

2005 USAID Summer Seminar Series



July 19: Improving USAID Human Capital: How to Polish Shoes Without a Brush

Presenter: David Eckerson, M/HR/OD

Materials: Notes (see below); Q&A (see below)

Synopsis

The first of five government-wide goals of the President's Management Agenda (PMA), a good human capital strategy (HCS) is part of a well-functioning agency. The USAID Business Transformation Executive Committee (BTEC) tasked the Human Capital Subcommittee with Developing an HCS for the Agency.

The presentation will cover a range of issues confronted during the first year of implementation of the Agency's Human Capital Strategy. David Eckerson will address challenges faced by the Agency to attain 'green' on progress under the human capital component of the PMA. Finally, the presentation will provide insight into the Workforce Planning Model developed by USAID that is destined to replace the infamous overseas staffing template in determining bureau and overseas mission ceilings. The session will include time for questions and answers from the attendees.

Notes

Dave Eckerson, Deputy Assistant Administrator and Manager of Human Resources (HR), presented this year's third USAID Summer Seminar, *Improving Human Capital: How to Polish Shoes without a Brush*. The presentation focused on the agency's Human Capital Strategy and workforce planning model. It was followed by a frank and interactive discussion with Eckerson; Susan Wallace, PPC/DEI/DIS; and the audience.

Before starting his presentation, Eckerson had asked the audience to write on a piece of paper what they thought the title of his presentation meant and to what the "brush" in the title referred. Responses ranged from "virtual renewal" to "going outside the box" for the first question, and the second question elicited responses such as "know-how" and "energy, time, and money." Although admitting that he did not have any single meaning in mind when creating the title, Eckerson identified it closely with conducting development work despite agency staffing shortfalls.

Eckerson then elaborated on the human capital (HC) challenges facing USAID. Since USAID began its reconstruction programs in Afghanistan and Iraq, its budget has roughly doubled from \$7–14 billion. However, USAID's operating expense (OE) funds have remained flat, and the agency has only added 150 direct hires out of a total of 2000 during the same period. Essentially, USAID is "doing twice as much work as before with the same number of employees," said Eckerson. In Afghanistan and Iraq there is often a USAID direct hire who manages a contractor who manages another contractor, which can create budget and accountability problems.

The USAID Business Transformation Executive Committee developed the Human Capital Strategy as part of its response to these challenges, and consistent with the goals in the President's Management Agenda (PMA). Eckerson described the Strategy as "wonderful" but also very complex to implement. He explained that to reach its planned objectives, the agency needed strategic objective teams, which are problematic to staff since team members still have their regular full-time responsibilities in addition to those related to the teams. Eckerson also evoked the need to monitor results related to implementation. To measure this progress, HR created a project management plan (PMP) that established benchmarks tied to the Administrator's Survey and the Office of Personnel Management (OPM) strategy.

Eckerson then summarized some of the external pressures on USAID to restructure its personnel budget. Currently the majority of the personnel budget is in the Bureau for Policy and Program Coordination (PPC). When a direct hire goes out into the field, around \$200,000 per head leaves PPC

and accompanies them. This money gets allocated from PPC to a bureau who finally assigns it to a mission. Unfortunately, this system does not produce equity, and at the end of every year some missions end up being “flush with money.” Congress has requested that missions directly receive money in their budget for their personnel salaries so that they can manage it. This would increase the missions’ flexibility to hire additional staff and would cause a “cosmic change in the way USAID does business,” said Eckerson.

Besides the suggestions from the Hill, the Office of Management and Budget (OMB) has also made recommendations to USAID for restructuring the management of its HC resources. OMB is pushing for the resource needs of HR to be “linked up... and harmonized” with the resource allocation needs of PPC. Eckerson noted that this is the “direction of where we are going,” but it will be a challenge. He then encouraged all those interested in the HC Strategy to read it online.

Eckerson then provided details on the HC workforce planning model, which USAID is using to “determine staffing levels needed to meet program demands.” The model began four years ago when Administrator Natsios asked HR to develop a staffing template. The initial goal was to calculate the number of people each mission required to be properly staffed, and HR developed a simple formula to estimate this. The formula consisted of determining the number of USAID direct hires per mission according to program funds and adding factors based on the country’s Millennial Challenge Account (MCA) status. Although simple on paper, the bureaus were not held to the projected allocation numbers because certain missions like Botswana “disappeared,” said Eckerson. This staffing template allowed USAID to request additional staffing, which resulted in the Development Readiness Initiative (DRI) that added approximately 300 employees.

Eckerson explained that also following the staffing template, USAID obtained Foreign Service Limited (FSL) Authority. FSL was based on the need to quickly generate direct hires and consisted of placing experienced personal service contractors (PSC) in positions of authority for five years, long enough to allow for new agency direct hires to accumulate skills and experience. In practice, the PSC to FSL conversions sometimes put PSCs in supervisory positions over more experienced NEPs, which led to morale problems.

After the initial staffing template, HR began developing a better model to predict staffing allocations that included all USAID staff including: direct hires, foreign service nationals (FSN), PSCs, and employees hired through the Participating Agency Service Agreement (PASA) and the Resources Support Services Agreement (RSSA). This new model has been under development for almost 18 months.

The workforce planning model is expected to supercede the Overseas Staffing Template, which began with an HR-conducted analysis and assessment of missions and their needs. Staffing levels are calculated according to a program support function that is based on project funding size and an estimate of the complexity of doing development work in the country. A separate function was developed for forecasting technical staffing levels, and it allocates employees according to the amount of technical dollars a mission has been given. A large mission would be able to accommodate at least two direct hires in its technical office. In a ten person technical office, there will be three to four technical direct hires or PSCs and six FSNs.

Eckerson concluded his presentation by returning to the HC challenges confronting the agency. One of the major difficulties is replacing middle officer positions. Currently the agency has a significant number of senior employees approaching their retirement and many young recruits. Eckerson explained that by the end of next year, nearly 50 percent of the agency’s workforce will consist of employees that have been hired since 1999. These workforce demographics produce conditions where mentoring and knowledge transfer are extremely vital. With an aging and rapidly retiring workforce particularly affecting the FS, which annually loses around 80 out of 1000 officers, USAID must also find ways to attract new direct hires.

Eckerson also acknowledged that the agency has had some difficulty around standardization. USAID is institutionally decentralized and structured mainly around the bureaus and missions. However, many of the recent programs and strategies like the HIV/AIDS initiative are more centrally coordinated and are not the responsibility of a single regional bureau. USAID’s business model is essentially changing, and a successful transition requires standardization.

The last HC challenge Eckerson identified was staffing in the Asia/Near East (ANE) Bureau. USAID has had difficulty adequately filling positions in Afghanistan, Iraq, Pakistan, and Sudan. The Workforce Planning Model will assist in the repositioning of staff to those ANE missions. Student loan repayment programs could also offer an effective incentive to encourage agency employees to relocate and plug staffing gaps in the ANE region. Eckerson then immediately opened the floor to questions from the audience.

Question and Answer Session

What are we doing in HR to professionalize our entire workforce and to grow our own leaders?

We are doing more than we used to. The total HR budget is about \$14–15 million. We have a \$10 million training budget so the most amount of money we spend in HR is on training. We have a suite of leadership courses at FEI [Federal Executive Institute] for young emerging leaders, and we have tailored courses for senior managers, mission directors, and executives.

Technical training is still in the hands of each bureau. We give about \$800,000 a year to the bureaus to spur their training, but they put a lot more money into that. Most of it is probably going into technical training.

Most of you have probably also heard about the New Entry Training, which is offered to anybody. Now everyone walking into USAID gets two days of training and new employee orientation.

We also have noticed that people are overworked and stressed creating issues between supervisors and their employees. Clearly there are issues around supervision over questions like when to put an employee on a performance improvement plan. So we have created a suite of supervision courses that we rolled out last month. There is a weeklong section on how to be a good supervisor and a three hour online course about the real rules and tools of federal government supervision, and then a two-or three-day course on the responsibilities of a supervisor. This course will be mandatory for all supervisors.

Probably the most interesting thing we have going on is our e-learning platform. We are using it to teach English to all the FSN [foreign service nationals] drivers. We have computers set up in the motor-pools so that when drivers are down they can get online and take beginning English. People love it, and we just pushed enrollment up to another 1000 people. Our e-learning program is becoming pretty good.

I constantly hear of all of the retirements in the Foreign Service but yet I don't hear of many promotions. I'd like to discuss that gap. Could you please explain the constraints that HR is up against? Where are the promotions?

Wait about a month. This year we did two things. First, we entered into an agreement with the union. We do have a lot of people leaving. A lot of people leave because they have to leave. Do you know that if you get promoted to a career minister in the agency that you have four years before you are forced out the door by law? Previously you had all these young rising people who would rise to career minister and then be forced to walk out the door. When you are a minister counselor, you get five years and then you are out if you do not get promoted to career minister. If you come in with the Senior Foreign Service then you have seven years to make minister counselor. We negotiated with the union to extend these to seven years each during a two-year trial period. This will allow us to keep our "wisdom" people around longer. We conceded to the union that we would increase our promotion numbers. So in a month's time, I guarantee there are going to be a lot of happy campers around.

The other thing we did, though, is that we said if you are a two or a one and you do not "kick up," we will automatically extend you for one year. Those two things were to try to bridge the people jumping off the ship, because people jump off the ship on Friday and enter back into USAID as a PSC on Monday. [laughter]

As a follow up question, why have the promotion numbers been so low? What has been the cap on promotions?

One determinant is maintaining the grade structure. There are projected or desired percentages for Senior Foreign Service, 01s and 02s.

Other determinants are the number of people that we have and money. Right now Administrator Natsios wants to grow the Foreign Service, but this requires growing the feeder class into it. So all the way down the line we must grow people into the ranks in order to move up. Our biggest problem right now is time and grade. Everybody that came into this agency recently thinks they will be a mission director within a year. I have told NEPs [New Entry Professionals], IDIs [International Development Interns], and everybody else that there is a certain amount of seasoning that you have to do before you get to a senior rank here. Without this seasoning, you will make big mistakes and we would rather you make big mistakes when you are a lower grade officer. Senior management mistakes can be really huge.

People outside of the agency are always asking me, “How do I get a job with USAID?” For the Foreign Service there are very distinct ways of applying, but there are also other hiring mechanisms like institutional contractors. Is it possible to put all of the employment information in one place?

This is a good idea. The issue will be coordinating with the CASUs [Cooperative Administrative Support Units] and their individual mechanisms they use to get their own recruits. The problem we have now regarding hiring is that we are hiring NEPs who have more experience than IDIs. The easiest way to get into the agency is to come in through the IDI program. The profile that we are looking for in an IDI is someone just out of college, who probably served in the Peace Corps, and maybe has a master's degree. We are going to move more and more towards IDIs. We are going to pay OPM [Office of Personnel Management] to add a link to USAID on the PMF [Presidential Management Fellows] website. USAID will pull PMFs from the Foreign Service. This PMF track will feed our IDIs. People who want to get into this agency need four to six years of experience in the field plus a master's degree before they are even competitive. If you look at any of our jobs, there are over 200 candidates per ten job openings. In general, we do not have a problem attracting candidates because we have a good mission, and people like to help other people.

Could you please elaborate on the future of the Development Readiness Initiative (DRI) program?

We went up to the Hill last year and explained that USAID really needs 300 more people to do our job. Out of the 300, we wanted to hire 200 [employees] for FS [Foreign Service] and about 100 for GS [General Service]. Then we went out to all the bureaus and said, 'We are going to put ten positions up for DRI, and what it means is you hire people in a competition of sorts to see if you can come up with those jobs that are needed for succession planning.' The stipulation on this was that after two years, the bureau has to find DRI staff a job. I have contacted all the bureaus asking them about their future placement of DRIs. I have not heard back from any bureau saying that they are not going to find DRIs permanent positions. The only question remaining then is timing.

Will you continue bringing people in under the DRI authority?

We will not if we get the proposed \$60 million cut in the Senate or the \$50 million cut in the House. We will hire to replace attrition. We have an agreement with Administrator Natsios and the Budget Office that we will maintain our hiring to replace attrition even with the proposed budget cuts. So this will not be DRI, which is hiring above attrition.

Are there any incentives that the agency can put in place to encourage both formal and informal mentoring?

We are tying the precepts of mentoring to the precepts of promotion. We now also have a PMF orientation program. We have one PMF coach, Nancy McCain. So we are doing something where before we had nothing. We will have a mentoring program soon.

Knowledge for Development will also be doing oral histories that will be recorded and digitized. We can get a wealth of information from old program officers before they walk out the door. We want to capture what they have to say about program design. These will be digitized, codified, and made easily accessible.

Wallace: We will be asking all the NEPs to help us in six-week rotations to do such interviews, and locate good knowledge nuggets, and then we will make it easy to find this knowledge. This will help pull the knowledge that you and your colleagues are interested in from those with the relevant experience and knowledge. We encourage your participation because in addition to sector and technical training, I believe we need leadership training.

Are NEP contracting officers going to be supervised by the FSLs [Foreign Service Limited employees] who they will be replacing at some point?

No, FSLs will not be supervising contract officers. You might be supervised by one of our “retread” contract officers that would give you a lot of wisdom. You may even end up without anyone supervising you except from a regional platform once every other month because we do not have enough contract officers. Most NEPs will either be running an office by themselves and be supervised by a deputy director, or they will be number two in an office and hopefully work for a direct hire.

Are there any plans for long-term training and education of Agency employees?

We just rolled out a plan to pay for after-hours study tuition if it is related to work. The agency will pay up to \$1500 for after-hours study. I don’t think we will ever get back to the level of subsidizing PhDs unless we can cut some deals. So, long-term training is currently a luxury we cannot afford. However, we are focusing on working with other agencies and the military. We are currently developing a broader relationship with the war colleges.

Can USAID resolve its personnel problems by changing the way it does business?

Administrator Natsios has challenged this agency to figure out a whole new way of doing business. Currently we perform space contracts and give money to a contractor rather than a host country’s government ministry. Our modus operandi used to be to give money to governments so they could do the work themselves. The administrator wants to go back to this model of business so USAID would do host country contracting. This means we will need a lot of new people who know new ways of operating. With development now being part of the National Security Strategy the feeling is that USAID needs to push resources into the developing countries and not just feed corporations back in the U.S.

Any thoughts on resurrecting the old DSP [Diplomatic Service Program] course or something like it?

There is a person on my staff who would like to do this tomorrow. There were plans to transfer the DSP course to an e-learning program but the money ran out before it could be completed. We do need to finish it and meld it with interagency stuff since that is what we do now. It will also need to have more on failed states and our relationship with the military. We currently have a contractor and we agree that need to put it together, but we are still working out its timing for release.

It seems to me that an important part of the career development process is encouraging people to do detail assignments on the Hill, DOD [Department of Defense], OMB [Office of Management and Budget], State Department, and NSC [National Security Council]. USAID employees would become more knowledgeable about those organizations’ mandates. In addition, these agencies will become more familiar with USAID’s capabilities and have a higher level of respect for the work that the agency does. Are there any plans to implement this?

We are looking for people to go to OMB for six months or a year to work on the budget, so we are pushing a lot of details. The current problem is that most of these details are more senior and are not growth oriented. Over at the State Department there is great demand for details at S/CRS [State Department’s Office of the Coordinator for Reconstruction and Stabilization]. I do not know how much more we can do, but we will do the best we can.

There are some outstanding opportunities for training that are not listed on the HR website like Janet Kerley’s evaluation course run out of PPC. It seems to me that GDA courses and other things that come out on the general notices need to be on the training website. My suggestion is to create a training website that is a one-stop shop. What is the feasibility of making this a reality?

I would like to create something like a college catalogue basically listing the courses that are offered by all the different bureaus. The challenge is to get the different offices to nail down when they are going to offer those courses. So this is a goal, and we will be a lot better off if we have a general inventory of all of the training courses offered within the agency.

We have heard a lot about having a unified workforce. One of the biggest splits that strikes me is between the GS [General Schedule] and FS [Foreign Service]. This split seems to be a crucial fault line impeding the realization of a fully supportive team that works well together. Are there things that can be done to give people in the GS more overseas experience, and are there things that can be done to have personal and technical networks between the GS and

FS?

This is a conundrum that we have been working on ever since the GS and FS were created. In HR they tried having blended teams that handled GS and FS problems all together, but it did not work. So we just split them apart because customers were not getting served. I do think there are some models on the technical side where this works. I would posit that the health people have some ideas but they also have to work with RSSAs [Resources Support Services Agreement], PASAs [Participating Agency Service Agreement], and CASUs [Cooperative Administrative Support Units]. The split between the GS and FS is getting worse because the only options abroad we can really offer to a GS are Afghanistan, Iraq, Pakistan, or Sudan. We used to have a lot of GS to FS conversions. These conversions are happening a lot in contracting today, and that is in fact how we are supplying our overseas needs.