services as proposed in the typology, but they must have the necessary resources effectively to provide this support.
- Senior Management must be held responsible for ensuring maximum efficiency of workforce operations and staff. We must encourage examination of less labor intensive business practices without sacrificing development objectives.

Conserving Staff

- With a smaller workforce, missions must actively look for less staff intensive means of structuring programs, e. g. use of "umbrella" grants/contracts.
- As staff is reduced in smaller missions, efforts must be made to reduce their workload. In addition, Full Support Missions will need to provide greater support to these missions, particularly as AID/W becomes smaller and less able to carry out these activities.

- Common techniques for ensuring accountability of resources applicable across regions should be developed which reduce work load and do not encourage micromanagement.
- The Agency should examine further regionalization of services, including the additional support from Washington as communications technology improves.
- The Agency must recognize the workload implications of non-presence programs, and ensure resources are available to manage them without reducing management of others.

OE Issues

- The Agency should allocate sufficient funds for the creation/expansion of regional centers (Full Support Missions) in order to consolidate administrative support in strategic locations. These centers generally should be located in missions with active, longer term, in-country programs to minimize OE costs.
- Where cost effective, small and medium missions should acquire administrative support through ICASS in lieu of reliance upon regional centers. Full Support Missions should consider becoming ICASS service providers where cost effective.
- To save OE resources, TDY support should be provided from Support Missions, Washington, or Full Missions (including across bureau lines) instead of missions hiring expensive OE-funded PSCs. In addition, resident hire PSCs should always be pursued prior to looking to off-shore PSCs.

Recommendations: Technical Staffing Working Group

Maintaining quality direct hire technical staff

- The agency must aggressively recruit technical officers with the potential to be technical managers through the IDI, PMI and similar programs.
- The agency must develop effective training programs for new and currently employed technical staff, including training in cross-competencies.
- M/HR should recruit at least 45 IDIs (including, as necessary, mid-level hirings) during the next two fiscal years of whom approximately 50 percent will fill technical backstops; and should continue using the PMI program to recruit civil service technical officers, many of whom are likely to consider conversion to the foreign service when possible.
- The agency should provide incentives for experienced and high quality, direct hire technical officers to remain with USAID.
- The agency also should make better use of AD authority and IPAs in USAID/W to provide high quality technical officers, seek PSC authority for Washington and consider creation of a "Reserve Corps" to provide a surge capacity.

Prioritizing among sectors based on field needs and USAID/W judgements

- The Council endorses M/HR's decision, for the moment, to prioritize among sectors based on the specific positions requested by field missions in their R4s and an informed judgment by M/HR and the Management Council.
- The revised Agency Strategic Plan should provide more precise guidance regarding areas of emphasis over the five-to-eight year time frame, to be used by M/HR and the Management Council in making judgements regarding technical staffing shortage categories.
- M/HR should restructure the technical officer backstops to correlate directly to the six agency goal areas.

Assign direct hire technical staff to the field based upon agreed principles:

- The following should be considered in assigning direct hire technical staff: a) the existence of an SO related to a particular sector in a field operating unit strategic plan; b) the amount of funds allocated to the SO; c) the clarity and priority of the program in terms of USAID goals; d) the organizational structure of the mission (teams, role of nondirect hire); and e) the quality of partnerships within the country.
- Sector Councils should assume a much greater role in the assignment process to ensure that the appropriate technical officers are assigned to the mission where the need exists most for their specific talents.

Developing an integrated technical workforce:

- The agency must more openly acknowledge the roles played by civil service and nondirect hire technical staff in supporting agency field operations and in ensuring that the agency continue providing quality technical programs. The Council encourages continued use, where appropriate, of temporary foreign service assignments for civil service technical officers.
- The agency should better incorporate considerations relating to the availability of nondirect hire technical staff and third country FSNs into agency workforce planning decisions and the implementation of agency training programs.
- Each Sector Council should: a) keep track of all direct and nondirect hire technical staff; b) assist with the recruitment of both categories; c) develop appropriate training programs for direct and nondirect hire technical staff; d) participate in assignment decisions to ensure that agency priorities are reflected in the process; and e) establish rosters of individuals with specific technical expertise, who can be retained on a "just in time" basis.
- The Management Council should require an annual report from each Sector Council regarding their perception of workforce issues and the Management Council should set aside time at least once a year to review these reports.

Emphasizing the technical manager role of direct hire technical staff

- The Council reinforces the recommendation in the WPTF regarding the need for the agency to recruit and train technical generalists(who will become technical managers under our proposals).
- M/HR and the Sector Councils should recruit staff and devise training programs with the goal of ensuring that technical officers, in addition to a Masters Degree level familiarity with the sector in which they are working, have the following competencies in a rough order of priority: planning and implementing programs within USAID; general development knowledge; basic principles associated with engaging key counterparts; oral and written communications skills; technical sector knowledge; and enhanced technical knowledge relating to the sector deriving from agency best practices.
- It is essential that we provide training from the outset of a technical officer's USAID career with respect to these competencies.

Headquarters Workforce Alignment Group Recommendations

A staff reduction of the magnitude necessary in Washington will require:

- Major changes in functions and workload, particularly:
 - the OYB and budget planning process,
 - non-presence and limited presence programs,
 - limiting new directives,
 - the number of procurement actions,
 - personnel management between HR and the Bureaus, and
 - technical policy and evaluation practices.
- Forward planning:
 - identify staff reductions now for the next 3 years rather than an ad hoc adjustment each year;
 - place staff from deleted positions as attrition occurs;
 - increase training of staff to assume different responsibilities and avoid a RIF;
 - use attrition levels to hire new FS staff each year but only replace GS staff on a limited basis in accordance with new alignment and Bureau levels;
 - encourage a serious effort by supervisors to appropriately evaluate employees and address non-performance issues.
- Focus the reductions on management, policy, and process functions to retain the priority on operations and delivery of development programs and the changing foreign policy environment:
 - All Bureau and Offices in Washington would take some reductions;
 - M Bureau, PPC and G would take the greatest proportion of the reductions;
 - Regional Bureaus would take the smallest proportion of reductions but some realignment between bureaus is recommended for a more even workforce

distribution.

"Crossover" Recommendations

- **Communications.** The Council believes that we need a strategy communicating our proposed management changes internally, to partners, and for internal communications, and for working with Congress and OMB. It should be coordinated by LPA with M and PPC participation. The changes dictated by resource constraints and the changing policy environment are not necessarily negative; they can provide a chance for renewal. These communications efforts should begin immediately.
- **Limited Presence/Non-Presence Support.** The Council endorsed the idea of regional bureaus clearing all global programs as one way of bringing consistency to programming in non-presence programs. A new policy regarding non-presence activities should be developed, reviewed by the Council, and disseminated soon.
- **Staffing Policies/Managerial Authority.** There remains a great deal of confusion over the Agency's policies on staffing -- especially non-direct hire staffing. Council members will review the outdated 1995 guidance, and submit comments to AA/M, who will undertake to provide and distribute widely revised guidance by the end of October. "Managing to budget" and allowing Foreign Service officers to remain overseas beyond 14 years are also now Agency practice but should be better publicized. The R4 process should continue to be used to review overall mission personnel levels.
- **Training.** Training needs to have high priority, not just for direct hire staff, but also for PSCs, FSNs and others. The entire workforce needs to understand our ethics regulations, procurement, project management and other practices. The Council recommends and M has agreed that AA/M should create a dedicated reserve for funding training in FY 99, and to report on its utilization to the Management Council during the year, even though a firewall to fully protect these training funds cannot be guaranteed under current circumstances.
- **Dealing With Emergencies.** The Council is concerned with the need to balance the Agency's development and transition/crisis prevention goals, and the difficulty of getting seasoned staff to take hardship assignments. We should explore additional incentives to facilitate such assignments, and use creatively all available authorities, for example "when actually employed"(WAE), retired annuitant and PSC staffing to help increase our surge capacity. Expansion of the idea of a "reserve corps to expand our technical and other "surge" needs such as OTI is now using and has been employed is a promising approach. We also need a corporate decision-making mechanism for responding to opportunities/crises. At the present time, each bureau is expected to "eat" the FTE and other OE costs for unanticipated and rapidly expanding programs in their areas.
- **Agency Strategic Plan.** Our current strategic plan focuses directly and rather exclusively on the Agency's development agenda, ignoring almost entirely our foreign policy implementation and crisis response roles. Even our training programs

tend to focus on development to the exclusion of the other two responsibilities. The Council strongly recommends that our training must do a better job of acknowledging the more complex environment in which USAID now operates. It is important, for example, not to lose sight of the important foreign policy role that USAID officers assigned to Washington play.

FY99 Foreign Service Recruitment Plan Recommendations

The table below summarizes both long-term and short-term hiring recommendations by occupation for each of the nine backstops examined.

Occupational Group	Recruitment Recommendations	
	Long Term	Short Term
BS-12, Democracy & Governance	6 IDIs	up to 4 non-careers
BS-40, Environment	7 IDIs	0
BS-50, Health, Nutrition, & Pop.	12 IDIs	up to 9 non-careers
BS-04, Controllers	6 IDIs	0
BS-93, Contract Officers	10 IDIs/FS-3s	up to 6 non-careers
BS-85, Legal Officers	4 FS-2s	0
BS-02/94, Program/PD Officers	9 IDIs	up to 6 non-careers
BS-03, Executive Officers	0	0
Grand Total	54	up to 25 non-careers

APPENDIX H

SUMMARY OF RECOMMENDATIONS

AN UPDATE

I. Summary — The October 19, 1998, People for Development report by the Agency Management Council included a "Summary of Recommendations" as Appendix H. The report was presented for discussion to the 1998 Mission Directors Conference where it was generally endorsed. It was then distributed widely among Agency managers. Consequently, some recommendations were acted on and others are in the planning stage. This document reports the status of each recommendation.

II. Recommendations Topical Listing —

1. Overseas Staffing

- 1.1 Staffing
- 1.2 Missions
- 1.3 Conserving Staff
- 1.4 OE Issues

2. Technical Staffing

- 2.1 Maintaining quality direct hire technical staff
- 2.2 Prioritizing among sectors based on field needs and USAID/W judgement
- 2.3 Assign direct hire technical staff to the field based on agreed principles
- 2.4 Developing an integrated technical workforce
- 2.5 Emphasizing the technical manager role of direct hire technical staff

3. Headquarters Workforce Alignment

- 3.1 Major Changes in functions and workload
- 3.2 Forward planning
- 3.3 Focus the reductions on management, policy and process functions

4. "Crossover" Recommendations

- 4.1 Communications
- 4.2 Limited Presence/Non-Presence Support
- 4.3 Staffing Policies/Managerial Authority
- 4.4 Training
- 4.5 Dealing with Emergencies
- 4.6 Agency Strategic Plan

III. Status Nomenclature —

Five categories of status are used, with explanations as necessary:

- *Implement Now*
- *Implement Later*
- *Completed, but continuing*
- *Overtaken By Events (OBE)*
- *Not Actionable*

Original (10/98) recommendations are presented in Unifers 11. *Update (7/99) recommendations and comments are presented in Unifers 10 Italic. Some recommendations may be identified for action in combination with others.*

Attachment:

Pages 54-59 of the People for Development: Workforce Alignment report, October 19, 1998.

IV. Status Review

1. Overseas Staffing

1.1 Staffing

- If OE and workforce resources are not available, the Agency must either decline to initiate new activities or eliminate existing activities to offset the new OE and workforce resource requirements

1.1.1 Implement Now — Workforce levels continue to decline in both Washington and the field without any appreciable decrease in workload. Senior managers must make a concerted effort to reduce workload commensurate with reduced OE and workforce levels, including small steps such as better managed fewer meetings, minimized reviews and clearances, and fewer bureaucratic steps in all processes and procedures.

- Senior management must ensure that, to the maximum extent possible, all overseas positions are kept filled. FS officers must be required to accept overseas assignments to meet Agency needs.

1.1.2 Completed, but continuing — M/HR has been aggressively placing FS officers in critical overseas vacancies, more strictly enforcing the 8-years in Washington rule, and enforcing worldwide availability. New entry FS recruitment has been revitalized, and plans are to recruit as many as 60 per year. In the interim, M/HR also has implemented a non-career conversion program for CS to FS and is hiring non-career mid-level professionals from outside the Agency to fill critical vacancies. At present, almost all overseas FS positions are filled or have candidates named. Vacancies resulting from special situations remain as a problem.

- The Agency needs an active recruitment process to bring in new and qualified staff with greater focus on workforce profile and needs of the Agency, which should include maintaining a minimum level of 35 to 40 IDIs in training status overseas. IDI assignments should be made based on proper senior training/ mentoring at the post of assignment.

1.1.3 Completed, but continuing – M/HR obtained Management Council approval to recruit up to 60 IDIs annually and has 29 scheduled for FY 1999 and 60 for FY 2000. Expectations are to continue at this rate. In addition, M/HR obtained Management Council and AA approval to implement a New Entry Professional Program to replace the IDI Program. The Management Council views this as one of the highest priorities and is prepared to restrict other OE-funded budget items to maintain support. The new program transfers responsibility for most training of new entrants to Washington and is designed to place fully trained new entrants in established vacant field positions at one or two grades higher than the personal grade of the new entrant. This new program will begin with the group of 29 that comes on board in September 1999.

- The Agency needs to consider merging some backstops and providing cross-training, where it makes sense and will reduce workforce requirements. More generally, adoption of the typology with its emphasis on fewer people at most missions will require greater training resources to equip our direct-hire staff for broadened responsibilities.

1.1.4 Implement Later (in FY 2000) – Combining BSs 05 and 07 into Administrative Support and BSs 02 and 94 into one could be fairly easily accomplished. However, a Skills Data Bank may be more efficient than a merging of backstops for technical specialties. A Skills Data Bank could provide for career development, appropriate assignments and workforce planning. Any conflicting objectives for the use of “backstops” will need to be resolved before merging can occur. M/HR plans to undertake a study of FS backstops in early FY 2000 in conjunction with an exercise to review FS positions and organizational structures, primarily overseas.

1.1.4.1 Cross-training, adoption of the typology for Missions, and greater training resources for staff with broadened responsibilities are being implemented. The Reaching for Results training had a positive impact and will be replaced in FY 2000 with a more comprehensive Managing for Results course. Expanded training opportunities for all employees in acquisition and assistance also are being designed. The proposed typology is being incorporated in ADS Chapter 102 as guidance.

1.2 Overseas Missions

- Within established bureau levels, each bureau should be given the authority to make sub-allocations taking into account mission specific circumstances. Senior Managers at Full Support Missions must buy into providing program, administrative and technical services as proposed in the typology, but they must have the necessary resources effectively to provide this support.

1.2.1 Completed — M/B allocates direct hire ceilings to Bureaus. Bureaus make sub-allocations to Missions based on Mission needs identified through the R4 process. Missions are not held strictly to staffing mix guidance.

1.2.1.1 Implement Now — To provide Full Support Missions with sufficient resources to deliver program, administrative and technical services as contemplated by the new typology, bureaus should reallocate resources among all the missions in their region. Each Bureau should report its plans and actions to implement this recommendation to the Management Council by September 30, 1999. (See also 1.3 and 1.4 below.)

- Senior Management must be held responsible for ensuring maximum efficiency of workforce operations and staff. We must encourage examination of less labor intensive business practices without sacrificing development objectives.

1.2.2 Implement Now — Supervisors should include statements in work objectives and AEFs that reflect employee performance in terms of ensuring maximum efficiency of workforce operations and staff. Several bureaus, offices and Missions have had success implementing business process improvement techniques to eliminate and streamline processes. These success stories should be widely shared. Managers may want to contact M/HR/PPIM/PP to learn more about the techniques employed by the Management Bureau.

1.3 Conserving Staff

- With a smaller workforce, missions must actively look for less staff intensive means of structuring programs, e. g. use of "umbrella" grants/contracts.
- As staff is reduced in smaller missions, efforts must be made to reduce their workload. In addition, Full Support Missions will need to provide greater support to these missions, particularly as USAID/W becomes smaller and less able to carry out these activities.
- Common techniques for ensuring accountability of resources applicable across regions should be developed which reduce workload and do not encourage micromanagement.
- The Agency should examine further regionalization of services, including the additional support from Washington as communications technology improves.

1.3.1 Implement Now — The Management Council should oversee a study by a working group led by M/HR/PPIM/PP to achieve these objectives.

- The Agency must recognize the workload implications of non-presence programs, and ensure resources are available to manage them without reducing management of others.

1.3.2 Implement Now – PPC will submit its non-presence programs proposal to the Management Council.

1.4 OE Issues

- The Agency should allocate sufficient funds for the creation/expansion of regional centers (Full Support Missions) in order to consolidate administrative support in strategic locations. These centers generally should be located in missions with active, longer term, in-country programs to minimize OE costs.

1.4.1 Implement Now – Together with 1.2.1.1. and 1.3.1, the Bureaus should begin the process of establishing Full Support Missions in accordance with the typology approved by the Management Council and report their plans and actions to the Management Council.

- Where cost effective, small and medium missions should acquire administrative support through ICASS in lieu of reliance upon regional centers. Full Support Missions should consider becoming ICASS service providers where cost effective.

1.4.2 Implement Now – This objective should be implemented by Bureaus and their Missions as soon as possible in conjunction with 1.4.1, 1.2.1.1., and 1.3.1.

- To save OE resources, TDY support should be provided from Support Missions, Washington, or Full Missions (including across bureau lines) instead of missions hiring expensive OE-funded PSCs. In addition, resident hire PSCs should always be pursued prior to looking to off-shore PSCs.

1.4.3 Completed, but continuing – All OE-funded, off-shore PSCs must be approved by the DAA/M/HR. Missions are encouraged to seek resident hire PSCs before seeking approval of off-shore PSCs. Staffing constraints in Washington and all Missions are likely to constrain the Agency's ability to implement the first point of this recommendation.

2. Technical Staffing

2.1 Maintaining quality direct hire technical staff

- The agency must aggressively recruit technical officers with the potential to be technical managers through the IDI, PMI and similar programs.

2.1.1 Completed, but continuing – M/HR is recruiting technical officers with the potential to be technical managers through the FS New Entry Professional and PMI programs, as well as facilitating CS-FS conversions and non-career appointments.

- The agency must develop effective training programs for new and currently employed technical staff, including training in cross-competencies.

2.1.2 Implement Now – M/HR is currently designing training programs for all staff, including technical staff, which will enhance management and leadership capacity. Cross-competency training is multifaceted. At the entry level, all officers, including technical officers, should receive general development learning to facilitate use for support outside their areas as part of technical review teams or as team members in smaller missions. On a continuing basis, certain issues may be centered in one technical sector, but relevant to others, e.g., anti-corruption might be led by Democracy and Governance, but be of interest to technical officers in Economic Growth and other backstops. Cross-participation should be encouraged. Finally, backstops in one area should be allowed to retool themselves for new assignments in a different sector based on Agency need or as part of a particular officer's professional development by participating in training opportunities. (See also 4.4.)

- M/HR should recruit at least 45 IDIs (including, as necessary, mid-level hirings) during the next two fiscal years of whom approximately 50 percent will fill technical backstops; and should continue using the PMI program to recruit civil service technical officers, many of whom are likely to consider conversion to the foreign service when possible.

2.1.3 Completed, but continuing – M/HR is recruiting up to 60 FS New Entry Professionals each year, plus mid-levels, and PMIs, at least half of which will be in technical backstops.

- The agency should provide incentives for experienced and high quality, direct hire technical officers to remain with USAID.

2.1.4 Implement Later – M/HR will review the incentive options available to retain experienced, high quality, direct hire technical officers.

- The agency also should make better use of AD authority and IPAs in USAID/W to provide high quality technical officers, seek PSC authority for Washington and consider creation of a "Reserve Corps" to provide a surge capacity.

2.1.5 Implement Now – The major constraint to hiring technical officers is the OE-driven onboard ceilings, which include both USDH and AD levels. To the maximum extent possible, Agency leaders should use AD authority to meet technical needs. In addition, such constraints do not apply to program-funded IPAs. PSC authority in Washington beyond BHR/OTI and ENI should be sought. A surge capacity can be funded with program funds. Agency experience indicates that there is not a need to prepare in advance a "Reserve Corps" roster.

2.2 Prioritizing among sectors based on field needs and USAID/W judgements

- The Council endorses M/HR's decision, for the moment, to prioritize among sectors based on the specific positions requested by field missions in their R4s and an informed judgment by M/HR and the Management Council.

2.2.1 Completed, but continuing – M/HR continues with its approved Workforce Planning methodology.

- The revised Agency Strategic Plan should provide more precise guidance regarding areas of emphasis over the five-to-eight year time frame, to be used by M/HR and the Management Council in making judgements regarding technical staffing shortage categories.

2.2.2 Not Actionable – The Strategic Plan is not intended to serve as the basis for workforce planning decisions. It provides the framework within which the Agency operates with specifics defined at lower levels.

- M/HR should restructure the technical officer backstops to correlate directly to the six agency goal areas.

2.2.3 Not Actionable – Restructuring technical officer backstops to correlate directly to the six Agency goal areas is inconsistent with the effort to simplify the overall backstop structure. (See 1.1.4.) Establishing a Skills Data Bank for all Foreign Service officers can better provide for career development, appropriate assignments and workforce planning.

2.3 Assign direct hire technical staff to the field based upon agreed principles:

- The following should be considered in assigning direct hire technical staff: a) the existence of an SO related to a particular sector in a field operating unit strategic plan; b) the amount of funds allocated to the SO; c) the clarity and priority of the program in terms of USAID goals; d) the organizational structure of the mission (teams, role of nondirect hire); and e) the quality of partnerships within the country.

2.3.1 Not Actionable – Decisions to establish positions in Missions for direct hire technical staff are made by Mission Directors, in consultation with Washington, with consideration given to budget and workforce constraints.

- Sector Councils should assume a much greater role in the assignment process to ensure that the appropriate technical officers are assigned to the mission where the need exists most for their specific talents.

2.3.2 Completed, but continuing – M/HR consults with Sector Councils and/or G Center personnel as part of the assignment process, but their views are not necessarily the deciding factor.

2.4 Developing an integrated technical workforce:

- The agency must more openly acknowledge the roles played by civil service and nondirect hire technical staff in supporting agency field operations and in ensuring that the agency continue providing quality technical programs. The Council encourages continued use, where appropriate, of temporary foreign service assignments for civil service technical officers.

2.4.1 Completed, but continuing – M/HR continues its CS-FS conversion program granting non-career FS appointments to qualified Civil Service employees.

- The agency should better incorporate considerations relating to the availability of nondirect hire technical staff and third country FSNs into agency workforce planning decisions and the implementation of agency training programs.

2.4.2 Not Actionable – Mission Directors have authority to hire non-direct hire technical staff and third country FSNs to meet their needs on a mission-by-mission basis. M/HR has authority for consolidated Agency workforce planning for US direct hires. The Agency has the means to meet its needs without centralized consolidated workforce planning for all segments of the USAID workforce. Budget constraints force priority being given to USDHs for M/HR training opportunities, but programs are opened to other employee categories whenever possible. Other training resources managed by Bureaus and Missions are available to non-direct hires and third country FSNs.

- Each Sector Council should: a) keep track of all direct and nondirect hire technical staff; b) assist with the recruitment of both categories; c) develop appropriate training programs for direct and nondirect hire technical staff; d) participate in assignment decisions to ensure that agency priorities are reflected in the process; and e) establish rosters of individuals with specific technical expertise, who can be retained on a "just in time" basis.

2.4.3 Implement Now – The Global Bureau and its Sector Councils should play a significant role in the implementation of these recommendations.

2.4.3.1 Without a database and staff to maintain it, a current record of direct and non-direct hire technical officers would be difficult to implement. A more modern Agency HR system should be able to provide this information for the direct hire staff and Global Bureau may be able to maintain data on non-direct hires.

2.4.3.2 Training programs – (See 1.1.4.1. and 2.4.2.)

2.4.3.3 Recruitment and Assignment decisions – (See 2.3.)

2.4.3.4 Rosters – (See 2.1.5.)

- The Management Council should require an annual report from each Sector Council regarding their perception of workforce issues and the Management Council should set aside time at least once a year to review these reports.

2.4.4 Overtaken By Events (OBE) — A separate workforce report by each Sector Council is unnecessary under M/HR's approved Workforce Planning methodology. In addition, such reports might not be seen in a "corporate light" without comparable reports from non-technical backstops not benefiting from Sector Councils.

2.5 *Emphasizing the technical manager role of direct hire technical staff*

- The Council reinforces the recommendation in the WPTF regarding the need for the agency to recruit and train technical generalists (who will become technical managers under our proposals).

2.5.1 Completed, but continuing — Technical generalists are being recruited. The knowledge, skills and aptitudes recommended by the Study Group have been largely incorporated into the Agency's vacancy announcements for these officers. (See 2.1.1.)

- M/HR and the Sector Councils should recruit staff and devise training programs with the goal of ensuring that technical officers, *in addition to a Masters Degree level familiarity with the sector in which they are working*, have the following competencies in a rough order of priority: planning and implementing programs within USAID; general development knowledge; basic principles associated with engaging key counterparts; oral and written communications skills; technical sector knowledge; and enhanced technical knowledge relating to the sector deriving from agency best practices.

2.5.2 Completed, but continuing — Recruitment and selection are based on, among other things, Knowledge, Skills and Aptitudes (KSAs) identified by the requesting office. "Enhanced technical knowledge relating to the sector deriving from Agency best practices" can be provided effectively through mentoring, and M/HR/LS is designing training programs to provide technical training support (but not technical competency training).

- It is essential that we provide training from the outset of a technical officer's USAID career with respect to these competencies.

2.5.3 Completed, but continuing — Training — (See 1.1.4.1., 2.1.2., and 4.4.)

3. Headquarters Workforce Alignment

A staff reduction of the magnitude necessary in Washington will require:

- **3.1 Major changes in functions and workload, particularly:**

- the OYB and budget planning process

3.1.1 Implement Now – M/B is simplifying the OYB and budget planning process.

- non-presence and limited presence programs

3.1.2 Implement Now – Non-presence and limited presence programs. PPC will submit its non-presence programs proposal to the Management Council. (See 1.3.1.)

- limiting new directives,

3.1.3 Implement Now – Decision memoranda for the Administrator establishing new directives should identify their workload impact.

- The number of procurement actions

3.1.4 Implement Now – (See 1.3.1.) The Management Council encourages the continuation of the current efforts by M/OP and the AAAP (Acquisitions and Assistance Advisory Panel) to limit workload by reducing procurement actions.

- personnel management between HR and the Bureaus

3.1.5 Implement Later – Personnel management processes can be simplified with the use of automated systems that are being evaluated.

- technical policy and evaluation practices.

3.1.6 Implement Later – Alternatives to existing policy and practices must be developed.

- **3.2 Forward planning:**

- identify staff reductions now for the next 3 years rather than an ad hoc adjustment each year

3.2.1 Completed, but continuing – Management is now using workforce estimates based on anticipated OE levels looking forward three years for the total number of Direct Hire employees, although periodic adjustments are necessary to reflect actual conditions. Position-specific projections can not be determined until actual FY levels are known.

- place staff from deleted positions as attrition occurs

3.2.2 Completed, but continuing – M/HR actively seeks to place incumbents of positions deleted or designated as surplus in vacancies resulting from normal attrition.

- increase training of staff to assume different responsibilities and avoid a RIF

3.2.3 Not Actionable – Limited OE resources preclude the provision of "job re-training" programs.

- use attrition levels to hire new FS staff each year but only replace GS staff on a limited basis in accordance with new alignment and Bureau levels

3.2.4 Completed, but continuing – Recruitment planning – Management Council control of outside hiring and monthly review of hiring and attrition have enabled the Agency to move in this direction, although budget levels preclude our hiring FSOs at high enough levels to replace all FSOs who leave the Agency.

- encourage a serious effort by supervisors to appropriately evaluate employees and address non-performance issues.

3.2.5 Implement Now – M/HR routinely encourages supervisors to appropriately evaluate employees and address non-performance issues. M/HR/LERPM advisory services are available and being used to address these issues. More effort by Agency managers is needed in this area.

- Focus the reductions on management, policy, and process functions to retain the priority on operations and delivery of development programs and the changing foreign policy environment:

- All Bureau and Offices in Washington would take some reductions;

3.3.1 Completed, but continuing – Reductions

- M Bureau, PPC and G would take the greatest proportion of the reductions

3.3.2 Completed, but continuing – Proportions

- Regional Bureaus would take the smallest proportion of reductions but some realignment between bureaus is recommended for a more even workforce distribution.

3.3.3 Implement Now – Management Bureau will determine the size, type and distribution of future reductions once the budget is known.

4. "Crossover" Recommendations

- **Communications.** The Council believes that we need a strategy communicating our proposed management changes internally, to partners, and for internal communications, and for working with Congress and OMB. It should be coordinated by LPA with M and PPC participation. The changes dictated by resource constraints and the changing policy environment are not necessarily negative; they can provide a chance for renewal. These communications efforts should begin immediately.

4.1.1 Implement Now – With the lead office determined by the Management Council, LPA, M and PPC should coordinate in the formulation and implementation of a communications strategy. Audiences include Agency-internal, partners, OMB and Congress.

- **Limited Presence/Non-Presence Support.** The Council endorsed the idea of regional bureaus clearing all global programs as one way of bringing consistency to programming in non-presence programs. A new policy regarding non-presence activities should be developed, reviewed by the Council, and disseminated soon.

4.2.1 Implement Now – The Management Council should determine that all non-presence programs will be cleared through the Global, Management, Policy and Program Coordination Bureaus, and appropriate Regional Bureau.

- **Staffing Policies/Managerial Authority.** There remains a great deal of confusion over the Agency's policies on staffing -- especially non-direct hire staffing. Council members will review the outdated 1995 guidance, and submit comments to AA/M, who will undertake to provide and distribute widely revised guidance by the end of October. "Managing to budget" and allowing Foreign Service officers to remain overseas beyond 14 years are also now Agency practice but should be better publicized. The R4 process should continue to be used to review overall mission personnel levels.

4.3.1 Completed, but continuing – The 1995 "Appropriate Use and Funding" guidance on employment mechanism is being revised. Portions of it are already replaced by new ADS chapters and Policy Notices. The balance should be replaced by M/HR by October 1999.

4.3.2 Implement Later – "Managing to Budget" is only being partially permitted. Direct hire employee costs remain centrally controlled and will remain so for the foreseeable future.

4.3.3 Implement Now – The FS assignment ADS chapter is in draft and addresses the duration of continuous overseas assignments in accordance with this recommendation. The FS assignment process itself already implements the policy. (More important is the enforcement of the 8-year limit for consecutive Washington Assignments.)

4.3.4 Implement Now — The R4 process is being used to review overall Mission personnel levels but will need to be tracked and used for several years to become an effective tool.

- **Training.** Training needs to have high priority, not just for direct hire staff, but also for PSCs, FSNs and others. The entire workforce needs to understand our ethics regulations, procurement, project management and other practices. The Council recommends and M has agreed that AA/M should create a dedicated reserve for funding training in FY 99, and to report on its utilization to the Management Council during the year, even though a firewall to fully protect these training funds cannot be guaranteed under current circumstances.

4.4.1 Completed, but continuing — To the extent OE resources are made available, training is provided, with direct hires the highest priority.

- **Dealing With Emergencies.** The Council is concerned with the need to balance the Agency's development and transition/crisis prevention goals, and the difficulty of getting seasoned staff to take hardship assignments. We should explore additional incentives to facilitate such assignments, and use creatively all available authorities, for example "when actually employed"(WAE), retired annuitant and PSC staffing to help increase our surge capacity. Expansion of the idea of a "reserve corps to expand our technical and other "surge" needs such as OTI is now using and has been employing is a promising approach. We also need a corporate decision-making mechanism for responding to opportunities/crises. At the present time, each bureau is expected to "eat" the FTE and other OE costs for unanticipated and rapidly expanding programs in their areas.

4.5.1 Implement Later — Further analysis is required.

- **Agency Strategic Plan.** Our current strategic plan focuses directly and rather exclusively on the Agency's development agenda, ignoring almost entirely our foreign policy implementation and crisis response roles. Even our training programs tend to focus on development to the exclusion of the other two responsibilities. The Council strongly recommends that our training must do a better job of acknowledging the more complex environment in which USAID now operates. It is important, for example, not to lose sight of the important foreign policy role that USAID officers assigned to Washington play.

4.6.1 Completed, but continuing — The Reaching for Results program now includes the important foreign policy role USAID officers play, recognizing the complex environment in which USAID operates. The new Managing for Results course and other courses being designed will similarly focus on these areas.

FY99 Foreign Service Recruitment Plan Recommendations

The table below summarizes both long-term and short-term hiring recommendations by occupation for each of the nine backstops examined.

{PRIVATE }Occupational Group	Recruitment Recommendations	
	Long Term	Short Term
BS-12, Democracy & Governance	6 IDIs	up to 4 non-careers
BS-40, Environment	7 IDIs	0
BS-50, Health, Nutrition, & Pop.	12 IDIs	up to 9 non-careers
BS-04, Controllers	6 IDIs	0
BS-93, Contract Officers	10 IDIs/FS-3s	up to 6 non-careers
BS-85, Legal Officers	4 FS-2s	0
BS-02/94, Program/PD Officers	9 IDIs	up to 6 non-careers
BS-03, Executive Officers	0	0
Grand Total	54	up to 25 non-careers

Completed, but continuing — Recruitment for the above is substantially completed.

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