

# **WORKFORCE PLANNING TASK FORCE**

**REPORT TO THE**

**STEERING GROUP**

**November 26, 1997**





U.S. AGENCY FOR  
INTERNATIONAL  
DEVELOPMENT

November 26, 1997

**MEMORANDUM**

**TO:** Workforce Planning Steering Group  
**FROM:** Workforce Planning Task Force  
**SUBJECT:** Report to the Steering Group

The Workforce Planning Task Force (WPTF) completed its task October 31, 1997, on schedule. The result of two months of intensive research, analysis and deliberation is the attached "Workforce Planning Task Force Report to the Steering Group." The document contains an Executive Summary which defines the four broad categories of recommendations and presents summaries of all recommendations. Following this 22 page Executive Summary are 17 tabs (**Tab A - Q**) each representing a suggested action memorandum containing an issue/problem statement and a specific set of justified recommendations which could be finalized and sent to the appropriate office for action. There then follow a Methodology section which chronicles the efforts of the WPTF and explains its methodology, a list of reference documents, and an abbreviated summary of all recommendations indicating proposed action offices.

The WPTF thanks the Steering Group for this opportunity and for its confidence, encouragement and support. The enthusiasm with which these recommendations were received is encouraging; their prompt implementation will be the reward.

The WPTF also thanks the many USAID employees, both in Washington and overseas, who provided valuable insights and frank comments on the many issues being considered. Their contributions were essential to this effort.

The WPTF looks forward to continued cooperation with the Steering Group and, hopefully, the Resource Allocation Team.



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## Executive Summary

The Workforce Planning Task Force (WPTF) was born out of a recognition that USAID must actively manage workforce planning if it is to maintain its bilateral assistance leadership role and its comparative advantage of overseas presence. If USAID continues its present course, it is likely that less than 45 percent of the USDH workforce will be Foreign Service, totaling approximately 700 Foreign Service Officers, by the year 2002. This would result in a significant further reduction in overseas presence and a clear failure to achieve USAID's mission.

This paper presents a package of recommendations which, if acted on, can alter that course and help the Agency achieve its vision, including:

- Place 35 percent of USDHs overseas (up from the current 31 percent) in redefined missions;
- Save substantial OE resources over FYs 99-00 to be used primarily for staff development;
- Reduce the USDH total through attrition and position close-out;
- Preserve and better utilize the FSN resource base;
- Reduce unnecessary work processes;
- Reduce the number of senior positions above the office director level in USAID/Washington;
- and
- Improve workforce quality, availability and diversity.

The recommendations in this memo flow from the *guiding principles* developed by the WPTF:

- The Agency must not cut the field — it has been cut too deeply already.
- The Agency must invest in its people — fewer, well-trained staff are better than more, poorly-trained staff.
- The Agency must make optimal use of all categories of personnel — including USDHs, PSCs, RSSAs and PASAs, FSNs, TAACs and Fellows — and consider the needs of all to maintain morale and effectively meet USAID's mandate.
- Diversity in the workforce greatly benefits the Agency — the workforce should reflect the diversity in the U.S. population at large.
- The Agency must make transparent program and human resource management decisions — resource decisions should rest with those responsible for producing the results.
- The Agency must acknowledge the full spectrum of its core work — from humanitarian and transition assistance to sustainable development.
- USAID/W's relationship with the field must be more customer-oriented.

## Synopsis

**I. Workforce Planning Process** — Human resource processes are currently ad hoc and often respond to employee rather than Agency needs. To address this, the WPTF recommends establishment of a Resource Allocation Team responsible for establishing Human Resource priorities, setting resource allocations at the beginning of the budget cycle not the end, establishing *reference points* for all bureaus and evaluating compliance, and ensuring effective integration of program and workforce planning/budgeting. We recommend monitoring implementation progress through a “Report Card” and periodic meetings with the Administrator and WPTF group. We recommend that the Agency eliminate non-direct hire workforce ceilings and begin developing and piloting a “management-to-budget” system. We recommend implementation of a “Six Steps to Diversity” Program led by the Deputy Administrator.

**II. Realignment of Workforce** — Currently, the Agency’s structure is not efficiently organized and has many layers of duplication. A greater percentage of staff operate in Washington, focusing on complicated processes. If we continue our existing pattern, our field presence will continue to decline and reduce our ability to deliver results. To avoid this, the WPTF recommends that USAID/Washington staff be reduced and work processes simplified. We also recommend that the field missions expand their flexibility in sharing staff resources, reexamine their OE costs, and make better utilization of FSNs. We recommend that a freeze be put in place on all outside Civil Service recruitment until an Agency workforce plan for achieving the new staff levels is in place. We recommend specific recruitment targets in FY 98 as well as ways to improve the functioning of technical and administrative staff.

**III. Workforce Flexibility** — The Agency needs to have a workforce that is flexible to meet the current and future needs of the Agency. The WPTF proposes that the CS/FS systems become more user friendly by increasing movement between the two systems. We recommend that the FS system be streamlined by using generic position descriptions, revising the current backstop system, establishing a skills inventory bank, and changing the position classification system. We also seek flexibility between the two executive assignment systems and changes in the system for recruitment and benefits for PSCs. Finally, this flexibility must be matched with discipline to enforce the foreign service assignment precepts.

**IV. Professional Development** — Given its streamlined configuration the Agency needs to have the highest quality staff. Through training, promotions, and incentives the WPTF is recommending a policy to improve staff competency. We recommend that training no longer be considered a discretionary item and have identified additional funding resources to increase Agency training. We also propose rewards for staff who perform well and are willing to serve in hard-to-fill positions.

## Summary Recommendations for Decision

### I. Workforce Planning Process

Human resource processes are currently ad hoc and often respond to employee rather than Agency needs. To address this, the WPTF recommends: establishment of a Resource Allocation Team responsible for establishing Human Resource priorities; setting resource allocations at the beginning of the budget cycle, not at the end; establishing *reference points* for all bureaus and evaluating compliance; and ensuring effective integration of program and workforce planning/budgeting. We recommend that the Agency eliminate non-direct hire workforce ceilings and begin developing and piloting a “management-to-budget” system. Finally, we recommend monitoring implementation progress through a “Report Card” and periodic meetings with the Administrator and WPTF group.

#### A. The Establishment of a Dynamic Workforce Planning Process (See Tab A)

Presently, workforce planning in the Agency is essentially budget-driven, largely ad hoc and conducted primarily at the bureau level. In the absence of an agreed-upon long-term (e.g., 3-year) Agency-wide workforce plan, the Agency lacks the flexibility to respond to changing priorities requiring the deployment of existing staff resources in a timely manner without inadvertently doing harm to other priority programs.

Human resource management decision processes are not only ad hoc but often respond to employee rather than Agency needs. The Agency lacks a mechanism for addressing the needs of all categories of employees, including Direct Hire (CS, FS, AD, SFS, SES, etc.), non-Direct Hire, PSC, FSN, and program-funded employment mechanisms. Part of the problem is the rigidity with which the Agency practices human resource allocations.

There is no effective, systematic mechanism for reconciling proposed staffing decisions against such considerations as program scope, assistance levels, performance standards, overseas staffing, etc. There is no agreed upon basis for comparison between bureaus and Missions and, thus, judging the validity of structures, personnel ceilings, or personnel variations. The Agency lacks an incentive structure at the Mission level to increase cost-effectiveness, productivity and output quality and/or reduce staff levels and expenditures.

#### 1. Recommendations:

(a) That the Administrator establish a Resource Allocation Team (a.k.a. Rat Patrol) that will be responsible for implementing a dynamic workforce planning process which must be perceived as both fair and transparent. This Team would be given a clear mandate for:

— Projecting workforce and diversity needs over a 3-5 year time horizon for the entire workforce, including Direct Hires and non-Direct Hires alike;

— Establishing human resource priorities for the Agency with respect to program, hiring, grade profile and promotion numbers, and training;

- Setting resource allocations at the beginning of the budget cycle, not at the end;
- Determining reference points for staffing and operating expense levels for all bureaus and evaluating compliance with same;
- Ensuring effective integration of program and workforce planning/budgeting in the R4/BBS process;
- Implementing a program of incentives for increasing cost-effectiveness and sound human resource management; and
- Determining human resource trade-offs before and/or when the Agency embarks on new initiatives.

It is recommended that the Administrator specifically name senior managers from the bureaus and independent offices (e.g., GC, LPA and EOP) to serve on the Resource Allocation Team. Team members would be expected to step out of their normal bureau role and assume a position which places the broader needs of the Agency above those of their respective bureaus. Staff support for the work of the Team would be provided by M/B and M/HR/PPIM. A draft "Sample Charter" for the Rat Patrol is included in **Tab A**.

- (b) That M/HR/PPIM be strengthened by the addition of 1 - 2 additional staff members drawn from other parts of the Agency so that it can more effectively carry out analysis of the Agency's organizational structure and workforce needs in support of the Rat Patrol.
- (c) That M/HR/PPIM conduct a Senior Management Workforce Survey of future Agency skill needs so as to inform the deliberations of the Rat Patrol. It is further recommended that subsequent Senior Management Workforce Surveys be conducted on an annual basis until such time as the Agency determines that the R4/BBS process is producing complete and reliable workforce need projections tied to future program requirements.
- (d) That Agency R4 and BBS guidance be revised to require that each management unit and bureau include a projection of its future workforce needs over a 3-year time horizon. The guidance should require that these projections specify backstop/skill area and employment category (i.e., DH, non-DH, OE or program funded).
- (e) That the Rat Patrol agree to an implementation plan for FY 98 based on these recommendations and that this plan include the development of a "Report Card" on Workforce Planning which could be folded into the M Bureau BBS or the Agency's Annual Performance Report.
- (f) That the Rat Patrol and the HR staff meet with the WPTF group at least every three months to review progress and implementation of the proposed activities.

Special attention will be given to delayed actions and barriers that have been encountered.

#### B. **Manage to Budget (See Tab B)**

Currently, managers of operational units are responsible for managing for results but are constrained by a patchwork of systems which constrain their ability to mobilize efficient and cost effective operational teams. Managers are provided program budgets, USDH ceilings, three different non-USDH ceilings and historically-based operational expense (OE) budgets that cover only part of their operational expenses. The addition of non-USDH ceilings four years ago was especially constraining and often results in managers turning to more expensive mechanisms to implement programs and forces managers to accept imposed ceilings as defining their workforce composition. The current system has three major drawbacks: 1) there is no system in place or under design to break from historical trends in allocating (OE) budgets; 2) managers have neither the ability nor the incentive to strive for the most efficient use of valuable OE resources; and 3) the system does not provide the Agency with a realistic base from which to estimate its future workforce needs.

Ultimately, the Agency should allow managers to “manage-to-budget.” To empower managers and maximize OE resources, they should be held accountable for their decisions and rewarded for planning and managing an efficient operational unit which is responsible for programmatic results.

1. **Recommendation:** Immediately eliminate non-direct hire workforce ceilings (either Agency-wide or with pilot Bureaus) with the caveat to all managers that: 1) if accurate reporting on workforce composition and levels is not provided and 2) they do not stay within current- and out-year budgets, personnel ceilings will be reimposed. Efficient and effective management of resources should be emphasized in the precepts for senior threshold panels and SMG selection boards.

2. **Recommendation:** Simultaneously, the Agency should develop normative standards for operational costs, implement a plan to introduce and test a full “management-to-budget” approach to OE allocation, and assure adequate education of its managers for effective implementation. M Bureau should take the lead, working closely with Bureau AMSs, with a goal of having a management-to-budget system fully operational by the year 2001.

If this recommendation is accepted, the WPTF suggests that a committee of all Bureau representatives and a WPTF representative be convened by M Bureau to develop a detailed workplan for implementation.

#### C. **Institutionalizing Diversity as an Agency Core Value (See Tab C)**

Valuing Diversity is recognized as an Agency core value along with Customer Focus, Managing for Results, Empowerment and Accountability, and Teamwork. Reengineering moved the Agency toward accomplishing its corporate objectives through teams made up of USAID employees, partners, stakeholders, and customers. This movement required a major shift in corporate thinking and, among other things, a thorough appreciation for the value of

diversity to the Agency. Diversity awareness is a business imperative, requiring that all employees and managers have a common understanding of the value of diversity, and be able to recognize, accept, and utilize human differences in working together to meet customer needs. Presently, there is no such mechanism established within the Agency for the specific purpose of ensuring that valuing diversity is reflected in all of our world-wide business activity. Various components within the Agency contribute to some form of diversity recognition, but little results are achieved in a large way because of this uncoordinated fragmentation. Effort is required to consolidate diversity initiatives and achieve the meaningful outcome of incorporating diversity as a core value.

1. **Recommendation:** The Agency immediately adopt the attached "Six Steps To Diversity" Program (Tab C), a 3-year strategy to institutionalize diversity as a core value by the year 2000. Implementation of this Program includes the appointment of a Senior Agency official (i.e., the Deputy Administrator) to oversee, coordinate, and ensure success of the Program. This official will:

- (a) Work with Agency managers, both in Washington and overseas missions, to manage and coordinate the Agency's corporate diversity strategy;
- (b) Assist missions with developing guidelines and learning experiences/training for FSNs related to cultural diversity and maintaining respectful workplaces;
- (c) Coordinate with Bureau and Office heads, and mission directors to satisfy their annual diversity training needs;
- (d) Organize, coordinate and implement annual diversity awareness training, to begin FY 98;
- (e) Support Agency management, EOP office, IG, GC, AMS officials, HR office and other entities, to ensure that the incorporation of diversity as a core value continues to move forward; and
- (f) Coordinate the compilation and distribution of the "Diversity Report Card" worldwide.

## II. **Realignment of Workforce**

Currently, the Agency's structure is not efficiently organized and has many layers of duplication. A greater percentage of staff operate in Washington, focusing on complicated processes. If we continue our existing pattern, our field presence will continue to decline and reduce our ability to deliver results. To avoid this, the WPTF recommends that USAID/Washington staff be reduced and work processes simplified. We also recommend that the field missions expand their flexibility in sharing staff resources, reexamine their OE costs, and make better utilization of FSNs. We recommend that a freeze be put in place on all outside Civil Service recruitment until an Agency workforce plan for achieving the new staff levels is in place. We recommend specific recruitment targets in FY 98 as well as ways to improve the functioning of technical and administrative staff.

A. **Vision of the USAID Workforce in the Year 2000 (See Tab D)**

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). 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).

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 (See also Tab N, "Foreign Service Assignment Precepts"). 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.
- 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.
- 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.

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.

B. **Redefinition of Overseas Presence (See Tab E)**

If USAID is to maintain its comparative advantage of an overseas presence with declining resources, it must reexamine the precepts for a field mission and expectations of managers and officers assigned to it. The WPTF did so and concludes that an exclusive reliance on the traditional bilateral mission—where officers are expected to serve in only that country—is expensive and not the best use of human resources to meet many of the Agency’s changing workforce needs. In this regard, the July 23, 1996, *Overseas Workforce Restructuring Analysis* is considered too restrictive and prescriptive as to what constitutes a field mission. Its general disuse suggests it is not being used as a workforce planning tool.

The future USAID mission will be one where the boundaries of its responsibilities are less clear-cut than presently is the case (to avoid confusion with the existing bilateral mission, we refer to the new mission arrangement as a “matrix mission”). Matrix missions will share staff resources with neighboring missions, at times receiving assistance, and at times providing assistance. The workforce dynamic will also change, with the USDH technical officers increasingly playing a managerial/team facilitation role (working with contracted local and expatriate staff), as opposed to directly managing activities. The roles of USDH support

officers (EXOs, Contracting Officers, Controllers) will also evolve, as some functions might be able to be shared with neighboring missions. The WPTF anticipates that the net effect will be that more technical skills will be available at the field level, as certain staff functions (heretofore indivisible) will be shared.

The critical operating assumption is that a mission needs a certain set of skills to operate effectively. However, where those skills are located is less a concern, so long as there is ready *access* to those skills when needed. All management, accounting, administrative, support, and technical needs are met, but rather than having one person for each area assigned to each mission (potentially up to 11 USDH per post), certain responsibilities are shared. This approach allows field presence to be maintained, but with only about two-thirds the USDH staff. Cost savings are also anticipated, although these would be slightly offset by higher travel costs. This approach will also address the critical need to provide training grounds for junior officers overseas.

1. **Recommendations:**

(a) rescind the policy guidance in the *Overseas Workforce Restructuring Analysis* dated July 23, 1996;

(b) formally acknowledge that all USDH managers and officers assigned to an overseas mission may be required to provide programmatic, administrative, or technical coverage beyond the borders of the countries where they are stationed, and that this be incorporated into work requirements and recognized favorably by the promotion panels;

(c) expand use of "matrix missions" to provide a wider number of missions/programs access to the full range of USDH skill categories, including responding to emergency requirements; and

(d) where appropriate, look increasingly to FSN employees to bear a larger share of the workload (providing training to effect this change where needed).

C. **Resource Realignment Among Geographic Bureaus: Greater Equity and Transparency in the Decision-Making Process to Allocate Staff and OE Resources (See Tab F)**

There is no system in place that can mediate resource allocation decisions among geographic bureaus equitably and transparently. Consequently, there are wide variations in Agency development programs around the world, as well as in their relative costs to operate. While some variation is expected, the differences should not be so wide as to have relatively well-staffed missions in some geographic regions, and an inability to meet USG commitments in others. If USAID is going to be a responsive instrument of U.S. foreign policy, a commitment must be made to put in place systems to rationally, fairly, and transparently allocate staff and OE resources such that all Agency global commitments can be met.

The WPTF recommends that the Resource Allocation Team (“Rat Patrol”) undertake a multi-step process to realign staff and OE resource allocations. Care must be taken to ensure the system is fair and transparent, but also that it leads quickly towards a more equitable distribution of resources (i.e., that there is a greater correlation between staff and OE allocations and program size/complexity). As a first step, the Rat Patrol must develop formulas to calculate reference points to be used in making resource allocation decisions; agreement on a desired timeframe to effect the realignment should also be made at this time. The idea is that reference points would be used to establish normative ranges for overall cost items and program elements (e.g., staff allocations when compared to the number of activities, program complexity, etc.). Where costs or staff allocations are relatively high when compared to the reference point, the expectation would be that these would need to be reduced over a period of time, until they were brought within the desired range. Likewise, if cost or staff allocations are low when compared to the reference point, there might be relief given in terms of additional resources or staff to bring the allocations in line with Agency norms.

Once formulas are established, data must be collected, ideally through existing mechanisms. The WPTF suggests that the R4 process be used to collect such data, and that the R4 guidance currently being prepared include cost and program elements needed to establish the normative ranges. The third step would be to calculate the normative ranges using Bureau and field data. The fourth step, as part of the annual BBS process, would be to conduct a region-by-region comparison, to determine where regions fall vis-a-vis the reference points and the normative ranges and to assess circumstances which may call for variations from the norm. The fifth step would be to use this analysis to inform the process for establishing staff and OE targets among geographic bureaus.

1. **Recommendation:** That the Resource Allocation Team be immediately assigned the task of developing and implementing an equitable and transparent staff and OE resource allocation system. The expectation is that such a system would result in a more rational allocation of staff and OE resources, a realignment of overseas staff, and a greater correlation of staff and OE allocations to program size.

#### D. **Simplification of Work Processes and Reduction of Workload (See Tab G)**

Over the past five years, USAID reduced its USDH workforce by 29 percent, but did not succeed in reducing workload proportionately, in particular workload associated with process and administration. As a result, staff time is overly consumed in meeting bureaucratic requirements, to the detriment of improving program performance. In addition, while reengineering eliminated some features of how we did business, it left a number of gaps in how we now should be doing business. This lack of clarity means that each operating unit has to define for itself design and implementation documentation and approval procedures, leading to much duplication of effort, uninformed experimentation, and convoluted procedures. Together these factors are weakening the Agency’s focus on managing for results, can produce vulnerabilities, and are requiring an inordinate amount of time to be spent on process rather than substance. An additional factor to be considered is that the multi-faceted nature of our work and increase in Agency initiatives increased also our

substantive workload and created competing demands for staff time that threaten our quality of work.

1. **Recommendation:**

(a) That PPC be assigned the function of managing the Agency's efforts to simplify work processes, and that Agency staff across all bureaus be involved, through team efforts, to help define new or revised processes in critical areas that support managing for results and that allow staff to be more efficient, particularly as they deal with the administrative business of the Agency. PPC recently assumed the responsibilities of the Results Oriented Reengineering (ROR) Office, and thus is the logical place for this work. Within two months there should be a work plan that identifies the work processes to be addressed, the participants, and a timetable.

(b) That before any new initiative is approved, its staffing requirements and how they will be met are identified, and that ongoing initiatives are evaluated on a regular basis to determine whether they continue to require the attention of the Agency. The Administrator's office should be responsible for developing the inventory of initiatives agency-wide and the regular review of that inventory, and should enforce the review of staffing implications prior to new initiative approval.

E. **Recruitment Principles (See Tab H)**

The Agency's current recruitment practices are not based on Agency future priorities. To make hiring decisions today that will meet the Agency needs of tomorrow, the Agency needs both the vision and guidance of the Resource Allocation Team (a.k.a. Rat Patrol) as well as the support of a strong workforce planning analysis unit. To date, USAID failed to make the best use of all of the hiring authorities it has and which should be used to get the best and most flexible workforce needed to fulfill its mandate. In addition, outreach is limited and fails to recruit staff that reflect the workforce diversity the Agency seeks.

There should be no more ad hoc mid-level hires (Civil Service or Foreign Service). Any recruitment, CS or FS, temporary or permanent, must be based on a collaborative, agreed-upon workforce plan which focuses on the future needs of the Agency, not only on immediate needs. Future needs means looking three to five years forward. In conjunction with the Rat Patrol, M/HR will draft the plan, consulting closely with the Office of Equal Opportunity Programs, the Bureaus, and other independent offices. The Rat Patrol will take final action on the plan. Critical unanticipated needs will be addressed by periodic updates to the workforce plan following the same collaborative process.

1. **Recommendation:**

(a) Freeze all Civil Service recruitment from the outside until an Agency workforce plan for achieving the new staff levels is in place. During the freeze, M/HR, in consultation with the Bureaus, will do a workforce planning analysis. The analysis will identify where and when the Agency will recruit to fill Civil Service positions.

(b) M/HR shall integrate the Office of Equal Opportunity Programs into the entire recruitment process to ensure that the Agency meets its diversity goals.

(c) The Agency should establish and publish diversity goals for its recruitment.

2. **Recommendation:** In FY 1998, recruit 15 International Development Interns (IDIs) distributed as follows:

- 2 Democracy
- 4 Health/Population
- 3 Environmentalists
- 3 Contract Officers
- 3 Controllers

We further recommend that we commence analysis of FY 1999 hiring immediately including a formal survey of the field.

**F. Meeting the Technical Staffing Needs of the Agency (See Tab I)**

Given the significant reduction over the past five years in the USDH technical staff of the Agency (33 percent) and concern over its impact on programs particularly overseas, and given the consequent need to be even more efficient in the use of the USDH workforce, the Agency must address some key questions about how to achieve greater efficiency and how to promote greater productivity in its technical work.

USAID meets its need for technical skills in a variety of ways, both OE-funded and program-funded. It is generally agreed that there are fiduciary, procedural and qualitative reasons for maintaining a USDH cadre of technical officers who may function primarily as technical managers, and that a cadre of limited appointment direct hire and non-direct hire staff also is necessary to perform the work within activities and to bring state of the art expertise to meeting Agency objectives.

Elsewhere in the WPTF's set of recommendations there is discussion about the need to maximize the use of short-term USDH hiring authority (Tab H, "Recruitment Principles") to keep the Agency aware of new developments in the various technical areas, and about the lifting of non-USDH staff ceilings (Tab B, "Manage to Budget") so that operating units are better able to meet the technical demands their programs present. Here the focus is on the Agency's USDH staff and the set of issues surrounding the efficient use and location of that staff.

1. **Recommendations:**

(a) 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. This assessment should be defined jointly by central and regional bureaus (including field missions), managed by M/HR, and conducted over the next year;

(b) Regional bureaus and central bureaus should provide a clearer definition of their respective technical functions and their interrelationships both with each other and with field missions. A statement should be published by each relevant operating unit within three months based on joint consultations with all relevant Agency units;

(c) To improve development of USDH technical staff as "technical generalists" who can more effectively manage work in a technical area, the Agency should provide management training to technical staff; and

(d) Staffing needs for each technical area should be assessed through a joint effort among M/HR, G, PPC, regional bureaus (including field missions), and sector councils, and be put forward to the Rat Patrol. This should be managed by M/HR, and should be completed during the first half of CY 1998.

**G. Appropriate Utilization and Distribution of Contracting, Legal, Financial and Executive Officer Staff (See Tab J)**

Administrative management functions were identified as necessary for the efficient conduct of agency programs. Furthermore, overseas and Washington units identified *access* to those functions *overseas* as a key aspect in the appropriate distribution of Agency staff. The WPTF agrees that overseas missions must continue to receive financial, executive officer, procurement and legal assistance from locations overseas.

The WPTF heard concerns on the shortage of financial managers, and the elimination of training grounds for all administrative managers overseas. Training ground opportunities are addressed by the WPTF "Redefinition of Overseas Presence" recommendations (Tab E). Several offices were noted for their responsiveness and customer focus, and may serve as organization and client orientation models that could and should be applied to the performance of administrative as well as technical functions in the Agency. A universal theme in the comments received from Washington and the field, however, concerns profound dissatisfaction with procurement and grant functions, particularly in Washington.

**Recommendations:** It is in light of these constraints that we make the following recommendations which are based on the best practices in contract administration advocated by the Office of Federal Procurement Policy (OFPP):

- 1. All technical and support staff involved in contract and grant administration (other than procurement officers) should receive training** in procurement and acquisition matters on an expedited basis. Whenever possible and appropriate, all types of training should be conducted combining procurement and non-procurement staff in the same training program, contributing to team building and enhanced understanding of each other's needs.
- 2. A redefinition of the relationship between the contracting officers and the COTRs in the Agency is urgently required.** Contracting officers, as well as others, have noted that the procurement and assistance process would be greatly facilitated if contracting staff was included as part of the development program team early in the process. Along these lines, the WPTF recommends that:

(a) **The Office of Procurement improve its customer service.** The chief of an OP Contracting Team should attend senior management meetings of the client bureau and be part of that bureau's senior management, although he or she would remain officially part of the M Bureau. The objective is to ensure that bureau contracting teams be knowledgeable and aware of program activities in the region so that they can more effectively support their clients in Washington as well as backstop their contracting officers overseas.

(b) **The relationship between procurement offices and program/technical offices in Washington follow the best practices suggested by OFPP in which "the contracting officer works for and reports directly to the program/[technical] management. ...[T]he contracting officer [is]...a facilitator to ensure that good contracting principles are adhered to while achieving the program's goals."** The performance of contracting functions in Washington would be evaluated as it is overseas, taking into account the timely and effective accomplishment of program purposes as measured by client satisfaction. Full 360° input should be obtained for their Annual Evaluations. Pilot projects **co-locating procurement staff** in one unit of the Global Bureau and BHR, as well as in the ENI Bureau, should be initiated immediately.

### III. Workforce Flexibility

The Agency needs to have a workforce that is flexible to meet the current and future needs of the Agency. The WPTF propose that the CS/FS systems become more user friendly by increasing movement between the two systems. We recommend that the FS system be streamlined by using generic position descriptions, revising the current backstop system, establishing a skill inventory bank, and changing the position classification system. We also seek flexibility between the two executive assignment systems and changes in the system for recruitment and benefits for PSCs. Finally, this flexibility must be matched with discipline to enforce the foreign service assignment precepts.

#### A. Achieving Greater CS/FS Flexibility to Meet Agency Needs (See Tab K)

The Agency needs to be able to get the right people into the right positions at the right time. As the Agency deals with a shrinking cadre of career personnel, it is imperative that distinctions between the types of government service fade and the matching of employee's skills to the job's requirements regardless of government service category increase. Also, when an immediate crisis arises, such as Bosnia or the Congo, the Agency should respond quickly, drawing flexibly from its entire direct hire staff (CS and FS) to meet the need.

The existing workforce appears too rigid and stovepiped by foreign and civil service category to permit timely deployment. Where there are processes that permit FS and CS to hold positions which are designated for the other services, or cross-over to the other service—the process is slow and appears non-transparent. From WPTF interviews it is clear that there are CS staff who want the opportunity to serve in a limited-term foreign service assignment overseas. Similarly, FS staff are interested to have the universe of job openings in AID/W,

including CS slots, made available to them. These options, therefore, are viewed not only as meeting Agency needs but also providing new challenges and learning opportunities for USAID direct hire staff.

1. **Recommendations:**

- (a) USAID should increase the frequency of its FS assignment cables to quarterly. This should assure that FS slots are filled in a more timely manner and expedite CS opportunities to fill FS positions if no qualified FSOs apply.
- (b) USAID should include in the FS assignment cable standard language that CS may apply to any FS position which was previously announced, with the understanding that qualified FSOs get priority. Likewise, it should be made clear that FSOs can apply and compete for CS positions for their Washington assignments.
- (c) This flexibility across CS/FS positions should also be extended to the executive corps—SES and SMG positions. See separate decision memo on this issue.
- (d) PMIs with strong performance should be allowed to choose a CS or FS track in USAID upon completion of their two-year program. On the FS side, they should be able to by-pass the normal IDI application process and convert directly as a limited career FSO with tenure potential.
- (e) If the above recommendations are not fully implemented or do not provide the Agency with the flexibility it needs to place appropriate direct hire staff in vacant positions in a timely manner, then the Agency should assign a group to reinvigorate the concept of the Joint Development Corps. This more dramatic change may be needed to make for a more seamless and efficient system.

B. **Streamlining FS Personnel Systems to Increase Flexibility, Responsiveness, and Transparency (See Tab L)**

One set of systems that is very labor intensive and adds little is that of: establishing Foreign Service (FS) positions and writing FS position descriptions; classification of these positions; and, the use of the resulting position levels and Backstop (BS) determination in the FS assignment process. For the most part, current detailed position descriptions (PDs) do not reflect the on-the-ground reality of the positions they are meant to describe. Consequently, the assigned BS codes may no longer be valid for the real task. The classification of specific grade levels for positions is time consuming, often a source of dispute when being classified and a cause of distortion in the assignment process as individuals put great weight on the grade of positions rather than the functions because of a perceived relationship to promotions. This set of systems is deemed by many to be of little use to the missions, the employees and the personnel system and their rigidity hampers all concerned. Most agree that a system which provides more flexibility, empowers managers, and brings back some integrity to the process is sorely needed.

**1. Recommendation:**

(a) **Position Descriptions**—Generic Position Descriptions (PDs) should be developed from which Agency managers can select the most appropriate PD, most closely describing the general functions of the FS position that they are trying to fill. This will alleviate the need to constantly write, update and reclassify PDs for each FS position. This will allow the specificity of a job and the results being sought to be described in an effective workplan as part of the Agency evaluation system. (Note: These PDs would be used only for FS positions.)

(b) **Backstops**—The number of Backstops (BSs) should be reduced to five occupational categories defined only by a broad definition of the nature of the work performed but supplemented by the AOSC code to add specificity. Establishing mixed-skill jobs, an increasing phenomena in our growing number of smaller missions, would be much easier under this system. These five categories would be:

- i. Senior Management - SMG and SES positions
- ii. Program Coordination - includes BSs 02, 94, and 85 currently.
- iii. Technical & Program Delivery - includes BSs 10, 11, 12, 15, 21, 40, 50, 60, and 75
- iv. Administrative Management - includes BSs 03, 04, 92, and 93.
- v. Administrative Support - includes BSs 05 and 07.

(c) **Skills Inventory**—In conjunction with (b) above, HR should embark on the process of completing a skills inventory of all of the Agency's employees to be used by Agency managers when seeking to fill their positions and by HR as part of the workforce planning process.

(d) **HR-lite**—To facilitate (c) above, HR should proceed with the procurement of either a portion of its previously competed HR/Pay Automated System or COTS applications sufficient to effectively implement the above recommendations.

(e) **Classification of Positions**—FS positions should be broad-banded into three groups — Junior-Level, Mid-level and Senior-Level. This approach will relieve the managers and HR from the debate over what grade level specific positions should be and ease the pressure to ensure a grade sufficiently high enough to attract bidders in the FS Assignment process. This would be a very easy process to implement with no real cost and little if anything would be lost that is truly value-added. Once the preoccupation with grade levels is reduced, managers and promotion panels can focus on real issues such as what results were achieved by the officer rather than what was the grade level of the position that the officer was encumbering.

**C. The Executive Workforce and the Executive Assignment Systems (See Tab M)**

In an effort to promote transparency, consistency, equity, and flexibility in the executive workforce, the Agency is for the first time making an attempt to fully document the policies and procedures governing the assignment process for the Senior Management Group (SMG). With this process, the Agency is also attempting to integrate and rationalize all senior positions into one unified process. Given the nature of the Senior Executive Service (SES) system and the current ad hoc manner in which this segment of the executive workforce is managed, any effort to create a more seamless, fluid executive corps will be restricted. Careful management and integration of these two assignment systems will lead to a more streamlined approach to the process and insure more effective utilization and deployment of USAID's executive corps.

**1. Recommendations:** In an effort to provide flexibility and streamline the processes of the two executive assignment systems, increase transparency and understanding in the decision making process, and create a more integrated executive workforce, the WPTF recommends:

(a) Review all SES positions not only for appropriate designation using the criteria set forth in 5 CFR 214.402, but also for appropriate distribution of SES allocations within the Agency. Career Reserved designations should be kept to the minimum required to allow flexibility between the two executive assignment systems.

(b) Expansion of the role of the Agency's Executive Resources Board (ERB) beyond the statutory requirement of conducting the merit staffing process for entry into the SES to have a much broader role in the general oversight of the management of executive resources. The ERB should function as an advisory board to the Agency head in executive personnel planning, utilization of executive human resources, and executive development of the SES/SFS. This group would be provided with support by M/HR/EM and by M/HR/PPIM, as appropriate.

(c) Integrate functions and membership of the ERB with the SMG selection panel. Members of the ERB should be drawn from or be enhanced with members of the SMG selection panel. As some of the ERB's proposed expanded functions are also part of the Rat Patrol Charter, the ERB membership could be the same as that of the Rat Patrol.

**D. Foreign Service Assignment Precepts (See Tab N)**

With increasing demands and expectations being placed on an increasingly smaller Agency, it is no longer affordable to have Foreign Service Officers (FSOs), including Senior Foreign Service Officers, unwilling or unavailable for overseas assignment, particularly when there are critical vacancies overseas. Better adherence to and enforcement of foreign service assignment precepts will ensure more effective use and deployment of USAID's Foreign Service employees.

This said, the FSOs unwilling to go overseas may well be providing valuable services to the Agency. Thus, the intent is not to punish them by separating them from the Agency, but rather to encourage them to convert to CS status instead. This, however, should not be an automatic conversion. In fairness to the civil service, FSOs desiring to convert should have to compete for these positions as a CS employee would, even if it means lowering one's grade (a timeframe should be established to find another job (e.g., one year), or risk directed placement overseas). If he/she is selected, then the personnel system should be allowed to facilitate such a conversion.

1. **Recommendation:** That the foreign assignment precepts, as contained in the Foreign Service Act of 1980, be more rigorously enforced so that FSOs assigned to Washington not stay longer than 8 years nor remain overseas for longer than 15 years. If an FSO remains unwilling or unable to go overseas, he/she should be given a one-year window to compete for CS jobs for which they may be qualified (and convert to CS status if selected), or risk directed placement (including the consequences if a directed placement is refused).

**E. Workforce Issues Involving U.S. Personal Service Contractors (USPSCs)**  
(See Tab O)

With the decreasing level of operating expense funds, the attrition of USAID direct hires, and the increased demand for certain categories of technical expertise, USAID increased its use of USPSCs in the workforce. Worldwide, the Agency currently employs approximately 500 USPSCs, or about 20 percent of USAID's American workforce. Notwithstanding the Agency's growing dependency on USPSCs, there are a number of basic issues that produced endemic morale problems and obstacles to team building within the workforce, including inability to participate in a SEP/IRA or similar type retirement plan, the unavailability of an organized group health benefit plan, and inconsistent application of Agency regulations.

1. **Recommendations:**

- (a) USAID should give priority attention to clarifying USPSCs employment status and benefits, with the goal of establishing a tax-deferred retirement benefit plan accessible to USPSCs.
- (b) USAID should negotiate a group health plan contract(s) for USPSCs under one or more health benefit plans suitable for USAID's USPSC workforce and offer such plan(s) as a benefit under USPSC contracts.
- (c) USAID should establish a mechanism permitting regular periodic exchanges between a representative group of USPSCs and the Agency to address concerns confronting the USPSC workforce.
- (d) To ensure more consistent treatment of USPSCs, USAID should centralize management of Washington-based USPSCs to a single office. The WPTF suggests that this office should be M/HR, as this is the office that handles all other employees of USAID.

(e) To maximize use of their experience, USAID (i.e., the office managing USPSCs) should maintain a roster/skills bank of USPSCs willing to work in countries where USAID has programs.

#### IV. Professional Development

Given its streamlined configuration the Agency will need to have the highest quality staff. Through incentives, promotion, and training, the WPTF is recommending a policy to improve staff competency. We recommend that training no longer be considered a discretionary item and have identified additional funding to provide resources to increase Agency training. We also propose rewards for staff who perform well and are willing to serve in hard-to-fill positions.

##### A. Professional Development (See Tab P)

The need for appropriate skills for USAID staff was universally accorded top priority by all groups interviewed by the WPTF. USAID's central training budget, which was \$4.1 million in FY 1997, was limited almost exclusively to computer training and mandatory training (such as Ethics) over the last few years. The lack of staff development, in the view of all interviewed, is leading to a dysfunctional USAID.

Some missions and Bureaus compensated by hiring consultants to design and deliver training modules for their staff in specific areas such as team building and supervisory skills. Missions spent \$3 million of their scarce OE resources for various kinds of staff training last fiscal year. While this shows the priority accorded to training by some missions, it is an inefficient approach, with USAID paying for training design work multiple times as missions "reinvent the wheel."

If the Agency is to manage staff reductions and realignment envisioned by the WPTF, it is imperative that the savings generated by this difficult exercise be used quickly and effectively to the benefit of the staff. This is not only critical to assure that USAID can accomplish its mandate but will reverse the general perception that USAID is not an agency that invests in its employees.

##### 1. Recommendations:

- (a) Funds to enhance skills of USAID's staff should no longer be a discretionary line item in the budget. They must be "in the base." This is one of the top priorities of the WPTF.
- (b) Some form of non-computer skills training should be reintroduced this fiscal year to show the Agency's recommitment to staff development.
- (c) Funds for professional development should be decentralized to the extent possible, allowing Bureaus and missions to decide their own priorities. Bureaus/Missions could then buy into the core contracts entered into by M/HR training division.

(d) Funds for computer training should be reduced in the near term and savings rechanneled to upgrading those professional skills identified by the task force as a higher priority. In priority order, those are: basic supervisory skills, managing for results (program implementation) skills; senior management leadership skills; and Development Studies, amended to include humanitarian and transition assistance modules. Staff should be provided with standard software package training for such things as Windows 95 and other computer skills.

(e) HR should poll all missions and bureaus to determine what training modules are already developed and consider if and how they can be immediately adapted for overall Agency use.

(f) The proposed HR training program should go forward on an expedited basis—but only *after* considering whether existing modules developed by missions and/or bureaus can reduce the amount of design work anticipated under that procurement, thereby making the package less expensive and leading to faster implementation.

(g) USAID should consider developing “core competency” certification in priority areas as a tool for assuring that professional development opportunities funded by the Agency match with skills required to meet the Agency’s mandate. In addition, identification of core competency areas could guide supervisors and staff in assuring that the appropriate and necessary staff development is taking place.

(h) In the absence of many immediate in-house professional skills development opportunities, and given limited budgets, M/HR should begin to disseminate immediately information about relevant courses offered outside USAID in the Washington area, many of which are free of charge, or relatively inexpensive.

(i) The primary responsibility for career counseling should shift from M/HR to managers and supervisors, especially as it relates to assuring that employees identify and acquire needed skills. A manager’s performance should include consideration of their effectiveness in promoting staff development.

(j) The M/HR career development staff should serve as resource persons for managers in carrying out career development responsibilities.

(k) Approve formal participation of USAID employees in career development programs currently available to other federal employees, (e.g., Executive Potential Program, SES Candidate Development Program, Aspiring Leadership Program.)

(l) (Cross Reference: See **Tab J**, “Appropriate Utilization and Distribution of Contracting, Legal, Financial and Executive Officer Staff,” for recommendations on procurement and acquisition training for technical and support staff involved in contract and grant administration.)

**B. Promotion and Incentives (See Tab Q)**

Quality of staff becomes increasingly critical in an era of diminishing resources. One way of ensuring the highest quality staff is to provide incentives to those who possess the desired qualifications, expertise, experience and professional work ethic and behavior. Certainly, one of the most highly prized incentives is promotion. Other incentives are cash bonuses and non-monetary awards to recognize superior performance. Conversely, the incentive to perform well also plays a significant role in the annual board review process in terms of “selecting out” poor performers. Incentives can also be used to reward staff who not only perform well, but also serve tours in hard to fill positions. Promotion and incentives, together with a strong emphasis on professional development, are essential elements in ensuring a high quality workforce. However, based on interviews and past workforce reports, it is overwhelmingly clear that the Agency is not effectively using these two elements to motivate employees to achieve higher levels of performance.

**1. Recommendations:**

(a) Ensure that the core values, particularly teamwork and valuing diversity, are emphasized in the promotion precepts and are mandatory for those considered for promotion. This must be reinforced in the mandatory performance board briefings.

(b) All promotions should be reviewed by the EOP office for conformity of the employee’s comportment with EEO concerns. EOP should have the authority to make recommendations to the DAA/HR to disapprove a promotion if there is a formal finding of discrimination or other EEO violation against the candidate proposed/selected for promotion; this would be done concurrently with the IG review on proposed candidates for promotion.

(c) To ensure that small and transition missions are adequately represented on promotion panels (and hence improve the promotion chances for officers who serve in these missions), the WPTF recommends:

(i) that the promotion precepts include that the multi-functional responsibilities of officers at small/transition posts be recognized by the agency as traits valued by priority programs, and therefore included as highly desirable traits for purposes of promotion,

(ii) that funds be made available to cover the cost of replacement TDYers to allow representatives from small and transition missions to serve on promotion panels, and

(iii) that representatives of small and transition mission personnel reflect their actual distribution in the field (i.e., more than 50 percent of membership on promotion panels).

(d) Explore other incentive options for officers who encumber difficult to fill positions within the Agency.

- (e) Provide managers with incentives to have mission staff provide services to nearby missions in “matrix” situations and place special emphasis in this area for promotion.
- (f) Explore and recommend ways to reward and maintain high level expertise and quality in our technical and administrative management support staff cadre.
- (g) Require bureaus to designate panel members and alternates and submit those candidates to HR at least six months prior to convening of the promotion boards.
- (h) Provide stable funding for all monetary awards by establishing accounts as priority budget line items (rather than categorized as discretionary funds) and decentralize funding by bureau.
- (i) Create uniform guidelines for all employees on performance pay pool amounts, size of awards, and percentage of employees to received cash bonuses.
- (j) Streamline/simplify current agency awards regulations and processes to improve timeliness. The decision making process for non-monetary awards should be decentralized to the extent possible thereby empowering managers; abolish existing time schedules for awards and allow such awards to be given on an ad hoc basis/off cycle.
- (k) Redefine the role of HR in the decentralized awards process to three primary areas: provision of policy guidance, coordination of a smaller, more manageable formal recognition awards program, and cutting SF-50 actions.



**TAB LIST**  
**DRAFT ACTION MEMORANDA**

<b>Tab A</b>	The Establishment of a Dynamic Workforce Planning Process
<b>Tab B</b>	Manage to Budget
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<b>Tab D</b>	Vision of the USAID Workforce in the Year 2000
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**DRAFT ACTION MEMORANDUM**

**SUBJECT:** The Establishment of a Dynamic Workforce Planning Process

**ISSUE:** Presently, workforce planning in the Agency is essentially budget-driven, largely ad hoc and conducted primarily at the bureau level. This creates a situation where many are questioning whether we have the right mix of staff to adequately carry out our development mandate and if existing staff is allocated within the Agency equitably and effectively. In the absence of an agreed-upon long-term (e.g., 3-year) Agency-wide workforce plan, the Agency lacks the flexibility to respond to changing priorities requiring the deployment of existing staff resources in a timely manner without doing harm to existing programs.

Human resource management decision processes are not only ad hoc but often respond to employee rather than Agency needs. The Agency lacks a mechanism for addressing the needs of all categories of employees, including Direct Hire (CS, FS, AD, SFS, SES, etc.), non-Direct Hire, PSC, FSN, and program-funded employment mechanisms. New countries, initiatives and priorities develop with increasing regularity, and there are many more job vacancies than there are individuals who are able or willing to fill them. Part of the problem has been the rigidity with which the Agency practices human resource allocations—very little consensus exists on how best to fill positions in ways that serve the Agency as well as employees.

There is no effective, systematic mechanism for reconciling proposed staffing decisions against such considerations as program scope, assistance levels, performance standards, overseas staffing, etc. Bureau Budget Submission exercises are not terribly substantive and do not result in an overall weighing of Agency priorities. There is no agreed upon basis for comparison between bureaus and Missions and, thus, judging the validity of structures, personnel ceilings, or personnel variations.

The Agency lacks an incentive structure at the Mission level to increase cost-effectiveness, productivity and output quality and/or reduce staff levels and expenditures. Rather, the Agency's incentive system rewards program size and volume and staff size as a positive performance factor, thus thwarting Agency efforts to improve cost-effectiveness and manage human and financial resources.

To mitigate the impact of the shortcomings, the WPTF recommends that the Administrator establish a Resource Allocation Team (a.k.a. Rat Patrol) that will be responsible for implementing a dynamic workforce planning process which must be perceived as both fair and transparent. This Rat Patrol is more fully described below.

From the WPTF experience, it is clear that these issues will require a structure for follow-up and dedicated staff time to prepare the analysis and data required. The Rat Patrol is envisioned as the Agency group that will bring together high level managers in the Agency to provide a "corporate view" to human resource issues. This group needs to be quickly established and to develop an annual work scope for their activities. Again, based on the WPTF experience, the Rat Patrol should develop their own Scope of Work and timeline as this will help air differences and build teamwork.

To identify areas that need additional attention and focus, a feedback system is required. The WPTF recommends that the Rat Patrol Scope of Work include a review of an annual "Report Card" on

progress made on approved HR actions. The "Report Card" could be folded into the Management Bureau's BBS or the annual Agency's Performance Report. HR staff will provide the needed data and analysis for the Rat Patrol. It will provide managers the necessary data for their decision making. In the past, many of the program recommendations from previous reports were not implemented because the Agency saw the report as the final product and not the implementation of the actions as the product.

Though the WPTF officially ended October 31, 1997, various members would be available to periodically meet with the HR staff and the Rat Patrol to review status of follow-up actions and recommendations. They would also be available to meet with the Administrator to review these actions at that level as well.

#### RECOMMENDATIONS:

1. That the Administrator establish a Resource Allocation Team (a.k.a. Rat Patrol) that will be responsible for implementing a dynamic workforce planning process which must be perceived as both fair and transparent. This Team would be given a clear mandate for:
  - Projecting workforce and diversity needs over a 3-5 year time horizon for the entire workforce, including Direct Hires and non-Direct Hires alike;
  - Establishing human resource priorities for the Agency with respect to program, hiring, grade profile and promotion numbers, and training;
  - Setting resource allocations at the beginning of the budget cycle, not at the end;
  - Determining reference points for staffing and operating expense levels for all bureaus and evaluating compliance with same;
  - Ensuring effective integration of program and workforce planning/budgeting in the R4/BBS process;
  - Implementing a program of incentives for increasing cost-effectiveness and sound human resource management; and
  - Determining human resource trade-offs before and/or when the Agency embarks on new initiatives.

It is recommended that the Administrator specifically name senior managers from the bureaus and independent offices (e.g., GC, LPA and EOP) to serve on the Rat Patrol. Members would be expected to step out of their normal bureau role and assume a position which places the broader needs of the Agency above those of their respective bureaus. Staff support for the work of the Rat Patrol would be provided by M/B and M/HR/PPIM. A draft "Sample Charter" for the Rat Patrol is attached.

2. That M/HR/PPIM be strengthened by the addition of 1 - 2 additional staff members drawn from other parts of the Agency so that it can more effectively carry out analysis of the Agency's organizational structure and workforce needs in support of the Rat Patrol.
3. That M/HR/PPIM conduct a Senior Management Workforce Survey of future Agency skill needs so as to inform the deliberations of the Rat Patrol. It is further recommended that subsequent Senior Management Workforce Surveys be conducted on an annual basis until such time as the Agency determines that the R4/BBS process is producing complete and reliable workforce need projections tied to future program requirements.
4. That Agency R4 and BBS guidance be revised to require that each management unit and bureau include a projection of its future workforce needs over a 3-year time horizon. The guidance should require that these projections specify backstop/skill area and employment category (i.e., DH, non-DH, OE or program funded).
5. That the Rat Patrol agree to an implementation plan for FY 98 based on these recommendations and that this plan include the development of a "Report Card" on Workforce Planning which could be folded into the M Bureau BBS or the Agency's Annual Performance Report.
6. That the Rat Patrol and the HR staff meet with the WPTF group at least every three months to review progress and implementation of the proposed activities. Special attention will be given to delayed actions and barriers that have been encountered.

**Sample Charter: The Resource Allocation Team (a.k.a. "Rat Patrol") Attachment****Charter:**

The Rat Patrol is a decisional body, established by the Administrator and representing "management." Its role is operational in nature, enforcing policy established by Agency senior managers. The Rat Patrol is established to:

- provide a "corporate" view of the Agency's human resource needs, institutionalizing workforce planning within the Agency;
- provide guidance and direction to M/B and M/HR on projected human resource requirements, setting priorities for hiring and training;
- enforce the Agency's approved Workforce Strategy, ensuring adherence to planned objectives, monitoring progress, approve resource requests; and sanctioning managers responsible for deviations;
- ensure effective integration of program and workforce planning/budgeting in the R4/BBS process;
- ensure cost-effectiveness and sound human resource management.

**Membership:**

It is recommended that the Administrator specifically name senior managers from the bureaus and independent offices (e.g., GC, LPA and EOP) to serve on the Rat Patrol. Members would be expected to step out of their normal bureau role and assume a position which places the broader needs of the Agency above those of their respective bureaus.

**Scope of Operation:**

- enforces Agency three-year Workforce Strategy (including Diversity Plan) for Human Resources, including AID/W staffing, but not Mission specific staffing, and not positions covered by SMG/ERB;
- establishes human resource priorities for the Agency, including program, hiring, average grade profile and training;
- approves bureau specific three-year Staffing Plans for AID/W;
- brokers disagreements between bureaus;
- approves reallocation of AID/W staff between bureaus;
- approves all OE-funded outside hire of USDH (includes IDIs, PMIs, ADs and Mid-levels);

- authorizes all hires outside approved bureau plans;
- approves annual FS promotion numbers;
- approves establishment of all new positions at GS-14 and above; and
- approves filling all GS-14 positions and above(non-career ladder promotions).

**Role of M/HR/PPIM:**

- provides secretariat support to the Rat Patrol;
- provides analysis of requests to the Rat Patrol, and prepares an agenda at least 48 hours prior to each meeting;
- prepares Rat Patrol decisional memoranda to requesting bureaus;
- prepares workforce profiles and analysis periodically to assess progress toward objectives;
- conducts workforce studies, as requested;
- conducts Senior Management Workforce Surveys to define workforce skills needs to inform deliberations;
- analyzes workforce requests against R4/BBS guidance, position management, position classification standards, and Agency reference points.

**Procedures:**

1. Bureau AMS submits SPAR to HR requesting Action;
2. HR/POD compares request to approved Bureau Plan, if within scope of approved plan, processes the action;
3. If outside scope of plan, POD passes the action to PPIM for analysis, who looks at grade structure in the requesting organization, workload indicators, reference points, in-house sources for filling the position and lease versus buy options.
4. PPIM makes a recommendation to the Rat Patrol on the request;
5. Rat Patrol approves or disapproves, PPIM notifies the Bureau.
6. Rat Patrol may approve as requested or recommend alternatives such as, hire at a lower grade, redeploy an employee from a "D" position, or deny the request;
7. HR/LSD would work with the Bureau to develop a training plan for each employee in a "D" position, upon placement.



**DRAFT ACTION MEMORANDUM**

**SUBJECT:** Manage to Budget

**PROBLEM:** Currently, managers of operational units are responsible for managing for results but are constrained by a patchwork of systems limiting their ability to mobilize efficient and cost-effective operational teams. Managers are provided program budgets, USDH ceilings, three different non-direct hire personnel ceilings, and historically-based operational expense (OE) budgets that cover only part of their operational expenses. The addition of non-direct hire ceilings some four years ago was especially constraining and often results in managers turning to more expensive mechanisms (e.g., institutional contractors) to implement their programs and forces managers to accept imposed ceilings as defining their workforce composition. The current system has three major drawbacks: 1) there is no system in place or under design to break from historical trends in allocating (OE) budgets; 2) managers have neither the ability nor the incentive to strive for the most efficient use of valuable OE resources; and 3) the system does not provide the Agency with a realistic base from which to estimate its future workforce needs.

**DISCUSSION:** In the past, the Agency provided Bureaus with USDH ceilings and OE budgets which, for field Missions, were to cover all operations except USDH salaries. While this system did not reflect a true “management-to-budget” approach to operational expenses, it was relatively effective in providing managers with some flexibility in determining their non-direct hire staff composition, be it FSN, PSC, PASA, etc. Several years ago, however, Bureaus were given non-direct hire workforce ceilings on top of the other elements of the budgeting process. This new set of ceilings stemmed in part from a need for a system to identify and subsequently reduce the Agency’s total workforce in response to OMB and Hill queries. However, the resultant “management-to-ceilings” approach constrained the system to such a degree as to create distortions and inefficiencies.

It is important for the Agency to have an accurate reflection of its total workforce levels. However, imposing layers of ceilings does not appear to be the most effective mechanism to meet this need. It is also important for the Agency to use its scarce and shrinking OE resources as effectively as possible. The majority of the Agency’s budget is used to support workforce requirements. However, there are a variety of mechanisms—at varying costs at varying locales—to meet these needs. Thus, a more decentralized and empowered approach to OE planning and budgeting could be beneficial.

The theory is that if managers have the ability to plan and design their workforce composition and other operational expense items based on a given budget, there will be a more efficient use of budget resources. Experience of other federal agencies indicate that under such a system, workforce levels tend to increase (in the case of USAID one could expect to see an increase, for instance, in FSNs). Experience also indicates that there tends to be lapses in reporting to headquarters if strict sanctions are not imposed and enforced.

The WPTF found that lifting non-direct hire workforce ceilings was the highest priority for immediate change identified by personnel throughout the Agency. Removing these ceiling would certainly provide an immediate relief value for ridding the Agency of some of the budget and workforce distortions of the current system.

However, moving to a full "management-to-budget" system is more than just removing non-direct hire workforce ceilings. It involves a change in culture of managers within the Agency. It requires careful analysis of cost data for all operational units and definition of normative ranges for budgets of varying types of operational units dependent on a number of factors. It would also require experimentation (piloting) to determine how best to deal with such complex issues as associated costs for US direct hires (e.g., tandem couple versus employees with several school age children).

Experience of other federal agencies which have experimented with manage-to-budget approaches illustrates the need to move carefully, being mindful of reporting requirements which must be satisfied regardless of management system, and with sanctions in place in the event of poor management or failure to meet reporting requirements.

1. **RECOMMENDATION:** Ultimately, the Agency should allow managers to "manage-to-budget." To empower managers and maximize OE resources, they should be held accountable for their decisions and rewarded for planning and managing an efficient operational unit which is responsible for programmatic results.
  - a) **Immediately eliminate non-direct hire workforce ceilings** (either Agency wide or with pilot Bureaus) with the caveat to all managers that: 1) if accurate reporting on workforce composition and levels is not provided and 2) they do not stay within current- and out-year budget limits, personnel ceilings will be reimposed. Efficient and effective management of resources should be emphasized in the precepts for senior threshold panels and SMG selection boards.
  - b) Simultaneously, the Agency should develop normative standards for operational costs, **implement a plan to introduce and test a full "management-to-budget" approach to OE allocation**, and assure adequate education of its managers for effective implementation. M Bureau should take the lead, working closely with Bureau AMSs, with a goal of having a management-to-budget system fully operational by the year 2001.

If this recommendation is accepted, the WPTF suggests that a committee of all Bureau representatives and a WPTF representative be convened by M Bureau to develop a detailed workplan for implementation.



**DRAFT ACTION MEMORANDUM**

**SUBJECT:** Strategy for Institutionalizing Diversity as an Agency Core Value

**DISCUSSION:** Valuing Diversity is recognized as an Agency core value along with Customer Focus, Managing for Results, Empowerment and Accountability, and Teamwork. USAID is distinguished from other federal agencies by its mission of global improvement of the quality of human life, and extending hope and opportunity to people of developing countries. Reengineering moved the Agency toward accomplishing its corporate objectives through teams made up of USAID employees, partners, stakeholders, and customers. This movement required a major shift in corporate thinking and, among other things, a thorough appreciation for the value of diversity to the Agency. Diversity awareness is a business imperative, requiring that all employees and managers have a common understanding of the value of diversity, and be able to recognize, accept, and utilize human differences in working together to meet customer needs. Valuing diversity goes beyond the traditional review and analysis of EEO group data. It is the process of valuing and appreciating the differences all employees bring to the workplace, while ensuring inclusion for all employees at all levels within the Agency. Valuing diversity addresses the mutual respect for the uniqueness that each person brings to the table, and includes global multi-cultural dimensions as well.

The challenge before us is just how to institutionalize Valuing Diversity as an Agency core value. Presently, there is no mechanism established within the Agency for the specific purpose of ensuring that diversity is accounted for in carrying out its day-to-day business. Various components within the Agency contribute to some form of diversity recognition, but achievements are uneven and suffer due to lack of coordination and direction. For example, responsibility for diversity issues, covered in the Agency's Diversity Plan (which expired in 1995) is spread between the EOP Office and the Diversity Council. Neither the EOP Office nor the Diversity Council focuses attention on diversity in overseas missions. This fragmented approach prevents the Agency from taking a holistic approach towards diversity and, predictably, the results are sporadic. Efforts are required in the Agency to consolidate diversity initiatives to achieve the meaningful outcome of incorporating diversity as a core value.

In carrying out its work, the WPTF met with representatives from the three groups of USAID employees representing Afro-Americans, Asian and Pacific-Americans, and Hispanic-Americans. These groups expressed their common concern that diversity was too often considered a minor issue requiring only minimal attention, and felt that concrete steps need to be taken to ensure diversity issues are dealt with deliberately and meaningfully. A framework and strategy to integrate diversity as a core value was discussed and is embodied in the recommendations below. (Attached is a copy of Agency-wide diversity profile)

**RECOMMENDATION:**

1. The Agency immediately adopt the attached "Six Steps To Diversity" Program, a 3-year strategy to institutionalize diversity as a core value by the year 2000. Implementation of this Program includes the appointment of a Senior Agency official (i.e., the Deputy Administrator) to oversee, coordinate, and ensure success of the Program. This official will:
  - a) Work with Agency managers, both in Washington and overseas missions, to manage and coordinate the Agency's corporate diversity strategy;

- b) Assist missions with developing guidelines and learning experiences/training for FSNs related to cultural diversity and maintaining respectful workplaces;
- c) Coordinate with Bureau and Office heads, and mission directors to satisfy their annual diversity training needs;
- d) Organize, coordinate and implement annual diversity awareness training, to begin FY 98;
- e) Support Agency management, EOP office, IG, GC, AMS officials, HR office and other entities, to ensure that the incorporation of diversity as a core value continues to move forward; and
- f) Coordinate the compilation and distribution of the "Diversity Report Card" worldwide.

**Attachments:**

- 1) Six Steps To Diversity: A Strategy for Institutionalizing the Core Value of Diversity (list)
- 2) Six Steps To Diversity: A Strategy for Institutionalizing the Core Value of Diversity (table)
- 3) USAID Diversity Profile (as of June 30, 1997)

## **SIX STEPS TO DIVERSITY: A STRATEGY FOR INSTITUTIONALIZING THE CORE VALUE OF DIVERSITY**

- Step 1:** Demonstrate commitment to diversity issues by appointing a Senior Official (i.e., the Deputy Administrator) to be responsible (and ultimately accountable) for promoting diversity;
- Step 2:** Through this Senior Agency Official (Diversity Manager), empower a coalition of senior managers to lead the Agency's diversity efforts (this could be the Resource Allocation Team);
- Step 3:** Determine baselines and approaches; establish Agency-wide goals as well as bureau-level goals for diversity (for short, medium, and long-term); incorporate into senior managers' management contracts;
- Step 4:** Develop in-house expertise to train in diversity issues; undertake necessary awareness training for all USAID officers, including senior managers and new hires;
- Step 5:** Initiate actions to promote a diversity-sensitive culture, including establishment of performance precepts, inclusion of diversity goals in performance standards, and linking performance on diversity issues to promotions (FS and CS); and
- Step 6:** Establish follow-up systems (e.g., a public report card on the Agency's performance on diversity issues) to ensure accountability and promote continuous improvement.

# SIX STEPS TO DIVERSITY

## A 3-YEAR STRATEGY FOR INSTITUTIONALIZING THE CORE VALUE OF DIVERSITY

### STEP 1

Appoint the Deputy Administrator

DIVERSITY MANAGER
-------------------

STEP 2	STEP 3	STEP 4	STEP 5	STEP 6
EMPOWER LEADERSHIP	ESTABLISH DIVERSITY PRIORITIES/BASELINE	EDUCATION AND AWARENESS	CHANGE THE CULTURE	ANNUAL REPORT CARD/FOLLOW-UP
<p>Rat Patrol - Leadership from a coalition of Senior Managers</p> <p>Semi-annually or annually evaluate diversity achievement within the context of resource utilization</p> <p>Report progress to the Administrator annually.</p>	<p>Establish annual benchmark goals for achieving greater diversity in USAID (obtain baseline diversity profile data from EOP)</p> <p>(Possible diversity benchmarks: how is entire workforce being developed, how are teams being integrated w/all work categories and how was maximum utilization of staff realized; how was staff developed and trained, recognized, rewarded, supported)</p>	<p>Development and implementation of annual awareness training, overseas and Washington</p> <p>Establish refresher training</p> <p>Develop in-house expertise to teach diversity</p> <p>Include in orientation programs for new employees</p> <p>Provide advanced training for senior managers</p>	<p>Initiate actions to promote diversity sensitive culture</p> <p>Tie to performance precepts</p> <p>Include diversity priorities in performance standards</p> <p>Link performance on diversity issues to promotions for both CS &amp; FS.</p> <p>Develop &amp; implement sustainable (annual) recruitment outreach program</p> <p>Annually survey employees (1st and 2nd year) to monitor culture change</p>	<p>The Resource Allocation Team "Report Card" system, to assess Agency's annual progress</p> <p>Ensure accountability for results</p> <p>Annually or semi-annually report to Administrator and Senior Managers, and the workforce</p>

**U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT**  
**DIVERSITY PROFILE**  
(as of June 30, 1997)

	Total	White		Total Minorities	Black		Hispanic		Asian American		Native American	
		Men	Women		Men	Women	Men	Women	Men	Women	Men	Women
<u>Civil Service</u>												
EX	7	4	2	1	1	0	0	0	0	0	0	0
%		60.0	30.0	10.0	10.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
SES	39	22	11	6	2	2	1	1	0	0	0	0
%		56.4	28.2	15.4	5.1	5.1	2.6	2.6	0.0	0.0	0.0	0.0
AD-18	13	11	2	0	0	0	0	0	0	0	0	0
%		84.6	15.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
AD-15	23	10	9	4	1	1	0	0	1	1	0	0
%		43.5	39.1	17.4	4.4	4.4	0.0	0.0	4.4	4.4	0.0	0.0
AD-14	11	3	7	1	0	0	1	0	0	0	0	0
%		27.3	63.6	9.1	0.0	0.0	9.1	0.0	0.0	0.0	0.0	0.0
AD-13	8	3	4	1	0	1	0	0	0	0	0	0
%		37.5	50.0	12.5	0.0	12.5	0.0	0.0	0.0	0.0	0.0	0.0
AD-12	6	2	3	1	0	0	0	0	0	1	0	0
%		33.3	50.0	16.7	0.0	0.0	0.0	0.0	0.0	16.7	0.0	0.0
AD-11	2	1	0	1	1	0	0	0	0	0	0	0
%		50.0	0.0	50.0	50.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
AD-09	3	1	2	0	0	0	0	0	0	0	0	0
%		33.3	66.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
AD-07	3	1	2	0	0	0	0	0	0	0	0	0
%		33.3	66.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
AD-06	2	0	0	2	2	0	0	0	0	0	0	0
%		0.0	0.0	100.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
AD-05	0	0	0	0	0	0	0	0	0	0	0	0
%		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
National Civilian Labor Force (NCLF)%	100.0	42.6	35.3	21.8	4.9	5.4	4.8	3.3	1.5	1.3	0.3	0.3

**U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT**  
**DIVERSITY PROFILE**  
(as of June 30, 1997)

	Total	White		Total Minorities	Black		Hispanic		Asian American		Native American	
		Men	Women		Men	Women	Men	Women	Men	Women	Men	Women
<u>Civil Service</u>												
GS-15 %	125	72 57.6	35 28.0	18 14.4	3 2.4	8 6.4	4 3.2	0 0.0	1 0.8	2 1.6	0 0.0	0 0.0
GS-14 %	210	88 41.9	81 38.6	41 19.5	10 4.8	21 10.0	1 0.5	3 1.4	1 0.5	4 1.9	1 0.5	0 0.0
GS-13 %	207	67 32.4	62 30.0	78 37.7	19 9.2	44 21.3	1 0.5	4 1.9	3 1.4	6 2.9	1 0.5	0 0.0
GS-12 %	161	30 18.6	40 24.8	91 56.5	15 9.3	66 41.0	0 0.0	4 2.5	0 0.0	6 3.7	0 0.0	0 0.0
GS-11 %	112	9 8.0	22 19.6	81 72.3	14 12.5	62 55.4	0 0.0	3 2.7	0 0.0	2 1.8	0 0.0	0 0.0
GS-10 %	12	0 0.0	4 33.3	8 66.7	0 0.0	6 50.0	0 0.0	1 8.3	0 0.0	0 0.0	0 0.0	1 8.3
GS-09 %	76	3 4.0	16 21.0	57 75.0	5 6.6	49 64.5	0 0.0	0 0.0	0 0.0	2 2.6	0 0.0	1 1.3
GS-08 %	73	0 0.0	15 20.6	58 79.4	1 1.4	53 72.6	0 0.0	3 4.1	0 0.0	1 1.4	0 0.0	0 0.0
GS-07 %	100	1 1.0	11 11.0	88 88.0	8 8.0	76 76.0	0 0.0	1 1.0	1 1.0	2 2.0	0 0.0	0 0.0
GS-06 %	62	2 3.2	8 12.9	52 83.9	5 8.1	45 72.6	0 0.0	1 1.6	0 0.0	1 1.6	0 0.0	0 0.0
GS-05 %	27	1 3.7	2 7.4	24 88.8	2 7.4	21 77.8	0 0.0	0 0.0	0 0.0	1 3.7	0 0.0	0 0.0
GS-04 %	3	0 0.0	0 0.0	3 100.0	0 0.0	3 100.0	0 0.0	0 0.0	0 0.0	0 0.0	0 0.0	0 0.0
GS-03 %	5	0 0.0	1 20.0	4 80.0	0 0.0	3 60.0	0 0.0	0 0.0	0 0.0	1 20.0	0 0.0	0 0.0
GS-02 %	1	0 0.0	1 100.0	0 0.0	0 0.0	0 0.0	0 0.0	0 0.0	0 0.0	0 0.0	0 0.0	0 0.0
Total CS %	1291	331 25.6	340 26.3	620 48.0	89 6.7	461 35.9	8 0.6	21 1.6	7 0.5	30 2.3	2 0.2	2 0.2
National Civilian Labor Force (NCLF)%	100.0	42.6	35.3	21.8	4.9	5.4	4.8	3.3	1.5	1.3	0.3	0.3

**U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT**  
**DIVERSITY PROFILE**  
(as of June 30, 1997)

	Total	White		Total Minorities	Black		Hispanic		Asian American		Native American	
		Men	Women		Men	Women	Men	Women	Men	Women	Men	Women
<u>Foreign Service</u>												
FA	1	1	0	0	0	0	0	0	0	0	0	0
%		100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FE-CM	11	6	3	2	1	0	1	0	0	0	0	0
%		54.5	27.3	18.2	9.1	0.0	9.1	0.0	0.0	0.0	0.0	0.0
FE-MC	35	20	7	8	6	1	1	0	0	0	0	0
%		57.1	20.0	22.9	17.1	2.9	2.9	0.0	0.0	0.0	0.0	0.0
FE-OC	109	64	27	18	5	4	5	1	2	0	0	1
%		58.7	24.8	16.5	4.6	3.7	4.6	0.9	1.8	0.0	0.0	0.9
FS-01	349	240	61	48	16	8	8	2	8	2	3	1
%		68.8	17.5	13.8	4.6	2.3	2.3	0.6	2.3	0.6	0.9	0.3
FS-02	401	255	84	62	15	11	16	2	12	5	1	0
%		63.6	20.9	15.5	3.7	2.7	4.0	0.5	3.0	1.2	0.2	0.0
FS-03	181	87	46	48	16	13	7	0	9	2	1	0
%		48.1	25.4	26.5	8.8	7.2	3.9	0.0	5.0	1.1	0.6	0.0
FS-04	103	32	41	30	8	13	4	2	1	2	0	0
%		31.1	39.8	29.1	7.8	12.6	3.9	1.9	1.0	1.9	0.0	0.0
FS-05	15	1	5	9	0	8	1	0	0	0	0	0
%		5.7	33.3	60.0	0.0	53.3	6.7	0.0	0.0	0.0	0.0	0.0
FS-06	1	0	0	1	0	0	0	0	0	1	0	0
%		0.0	0.0	100.0	0.0	0.0	0.0	0.0	0.0	100.0	0.0	0.0
FS-07	0	0	0	0	0	0	0	0	0	0	0	0
%		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FS-08	0	0	0	0	0	0	0	0	0	0	0	0
%		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FS-09	1	0	1	0	0	0	0	0	0	0	0	0
%		0.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total FS	1207	706	275	226	67	58	43	7	32	12	5	2
%		58.5	22.8	18.7	5.6	4.8	3.6	0.6	2.7	1.0	0.4	0.2
Total USAID	2498	1037	615	846	156	519	51	28	39	42	7	4
%		41.5	24.6	33.9	6.2	20.8	2.0	1.1	1.6	1.7	0.3	0.2
National Civilian Labor Force (NCLF)%	100.0	42.6	35.3	21.8	4.9	5.4	4.8	3.3	1.5	1.3	0.3	0.3



**DRAFT ACTION MEMORANDUM**

**SUBJECT:** Vision of the USAID Workforce in the Year 2000

**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. \$)
<b>USDH • Washington</b>	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
<b>Local/Intl. Hire</b>	3,299	57.4	3,500	60.9	3,500	62.7
<b>Total OE-funded Staff</b>	5,579	328.5	5,680	323.7	5,500	315.1
<b>Program-funded Staff</b>	1,373	-	1,500	-	1,700	-
<b>Total Workforce</b>	6,952		7,180		7,200	
<b>OE Savings</b>				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



**DRAFT ACTION MEMORANDUM**

**SUBJECT:** Redefinition of Overseas Presence

**ISSUE/PROBLEM:** Declining resources are forcing the Agency to examine and redefine what its overseas missions look like, including their organizational structure and the expectations of managers and officers assigned to them.

**DISCUSSION:** If USAID is to maintain its comparative advantage of an overseas presence with declining resources, it must reexamine the precepts for a field mission and expectations of managers and officers assigned to it. The WPTF did so and concludes that an exclusive reliance on the traditional bilateral mission—where officers are expected to serve in only that country—is expensive and not the best use of human resources to meet many of the Agency’s changing workforce needs. In this regard, the July 23, 1996, *Overseas Workforce Restructuring Analysis* is considered too restrictive and prescriptive as to what constitutes a field mission. Its general disuse suggests it is not being used for workforce planning.

The future USAID mission will be one where the boundaries of its responsibilities are less clear-cut than presently is the case (to avoid confusion with the existing bilateral mission, we refer to the new mission arrangement as a “matrix mission”). Matrix missions will share staff resources with neighboring missions, at times receiving assistance, and at times providing assistance. The workforce dynamic will also change, with the USDH technical officers increasingly playing a managerial/team facilitation role (working with contracted local and expatriate staff, as is presently the case), as opposed to directly managing activities. The roles of USDH support officers (EXOs, Contracting Officers, Controllers) will also evolve, as some functions might be able to be shared with neighboring missions. The WPTF anticipates that the net effect will be that more technical skills will be available at the field level, as certain staff functions (heretofore indivisible) will be shared.

In fact, the matrix mission arrangement is not new. There are numerous instances worldwide where staff resources are shared among several USAID missions; however, this redefinition formalizes the sharing arrangement and makes the expectation that managers and officers work on more than one country an explicit Agency policy.

The critical operating assumption is that a mission needs a certain set of skills to operate effectively. However, where those skills are located is less a concern, so long as there is ready *access* to those skills when needed. The attached diagram (Illustration A) shows how three relatively small missions might share a range of skills. All management, accounting, administrative, support, and technical needs are met, but rather than having one person for each area assigned to each mission (potentially up to 11 USDH per post), certain responsibilities are shared. This approach allows field presence to be maintained, but with only about two-thirds the USDH staff. Cost savings are also anticipated, although these would be slightly offset by higher travel costs.

In addition to the USDH staff, we would expect matrix missions to have the regular complement of technical or local personnel to support implementation activities, including USPSCs, FSNs, TCNs, and others (e.g., TAACS, Fellows, etc.). Because of their country/language/technical skills, in addition to their relatively low cost, the WPTF encourages increased and more creative use of FSNs. However, we are reminded that these other categories of employees may require training to undertake

increasing levels of responsibility; USDH supervisors may also need training to effectively manage the process or operate in a reengineered fashion.

There are other benefits of matrix missions. First, they will facilitate the field having greater access to technical skills as sharing of administrative or process functions can free up positions for technical officers.<sup>1</sup> Second, they are more cost-effective as coverage can be provided to a wider area than with a single officer. For example, a mission with two health officers might cover three countries (Illustration A). Third, they will facilitate training, mentoring, and professional development, as decreasing resources have resulted in more one-person divisions and correspondingly fewer training grounds for junior officers. This is tremendously important when considering that nearly 70 percent of USAID's overseas missions have ten or fewer USDH employees. Matrix missions may also facilitate regional approaches, particularly for trans-national issues, such as HIV/AIDS prevention or the environment. Matrix missions will also make it easier to respond to crisis situations; a matrix mission's existing staff and administrative infrastructure could be more easily augmented to respond to an emerging crisis than setting up an entirely new mission structure. Finally, such an arrangement will encourage better use of FSN employees by creating more opportunities to fill the gap USDH employees normally fill.

#### RECOMMENDATIONS:

- a) rescind the policy guidance in the *Overseas Workforce Restructuring Analysis*, July 23, 1996;
- b) formally acknowledge that all USDH managers and officers assigned to an overseas mission may be required to provide programmatic, administrative, or technical coverage beyond the borders of the countries where they are stationed, and that this be incorporated into work requirements and recognized favorably by the promotion panels;
- c) expand use of "matrix missions" to provide a wider number of missions/programs access to the full range of USDH skill categories, including responding to emergency requirements; and
- d) where appropriate, look increasingly to FSN employees to bear a larger share of the workload (providing training to effect this change where needed).

**Timeframe/Action Agents:** Implementation of this recommendation will take several steps:

Step 1: issue administrative notice rescinding *Overseas Workforce Restructuring Analysis* document as official USAID policy (target timeframe: immediate; action agent(s): AA/M);

Step 2: issue guidance on "matrix mission" policy, including expectation that all staff (including senior managers) work with matrix mission concept in mind (target timeframe: by end of first quarter, FY98; action agent(s): AA/M);

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<sup>1</sup> While the ENI model proves it possible to provide significant technical support from Washington, it requires significant travel which is expensive and takes a high personal toll. This is not to say that Washington should not continue to provide services, but rather that having a large, regional Washington-based technical capacity is probably not a model that should be replicated Agency-wide.

Step 3: develop guidance for 1998-99 AEF cycle re matrix missions (target timeframe: by end of second quarter, FY98; action agent(s): M/HR);

Step 4: as appropriate, amend position descriptions in assignment cable(s) to ensure matrix mission concept is incorporated (target timeframe: end of first quarter, FY98; action agent(s): M/HR);

Step 5: identify technical and managerial training needed for FSN, TCN, USPSC, USDH, and other employees to operate more effectively in team arrangement; develop and implement training programs (target timeframe: ongoing, beginning by end of second quarter, FY98; action agent(s): M/HR, missions).

**Illustration A**

**Sharing of USDH Resources Among Three Matrix Missions - Illustrative Example**

Mission 1	Mission 2	Mission 3
Senior Management (one position total)	Senior Management (one position total)	Senior Management (one position total)
Process Management - one PO (no sharing); - one PDO (no sharing) (two positions total)	Process Management - PO services received from mission 3; - PDO services shared with mission 3 (one position total)	Process Management - PO shared with mission 2; - PDO services received from mission 2 (one position total)
Administrative Management - one EXO (no sharing) (one position total)	Administrative Management - EXO services received from mission 3 (no position)	Administrative Management - EXO services shared with mission 2 (one position total)
Financial Management - one Controller shared with mission 2 (one position total)	Financial Management - Controller services received from mission 1 (no position)	Financial Management - one Controller (no sharing) (one position total)
Contracting - one Contracting Officer shared with missions 2 and 3 (one position total)	Contracting CO services received from mission 1 (no position)	Contracting CO services received from mission 1 (no position)
Legal - RLA services received from mission 2 (no position)	Legal - one Regional Legal Advisor (one position total)	Legal - RLA services received from mission 2 (no position)
Sector Management (Health SO) - - HPN services received from mission 3 (no position)	Sector Management (HIV/AIDS SpO) - HPN services received from mission 3 & USAID/Washington (no position)	Sector Management (Health SO) - 2 HPN Officers (one senior, one IDI), shared with missions 1 and 2 (two positions)
Sector Management (Education) - - Education Officer (one position total)	N/A (no position)	N/A (no position)
Sector Management (Env't SpO) - Environmental Officer shared with mission 2 (no position)	Sector Management (Env't SO) - - one Environmental Officer (one position total)	N/A (no position)
Sector Management (D/G SO) - one D/G Officer (one position total)	Sector Management (D/G SpO) - D/G officer services received from mission 3 (no position)	Sector Management (D/G SO) - D/G Officer shared with mission 2 (one position total)
Total USDH: 8	Total USDH: 4	Total USDH: 7



**DRAFT ACTION MEMORANDUM**

**SUBJECT:** Resource Realignment Among Geographic Bureaus: Greater Equity and Transparency in the Decision-Making Process to Allocate Staff and OE Resources

**ISSUE/PROBLEM:** The Agency needs a more rational way to allocate staff and OE resources. Priority attention must be placed on developing and implementing a transparent resource allocation system to better align resource allocations with program size.

**DISCUSSION:** There is no system in place that can mediate resource allocation decisions among geographic bureaus equitably and transparently. Consequently, there are wide variations in Agency development programs around the world, as well as in their relative costs to operate. While some variation is expected, the differences should not be so wide as to have relatively well-staffed missions in some geographic regions, and an inability to meet USG commitments in others. If USAID is going to be a responsive instrument of U.S. foreign policy, a commitment must be made to put in place systems to rationally, fairly, and transparently allocate staff and OE resources such that all Agency global commitments can be met.

An ongoing conundrum of workforce planning is how to obtain a balance of staff and OE resources across geographic regions. Such resource allocation decisions are often based on a mixture of political exigency, historical levels, and personalities. Once established, changes are generally “across the board” and incremental, even if the changing geopolitical landscape justifies a different allocation of resources. Over time, this led to an imbalance, with some regions being relatively well-staffed, and others barely able to meet USG commitments. Mitigating against rapid change is the argument that activities in the pipeline still require management oversight. Consequently, severely curtailing a region’s or mission’s resources is avoided because of the risk of being disruptive, undermining the USG’s credibility, or raising program vulnerability to unacceptable levels. While these arguments have merit, they alone cannot justify not making changes at all. The challenge is to develop a fair and transparent resource allocation system and implement it as quickly as practical, completing the realignment process with minimal disruption to ongoing programs.

In the early 1990s, Peter Askin and John Koehring recommended that a transparent workforce allocation system be adopted.<sup>1</sup> They identified many of the same problems the WPTF independently identified—lack of rationale, transparency, and consistency in overseas staffing—and proposed three possible approaches to workforce allocation. First was the establishment of reference points based on regression analysis and the creation of a hypothetical mission. Second was to continue using the Workforce Allocation Model in place at the time, where there is a minimum core mission staff and set model staffing patterns based on a mission’s nature (e.g., development, political/security, emergency relief, etc.) and OYB. Third was to take a minimalist approach, with the principal officer the only given, and program managers and other staff resources allocated based on the number of strategic objectives and complexity of the program.

The WPTF recommends that the Resource Allocation Team (“Rat Patrol”) undertake a multi-step process to realign staff and OE resource allocations. Care must be taken to ensure the system is fair

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<sup>1</sup> An Overseas Workforce Allocation System, Askin, Peter W., Koehring, John W. (undated)

and transparent, but also that it leads quickly towards a more equitable distribution of resources (i.e., that there is a greater correlation between staff and OE allocations and program size/complexity). As a first step, the Rat Patrol must develop formulas to calculate reference points to be used in making resource allocation decisions; agreement on a desired timeframe to effect the realignment should also be made at this time. The idea is that reference points would be used to establish normative ranges for overall cost items and program elements (e.g., staff allocations when compared to the number of activities, program complexity, etc.). Where costs or staff allocations are relatively high when compared to the reference point, the expectation would be that these would need to be reduced over a period of time, until they were brought within the desired range. Likewise, if cost or staff allocations are low when compared to the reference point, there might be relief given in terms of additional resources or staff to bring the allocations in line with Agency norms.

Once formulas are established, data must be collected, ideally through existing mechanisms. The WPTF suggests that the R4 process be used to collect such data, and that the R4 guidance currently being prepared include cost and program elements needed to establish the normative ranges. The third step would be to calculate the normative ranges using Bureau and field data. The fourth step, as part of the annual BBS process, would be to conduct a region-by-region comparison, to determine where regions fall vis-a-vis the reference points and the normative ranges and to assess circumstances which may call for variations from the norm. The fifth step would be to use this analysis to inform the process for establishing staff and OE targets among geographic bureaus.

Below are a number of cost, management, program, and other factors that will need to be considered when developing the formulas:

Cost: What should be considered “normal” OE expenses? (e.g., office rental, housing, furniture, utilities, post differentials, COLAs, entitlement travel, education allowances, etc.); How should cost-sharing arrangements (e.g., ICASS, JAO, etc.) be handled? What will be the additional costs operating as a “matrix” mission? Are trust funds available to offset OE costs? Are there limits on the use of trust funds? What costs are partially off-set with program funds?

Management: What is the level of expertise operating in a reengineered fashion? What is the “quality” of FSN staff (in terms of experience, education, level of “maturity,” degree to which certain team functions can be delegated to them, etc.)? Are experienced US or third country PSCs available? Can we get them locally or off-shore? What would be the implications on matrix mission management?

Programmatic Factors: What is the size of the overall USAID program in the country, including OYB and funds flowing from USAID central bureau programs? What types of instruments are being used (e.g., contracts, grants, cooperative agreements, non-project assistance, etc.)? How freely can program funds be used to offset certain management costs? What is the degree of face-to-face interaction with host government? What is the management intensity required to oversee existing portfolio? Management intensity of food aid program, humanitarian assistance or transition assistance activities?

Other: Are there any political factors that would argue for certain types of programs? Are there phase-downs/close-outs? Are there new initiatives that need to be budgeted for?

Attaining some degree of balance among geographic bureaus is based on the underlying assumption that, over time, the cost of administering a program in Region X should be *roughly* the same as administering a program in Region Y. Some variations can be accommodated as regions vary, but on average, the cost of administering an aid dollar should not be significantly higher in one region when compared to the next. If they are, they should converge over time.

Such an approach, while potentially contentious for some, will also force USAID to be more creative, both in use of staff resources (in particular, FSNs) as well as the available delivery instruments (i.e., contracts, grants, cooperative agreements, etc.). More efficient allocation of staff resources will also result, as this system is intended to be implemented in tandem with the "matrix mission" concept which promotes greater flexibility and fluidity of USDH employees to operate within a region.

Just how quickly the realignment can be made will remain an issue. Proponents of maintaining program continuity and minimizing disruption would argue for a longer timeframe. Proponents for greater equity would argue that already too much has fallen on the shoulders of too few for too long, so a shorter timeframe should be considered to correct the imbalance. The debate remains unresolved, although it should be noted that the Agency has experience showing that missions can be closed on relatively short notice with minimal disruption or damage to bilateral relationships.

**RECOMMENDATION:** That the Resource Allocation Team be immediately assigned the task of developing and implementing an equitable and transparent staff and OE resource allocation system. The expectation is that such a system would result in a more rational allocation of staff and OE resources, a realignment of overseas staff, and a greater correlation of staff and OE allocations to program size.

**Timeframe/Action Agents:** Implementation of this recommendation will take several steps:

Step 1: develop/agree upon formulas (and timeframes) to allocate staff and OE resources (this may require a more in-depth look at the entire OE cost accounting system as it is presently extremely difficult to determine the true cost of a field mission) (target timeframe: next 60 days; action agent(s): Resource Allocation Team);

Step 2: collect data — may require a wait for data from next R4 submission (target timeframe: next 60 days (i.e., include data required in FY2000 R4 guidance, due out in first quarter FY98); action agent(s): PPC, geographic bureaus);

Step 3: receive/tabulate data (target timeframe: by end of third quarter, FY98; action agent(s): Rat Patrol secretariat);

Step 4: calculate formulas and normative ranges, establish realignment calendar (target timeframe: end of fourth quarter, FY98; action agent(s): Rat Patrol);

Step 5: measure progress on implementing plan; post progress on Intranet (target timeframe: annually beginning fourth quarter, FY98; action agent(s): Rat Patrol secretariat).



**DRAFT ACTION MEMORANDUM**

**SUBJECT:** Simplification of Work Processes and Reduction of Workload

**ISSUE:** Over the past five years, USAID reduced its USDH workforce by 29 percent, but did not succeed in reducing workload proportionately, in particular workload associated with process and administration. As a result, staff time is overly consumed in meeting bureaucratic requirements, to the detriment of improving program performance. In addition, while reengineering eliminated some features of how we did business, it left a number of gaps in how we now should be doing business. This lack of clarity means that each operating unit has to define for itself design and implementation documentation and approval procedures, leading to much duplication of effort, uninformed experimentation, and convoluted procedures. Together these factors are weakening the Agency's focus on managing for results, can produce vulnerabilities, and are requiring an inordinate amount of time to be spent on process rather than substance. An additional factor to be considered is that the multi-faceted nature of our work and increase in Agency initiatives increased also our substantive workload and created competing demands for staff time that threaten our quality of work.

**DISCUSSION:** Benefits associated with the recommendations made by the WPTF will be seriously undermined if Agency work processes are not simplified. The following are examples of the impact of systems and processes that continue to be overly staff-intensive:

- Operating unit directors report they must retain process-oriented staff to a large extent to manage the volume of information and work requests received from Washington. This situation could be alleviated if, as possible, requests were answered by Washington staff using existing information already available in Washington, multiple requests from different units for similar information were better coordinated, and Washington units were more judicious in making requests. It is recognized that many requests for information come from external sources such as Congress, but improved management still may be possible. Operational units in Washington suffer from excessive requests as well.
- Operating unit staff are unclear about what procedures to follow during the course of activity design, obligation and implementation, and frequently combine what was done in the past with what appears to be required under reengineering, thus creating double work. In addition, because of the lack of standardization, each operating unit often must recreate similar procedures, resulting in the same kind of work unnecessarily being performed at each site.
- Over the past few years the Agency had difficulty distributing operating year budgets (OYBs) to bureaus in a timely fashion at the start of the fiscal year. This is caused partly by actions in Congress, but significant additional causes, which are under Agency control, are the apportionment of resources and distribution of budgets processes once the Agency receives notice of its overall allocation from OMB. Internal debates about allocations between sectors and bureaus delays the distribution process to the extent that much program administration work must be done within a very compressed time period. Adopting a system which allows the distribution of budgets much closer to the time when the Agency is given its allocation by OMB should alleviate much of the pressure to obligate funds, and allow a more even workload in this area throughout the year.

- The Results Review and Resource Request (R4) process is singled out as an Agency process requiring immediate attention given its heavy workload demands but inconsistent impact on resource allocation decisions and on improvements to program performance.
- It is reported that there are at least as many, if not more, individual procurement and voucher transactions now than in the past, despite reduced levels of development assistance. This points to the need both for more innovative procurement instruments that require less management time, and a better understanding by technical and design staff about how to develop a program that is less staff-intensive. This is partly the responsibility of the Office of Procurement to design and approve appropriate instruments, and partly the responsibility of program staff to relinquish routine management control in favor of greater reliance on partners. In addition, the multiplicity of similar procurement mechanisms which often are available through Global and regional bureaus requires substantial time to manage and causes confusion as to appropriate use, thus further burdening staff with less productive and time-consuming work.
- Managing the provision of field support by the Global Bureau to overseas operating units is excessively staff intensive, at least partly due to the procedures required by the funding mechanisms currently being used.

While there was some reduction in work that followed reductions in staff, experience shows that a more focused effort is necessary to significantly reduce workload. Reengineering made some progress in terms of work process simplification, but it is an unfinished product and put other processes in place that many believe increase workload. The Agency needs to focus attention on further simplification of its processes and procedures, both to allow more efficient use of staff and time, and to allow redeployment of staff from process-oriented functions to functions that are more directly related to furthering development assistance goals.

This effort should not require significant additional resources, but rather the coordination of existing staff who can work together, in teams with well-defined charters, to address specific work process issues and to develop alternative ways of meeting operational requirements. Coordination should be performed through a central bureau: with the shifting of the reengineering office to PPC, it appears logical that PPC would perform this role. The coordinator need not be involved substantively in the work of each individual team, but rather be responsible for the creation of the team, helping to set targets and deadlines, and organizing reviews and approval of final products. Earlier attempts to accomplish this in a less formal and less structured way, through "subject matter expert" groups, proved that some structure and management of the effort is necessary both to demonstrate the seriousness of the Agency in tackling the issue, and to achieve success.

Reducing substantive workload is more difficult given the need for the Agency to meet a variety of challenges in the post-Cold War world. While the Agency may be called upon to undertake numerous initiatives, it needs to better identify the staffing implications of those initiatives and how to meet those needs early on, and be more disciplined in the identification of those initiatives which no longer require devoted attention.

**RECOMMENDATION:**

- a) That PPC be assigned the function of managing the Agency's efforts to simplify work processes, and that Agency staff across all bureaus be involved, through team efforts, to help define new or revised processes in critical areas that support managing for results and that allow staff to be more efficient, particularly as they deal with the administrative business of the Agency. PPC recently assumed the responsibilities of the Results Oriented Reengineering (ROR) Office, and thus is the logical place for this work. Within two months there should be a work plan that identifies the work processes to be addressed, the participants, and a timetable.
  
- b) That before any new initiative is approved, its staffing requirements and how they will be met are identified, and that ongoing initiatives are evaluated on a regular basis to determine whether they continue to require the attention of the Agency. The Administrator's office should be responsible for developing the inventory of initiatives agency-wide and the regular review of that inventory, and should enforce the review of staffing implications prior to new initiative approval.



**DRAFT ACTION MEMORANDUM****SUBJECT:** Recruitment Principles

**ISSUE:** All USDH recruitment must be carefully managed to meet the WPTF's September 30, 2000, target of 2,000 USDH (divided equally between CS and FS) and to achieve the flexible workforce that the Agency's mission requires. The Agency must tailor all recruitment to fit the smaller, more flexible Agency of the future. "Leasing" rather than "buying," planning rather than reacting, will serve as the underpinnings for recruitment.

**BACKGROUND/DISCUSSION:** There should be no more ad hoc mid-level hires (Civil Service or Foreign Service). Any recruitment, CS or FS, temporary or permanent, must be based on a collaborative, agreed-upon workforce plan which focuses on the future needs of the Agency, not only on immediate needs. Future needs means looking three to five years forward. In consultation with the Resource Allocation Team (a.k.a. Rat Patrol), M/HR will draft the plan, consulting closely with the Office of Equal Opportunity Programs, the Bureaus, and other independent offices. The Rat Patrol will take final action on the plan. Critical unanticipated needs will be addressed by periodic updates to the workforce plan following the same collaborative process.

The question whether to "lease" (i.e., time-limited appointments) rather than "buy" (i.e., permanent career appointments) must be answered before any recruitment action is initiated. The WPTF envisions the answer, more often than not, will be to "lease." Leasing provides the greatest workforce flexibility; flexibility to respond to unforeseen initiatives and changing priorities. (NB: Time-limited appointments leave open the option to convert to permanent career at some later date should a definitive long term need be identified for the skills.)

The attrition rates for FY 1997 continued 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 is the Civil Service larger than the Foreign Service, but the difference in size is growing. If nothing is done, forecasts show this trend continuing. 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. Both models assume no recruitment. As of September 30, 1997, the Agency had 2,235 USDH, and the WPTF believes that the USDH total should be 2,000 by the beginning of Fiscal Year 2001. (All these numbers exclude the Office of the Inspector General (OIG) which has separate OE funding authority.)

If the attrition rates continue, the Agency can meet the WPTF-proposed Washington reduction of 235 and even do some recruitment. However, it would have to carefully manage the recruitment. For the fiscal year that ended September 30, 1997, the Agency experienced a reduction of 84 Foreign Service officers (from 1,176 to 1,092) and 59 Civil Service employees (from 1,202 to 1,143). Retirements (27) accounted for only 28 percent of all Civil Service separations while they (71) accounted for 76 percent of all Foreign Service separations. There is every indication that 60 to 70 Foreign Service officers will retire each fiscal year through FY 2000. For the same period, it is anticipated only 30 Civil Service employees will retire each fiscal year.

Often attrition comes from the wrong place. Historically, twice as many Foreign Service officers retire yearly as Civil Service employees, and more than two-thirds of the Civil Service separations last fiscal year came from resignations and transfers to other agencies. Thus, the Foreign Service will reach the 1,000 target much sooner than the Civil Service.

To meet the WPTF vision, the Agency needs the Civil Service to reduce by 143 over the next three years and the Foreign Service to reduce by only 92. While the potential exists for higher Civil Service retirements than in the past, there is nothing to indicate that it will occur if nothing is done. Resignations and transfers to other Federal agencies vary greatly from year to year making it difficult to predict. Moreover, the Agency's practice has been to fill its Civil Service positions on an ad hoc basis without considering the overall needs of the Agency. This has meant automatically filling Civil Service vacancies without consideration of what the Agency's future requires.

Therefore, if the Agency is to meet the proposed reduction of 143 Civil Service employees, the Agency needs to immediately freeze Civil Service recruitment from the outside. The freeze will be lifted at such time as a workforce plan to attain the numerical targets is agreed upon and in place. The plan, which M/HR will develop in conjunction with the Rat Patrol, and which the Rat Patrol will implement, will identify and set the priorities for hiring Civil Service employees and the ground rules for handling unanticipated critical vacancies. In essence, it will spell out where and when the Agency will recruit to fill Civil Service positions. While the freeze applies only to external Civil Service hiring, special care must be given to filling Civil Service jobs internally. The Agency cannot afford internal recruitment for positions where there is no long term need.

The Agency already recruited 18 new International Development Interns (IDIs) who will enter on duty January 1998. The Agency budgeted for hiring 15 more IDIs in FY 1998. The WPTF believes that the 15 should be apportioned as follows:

- 2 Democracy
- 4 Health/Population
- 3 Environmentalists
- 3 Contract Officers
- 3 Controllers

The WPTF would also like to see additional Foreign Service recruitment at the mid-levels, especially at Class 3 where there are few employees. The mid-levels should be a mix of non-career CS to FS excursions, non-careers from outside the Agency, and mid-level career candidates (from the Civil Service or from outside) in accordance with the agreed upon workforce plan.

The WPTF supports the Presidential Management Intern program for CS recruitment. However, this cannot and should not be the sole source for Civil Service new hires. The Agency needs to recruit widely to attract a highly qualified and diverse workforce. Current technology offers a low cost way of disseminating information about USAID and its recruitment actions. The Internet offers a low cost mechanism to establish an excellent recruitment network. M/HR, working in consultation with the Bureaus/Offices and EOP, should expand its contacts to include as many institutions of higher learning as possible, as well as organizations that know of individuals the Agency might like to have as employees. M/HR must integrate the Office of Equal Opportunity Programs into the total recruitment process to ensure that the Agency meets its diversity goals.

1. **Recommendations:**

- a) Freeze all Civil Service recruitment from the outside until the Agency's workforce plan is in place. During the freeze, M/HR, in consultation with the Bureaus, will do a workforce planning analysis. The analysis will identify where and when the Agency will recruit to fill Civil Service positions.
- b) M/HR shall integrate the Office of Equal Opportunity Programs into the entire recruitment process to ensure that the Agency meets its diversity goals.
- c) The Agency should establish and publish diversity goals for its recruitment.

2. **Recommendation:** In FY 1998, recruit 15 International Development Interns (IDIs) distributed as follows:

- 2 Democracy
- 4 Health/Population
- 3 Environmentalist
- 3 Contract Officers
- 3 Controllers

**Time Table**

November 1997,	Steering Committee approves FS IDI recruitment recommendations M/HR/POD begins recruitment for 15 IDIs
November 1997,	Administrator imposes Civil Service hiring freeze
December 1997,	M/HR/PPIM establishes major components of the plan M/HR/PPIM sets deadlines for completion of each component M/HR/PPIM develops Survey
January 1998,	M/HR/PPIM begins data collection for plan M/HR/PPIM conducts survey
February 1998,	M/HR PPIM drafts plan M/HR/PPIM shares draft plan with WPTF, Bureaus/Offices
March 1998,	M/HR/PPIM finalizes plan and submits it to the Rat Patrol
April 1998,	Rat Patrol implements plan
June 1998,	M/HR/PPIM does quarterly review of the plan
September 1998,	M/HR/PPIM does annual review of the plan



**DRAFT ACTION MEMORANDUM**

**SUBJECT:** Meeting the Technical Staffing Needs of the Agency

**ISSUE:** Given the significant reduction over the past five years in the USDH technical staff of the Agency (33 percent) and concern over its impact on programs particularly overseas, and given the consequent need to be even more efficient in the use of the USDH workforce, the Agency must address some key questions about how to achieve greater efficiency and how to promote greater productivity in its technical work.

**DISCUSSION:** USAID meets its need for technical skills in a variety of ways, both OE-funded and program-funded. It is generally agreed that there are fiduciary, procedural and qualitative reasons for maintaining a USDH cadre of technical officers who may function primarily as technical managers, and that a cadre of limited appointment direct hire and non-direct hire staff also is necessary to perform the work within activities and to bring state of the art expertise to meeting Agency objectives.

Elsewhere in the WPTF's set of recommendations there is discussion about the need to maximize the use of short-term USDH hiring authority to keep the Agency aware of new developments in the various technical areas, and about the lifting of non-USDH staff ceilings so that operating units are better able to meet the technical demands their programs present. Here the focus is on the Agency's USDH staff and the set of issues surrounding the efficient use and location of that staff.

Some of the concerns regarding USDH staff use, allocation and management include:

- The Agency must be clear about why a USDH is necessary for a particular function. USDHs may be desirable to perform certain inherently governmental functions and to provide a longer-term institutional knowledge base and a USG-specific perspective. Non-USDH staffing allows the Agency to more flexibly meet changing needs for technical staff, and to recruit staff with up-to-date skills.
- While one ideal might be to have an USDH in each operating unit for each strategic objective, this probably is unrealistic given the OE constraint and does not adequately address how to deal with non-presence country programs. There must be openness to more innovative uses of the staff mix (USDH and non-USDH), including utilizing the "matrix mission" concept explained elsewhere in the WPTF's recommendations.
- The need for central bureau-based and regional bureau-based technical staff, as well as field-based technical staff, is recognized within the Agency, but there continues to be debate about exactly what the right mix and separation of functions are, and confusion in the field about who does what in Washington. Improved working relationships among central and regional technical staff, clearer explanations about respective responsibilities, and a definition of program focus based on a unit's competitive advantage and quality of work all are necessary to help resolve the debate. It must be recognized that the work of technical units in Washington is not of uniform quality, and that one reason for what may appear to be duplication between bureaus is the need to overcome that variation in quality. In addition, regional specialization may argue for decentralization, rather than centralization of technical functions. However, staff resources are

in short supply, and whatever decentralization takes place must be shown to be in the interests of the Agency, avoid duplication, and ensure the best quality of technical assistance.

- A typical comment from overseas operating units is that technical staff in Washington are not oriented toward meeting field needs. While central and regional programs may address development issues that are global, regional or broadly sectoral in nature and relate only indirectly to specific bilateral programs, the fact that more than half the technical staff will reside in Washington at any one time requires the Agency to make sure that meeting field needs receives the highest priority.
- A more systematic review of Agency technical staffing needs may suggest different approaches to recruiting both USDH and non-USDH staff. Given how few new USDH staff may be recruited over the next few years, particular care must be taken in the selection of technical backstops to be represented. M/HR utilizes whatever information is available, but may not be fully informed about how field operating units in particular are utilizing staff or supplementing USDH staff with contractors, nor how specific tasks were merged to save on USDH positions. Sector councils all put together information about their respective technical backstops and staffing needs. A more systematic and unbiased review of technical staffing needs is required to inform recruitment plans.
- USDH technical staff need to develop improved general management skills to meet the increasing demand for those skills given the management functions technical staff are now, and will be in the future, performing. In addition, this skill development should make technical staff more competitive for Agency senior management positions which tend to emphasize generalist, rather than technical skills.
- The mentoring of new USDH staff, and the provision of other forms of staff development, declined significantly over the past few years. With few opportunities for placing more than one USDH in a specific technical backstop in an individual country, no longer can more experienced staff mentor newer staff in their respective technical specialties.

The WPTF makes recommendations that address some of these problems, including managing to budget, increased training, matrix missions, and simplified work processes. However, there are issues that are more specific to the technical staffing problem and that require more focused recommendations which are presented below. In making these recommendations, the WPTF recognizes that it had insufficient time to deal with the related issues in the detail necessary, but also that the issues are sufficiently important that they need to be brought to the immediate attention of Agency senior management.

#### **RECOMMENDATIONS:**

- a) 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. This assessment should be defined jointly by central and regional bureaus (including field missions), managed by M/HR, and conducted over the next year.

- b) Regional bureaus and central bureaus should provide a clearer definition of their respective technical functions and their interrelationships both with each other and with field missions. A statement should be published by each relevant operating unit within three months based on joint consultations with all relevant Agency units.
- c) To improve development of USDH technical staff as "technical generalists" who can more effectively manage work in a technical area, the Agency should provide management training to technical staff.
- d) Staffing needs for each technical area should be assessed through a joint effort among M/HR, G, PPC, regional bureaus (including field missions), and sector councils, and be put forward to the Rat Patrol. This should be managed by M/HR, and should be completed during the first half of CY 1998.



**DRAFT ACTION MEMORANDUM**

**SUBJECT:** Appropriate Utilization and Distribution of Contracting, Legal, Financial and Executive Officer Staff

**ISSUE:** The Workforce Planning Task Force (WPTF) conducted interviews with all AID/W Bureaus, solicited and received input from Mission managers, technical and other personnel, and reviewed all comments received from USAID/W and the field on the need, quality and promptness of contracting, legal, financial and executive officer functions. For purposes of this memorandum, we utilize the term “administrative management staff” when referring to the officers performing those functions. We concluded that performance of agency business requires ready *access* to administrative managers, and the preservation of those staff positions overseas. **A critical issue, to which we devoted significant time in our discussions, emerged during our review: the appropriate utilization and distribution of procurement personnel.**

**DISCUSSION:** Administrative management functions were identified as necessary for the efficient conduct of agency programs. Furthermore, overseas and Washington units identified *access* to those functions *overseas* as a key aspect in the appropriate distribution of Agency staff. The WPTF agrees that overseas missions must continue to receive financial, executive officer, procurement and legal assistance from locations overseas.

The WPTF heard concerns on the shortage of financial managers, and the elimination of training grounds for all administrative managers overseas. Training ground opportunities are addressed by the WPTF “Redefinition of Overseas Presence” recommendations. Several offices were noted for their responsiveness and customer focus, and may serve as organization and client orientation models that could and should be applied to the performance of administrative as well as technical functions in the Agency. A universal theme in the comments received from Washington and the field, however, concerns profound dissatisfaction with procurement and grant functions, particularly in Washington.

We are aware that the Acquisitions and Assistance Task Force is looking at the procurement and assistance process overall, but the WPTF would be remiss in the fulfillment of its mandate if it did not deal with a problem that has been identified as having a critical impact on the way in which Missions and Bureaus utilize technical and administrative staff, as well as on workforce planning on the part of the M Bureau.

Although individual contracting officers both in Washington and the field were commended for their performance, there is universal, deep-seated dissatisfaction with procurement and acquisition functions within the Agency on the part of all customers, whether DH or non-DH, in Washington and overseas.

The WPTF received feedback from the Office of Procurement (OP) indicating that contracting officers are overloaded and that there is what appears to be an unacceptably high rate of turnover among procurement staff at the agency (up to 30 percent). Constraints in OE funding levels, however, will prevent us from continuous replenishment and even expansion of a particular category of personnel, and requires instead a more efficient utilization of procurement staff.

**RECOMMENDATIONS:** It is in light of these constraints that we make the following recommendations which are based on the best practices in contract administration advocated by the Office of Federal Procurement Policy (OFPP):

1. **All technical and support staff involved in contract and grant administration (other than procurement officers) should receive training** in procurement and acquisition matters on an expedited basis. Whenever possible and appropriate, all types of training should be conducted combining procurement and non-procurement staff in the same training program, contributing to team building and enhanced understanding of each other's needs.

Action: OP and M/HR/LSD;

2. **A redefinition of the relationship between the contracting officers and the COTRs in the Agency is urgently required.** Contracting officers, as well as others, have noted that the procurement and assistance process would be greatly facilitated if contracting staff was included as part of the development program team early in the process. Along these lines, the WPTF recommends that:

a. **The Office of Procurement improve its customer service.** The chief of an OP Contracting Team should attend senior management meetings of the client bureau and be part of that bureau's senior management, although he or she would remain officially part of the M Bureau. The objective is to ensure that bureau contracting teams be knowledgeable and aware of program activities in the region so that they can more effectively support their clients in Washington as well as backstop their contracting officers overseas.

Action: OP; immediate

b. **The relationship between procurement offices and program/technical offices in Washington follow the best practices suggested by OFPP in which "the contracting officer works for and reports directly to the program/[technical] management. ...[T]he contracting officer [is]...a facilitator to ensure that good contracting principles are adhered to while achieving the program's goals."** The performance of contracting functions in Washington would be evaluated as it is overseas, taking into account the timely and effective accomplishment of program purposes as measured by client satisfaction. Full 360° input should be obtained for their Annual Evaluations. Pilot projects **co-locating procurement staff** in one unit of the Global Bureau and BHR, as well as in the ENI Bureau, should be initiated immediately.

Action: OP and AA/M; immediate

For Pilot Projects: OP and AA/M in cooperation with AA/ENI, AA/BHR and AA/G; beginning January 1998

3. The WPTF additionally recommends to the Acquisition and Assistance Task Force that it take the following actions:

- a. Conduct a review of all procurement functions and request that **OP delegate to non-procurement personnel** all those functions that it determines can be delegated, taking into account the need for a clear definition of the responsibilities that accrue with the exercise of these functions (e.g., accountability, reporting, sanctions);
- b. Examine the mechanisms used by OP to **delegate work to lower graded procurement officers** to ensure that there is full utilization of such staff to perform simpler procurement tasks, thereby freeing senior officers to undertake more complex procurement functions;
- c. Call for **additional training of COs and EXOs** in the field, as needed, with the goal of raising their current warrants to the highest allowable levels;
- d. Direct that the monetary **limits on the authority of Mission Directors and AID Reps to execute grants and cooperative agreements be raised** immediately to pre-1995 levels;
- e. Explore ways to **split off procurement from assistance functions** and recommend, if feasible, mechanisms to allow non-procurement personnel to administer and sign grants.

Action: A&A Task Force



**DRAFT ACTION MEMORANDUM**

**SUBJECT:** Achieving Greater CS/FS Flexibility to Meet Agency Needs

**ISSUE:** The Agency needs to be able to get the right people into the right positions at the right time. As the Agency deals with a shrinking cadre of career personnel, it is imperative that distinctions between the types of government service fade and the matching of employee's skills to the job's requirements regardless of government service category increase. Also, when an immediate crisis arises, such as Bosnia or the Congo, the Agency should respond quickly, drawing flexibly from its entire direct hire staff (CS and FS) to meet the need.

**DISCUSSION:** The existing workforce appears too rigid and stovepiped by foreign and civil service category to permit timely deployment. Where there are processes that permit FS and CS to hold positions which are designated for the other services, or cross-over to the other service—the process is slow and appears non-transparent. From WPTF interviews it is clear that there are CS staff who want the opportunity to serve in a limited-term foreign service assignment overseas. Similarly, FS staff are interested to have the universe of job openings in AID/W, including CS slots, made available to them. These options, therefore, are viewed not only as meeting Agency needs but also providing new challenges and learning opportunities for USAID direct hire staff.

The slow process for placement of qualified CS into FS assignments reflects a number of factors: CS applicants are allowed to apply for an FS position only if no qualified FS officer is found in the first two rounds of bidding. While this is appropriate, CS applications are slowed by the fact that the decision to open a job for CS applicants is done on a "case by case," or exceptional, basis and only after the second round of bidding is completed. Assignment cables that list the FS jobs currently only appear two times a year. It is not unusual for it to take eighteen months for a qualified CS applicant to be placed in an overseas post.

In Washington, there is sometimes reluctance to place a CS officer in an FS slot, even if no FS candidate is available and a CS person with the right qualifications can be found. This reflects in part a reluctance to convert the relatively more scarce FS positions in AID/W to CS, and the concern that once a CS person is assigned, the rotational aspect of the FS position is lost since, upon conversion of the position to CS, the incumbent is not required to rotate out of it. Conversely, CS positions may go unfilled for want of a qualified person and FS staff are not provided the opportunity to bid on CS openings when they consider their AID/W job options.

Another area for greater CS/FS flexibility is in the processing of Presidential Management Interns (PMIs) who wish to apply to the USAID Foreign Service. While the Office of Personnel Management-managed PMI program is oriented to the hiring of civil servants in most federal agencies, it has proven to be an outstanding training ground for career USAID foreign service officers. Many PMIs who come to USAID seek to convert to the foreign service system upon completion of their two-year program. The current process requires PMIs to apply and compete for an IDI position and to undergo the same training as an IDI who never worked in the Agency. This ignores their prior Agency track record and the considerable on-the-job training they already received.

The idea of a Joint Development Corps was developed in 1994 to merge the dual CS/FS systems and create increased transparency, flexibility and efficiency in the personnel system. Implementation of

such a system requires legislative change. While ultimately this may be the direction USAID should move in, the WPTF believes there are steps that can be taken immediately that will improve staffing flexibility and thus benefit overall Agency performance. These recommendations do not require a drastic restructuring of either personnel system nor legislative change.

**RECOMMENDATIONS:**

- a) USAID should increase the frequency of its FS assignment cables to quarterly. This should assure that FS slots are filled in a more timely manner and expedite CS opportunities to fill FS positions if no qualified FSOs apply.
- b) USAID should include in the FS assignment cable standard language that CS may apply to any FS position which was previously announced, with the understanding that qualified FSOs get priority. Likewise, it should be made clear that FSOs can apply and compete for CS positions for their Washington assignments.
- c) This flexibility across CS/FS positions should also be extended to the executive corps - SES and SMG positions. See separate decision memo on this issue.
- d) PMIs with strong performance should be allowed to choose a CS or FS track in USAID upon completion of their two-year program. On the FS side, they should be able to by-pass the normal IDI application process and convert directly as a limited career FSO with tenure potential.
- e) If the above recommendations are not fully implemented or do not provide the Agency with the flexibility it needs to place appropriate direct hire staff in vacant positions in a timely manner, then the Agency should assign a group to reinvigorate the concept of the Joint Development Corps. This more dramatic change may be needed to make for a more seamless and efficient system.

Actions: M/HR; Immediate

**DRAFT ACTION MEMORANDUM**

**SUBJECT:** Streamlining FS Personnel Systems to Increase Flexibility, Responsiveness, and Transparency

**PROBLEM:** One set of systems that is very labor intensive and adds little is that of: establishing Foreign Service (FS) positions and writing FS position descriptions; classification of these positions; and, the use of the resulting position levels and Backstop (BS) determination in the FS assignment process. For the most part, current detailed position descriptions (PDs) do not reflect the on-the-ground reality of the positions they are meant to describe. Consequently, the assigned BS codes may no longer be valid for the real task. The classification of specific grade levels for positions is time consuming, often a source of dispute when being classified and a cause of distortion in the assignment process as individuals put great weight on the grade of positions rather than the functions because of a perceived relationship to promotions. This set of systems is deemed by many to be of little use to the missions, the employees and the personnel system and their rigidity hampers all concerned. Most agree that a system which provides more flexibility, empowers managers, and brings back some integrity to the process is sorely needed.

**DISCUSSION:** A look at the Agency's current **Position Descriptions (PDs)** would not reflect an accurate picture of what its employees are doing in a majority of cases. The amount of time necessary to keep PDs current and accurately describing a position far exceeds what typical managers have to devote to this exercise. Rarely are PDs updated in a consistent manner to accurately reflect changes in the job as organizational and/or programmatic changes occur in the mission/office. The amount of management time spent writing these has little positive payback since they are rarely referred to once the all-important grade is assigned by HR. Smaller missions that have a wider breadth of control but fewer staff to be supervised are often disadvantaged by the current system and thus have more trouble attracting the excellent officers that they need to perform these critical and demanding jobs. Certainly there is a need to have a PD in place, but what is needed is a system that allows this function to be fulfilled quickly and with a minimum of administrative burden to the supervisor or HR.

A Backstop (BS) code gets locked into a position and, since PD's are seldom updated, the coding used to announce a vacant position may no longer reflect what the working unit really needs. Rather, it may reflect only that there is a vacant position. Additionally, **the assignment of a BS code** is increasingly difficult because of pressures to decrease the number of BSs used to make the system more administratively manageable and pressures to add BSs to give certain areas the visibility that they need as critical elements in the workforce, e.g., Democracy and Governance Officers and Humanitarian Assistance Officers. Many feel that the current system does not accurately reflect what the Agency does now and how it achieves its results. All too often officers are defined by their current BS code rather than by the skills that they brought to the Agency or developed during their careers. Thus, there is a need to develop a new methodology which is not as limiting as the current BS system. The established AOSC codes can serve this purpose until a more simplified OSC set can be tailored for the Agency. In that AOSC codes are used for CS positions, this change will also contribute to a more unified Agency personnel system. Also, there is a need to capture all of the skills that an officer has, not just the the primary one that an employee is currently using. Then when filling positions, the system can sort through all of the employees and suggest who are the best matches. This new BS system would have to be easy to use, meet the changing needs of the Agency,

and require little in the way of development which could involve high OE costs. The proposed new HR/Pay Automated System is anticipated to have the capacity necessary to facilitate implementation of these recommendations. The WPTF is aware procurement was delayed and this capacity may not be available soon. Because of its critical importance, the WPTF recommends immediate action to implement an "HR-lite" system to expedite implementation of this, and other, recommendations. Ideally, this means procurement of a portion of the system already competed, but alternatively, Commercial Off-the-Shelf (COTS) applications should be acquired to permit the fastest implementation possible.

No single process in personnel work requires more attention, time and angst than the **classification and assignment of specific grades** of FS positions. Despite all of the time and effort that is put into this process, few would agree that the grades of positions, particularly in the missions, are accurate and represent an even playing field between missions and Bureaus. Grades often were built on historical program levels in a mission but were never updated as program levels changed or sectoral emphases changed. Other grades reflect the ability of the senior staff in a mission or the AMS to write a position description to a specific grade seen as necessary to be competitive in the FS Assignment process. Word smithing reigns in this all important endeavor but to what end and at what administrative cost? Clearly there is a need for a simpler system that reduces the administrative burden, meets the needs of the Agency and its employees, and increases the flexibility of the Agency's managers, allowing them to fill positions with the best candidates to achieve results.

#### **RECOMMENDATIONS:**

- a. **Position Descriptions**—Generic Position Descriptions (PDs) should be developed from which Agency managers can select the most appropriate PD, most closely describing the general functions of the FS position that they are trying to fill. This will alleviate the need to constantly write, update and reclassify PDs for each FS position. This will allow the specificity of a job and the results being sought to be described in an effective workplan as part of the Agency evaluation system. (Note: These PDs would be used only for FS positions.)
- b. **Backstops**—The number of Backstops (BSs) should be reduced to five occupational categories defined only by a broad definitions of the nature of the work performed but supplemented by the AOSC code to add specificity. Establishing mixed-skill jobs, an increasing phenomena in our growing number of smaller missions, would be much easier under this system. These five categories would be:
  1. Senior Management - SMG and SES positions
  2. Program Coordination - includes BSs 02, 94, and 85 currently.
  3. Technical & Program Delivery - includes BSs 10, 11, 12, 15, 21, 40, 50, 60, and 75
  4. Administrative Management - includes BSs 03, 04, 92, and 93.
  5. Administrative Support - includes BSs 05 and 07.

- c. **Skills Inventory**—In conjunction with b. above, HR should embark on the process of completing a skills inventory of all of the Agency's employees to be used by Agency managers when seeking to fill their positions and by HR as part of the workforce planning process.
- d. **HR-lite**—To facilitate c. above, HR should proceed with the procurement of either a portion of its previously competed HR/Pay Automated System or COTS applications sufficient to effectively implement the above recommendations.
- e. **Classification of Positions**—FS positions should be broad-banded into three groups — Junior-Level, Mid-level and Senior-Level. This approach will relieve the managers and HR from the debate over what grade level specific positions should be and ease the pressure to ensure a grade sufficiently high enough to attract bidders in the FS Assignment process. This would be a very easy process to implement with no real cost and little if anything would be lost that is truly value-added. Once the preoccupation with grade levels is reduced, managers and promotion panels can focus on real issues such as what results were achieved by the officer rather than what was the grade level of the position that the officer was encumbering.

Action: M/HR



**DRAFT ACTION MEMORANDUM**

**SUBJECT:** The Executive Workforce and the Executive Assignment Systems

**ISSUE/PROBLEM:** In an effort to promote transparency, consistency, equity, and flexibility in the executive workforce, the Agency is for the first time making an attempt to fully document the policies and procedures governing the assignment process for the Senior Management Group (SMG). With this process, the Agency is also attempting to integrate and rationalize all senior positions into one unified process. Given the nature of the Senior Executive Service (SES) system and the current ad hoc manner in which this segment of the executive workforce is managed, any effort to create a more seamless, fluid executive corps will be restricted. Careful management and integration of these two assignment systems will lead to a more streamlined approach to the process and insure more effective utilization and deployment of USAID's executive corps.

**DISCUSSION:** The SES corps has limited integration into the Agency's SMG process and is, by the nature of the SES system, managed virtually as a separate component of the Agency's executive workforce. Approximately 39 percent of the Agency's SES positions are designated as "career reserved," which means that only career SES appointees can occupy these positions.

By law, Career Reserved positions are designated based on the need to ensure the impartiality, or the public's confidence in the impartiality of the Government (5 U.S.C. 3132(b)). Such positions include those duties which involve day-to-day operations, without responsibility for, or substantial involvement in, the determination or public advocacy of the major controversial policies of the Administration or the Agency. Such occupational disciplines would include the following: contract administration and procurement, grants administration, investigation and security matters, audit and inspection, and scientific or other highly technical or professional positions where the duties and responsibilities of the position are such that it must be filled by a career SES appointee to ensure impartiality; and other positions requiring impartiality, as determined by the agency in light of its mission.

Career Reserved designations restrict the placement of SFS officers who otherwise would meet the qualifications of these positions. Furthermore, only two SES positions exist within the regional bureaus (AFR and ENI, one of which is designated as Career Reserved), thereby gravitating SFS officers away from service in the central bureaus. The allocation and distribution of SES positions further contributes to the inflexibility between the two assignment systems.

Another aspect of the SES system which should be merged with the SMG process is the Executive Resources Board (ERB). By law, each federal agency has a statutory requirement to establish an ERB whose mandate is to conduct the merit staffing process for entry into the SES. Although the Agency has an established ERB consisting of the Deputy Director of HR, the AA/M, the Assistant General Counsel for Ethics and Administration, and the Director of EOP as an advisory member, its role has been limited only to the area of SES merit staffing actions. Unlike other federal agencies whose ERBs have a much broader charter in the general oversight of the management of executive resources, USAID's ERB does not have a significant role in the management of the SES, nor is its current function integrated into the SMG assignment panel process. This results in the management of the SES corps in a largely ad hoc, non-transparent and undisciplined manner.

**RECOMMENDATIONS:** In an effort to provide flexibility and streamline the processes of the two executive assignment systems, increase transparency and understanding in the decision making process, and create a more integrated executive workforce, the WPTF recommends:

- a. Review all SES positions not only for appropriate designation using the criteria set forth in 5 CFR 214.402, but also for appropriate distribution of SES allocations within the Agency. Career Reserved designations should be kept to the minimum required to allow flexibility between the two executive assignment systems.
- b. Expansion of the role of the Agency's ERB beyond the statutory requirement of conducting the merit staffing process for entry into the SES to have a much broader role in the general oversight of the management of executive resources. The ERB should function as an advisory board to the Agency head in executive personnel planning, utilization of executive human resources, and executive development of the SES/SFS. This group would be provided with support by M/HR/EM and by M/HR/PPIM, as appropriate.
- c. Integrate functions and membership of the ERB with the SMG selection panel. Members of the ERB should be drawn from or be enhanced with members of the SMG selection panel. As some of the ERB's proposed expanded functions are also part of the Rat Patrol Charter, the ERB membership could be the same as that of the Rat Patrol.

Action: A/AID, AA/M, Rat Patrol, ERB, DAA/M/HR: Immediate



**DRAFT ACTION MEMORANDUM**

**SUBJECT:** Foreign Service Assignment Precepts

**ISSUE/PROBLEM:** With increasing demands and expectations being placed on an increasingly smaller Agency, it is no longer affordable to have Foreign Service Officers (FSOs), including Senior Foreign Service Officers, unwilling or unavailable for overseas assignment, particularly when there are critical vacancies overseas. Better adherence to and enforcement of foreign service assignment precepts will ensure more effective use and deployment of USAID's Foreign Service employees.

**DISCUSSION:** The Agency's evolving relationship with the State Department requires that we be increasingly flexible and responsive to emergency and transition situations. However, despite this expectation to be more flexible, the ability of the existing workforce to meet that challenge remains in question. Part of the problem can be traced to USAID's shrinking workforce and budgets which already resulted in smaller and fewer missions worldwide. Another part of the problem is the Foreign Service Officer who exceeded the normal tour in Washington, and who is unavailable or unwilling to be posted overseas. A larger Agency might be able to accommodate a larger number of FSOs not complying with overseas assignment precepts, but a smaller Agency cannot.

In essence, the problem lies with the employees' failure to adhere to (and the system's failure to enforce) foreign service assignment precepts, as contained in the Foreign Service Act of 1980 (FSA). Chapter 5, Section 504 of the FSA states:

**SERVICE IN THE UNITED STATES AND ABROAD.** - (a) Career members of the Service shall be obligated to serve abroad and shall be expected to serve abroad for substantial portions of their careers. The [Administrator] shall establish by regulation limitations upon assignments of members of the Service within the United States. A member of the Service may not be assigned to duty within the United States for any period of continuous service exceeding eight years unless the [Administrator] approves an extension of such period for that member because of special circumstances. (b) Consistent with the needs of the Service, the [Administrator] shall seek to assign each career member of the Service who is a citizen of the United States (other than those employed in accordance with Section 311) to duty within the United States at least once during each period of fifteen years that the member is in the Service.

Notwithstanding the above requirements, M/HR figures show that 29 FS employees have been in Washington for more than 8 years,<sup>1</sup> and 44 FS employees have been abroad for more than 15 years continuously.

Greater discipline and enforcement is required to ensure that FSOs, who certify their worldwide availability, live up to their promises. An FSO who, in fact, has no intention of serving overseas not only occupies a critical FS slot, but he/she blocks the placement of an officer who might otherwise be available; likewise, an FSO who refuses to rotate to Washington for a tour blocks the placement of a Washington-based officer due to rotate out. If the Agency needs to be flexible and responsive, it

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<sup>1</sup> In fact, 37 employees have been in Washington for more than eight years, but eight of these employees are not cleared medically, thus the number is reduced to 29 employees.

cannot afford to have a subset of officers in the Foreign Service corps unwilling or unable to adhere to the overseas assignment precepts. (It should be noted that some employees may not be assignable to certain posts due to medical conditions that preclude them from serving in posts with limited medical facilities. Medical circumstances, therefore, should be taken into consideration when making assignment decisions.)

This said, the FSOs unwilling to go overseas may well be providing valuable services to the Agency. Thus, the intent is not to punish them by separating them from the Agency, but rather to encourage them to convert to CS status instead. This, however, should not be an automatic conversion. In fairness to the civil service, FSOs desiring to convert should have to compete for these positions as a CS employee would, even if it means lowering one's grade (a timeframe should be established to find another job (e.g., one year), or risk directed placement overseas). If he/she is selected, then the personnel system should be allowed to facilitate such a conversion.

**RECOMMENDATION:** That the foreign assignment precepts, as contained in the Foreign Service Act of 1980, be more rigorously enforced so that FSOs assigned to Washington not stay longer than 8 years nor remain overseas for longer than 15 years. If an FSO remains unwilling or unable to go overseas, he/she should be given a one-year window to compete for CS jobs for which they may be qualified (and convert to CS status if selected), or risk directed placement (including the consequences if a directed placement is refused).

**Timeframe/Action Agents:** Implementation of this recommendation will take several steps:

Step 1: review personnel files to identify who has been in Washington 7 years or more, contact them by letter reminding them of requirement to be assigned within next year or risk directed assignment (target timeframe: next 60 days (o/a 1/1/98); action agent(s): M/HR);

Step 2: provide career counseling to those without assignment (target timeframe: ongoing; action agent(s): M/HR, professional colleagues, and others, as appropriate);

Step 3: identify who was not assigned; begin directed placement actions (target timeframe: by beginning of second quarter, FY99 (1/1/99); action agent(s): M/HR).



**DRAFT ACTION MEMORANDUM**

**SUBJECT:** Workforce Issues Involving U.S. Personal Service Contractors (USPSCs)

**ISSUE:** U.S. Personal Services Contractors (USPSCs) constitute approximately 20 percent of USAID's overall American workforce and are critical to carrying out the Agency's business. The Agency must recognize the important role they play and make every effort to treat them more consistently and equitably than they have been in the past.

**DISCUSSION:** With the decreasing level of operating expense funds, the attrition of USAID direct hires, and the increased demand for certain categories of technical expertise, USAID increased its use of USPSCs in the workforce. Worldwide, the Agency currently employs approximately 500 USPSCs, or about 20 percent of USAID's American workforce. Notwithstanding the Agency's growing dependency on USPSCs, there are a number of basic issues that produced endemic morale problems and obstacles to team building within the workforce, including inability to participate in a SEP/IRA or similar type retirement plan, the unavailability of an organized group health benefit plan, and inconsistent application of Agency regulations.

USPSCs understand the need for and the advantages to the Agency in having the ability to hire specialized, non-career expertise. The Administrator's emphasis on including all employees as valuable contributors to the Agency's mission is appreciated. However, the over-arching feeling among USPSCs is that while they are being espoused as an integral part of the Agency's workforce, doing much of the same work and subject to the same ethical and procurement rules and regulations as direct hires, in practice they are frequently not treated like employees. Even among USPSCs, regulations are inconsistently applied.

Without question, the most serious shortcoming in the USPSC benefit package is the lack of access to a retirement plan. While USPSCs enter into contracts with USAID which state that they are "contractors," USPSCs are legally prohibited from participating in SEP/IRAs or Keogh retirement plans because the IRS determined that USPSCs are "employees" of USAID.<sup>1</sup> Yet, despite being considered employees by the IRS, they are considered "contractors" for purposes of determining their eligibility for participating in the Government Thrift Savings Plan. As a consequence, USPSCs are ineligible to participate in any retirement plan. The USPSCs requested, therefore, that the Agency clarify USPSC status; i.e., contractor or employee, so eligibility for and participation in a retirement plan can be facilitated.

Another principal benefit which is not given adequate consideration by the Agency concerns health and life insurance coverage for USPSCs. While some USPSCs are informed of a particular health benefit plan, others are not. Moreover, the health benefit plan in question is not for USPSCs, per se, but rather is open to all types of contractors and does not provide the preferential rates of a true "group" plan. It would be desirable for the Agency to negotiate a group health plan tailored to the needs of USAID's USPSCs.

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<sup>1</sup> This interpretation derives from the fact that USAID gives the appearance of treating USPSCs as employees by providing USPSCs with a W-2, by deducting FICA payments for medicare and social security, and by requiring USPSCs to follow USAID work hours and location.

In addition to the principal issues outlined above, there are a number of other concerns which tend to undermine USPSC morale and productivity, such as:

(1) Payroll: To get paid for their services, Washington-based USPSCs must use a voucher payment system that is labor intensive and unreliable in terms of timely payment;

(2) Metro Transit Subsidy: Notwithstanding the intent of the Clean Air Act, USPSCs are not allowed to receive Metro Transit subsidy payments offered to the Agency's other employees; and

(3) Credit For Previous Federal Employment: a policy of not crediting previous federal employment when calculating annual and sick leave benefits.

The recommendations below address the above concerns and incorporate other findings made by the Workforce Planning Task Force.

### **RECOMMENDATIONS:**

1. USAID should give priority attention to clarifying USPSCs employment status and benefits, with the goal of establishing a tax-deferred retirement benefit plan accessible to USPSCs.
2. USAID should negotiate a group health plan contract(s) for USPSCs under one or more health benefit plans suitable for USAID's USPSC workforce and offer such plan(s) as a benefit under USPSC contracts.
3. USAID should establish a mechanism permitting regular periodic exchanges between a representative group of USPSCs and the Agency to address concerns confronting the USPSC workforce.
4. To ensure more consistent treatment of USPSCs, USAID should centralize management of Washington-based USPSCs to a single office. The WPTF suggests that this office should be M/HR, as this is the office that handles all other employees of USAID.
5. To maximize use of their experience, USAID (i.e., the office managing USPSCs) should maintain a roster/skills bank of USPSCs willing to work in countries where USAID has programs.

**Timeframe/Action Agents:** Implementation of this recommendation will take several steps:

Step 1: establish a working group of representatives of OP, HR, GC and the PSCs to review historical underpinnings of existing USPSC policy, air issues, and begin a constructive dialogue among the parties (target timeframe: as soon as possible; action agent(s): OP, HR, GC, USPSC group);

Step 2: research statutory and regulatory impediments preventing PSC's participation in health and retirement plans; determine what legislative relief is necessary and begin process to make changes, if required (target timeframe: by end of first quarter, FY 98; action agent(s): OP, HR, GC, USPSC group);

Step 3: inventory contracting/personnel functions required by USPSCs in USAID/Washington; determine what roles could be played by various support offices (e.g., OP, HR, Bureau AMSs); identify to which office it makes the most sense to delegate USPSC functions and assign responsibility (target timeframe: by end of first quarter, FY 98; action agent(s): OP, HR, GC, USPSC group);

Step 4: inventory skills/experience of USPSCs; establish skills bank and put on Intranet (target timeframe: by end of FY 98; actions agent(s): HR, USPSC group).



**DRAFT ACTION MEMORANDUM**

**SUBJECT:** Professional Development

**ISSUE:** The need for appropriate skills for USAID staff was universally accorded top priority by all groups interviewed by the WPTF. USAID's central training budget, which was \$4.1 million in FY 1997, was limited almost exclusively to computer training and mandatory training (such as Ethics) over the last few years. The lack of staff development, in the view of all interviewed, is leading to a dysfunctional USAID.

**DISCUSSION:** The urgency of staff development was cited for a number of reasons:

- Managers, who may be outstanding officers in their specialized fields, have little or no human resources management training, nor are they provided the specialized skills needed to manage in a reengineered USAID;
- Mission staff, including FSNs, who were delegated greater responsibilities under reengineering, have little or no training on how to function as team leaders or team players;
- In addition, they do not know what activity design and implementation instruments are or should be in the absence of the "old" approaches, such as NADS, PIDS, PPs, etc. Procurement knowledge of program staff is weak.
- Gender and diversity training no longer exists.
- There is almost no "continuing" education, such as the Development Studies Program, and USAID is failing as a "learning" agency.

All of these result in program and human resource management vulnerabilities and seriously affect our ability to deliver results.

Some missions and Bureaus compensated by hiring consultants to design and deliver training modules for their staff in specific areas such as team building and supervisory skills. Missions spent \$3 million of their scarce OE resources for various kinds of staff training last fiscal year. While this shows the priority accorded to training by some missions, it is an inefficient approach, with USAID paying for training design work multiple times as missions "reinvent the wheel." It also does not begin to meet the larger training requirements of the Agency. M/HR designed a comprehensive training curriculum of five modules, (organization and operations; team skills; managing for results; leadership; and senior managers/senior leaders) that they estimate will cost \$30 million over the next five years (estimate \$6 million/year) to design and implement. While ultimately necessary, the WPTF recommends below that this procurement action be stopped and consideration first be given to funding already designed and tested programs developed by several field missions. This could reduce the amount of design work anticipated under that procurement, make the package less expensive, and lead to faster implementation

If the Agency is to manage staff reductions and realignment envisioned by the WPTF, it is imperative that the savings generated by this difficult exercise be used quickly and effectively to the benefit of

the staff. This is not only critical to assure that USAID can accomplish its mandate but will reverse the general perception that USAID is not an agency that invests in its employees.

The WPTF finds the “Reinventing Human Resource Management” recommendation under the *National Performance Review* appropriate for the Agency:

**Clearly Define the Objective of Training as the Improvement of Individual and Organizational Performance; Make Training More Market-Driven**

Many observers believe that training in the federal government is inadequately funded; the Volcker Commission found that in 1989 the government spent “about three-quarters of 1 percent of its payroll dollars on civilian training, compared with 3 to 5 percent in the most effective private firms.”<sup>(2)</sup> Training is usually seen as a cost, not an investment. Training costs are not generally included in cost estimates for new systems or programs, and usually are not a part of the budget process. Training is too often a quick fix even though it may not be the best solution to a performance problem or the best way to impart knowledge about a regulation or requirement. Training is frequently seen as something that happens only in the classroom, and, as a result, other methods for improving performance such as job aids, expert systems, on-the-job training, coaching, mentoring, developmental work assignments, job redesign, and computer-based instruction are not considered.

The WPTF believes USAID should seek to invest in staff development *at least* at the average rate of training for Fortune 500 corporations, which is approximately 2.19 percent of their operating budgets annually.<sup>1</sup> In the USAID context, this translates to approximately \$10.4 million per year. Given the absence of staff development for a number of years, the high demand for opportunities for professional growth, and the considerable NMS training requirements in the near term, USAID may need to “frontload” skills development and spend an even greater amount in the short term. Another target might be to consider, at a minimum, two weeks of training per year for every USAID officer.

While USAID does have career development officers in M/HR, their function focuses primarily on rendering advisory services to FS officers in the areas of employee assistance, assignments and board ratings vis a vis performance, rather than on career development counseling. These officers are usually foreign service staff who are not professionally trained in career development and counseling. One career counselor for GS officers is also housed in M/HR but is rarely used.

**RECOMMENDATIONS:**

a) Funds to enhance skills of USAID’s staff should no longer be a discretionary line item in the budget. They must be “in the base.” This is one of the top priorities of the WPTF.

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<sup>1</sup> Statistic obtained from American Society for Training and Development, Alexandria, VA. It was drawn from 1995 study compiled by the Department of Labor’s Bureau of Statistics.

- b) Some form of non-computer skills training should be reintroduced this fiscal year to show the Agency's recommitment to staff development.
- c) Funds for professional development should be decentralized to the extent possible, allowing Bureaus and missions to decide their own priorities. Bureaus/Missions could then buy into the core contracts entered into by M/HR training division.
- d) Funds for computer training should be reduced in the near term and savings rechanneled to upgrading those professional skills identified by the task force as a higher priority. In priority order, those are: basic supervisory skills, managing for results (program implementation) skills; senior management leadership skills; and Development Studies, amended to include humanitarian and transition assistance modules. Staff should be provided with standard software package training for such things as Windows 95 and other computer skills.
- e) HR should poll all missions and bureaus to determine what training modules are already developed and consider if and how they can be immediately adapted for overall Agency use.
- f) The proposed HR training program should go forward on an expedited basis—but only *after* considering whether existing modules developed by missions and/or bureaus can reduce the amount of design work anticipated under that procurement, thereby making the package less expensive and leading to faster implementation.
- g) USAID should consider developing “core competency” certification in priority areas as a tool for assuring that professional development opportunities funded by the Agency match with skills required to meet the Agency's mandate. In addition, identification of core competency areas could guide supervisors and staff in assuring that the appropriate and necessary staff development is taking place.
- h) In the absence of many immediate in-house professional skills development opportunities, and given limited budgets, M/HR should begin to disseminate immediately information about relevant courses offered outside USAID in the Washington area, many of which are free of charge, or relatively inexpensive.
- i) The primary responsibility for career counseling should shift from M/HR to managers and supervisors, especially as it relates to assuring that employees identify and acquire needed skills. A manager's performance should include consideration of their effectiveness in promoting staff development.
- j) The M/HR career development staff should serve as resource persons for managers in carrying out career development responsibilities.
- k) Approve formal participation of USAID employees in career development programs currently available to other federal employees, (e.g., Executive Potential Program, SES Candidate Development Program, Aspiring Leadership Program.)
- l) (Cross Reference: Draft WPTF “Appropriate Utilization and Distribution of Contracting, Legal, Financial and Executive Officer Staff” memo on procurement and acquisition training for technical and support staff involved in contract and grant administration.)

Next Steps:

- a) Administrator endorsement that funding for staff development is no longer a discretionary budget item. (WPTF Steering Committee)
- b) Approval of new Agency workforce plan in keeping with WPTF vision, to assure additional funds will be freed for training. (AAs, Deputy Administrator and Administrator)
- c) Revised M Bureau projections for staff development opportunities (M/BUD)
- d) Revised M Bureau staff development strategy as outlined in recommendations above.
- e) Issuance by M/HR of RFP, with possible revisions based on polls of missions and existing designs.



**DRAFT ACTION MEMORANDUM**

**SUBJECT:** Promotion and Incentives

**PROBLEM:** Quality of staff becomes increasingly critical in an era of diminishing resources. One way of ensuring the highest quality staff is to provide incentives to those who possess the desired qualifications, expertise, experience and professional work ethic and behavior. Certainly, one of the most highly prized incentives is promotion. Other incentives are cash bonuses and non-monetary awards to recognize superior performance. Conversely, the incentive to perform well also plays a significant role in the annual board review process in terms of "selecting out" poor performers. Incentives can also be used to reward staff who not only perform well, but also serve tours in hard to fill positions. Promotion and incentives, together with a strong emphasis on professional development, are essential elements in ensuring a high quality workforce. However, based on interviews and past workforce reports, it is overwhelmingly clear that the Agency is not effectively using these two elements to motivate employees to achieve higher levels of performance.

**DISCUSSION:** Promotion opportunities and incentives for Agency staff were extremely limited over the last four years. The WPTF found that in the case of promotion actions, the agency may be inadvertently rewarding through promotions some individuals that do not:

- reflect agency core values in their behavior, especially those dealing with customer focus, teamwork and valuing diversity,
- perform work in difficult, remote, small missions, or transition locations, or
- provide the mentoring to less experienced staff members that is so desperately needed in this downsized agency.

The WPTF also found that the Agency's awards program was sporadic with respect to funding performance bonuses for employees, and fraught with problems in flexibility, timeliness, transparency, and over-centralization of the entire process. Funding for cash awards, when available, is centralized, further contributing to the inefficiency and ineffectiveness of the awards system. There are "On-the-Spot" awards, but they are limited in funding. As a result, at a time when promotion opportunities are becoming increasingly limited and employee morale is at its lowest, managers and supervisors cannot use other types of incentives to effectively reward the accomplishments of good performers and motivate staff, nor can they emphasize future performance expectations with any kind of meaningful incentives.

The Agency's incentives program must also broaden its scope to address staffing needs, particularly with respect to attracting high caliber employees to encumber difficult to fill positions, such as those located in central bureaus, small missions overseas and hardship posts, and those which involve emergency/transition program activities. Moreover, at a time when there is a greater need for stronger language capabilities among our foreign service corps, incentives have not been used as a mechanism to promote superior language skills.

The WPTF recommendations maximize the use of incentives as a management tool, restore balance, and reflect the Agency's values through the promotion and awards process. It is anticipated that the

overall effect of these recommendations will be to promote positive change in the quality and management of the workforce and in the operating environment of our organization. Moreover, these recommendations will send a clear message which places the highest value on the management of resources, particularly on the management of the most important of our Agency's resources—our workforce.

Keeping in mind that the civil service and foreign service promotion procedures are slightly different, the approaches may be slightly different for rewarding performance/behavior. The civil service employee is evaluated against the position s/he occupies and the objectives in the AEF. The foreign service employee is ranked relative to other foreign service officers.

The promotion precepts for both categories of employees reflect lots of verbiage with regard to recognition of diversity, core values, serving in transition missions or other hard-to-fill positions. Yet when one looks at the special considerations for promotion, selection boards are instructed as follows:

In general, the importance of leadership and teamwork/interpersonal skills relative to other specific skills increases as one moves up the ranks into more responsible positions.

Below is an excerpt of the precepts which characterize performance worthy of promotion to the Threshold and Senior Foreign Service.

- strong policy formulation capabilities
- outstanding executive leadership qualities and highly developed functional foreign language and area expertise.

To be promoted into the SFS, employees must have:

- successfully completed several diverse and increasingly responsible assignments

It is desirable to have:

- attained a language proficiency in a category A language and S-2 in a category B language, and to have served in at least one 20 percent or more differential hardship post.

The precepts then go into a list of virtues that are to be displayed by all who remain in the ranks of the SMG, including mentoring less experienced employees, fostering EEO and a cultural work environment which values diversity as well as the other things the agency says are important to it. The fact that these are not highlighted in the absolute must-haves may be a weakness in the promotion precepts, still, if one looks hard enough, they are all there. Some re-ordering might help refocus the promotion process on the core values.

The make-up of the panels is another possible weakness. No doubt, it is a difficult process to choose panels, and to try to get just the right balance. It is assumed that most of the panel members do not come from small or transition missions, since they, by definition, have fewer people to contribute to the process. Therefore, panel members from the larger, better endowed missions may de-value the

physical hardship and diverse work demands of employees at smaller missions, and instead value the amount of funds obligated or other types of “complexity” issues that can only arise at a well-staffed mission. The streamlined, smaller mission avoids complexity in implementation and therefore may suffer in comparison with the large mission, even though the policy dialogue and other substantive tasks might be roughly the same.

#### RECOMMENDATIONS:

1. Ensure that the core values, particularly teamwork and valuing diversity, are emphasized in the promotion precepts and are mandatory for those considered for promotion. This must be reinforced in the mandatory performance board briefings.
2. All promotions should be reviewed by the EOP office for conformity of the employee’s comportment with EEO concerns. EOP should have the authority to make recommendations to the DAA/HR to disapprove a promotion if there is a formal finding of discrimination or other EEO violation against the candidate proposed/selected for promotion; this would be done concurrently with the IG review on proposed candidates for promotion.
3. To ensure that small and transition missions are adequately represented on promotion panels (and hence improve the promotion chances for officers who serve in these missions), the WPTF recommends:
  - a) that the promotion precepts include that the multi-functional responsibilities of officers at small/transition posts be recognized by the agency as traits valued by priority programs, and therefore included as highly desirable traits for purposes of promotion,
  - b) that funds be made available to cover the cost of replacement TDYers to allow representatives from small and transition missions to serve on promotion panels, and
  - c) that representatives of small and transition mission personnel reflect their actual distribution in the field (i.e., more than 50 percent of membership on promotion panels).
4. Explore other incentive options for officers who encumber difficult to fill positions within the Agency.
5. Provide managers with incentives to have mission staff provide services to nearby missions in “matrix” situations and place special emphasis in this area for promotion.
6. Explore and recommend ways to reward and maintain high level expertise and quality in our technical and administrative management support staff cadre.
7. Require bureaus to designate panel members and alternates and submit those candidates to HR at least six months prior to convening of the promotion boards.
8. Provide stable funding for all monetary awards by establishing accounts as priority budget line items (rather than categorized as discretionary funds) and decentralize funding by bureau.

9. Create uniform guidelines for all employees on performance pay pool amounts, size of awards, and percentage of employees to received cash bonuses.
10. Streamline/simplify current agency awards regulations and processes to improve timeliness. The decision making process for non-monetary awards should be decentralized to the extent possible thereby empowering managers; abolish existing time schedules for awards and allow such awards to be given on an ad hoc basis/off cycle.
11. Redefine the role of HR in the decentralized awards process to three primary areas: provision of policy guidance, coordination of a smaller, more manageable formal recognition awards program, and cutting SF-50 actions.



## Methodology

The need for a Workforce Planning Task Force (WPTF) came out of the Administrator's Senior Retreat held in June 1997, at which time several major issues requiring immediate attention came to the fore, including: Workforce Planning, Procurement (Acquisitions and Assistance) and the R4 Process. The Administrator agreed to appoint two task forces to address the first two issues and named two Steering Groups. The Workforce Planning Task Force Steering Group comprised Terry Brown (DAA/ANE and Steering Group Chairperson), Charles Costello (DAA/G/DG), Linda Lion (DAA/M/HR), Singleton McAllister (GC), and Barbara Turner (DAA/ENI).

The first task for the Steering Group was to select the WPTF membership. Understanding that problems plaguing former workforce planning exercises included the perception that reports represented parochial interests or were products of outside consultants unfamiliar with USAID's work, the Steering Group set out to select a WPTF that was balanced and neutral, yet represented the diversity existing within the Agency. The Steering Group selected WPTF members from across the Agency with a broad range of experience and disciplines and representative of both CS and FS perspectives, sustainable development and transition work, and as many geographic and central bureaus as practical. Once formed, explicit guidance was given to WPTF members to shed their Bureau or office identity; WPTF members were expected to think more broadly, to put the interests of the Agency ahead of parochial interests.

The WPTF members included (in alphabetical order):

Gregg Baker, ANE/SEA/EA<sup>1</sup>  
Bishop Buckley, EOP  
Pam Callen, USAID/Guinea (co-chair)  
Robert Clay, G/PHN/HN (co-chair)  
Michael Deal, LAC/DPB  
Dina Esposito, BHR/PPE  
Viviann Gary, G/ENV/UP  
William Granger, ENI/AMS  
David Leong, ENI/PER/PO  
David McCloud, AFR/SD  
Carla Royalty, LAC/AMS  
Marta Velazquez, GC

The WPTF was assisted by the following individuals:

Douglas Brandi, M/HR/PPIM  
Lawrence Brown, M/HR/PPIM/PP  
Maribeth Zankowski, M/HR/PPIM/PP  
Jerry Harrison-Burns, Management Systems International (facilitator)  
Patricia Bullock, OP/P (resource person)

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<sup>1</sup> Due to unforeseen circumstances, Mr. Baker was only able to participate during the first two weeks of the WPTF.

The WPTF convened September 3, 1997. Its first assignment was to develop its own terms of reference, drawing from guidance from the Steering Group, materials developed by M/HR for the Senior Retreat, as well as other reports, tables, and statistics compiled for the WPTF. After initial team building and brainstorming sessions, the WPTF developed its terms of reference which was shared with the Steering Group, the Deputy Assistant Administrator group, and the Administrator (the USAID General Notice and Terms of Reference are attached).

Initially, the WPTF felt its product should be action oriented; the WPTF did not want its product to end up as the previous 16 reports had ended up: read by some, praised by fewer, but essentially unacted upon because of lack of consensus on the recommendations or due to lack of follow-up. To avoid this, the tactic was to develop a series of Action Memoranda that would incrementally but deliberately address policy constraints or issues negatively affecting workforce planning. The WPTF believed that action memoranda addressing critical but non-controversial issues could be relatively easily dispensed with. More controversial or contentious issues might take a longer period for consensus building, but their resolution should not block other, less critical decisions.

Ultimately, this approach proved unworkable. Part of the problem was that policy makers expressed reluctance to proceed with single, incremental actions without fuller knowledge of what the "big picture" looked like. While in theory the initial approach was appealing, the overall importance of the issues argued for a more measured approach. Nonetheless, to retain the action orientation of the WPTF's initial thinking (as well as the desire to have follow-up mechanisms), action memoranda are used to forward the WPTF's recommendations to the Steering Group and, ultimately, the Resource Allocation Team conceptualized by the WPTF.

The WPTF conducted its work through document review, group and individual interviews, focus groups (e.g., sector councils, desk officers, PDOs/Program Officers, Personal Services Contractors, etc.), administration of informal questionnaires, soliciting input from overseas colleagues, and a series of WPTF retreats. In all, over 40 documents were reviewed, some 50 meetings involving scores of USAID employees were held, and detailed feedback was received from over 40 of our Washington and field colleagues. Throughout the process, the group's thinking evolved. Problems and solutions were proposed, scrutinized, debated and refined. The group's operating precepts were explicit, to minimize the tendency to develop separate agendas, but even the precepts evolved over time as more information was gathered and as interviews and feedback uncovered different perspectives and approaches. Overall, it proved to be a very positive and constructive team effort, reflecting a membership that cared deeply about the viability of the Agency and its mission.

The WPTF itself devoted far more time to the task than originally anticipated. Originally, only the two co-team leaders were expected to work full-time on the WPTF. The remaining members were expected to only put in up to 50 percent of their time. As it turned out, a far greater time commitment was required, with WPTF members devoting closer to 80 percent of their time, in addition to full-time for the HR support staff. In the final analysis, an estimated 3,700 person/hours was spent by the entire WPTF. Add to this the amount of time devoted by the Steering Group and other USAID staff, and it is clear that the resources required for this exercise have been considerable.

This being said, the WPTF is confident that the resources and effort were well spent. Its products reflect the collective sentiments and wisdom of a broad cross-section of the Agency. It is not a report

produced by outside consultants, nor ideas generated internally without consultation with the Agency's policy makers and practitioners.

Nor is it the end of the workforce planning process; indeed, it is the beginning. The workforce planning process is one that, by its very definition, is organic and dynamic. The key to this process is the Resource Allocation Team, and the hope and desire that this team will be able to rise to the challenge and develop a *corporate* mentality, with *corporate* needs taking precedence over parochial interests. The recommendations contained herein represent the WPTF's best efforts to take this corporate view. It is now up to the Resource Allocation Team to take up the mantle, to continue the dialogue, to discuss, debate, and ultimately decide which road for the Agency to take.

ADMINISTRATOR

USAID/GENERAL NOTICE  
A/AID  
09/17/97

SUBJECT: Workforce Planning Task Force

One outcome of my June 27, 1997, Senior Staff Retreat was my instruction to establish a task force on workforce planning to follow-up, review and implement recommendations from earlier efforts. The Workforce Planning Steering Group was immediately established, consisting of:

Terrence Brown, DAA/ANE  
Charles Costello, DAA/G/DG  
Linda Lion, DAA/M/HR  
Singleton McAllister, GC  
Barbara Turner, DAA/ENI

The Steering Group subsequently established the Workforce Planning Task Force which first met September 2, 1997. The purpose of this Task Force is to develop a process to guide workforce planning over the next five years, beginning with a series of actionable recommendations designed to address the Agency's workforce requirements for the next three years. The Task Force membership is:

Pamela L. Callen, Co-Chair, (FS) Deputy Mission Director, USAID Guinea  
Robert M. Clay, Co-Chair, (GS) Deputy Director G/PHN/HN  
Gregg Baker, (FS) ANE/SEA/EA  
Bishop Buckley, (GS) EOP/OD  
Pat Bullock, (GS) M/OP/POL  
Michael Deal, (FS) LAC/DPB  
Dina Esposito, (GS) BHR/PPE  
Viviann Gary, (FS) G/ENV/UP  
William Granger, (FS) ENI/AMS  
David Leong, (FS) ENI/PER/PRO  
David McCloud, (FS) AFR/SD  
Carla Royalty, (GS) LAC/AMS  
Marta Velazquez, (FS) GC/ANE

The Terms of Reference for the Task Force are attached. The Task Force expects to conclude its work by October 31, 1997. A critical aspect of the work of the Task Force is to obtain broad-based input on the perceived workforce needs of the Agency and innovative ideas on how best to manage the workforce planning and decision processes. To facilitate the communications process, two electronic avenues have been established:

1. BeyondMail: Messages may be submitted through BeyondMail to the following address:

WorkforceMailbox@HR.WPRS.WFTASK

2. USAID Intranet: The Human Resources Website now includes a Workforce Planning Task Force Webpage. This can be reached by selecting the first item on the Human Resources Webpage at the following URL:

<http://www.usaid.gov/M/HR>

All comments, ideas, recommendations, etc., will be considered by the Task Force.

Information about the Task Force and its activities will be posted on its Webpage throughout the life of the Task Force. This notice and a copy of the Terms of Reference are now available at this site. As recommendations are made by the Task Force and approved, they will be posted. The process is intended to be participatory and transparent. Comments and reactions to decisions will be welcomed.

J. Brian Atwood

Attachment:

USAID Workforce Planning Task Force 1997, Terms of Reference

Point of Contact: Lawrence Brown, M/HR/PPIM, 202-712-1074

Notice 0920

## Terms of Reference

**Purpose:** The purpose of this task force is to develop a process to guide workforce planning over the next five years, beginning with a series of actionable recommendations designed to address the Agency's workforce requirements for the next three years.

**Background:** Presently, workforce planning in the Agency is essentially budget-driven, largely ad hoc and conducted primarily at the bureau level. This has created a situation where many are questioning whether we have the right mix of staff to adequately carry out our development mandate and if existing staff is allocated within the Agency equitably and effectively.

In the absence of an agreed-upon long-term (e.g., 3-year) Agency-wide workforce plan, the Agency lacks the flexibility to respond to changing priorities requiring the deployment of existing staff resources in a timely manner without doing harm to existing programs.

The Agency's USDH workforce has declined by about 27 percent since 1992, with a 24 percent decline in Washington and 36 percent decline overseas. The number of overseas missions declined by approximately 25 percent. With the continuing decline in Operating Expense (OE) resources, Bureaus have been under increasing pressure to delete USDH, as well as OE-funded non-direct hire, positions in both the field and Washington. And, as Missions downsize, many are deleting their USDH technical positions and relying instead on program-funded Personal Service Contractors (PSCs) and other non-direct hires along with USDH General Development, Project Development, or Program Officers to manage the Missions' Strategic Objectives.

In addition, USAID has, since 1994, had more Civil Service than Foreign Service staff. Civil Service (CS) recruitment exceeds Foreign Service (FS) recruitment at a time when CS onboard staff exceed FS staff and the normal FS retirement rate is more than double that of the CS. Moreover, the minimal International Development Intern (IDI) recruitment over the past several years has prevented the Agency from ensuring an adequate supply of junior FSOs in the pipeline at a time when a large percentage of FSOs are at or approaching retirement eligibility.

Several critical problem areas have been identified, including:

- Current decision-making process does not provide for rational agency-wide brokering between competing needs;
- The current organizational structure (Washington and the field) and the level of centralization are not optimal;
- Personnel staffing authorities (limited appointments, AD, etc.) not effectively utilized to meet staffing needs;

- Internal processes (viz. R4, AEFs, budget, personnel actions) place too many demands on staff resources resulting in inefficient/ineffective use of time;
- Workforce is doing double-work by planning/reporting at both project and SO level (need Congress to buy-off on reengineering or go to some other uniform system);
- Process for organizational change does not provide flexibility for operating units to respond in a timely manner (e.g., upgrading a mission and internal mission reorganization);
- Current staff resources are not effectively utilized; DH/PSC/FSN roles need examination; opportunities for interchange between CS and FS employees needs exploration (CS/FS "stovepiped"); role and needs of support staff need to be examined;
- Professional development opportunities non-existent or limited at best at all levels of workforce;
- Personnel evaluation/assignment (CS and FS) precepts not being followed (evaluations not effectively being used to select out; FSOs in Washington for more than 8 years, and overseas for longer than 15 years);
- Recruitment and staffing focusses only on short-term needs (vs. long-term needs);
- Diversity as an Agency core value has fallen by the wayside;
- Current budget realities at odds with Agency culture/incentive structure.

**Assumptions/Operating Parameters:**

1. OE will remain static over the next 5 years, i.e., \$473 million (1997 dollars); this equates to a 3 percent reduction in real resources/year.
2. NMS will not produce significant cost savings over next 3 years.
3. The Agency strategy (i.e., broad-based economic growth and agricultural development; democracy and good governance; human capacity through education and training; population, health, and nutrition; environment; and humanitarian/disaster assistance) will be the basis for task force work.
4. USAID must retain flexibility to respond to transition and evolving cross-cutting requirements, including new initiatives.
5. USAID to retain comparative advantage by having overseas presence.

## Scope of Work

**1. Structure** — USAID's organizational structure should facilitate accomplishment of Agency goals and objectives. Currently, the Agency's organization reflects past resource levels and positions. In Washington, there is lack of coordination among regional and central operating units, and often duplication of functions. At the field level, where reengineering has been widely applied, there is a need to further review structures given resource limitations. This task force will:

- (a) *review and make recommendations on the nature and workings of the relationship between Washington and overseas units, identify issues/questions to be addressed in future assessments of functions, structures and size of USAID/Washington, and review assumptions made in the Overseas Workforce Restructuring Analysis;*
- (b) *review and make recommendations on practical, flexible organizational structures to complement more flexible delivery mechanisms for delivering assistance stemming from the work of the acquisitions and assistance task force (e.g., traditional missions, regional missions, non-presence, and Global);*
- (c) *assess how to maximize efficiency and productivity in terms of location of various types of staff (e.g., where to place contracting officers—in missions, regional centers, or Washington; what types of technical work requires a bilateral presence, regional presence, or Washington base);*
- (d) *assess the impact of various processes (NMS, R4s, AEFs, etc.) on USDH staffing requirements and respective roles and responsibilities of staff.*

**2. Dynamic workforce planning process** — Human resource management decision processes are currently ad hoc and often respond to employee rather than Agency needs. The task force will address all categories of employees, including direct hire (CS, FS, AD, SFS, SES, etc.), non-direct hire, PSC, FSN, and program-funded employment mechanisms. New countries, initiatives and priorities develop with increasing regularity, and there are many more job vacancies than there are individuals who are able or willing to fill them. Part of the problem has been the rigidity with which we have practiced HR allocations — very little consensus has existed on how best to fill positions in ways that serve the Agency as well as employees. In addition, whether and how we use OE and program resources to meet staffing needs requires thought. The task force will:

- (a) *articulate a dynamic planning process to help determine workforce needs. (Consideration will be given to the mix of staff allocated between technical and support functions, CS and FS, USDH and non-USDH; OE-funded and program-funded, and AID/W and overseas staff.)*
- (b) *review the implications of the current decision making process on HR allocations and decisions, and recommend improved processes for decision-making.*

**3. Budget Constraints** — Budget constraints clearly drive what is possible in developing an HR plan. Critical assumptions related to expected OE levels will determine the parameters for longer-term planning. The task force will:

- (a) *review and validate OE budget projections provided by M, and address implications for Agency human resource planning; and*
- (b) *determine whether there are any key budgetary tools and flexibility available to deal with human resource issues (e.g., in the areas of staffing vs. non-staffing OE, outsourcing, and others).*

**4. Staff Development** — While resources for training are extremely limited and will likely remain so, the continued development of a leaner and more flexible staff is critical for achieving our Agency results. New demands of reengineering, including teamwork, strategic planning, etc., mean new skill areas that USAID officers need to remain effective. The task force will:

*review recommendations on appropriate levels and kinds of training to build strong Agency leaders and managers.*

### **Methodology**

The task force intends to identify "best practices" and clarify "needs" in the development of its recommendations by October 31, 1997. To accomplish this, it will:

- Conduct a series of interviews, focus group sessions, surveys and also review data and previous reports with a view to learning from the past and obtaining the best current thinking on the critical issues; and
- Reach out to key groups for input, engaging them early on the issues, such as, AAs & DAAs, Unions, Sector Councils, Missions (virtual team), as well as solicit ideas and comments from the overall workforce through a Workforce Planning WPTF Webpage and BeyondMail Mailbox.

### **Products**

The task force noted the 16 HR reports that this Agency has produced since 1989 alone. Though these 16 reports offered multiple recommendations to address critical problems, very few were ever adopted. This task force will take a different approach, de-emphasizing detailed, lengthy reports in favor of crafting a series of actions memoranda for the Administrator's signature that will lead to substantive changes to our HR system. In keeping with reengineering precepts, we will be seeking a streamlined clearance process for these memoranda. Both immediate actions and a longer-term planning framework will be included in these action memos, to assure a dynamic process that will continue well after this task force completes its assignment. The planning horizon will consist of a five-year vision with a three-year action agenda. Again, the emphasis will be on action, and not on a lengthy report.



## Reference Documents

(Partial listing)

1. *Report of the Task Force on Personnel*; June 1, 1989
2. *Improving Agency Efficiency*; November 6, 1989, Information Memorandum
3. *Workforce Planning Working Group Report*; 1991
4. *Workforce Planning Summary Progress Report*; February 1992
5. *Saving Workforce and Operating Expense Monies*; TR/DR Working Group, 1992
6. *Technical Managers: Roles and Responsibilities*; TR/DR Working Group, 1992
7. *Summary of A.I.D. Actions on the Recommendations of the President's Commission on the Management of A.I.D. Programs*; September 15, 1992
8. *An Overseas Workforce Allocation System*; Askin, Peter and John W. Koehring, 1992
9. *A.I.D.'s In-County Presence: An Assessment*; CDIE, October 1992
10. *Management Study of A.I.D.'s Overseas Nondirect-Hire Workforce*; March 1993
11. *The Development Corps: A New Personnel System for the U.S. Agency for International Development*; 1994
12. *Limited Review of Global and Regional Bureau Technical Resources*; M/MPI, April 13, 1995
13. *Latest Status Report USAID Workplace Diversity Plan*; May 15, 1995
14. *The Agency's Technical Staffing: New Relationships*; Personnel USAID/General Notice, M/HR/POD, 06/19/95
15. *Human Resources Business Area Analysis: Executive Summary*; August 1995
16. *Appropriate Use and Funding of USAID's Non-Direct Hire Workforce*; Policy USAID/General Notice, AA/M, 09/18/95
17. *Draft Proposal (Creation of a program-funded technical cadre)*: G, 199\_
18. *Average USDH Costs Overseas—FY 1996*: M/B
19. *Issues Pertaining to the Draft Overseas Workforce Restructuring Analysis*; Information Memorandum for the Administrator, AA/M, L. Byrne, 05/16/96
20. *Reducing the Cost of Operations at USAID Headquarters*; Note for the Administrator, May 20, 1996
21. *Overseas Workforce Restructuring Analysis*; M/MPI, July 23, 1996
22. *Establishment of Country Categories—Correction*: Policy USAID/General Notice, AA/M, 08/01/96

23. *Country Categories*; Information USAID/General Notice, AA/M, 09/12/96
24. *DRAFT: Implementation of Ceilings for the USAID Workforce*; Procedures USAID/General Notice, AA/M, 11/96
25. *DRAFT: Appropriate Use and Funding of the USAID Workforce*; Policy USAID/General Notice, AA/M, 11/96
26. *REFORM* documents:
  - Teamwork 101: A guide for USAID team members*; 06/97
  - Uniform Position Description*
  - FSN Position Classification Guidance*; 06/97
  - Results-Oriented Incentives Resource Guide*; 06/97
  - Team Accountability; A guide for USAID team members*; 06/97
  - Mission Organization Approaches*; 07/97
  - Findings of the REFORM Review—Bolivia, Madagascar, Dominican Republic, Senegal, Russia and Egypt*: 1997 (separate documents)
27. *Losing Our Technical Edge: Is USAID Serious About Technical Leadership?*; Internal Memorandum, PPC/PHD, W. Jansen, 07/97
28. *FY 1999 Bureau Budget Submission for Latin America and the Caribbean*
29. *FY 1999 Bureau Budget Submission for Asia/Near East*; July 1997
30. *FY 1999 Bureau Budget Submission for Global Programs, Field Support and Research*; August 1997
31. *FY 1999 Bureau Budget Submission for Africa*
32. *FY 1998-99 Bureau Budget Submission for the Bureau for Management*; AA/M, 09/04/97
33. *Implementation of Ceilings for the USAID Workforce*; Procedures USAID/General Notice, AA/M, 07/24/97
34. *Policy: Major Functional Series 100; Organization and Executive Management*
35. *Implementation of Ceilings for the USAID Workforce*; USAID General Notice, July 25, 1997
36. *Foreign Assistance: USAID Reengineering at Overseas Missions*; GAO/NSIAD-97-194, August 1997
37. *Synopses*; August 1997 (Synopses of sixteen of the reports or papers listed above, highlighting points relevant to workforce planning.)
38. *Why Your Pay Doesn't Stack Up*; Government Executive, August 1997
39. *Eyes on the Prize*; Government Executive, September 1997
40. *Agency Strategic Plan* (September 5, 1997 draft)



# Summary of Workforce Planning Task Force Recommendations

Report Recommendation	Primary Action Office	Subject of Recommendation (Abbreviated)
<b>I. WORKFORCE PLANNING PROCESS</b>		
A.		Workforce Planning Process
1. (a)	A/AID	Establish RAT (a.k.a. Rat Patrol)
	HR	Add staff to PPIM
	HR	Conduct Senior Management Workforce Survey
	PPC w M/Bud	Revise R4 & BBS guidance
	HR	Rat Patrol plan & Report Card for '98
	HR	Rat Patrol and HR meet with WPTF
B.		Manage to Budget
1.	M/Bud	Eliminate non-direct hire ceilings
2.	PPC w M/Bud	Develop normative standards for OE
C. 1.	EOP/A/AID	Adopt Diversity Program
<b>II. REALIGNMENT OF WORKFORCE</b>		
A. 1. (a)	A/AID & Rat Patrol	Endorse WPTF proposal
	A/AID & Rat Patrol	Endorse WPTF precepts
B.		Redefinition of Overseas Presence
1. (a)	AA/M	Rescind Overseas Workforce Restructuring Analysis policy
	PPC	Formalize matrix mission concept
	AA/M	Expand matrix mission concept
	AA/M	Larger role for FSNs
C. 1.	PPC & Rat Patrol	Allocation of Staff and OE
D. 1. (a)	PPC	Simplify work processes
	AA/M	Linking resource to new initiatives

Report Recommendation	Primary Action Office	Subject of Recommendation (Abbreviated)
E. 1. (a)	AA/M	Freeze CS outside hiring
(b)	HR	Integrate EOP programs into recruitment
(c)	EOP	Publish Diversity goals
2.	HR	Recruit 15 IDIs
F.		Technical Staffing Needs
1. (a)	PPC w/G, Regional Bureaus	Realign technical staff
(b)	Regional Bureaus/G/BHR	Define technical relationships
(c)	HR w/G	Provide management training to technical staff
(d)	HR,G, PPC, Rat Patrol & Reg. Bureaus	Assess need for Technical staff
G.		Appropriate Use and Distribution of Staff
1.	OP w/HR	Training staff in contract and grant administration
2. (a)	OP	Improve Customer Service
(b)	OP	Relationship between COs and Program/Technical offices

**III. WORKFORCE FLEXIBILITY**

A.		CS/FS Flexibility
1. (a)	HR	FS Assignment cables quarterly
(b)	HR	Assignment cable includes CS
(c)	HR	Flexibility extended to SES & SMG
(d)	HR	PMIs may choose CS or FS
B.		Streamline FS System
1. (a)	HR	Positions Descriptions
(b)	HR	Backstops
(c)	HR	Skills Inventory
(d)	HR	procure HR/Pay or COTS

Report Recommendation	Primary Action Office	Subject of Recommendation (Abbreviated)
(e)	HR	FS Classification of Positions
C.		Executive Workforce
1. (a)	HR	Review all SES positions
(b)	HR	Expand role of ERB
(c)	HR	Integrate ERB with SMG
D. 1.	HR	Enforce FS assignment rules
E.		PSCs
1. (a)	OP	Clarify benefits including retirement plan access
(b)	OP	Health plan
(c)	OP	regular exchanges between PSCs and Agency
(d)	AA/M	Centralize PSC management
(e)	OP	Roster of USPSCs
<b>IV. PROFESSIONAL DEVELOPMENT</b>		
A. 1. (a)	AA/M	Funds for training no longer discretionary
(b)	HR	Do skills (non-computer) training
(c)	M/Bud	Decentralize training funds
(d)	AA/M	Reduce computer training funds
(e)	HR	Poll missions on training resources available in-house
(f)	HR	Proceed with HR Training Plan
(g)	HR	Core Competency Certification
(h)	HR	Disseminate information on free training in Washington, DC, area
(i)	HR	Shift responsibility for career counseling
(j)	HR	CDO as resource to managers
(k)	HR	Approve Career training
(l)	OP w/HR	CO type training for staff

Report Recommendation	Primary Action Office	Subject of Recommendation (Abbreviated)
B.		Promotion and Incentives
1. (a)	HR	Emphasize Core Values in Precepts
(b)	EOP	Reviews all Promotions
(c) (i)	HR	Small and transition missions representation on Boards, include in Precepts
(ii)	M/Bud	Funds for TDY coverage
(iii)	HR	They are represented on Boards
(d)	HR	Incentives to fill difficult positions
(e)	HR	Incentives for Matrix missions
(f)	HR	Incentives for expertise of staff
(g)	HR	Designate Board members
(h)	M/Bud	Funding for Awards
(i)	HR	Create guidance for award pools
(j)	HR	Simplify awards regulations
(k)	HR	Redefine HR role in awards

Recommendations by Primary Action Office: (NOTE: It is anticipated that, as appropriate, the Primary Action Offices will form teams involving representatives from all appropriate bureaus/offices in effecting the recommendations.)

A/AID = 3  
AA/M = 8  
M/HR = 39  
M/OP = 8  
M/Bud = 4  
EOP = 3  
PPC = 6  
Reg. Bur. = 1  
Total = 72



