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Agency for International Development

REORGANIZATION UPDATE

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REORGANIZATION UPDATE #3

A town meeting on the reorganization was held on March 12, 1991, in the Loy Henderson Auditorium. The panel consisted of John Blackton, representing the Office of the Administrator; Henrietta Holsman Fore, Chair of the Management Committee; Scott Spangler, Chair of the Policy Committee; and Tim Fry, Chair of the Operations Committee. John Hummon was the moderator.

In his introductory remarks, Mr. Hummon welcomed the large turnout by noting that we can be "proud to be a part of A.I.D., and for what A.I.D. has accomplished over the years -- through our field missions and also through the work of such A.I.D./W organizations as S&T, FVA, APRE, Housing, Disaster Assistance and others. We have made a magnificent contribution to development and to people's betterment. No one can deny that.

"But sometimes, just as in a personal sense, you need revitalization. Many outsiders, and some within the Agency, believe that A.I.D. has been drifting without a clear, unified sense of direction. There have been questions and attacks -- often unfair -- on our ability to manage effectively our own resources, and a belief that we need a structure that improves our ability to manage within very tight operating levels. Some say that we have handicapped ourselves with excessive documentation and review requirements, and redundancies in our processes. Other agencies are trying to take over much of the role of international development."

The goal of the restructuring process, he noted, was to improve A.I.D. ability to do its job. He commented that a special effort has been made to obtain mission comments on the reorganization process -- both through cables to the field and through the inclusion of former mission directors on the three committees. The committees had heard from many people within the Agency, and outside of it, over the past month. He characterized the Open Forum as a continuation of the listening process.

John Blackton began with a recap of Dr. Roskens' charge to the three reorganization teams approximately five weeks earlier. He noted that the biggest challenge was not to reorganize the Agency. The real challenge is to get the entire staff -- or at least the great majority -- to buy into the idea of a well-led, unified, effective A.I.D., which speaks credibly and with a single voice.

What we needed, he noted, was:

- a top-to-bottom fresh look at what we do (all of the functions, large and small, that support our "business");
- a thoughtful collective set of recommendations on how we might most efficiently and effectively arrange and order those functions (including deleting those which we don't need and adding those we are lacking); and,
- an overall approach that deals realistically with costs -- both dollars and people.

John Blackton noted that while the Deloitte-Touche staff is still available to support the work of the 38 A.I.D. professionals who are working part-time (and in some instances full-time) on the effort, the reorganization exercise is being run by A.I.D. officers -- "your colleagues and professional peers."

Blackton reminded the group that the current reorganization effort has deep roots, beginning perhaps with the decentralization that Peter McPherson championed with the so-called "Asia Bureau experiment." But a number of studies that McPherson and his successors commissioned made it clear that the decentralization in decision making had not been accompanied by a restructuring of the accountability systems of the Agency. Authorities, responsibilities and accountability were very imperfectly matched -- both in the field and at headquarters.

In April 1990, shortly after taking over as Administrator of A.I.D., Dr. Roskens convened a senior staff retreat in Annapolis to surface major management themes. The "Bollinger Report" was a central aspect of that discussion, and following the retreat the Administrator indicated his intention to ask a respected external management consultant to consolidate and validate the key pieces of A.I.D. internal organization. In July he commissioned the Deloitte-Touche work. They issued preliminary reports in October, December and January, the last of which was the basis for the current work of the three reorganization committees.

Blackton closed by reminding the group that the goal is not reorganization per se, but rather a strong, unified and effective agency.

Each of the three committee chairs then spoke briefly about the work of each committee. Henrietta Holsman Fore noted that her goal is to see A.I.D. become the best-managed agency in the U.S. Government. To do so, we will need strong central guidelines to direct our decentralized operations; we need to put like activities together; and, we need to streamline and find ways to make our processes more efficient. In closing, she noted that she is looking to all A.I.D. staff to help her identify major bottlenecks in our management systems, and to offer suggestions for improvements.

Scott Spangler noted that the work of the Policy Committee was perhaps the most difficult because the subject matter is the most amorphous. He noted that his committee has met with a number of outside agencies, and some 42 people/units within A.I.D., and he thanked them all for their patience as the committee tries to identify those functions needed to develop, communicate and enforce good policy.

Tim Fry, chairman of the Operations Committee, commented that A.I.D.'s operations have evolved considerably just in the seven years that he has been with A.I.D. And, he noted, they will continue to evolve. The challenge for the Operations Committee is how to build an Agency that can deal with and respond to new challenges. He noted that there are currently many centers of authority, decision making and operational control, and a consequent loss of cohesion. He expressed concern for the inefficiencies that are adversely affecting A.I.D.'s performance, and highlighted the need for a more coherent basis for maintaining A.I.D.'s technical skills base so that we are able to meet future challenges.

The moderator then opened the meeting to comments and questions, which are summarized below.

SPECIFICITY AND OPPORTUNITIES TO REACT AND PROVIDE INPUT

A number of questions and comments dealt with the lack of specificity at present in the reorganization plans. People in the audience wanted to have a proposal to which they could react, and a formal process for doing so. Panelists responded that the purpose of this Open Forum was to gather input on how to make the Agency more effective and that the last five weeks had largely been a discovery process, in which the three groups had been cataloguing major functions and issues in the Agency. It was also noted that the three committees were chosen to be broadly representative of A.I.D. career staff, and that

everyone is encouraged to contact anyone on the three committees to offer suggestions or ask questions. [Attached to this update is a list of the committee members and their office addresses and phone numbers.]

One speaker, noting the tight deadlines that have been imposed on the reorganization exercise, asked at what point there would be more specific information and when would feedback no longer be relevant. Henrietta Holsman Fore noted that, at present, the organizational charts of the three committees just don't fit together, commenting "if we had a consensus we would be sharing it with you." Finally, in response to a suggestion that there be additional open meetings to discuss and provide input on particular topics of general interest and concern, the panelists agreed that this was a good idea. [NB: The Managers Network Executive Board has agreed to organize a series of special topics meetings between now and April 12, 1991. Announcements on timing, location and the subjects of these meetings will be made shortly.]

DECENTRALIZATION VERSUS "SPEAKING WITH ONE VOICE"

Several speakers expressed concern that the reorganization might reduce the role of A.I.D. field missions. Tim Fry noted that there is unanimous agreement on the importance of A.I.D.'s field missions, but much less agreement on Washington's role vis-a-vis the field missions. The operations committee in particular has been looking at A.I.D./Washington's role in supporting the field missions and changes that may be needed to improve that support. On the potential conflict between a decentralized agency and an agency that speaks with one voice, Scott Spangler noted that it doesn't mean that only one person speaks for A.I.D. Rather, we are looking for a common understanding of our policies and strategies, and an ability to communicate and support those policies and strategies -- even where an individual may personally disagree with them.

THE ROLE OF CONGRESS IN THE REORGANIZATION

Because Congress is a major stakeholder in A.I.D. and its programs, a question was asked about Congressional involvement in the reorganization. John Blackton noted that staff on all of Congress's key standing committees have been briefed about both the purpose and the process for the reorganization. He commented that the Congressional staff wanted reassurances that key program areas would not be dropped, but in general felt that management and organizational issues were the responsibility of the Administrator. It was also noted that discussions with the Hill on the rewrite of the Foreign Assistance Act were proceeding along a separate track and did not hinge on the reorganization.

UNIONS

In response to a question about the role of the unions in the reorganization, John Blackton noted that he would be having informal meetings with union representatives this week. As the reorganization evolves, there is a regular and formal process for consultation with the unions that will be followed.

JOB SECURITY

In response to a direct question about whether the reorganization would mean a cutback in jobs, Tony Cauterucci noted that there will undoubtedly be a reallocation of positions as the reorganization clarifies the roles of management, policy and operations support, but that the Administrator has made it clear that there will be no cut in jobs.

THE ROLE OF TECHNICAL STAFF IN A.I.D.

A number of individuals mentioned the informal incentive system currently operating in the Agency that (1) rewards managers over technical staff, and (2) encourages the proliferation of management units in order to create supervisory opportunities for staff, looking for promotions. It was also noted that, if A.I.D. aspires to being a world-class development agency, there have to be good jobs for first-rate technical officers throughout the Agency and at all levels. Panelists agreed that we need to find ways to recognize the good project manager as well as the good people manager, and to develop a flexible personnel system that recognizes the uniqueness of the development enterprise.

Scott Spangler commented that the tension between rewarding technical and management expertise is not unique to A.I.D. or even to the public sector. Tim Fry commented that one of the key issues his committee is addressing is how A.I.D. obtains access to the specialized skills it needs. He noted that, with shrinking FTEs, it may be necessary to centralize some of those skills. It was suggested that perhaps A.I.D. needs a parallel career track for technical experts so that they are not forced into management jobs in order to advance within A.I.D. This is an area that the Office of Human Resources Development and Management will be examining further, as will the Management Committee's Subcommittee on Personnel, headed by Peter Askin.

ROLE OF MINORITIES AND WOMEN

One speaker urged the committees to look for ways to improve opportunities for minorities and women, especially at the senior levels. Henrietta Holsman Fore agreed that this was an area of special interest, and that her committee would be taking a hard look at incentives, upward mobility and career paths for all A.I.D. staff.

Who asked this?!

INCENTIVES/REWARDS

A followup questioner spoke about the disconnect between authority and responsibility in the Agency and its effect on morale and efficiency. People who have no responsibility for a program are in a position to "sit on" documents -- sometimes for months. Our incentives system currently does not reward, and may even punish, rapid decision-making. Several panelists agreed, noting that we spend too much time on design and too little on implementation; and that our system seems to expect a 100-percent success rate, which tends to make decision makers risk averse. John Blackton commented that perhaps we should try to quantify an error rate that we are willing to live with.

Another speaker urged that the committees look at cash awards and other incentives currently operating in the agency, and Henrietta Holsman Fore indicated that the committee chairs were very interested in this area and asked that people send in their observations and suggestions.

THE ROLE OF THE NEW INITIATIVES IN THE REORGANIZATION

One speaker asked whether the purpose of the new initiatives [environment, the family, democracy, business partnerships, and strategic management] was to redirect the Agency portfolio. Would there be an increase in, say, democracy projects and a concomitant decrease in traditional areas of programming? John Blackton noted that the initiatives are not meant to be new areas of portfolio activity, but rather "lenses" through which we will refocus our on-going work. In some areas -- for example the environment -- the Agency has been active for some time; in others, we are just beginning to develop our strategies. But, he noted, the initiatives are not expected to result in a portfolio of new starts. Henrietta Holsman Fore added that the initiatives provide a way of thinking about what we do.

At the same time, Blackton noted that the Agency needs to "weed" its existing portfolio of some "old and tired" activities. Some of these activities cannot be eliminated because of Congressional or other outside constituencies. But, by providing a new framework for looking at our portfolio, he hopes that the initiatives can help rejuvenate and streamline Agency programs.

OUTREACH/CONSTITUENCY BUILDING

One speaker commented on the need to do a better job of constituency-building for development assistance. Another noted that one problem with constituency-building was that A.I.D. had too many objectives, some of them inconsistent and poorly framed. He commented that A.I.D. needs to be focused and articulate, and courageous enough to take on established constituencies when necessary. Panelists agreed, noting that a concerted effort was being made to discuss the new initiatives with traditional, as well as new, stakeholders in A.I.D.'s programs -- e.g., PVOs, universities, and business advisory groups.

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