PN-ABW-995

U.S. Agency for International Development

Human Resources
Business Area Analysis

Volume I
Workforce Management
Employee Administration
Compensation & Benefits

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August 1995

Reengineering the U.S. Agency for International Development's Human Resources

TABLE OF CONTENTS

Executive Summary

I. Executive Overview

A. Part 1 - Why the Need for Change
   1. Overview
   2. Human Resources Impacts
      a. The Changing Role of Individuals
      b. The Changing Role of Managers
      c. Changes in the Operating Environment
   3. Challenges

B. Part 2 - Summary of HRBAA Recommendations
C. Part 3 - Future Operations of Human Resources and IE Implications

II. Human Resources Business Area Analysis

A. HR BAA Scope of Work and Core Values
B. USAID and OPM Personnel Services Customer Survey "Putting Customers First"

III. Workforce Management

A. Workforce Planning
   1. Planning and Organizational Structure
   2. Recruitment and Staffing Strategy

B. Workforce Development - Career Development and Training
C. Classification
D. Promulgate USAID Policy

IV. Employee Administration

A. Employee Placement - The Assignment Process
   1. Foreign Service Assignment System
   2. Civil Service and FSN Assignment System
   3. Senior Management Group

B. Employee Evaluation Program
C. Promotion
D. Employee Relations

1. Overview - Alternative Dispute Resolution
2. FSNs; USPSCs

E. Separation

V. Compensation and Benefits

A. Incentives
B. Benefits and Workplace Environment

VI. Cross Cutting Issues

A. Valuing Workforce Diversity

B. The Agency's Non U.S. Direct Hire Workforce
1. Foreign Service National Employees
2. U.S. Citizen Personal Services Contractors
3. The Expanded Workforce

C. Teams - Beyond Teamwork to Teams
1. Overview
2. Questions and Answers About Teams
   a. Workforce Management and Organization
   b. Employee Placement
   c. Training/Development
   d. Incentives
   e. Performance Evaluation
3. HRBAA Recommendations That Most Affect Teams

VII. Transition to a Reengineered Human Resources Organization and Systems

A. Part 1 - Transition and Implementation

B. Part 2 - Longer-term Recommendations

VIII. Information Engineering Models

Executive Summary

The Human Resources Business Area Analysis (HRBAA) team concluded its six-month study with findings and recommendations presented in eight chapters. The eight chapters of the final report include an executive overview, the scope of effort for the project, three chapters dealing with each of the major human resource functional areas, a chapter on key human resources cross cutting issues, a discussion of transition issues necessary to successfully implement the report's recommendations, and a presentation of information engineering models developed by the team.

Chapter I - Executive Overview

Chapter I is an executive overview of the entire report. In part 1, it describes the need for change; the mandate for the team's work; and the expected human resource impacts of reengineering changes on individual employees, managers and the overall operating environment in the reinvented USAID. Part 1 concludes with a set of barriers to achieving reengineering success in human resource management. Part 2 of the executive overview summarizes all recommendations contained in the HRBAA Report.

Chapter II - Scope and Customer Survey

Chapter II describes the analytical framework for the report, as well as the results and comparison of a worldwide customer survey of USAID's core workforce and a national survey conducted of the U.S. federal workforce.

The framework consists of the vision established to direct future human resources management, a related set of Agency core values, and expressed customer needs. The HRBAA team was guided by five core values. Four of them are the values shared with other BAAs, especially Operations. They are: **customer focus, managing for results, empowerment and accountability,** and **teamwork**. The HRBAA suggests a fifth -- **valuing diversity**.

Key human resources customer needs were drawn from the Operations BAA and other reports and clustered in five areas. They were, redesign the performance management system to focus on managing for results; base promotions on results more than on level of resources managed; assess opportunities for more flexibility in assignment length consistent with, for example, result package time frames to maximize results and accountability; reform the workforce planning system to align with reforms and reengineered business areas; and reexamine the training system to find effective and efficient ways for USAID staff to "learn" on a continuous basis.

The world-wide customer survey completed in March 1995 yielded more needs and expectations for reengineered human resource processes. When comparing survey

results with data from other U.S. government employees surveyed nationwide by the Office of Personnel Management (OPM), USAID employees ranked almost every service lower than the national average. Results of the survey are used throughout the report. In addition, the HRBAA recommends that M/HR conduct an annual survey to measure future changes in employee satisfaction and improvements in HR systems redesign.

Chapter III, IV, and V discuss the HRBAA team's analysis and recommendations for three major human resource functions supporting Agency work. The three human resources functions are Workforce Management, Employee Administration, and Compensation and Benefits.

Chapter III - Workforce Management

Workforce Management (Chapter III) describes processes that are characterized by a corporate perspective. Together they determine and express the overall strategy for implementing human resources programs. They include the Agency's workforce planning function and the manner in which units are organized to accomplish their work. Workforce development discusses the enhancement of skills and the career growth of all types of staff. The classification section addresses position management functions, and it explores the possibilities that now exist in rationalizing grade structures. The promulgation of USAID policy is a final, essential function which the BAA team has examined and has developed recommendations to improve.

Chapter IV - Employee Administration

Chapter IV, Employee Administration, discusses a set of processes which are characterized by individual dealings with employees in the core workforce. It includes employee placement (assignments), employee evaluation, promotion, employee relations and employee separation.

An essential aspect of employee placement rests in the ability of USAID to make work assignments with utmost flexibility, timeliness, and cost effectiveness. The recently reformed HR evaluation system promises a substantial improvement in the evaluation process. Further HRBAA analysis outlines a few modifications to provide an additional structure within which the Agency's core values can be achieved through effectively evaluating employees. Improving the objectivity, transparency, predictability and effectiveness of the promotion system are three important objectives of the HRBAA which are covered in the promotion section of this chapter. In employee relations, poor performance or employee actions requiring disciplinary measures need to be addressed quickly by the supervisor and approached in a manner which leads to constructive, corrective action agreed on by both parties.

Chapter V - Compensation and Benefits

In **Chapter V**, the report describes **Compensation and Benefits** processes that include pay and incentives, benefits and allowances. Incentives was defined by the team to comprehend performance cycle awards and off-cycle awards, whether monetary or non-monetary. It also included the authority to use operating expense funds as an informal incentive. The team identified three broad objectives in the incentives area:

1) tie the awards more directly and effectively to demonstrated performance and the promise of future superior performance;
2) broaden the scope of awards to strengthen organizational performance within teams and the practice of the Agency's four core values;
3) add predictability to the process to make it a more effective tool; and

In benefits, four traditional areas are involved -- worker compensation, health insurance, life insurance, and retirement benefits. We also considered the workplace environment. Our limited recommendations concerning traditional benefits include making provisions for FSN and USPSC benefits, making more timely and complete personal and benefits data available to all employees, and giving employees greater authority to update data that concerns them. Our report also includes a number of recommendations to pursue a more family friendly work environment. Time did not permit anything more than limited information engineering analysis on the allowance process, and therefore no recommendations were made.

Chapter VI - Cross Cutting Issues

Throughout the analysis, several issues surfaced which cut across the three functional areas and their processes. **Chapter VI** treats three such areas. They are **valuing workforce diversity**, **the non-U.S. direct hire workforce**, and the **utilization of teams**.

Valuing Diversity is introduced as a recommendation that it be adopted as the Agency's fifth core value. The HRBAA believes that in order to effectively deliver quality programs to the country beneficiaries, our ultimate customers, we must ensure a workplace environment in which each employee values the richness of diversity, experience and contributions of others. The HRBAA team concluded that tapping the diversity of the entire core workforce was a business imperative for success, not an obligation that applies only to part of that workforce.

Today USAID managers overseas freely acknowledge their dependence on personal service contractors, both foreign national and U.S. citizens, as well as other staff using alternative hiring mechanisms, such as RASAs and PASAs. These groups constitute the Agency's non-U.S. direct hire workforce. Further, it is accepted that personal services contractors are an integral and important part of the core USAID workforce.

Managers have become sensitive to the need to minimize status-related differences among direct hire and non-direct hire staff, and many insist that all staff be treated equally to the extent reasonable and appropriate. Giving employees more authority and holding them more accountable for their actions are underpinning values of the Agency's reforms. Some managers see the process of delegating increased levels of responsibility to the workforce (which is primarily FSN and USPSC, and therefore, non-U.S. direct hire) as an essential element of overall, meaningful reform. This creates a dilemma for the Agency. The HRBAA team concluded that the Agency must move towards greater empowerment and accountability.

The last section of this chapter discusses teams. The Operations BAA understood that USAID had already a significant amount of teamwork as a key operating style. In that BAA's judgment, the challenge for the Agency was to move its major activities beyond teamwork to being accomplished, predominately, in and through teams. The HRBAA team agrees largely with this view.

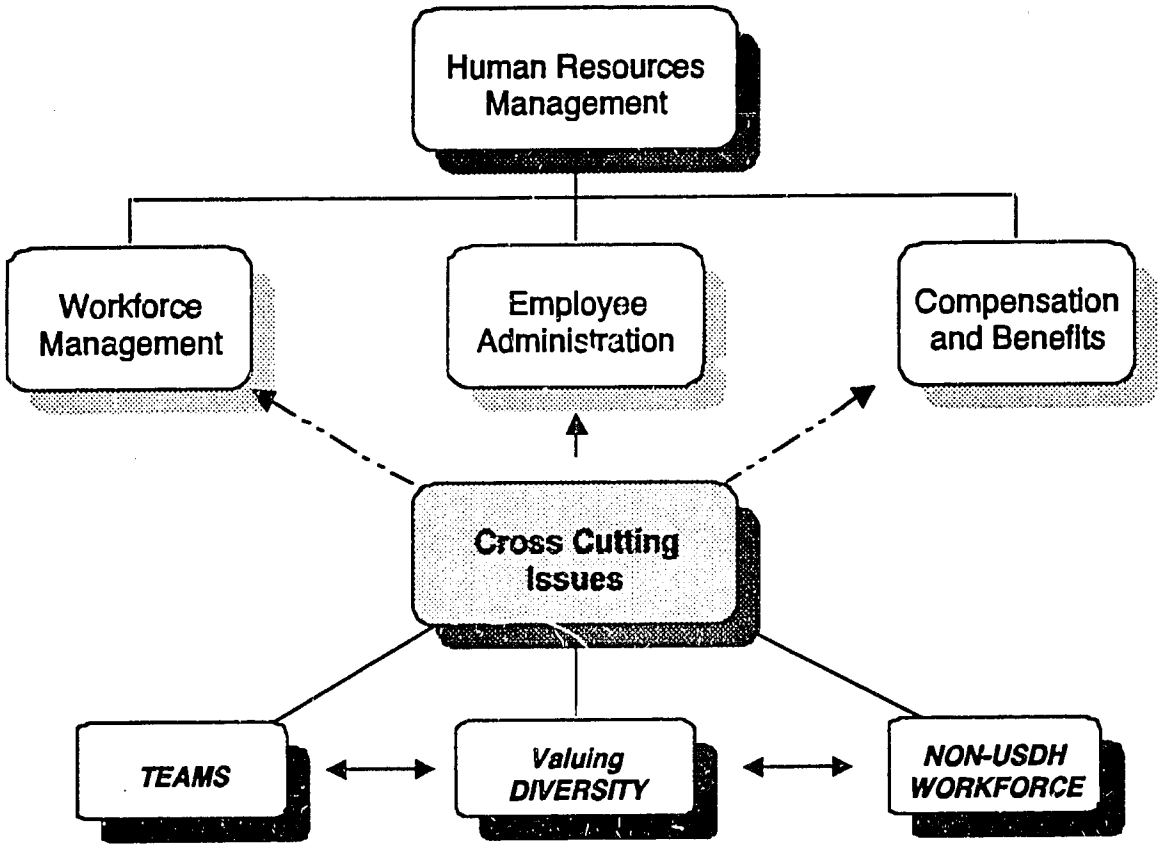
Chapter VII - Transition Issues

Chapter VII is divided into two parts. Part 1 includes a set of transition issues which must be dealt with in implementing the report's recommendations, to the extent the recommendations are approved by Agency management. Transition actions include recommendations on dealing with the cultural shift and adopting valuing diversity as a core value; changes in the Office of Human Resources; preparation of new policies and procedures in the Administrative Directives System; the next phase of the BAA which includes the design, building and testing of new HR management systems supporting technology and human resource processes; and such issues as converting from the old to new systems.

Part 2 identifies long-term recommendations which cannot be implemented at this time due to current fiscal or political constraints.

Chapter VIII - Information Engineering Models

The information engineering models developed by the HRBAA team are presented in **Chapter VIII**. These will be used to build new information systems which improve the effectiveness and efficiency of USAID human resource programs. The BAA team analyzed collections of closely related processes, entity types, relationships and attributes which could be supported by one or more business information systems to be designed together. The design will take place during the second phase of this project, the Business Systems Design (BSD) phase, in the following order of priority: Employee Administration, Workforce Management, and Compensation and Benefits.



CHAPTER I - EXECUTIVE OVERVIEW

TABLE OF CONTENTS

A. Part 1 - Why the Need for Change
   1. Overview
   2. Human Resources Impacts
      a. The Changing Role of Individuals
      b. The Changing Role of Managers
      c. The Changing Operating Environment
   3. Barriers to Success

B. Part 2 - Summary of HRBAA Recommendations

C. Part 3 - Future Operations of Human Resources and IE Implications

Executive Overview
Part 1

Why the Need for Change

Introduction

"Reengineering is everywhere. But in most places it's failing. That's because few organizations realize that the key to reengineering is a focus on people."

Training & Development Journal, January, 1995

Two major forces have converged which shape USAID's reform efforts and specifically affect human resources management. The end of the cold war has brought about a realignment of national responsibilities and priorities, and at the same time, the cost of federal programs has forced every agency to sharpen the focus of their programs and to streamline management operations. These forces have combined to make a reassessment and reshaping of USAID a necessity for this Administration.

1. **World political change.**

The stability engendered by the post-WWII polarization between the two major superpowers no longer exists, and the political rationale for USAID's pure sustainable development product is less clear. The result is a broader range of USAID goals and objectives, with stability in some areas (e.g., population), but with more frequent changes resulting from new priorities to meet new challenges (e.g., complex emergency management and prevention). Moreover, political objectives are now more prominent in determining funding allocations.

"It is a new world out there... neither foreign aid nor USAID are what they used to be."

J. Brian Atwood
Statement to the House Appropriations Subcommittee
March 7, 1995

2. **Public Demand for Improved Performance:**

The U.S. private sector has been forced to make major changes in management systems over the last 10-15 years. Beginning with the 1993 publication of Reengineering the Corporation by Hammer and Champy, a more radical set of "cultural change" management values is sweeping private enterprise. Many companies have experienced dramatic success as a result. Vice President Gore initiated the National Performance Review (NPR) to reinvent the U.S. Government in 1993. The focus of these efforts is basically to assure that the work done satisfies the needs of the customer.

> *"AID Administrator J. Brian Atwood assumed his post in May 1993 and designated the entire agency as a reinvention laboratory, the first agency to do so. By doing this, AID has committed itself to fundamental reform, with the goal of transforming the agency into a high-performance, results-driven organization that can respond effectively to global challenges."*
>
> Vice President Gore's
> Creating a Government That Works Better & Costs Less,
> the AID Accompanying Report, September, 1993

The Agency is committed to the reinvention and reengineering of its core business areas and to fundamental change in the way work is accomplished and measured. This sweeping mandate for change has made the contemplation of dramatic improvements in the area of human resources administration both possible and feasible. An historic opportunity exists to place USAID at the forefront of the federal government in the area of personnel management.

Overview

Last December a group of USAID employees representing customers and practitioners of human resource activities was assembled to design and complete a business area analysis (BAA) of the Agency's human resource functions. This team was supported by a limited number of consultants. The mandate given the team by the executive sponsors and a reference group of senior USAID managers was straightforward:

- Every USAID personnel system will be carefully reviewed to ensure that it is designed for maximum efficiency and customer service.

- Processes in need of improvement will be reengineered. The redesigned processes will be quick, flexible, cost-beneficial, and customer-focused.

- A key aspect of this process will be to apply information technology to

reduce paper-work and decentralize responsibility for as many aspects of personnel administration as possible.

Some issues were outside the team's purview. For example, the **proposed unified personnel system** is considered a superior solution to many of the basic problems facing the Agency in the area of human resources management. While the team saw much merit in the recent proposal, major legislative change was not in our mandate, and therefore, the unified personnel system is not discussed. However, the team endeavored to ensure that changes in policies and procedures contained in the report recommendations would support and strengthen any initiative to consolidate the different personnel systems within USAID. To the extent practicable, the team attempted to eliminate unwarranted disparities and inequities between employment categories.

Given that the report recommendations reflect the existing regulatory environment in which we operate, the majority of recommendations are within the Agency's power to implement. However, a few HRBAA proposals require statutory change or depend on a more positive fiscal or political environment. They are noted as such and are included in Part 2 of the Transition Chapter rather than in the main body of the report. The team also recognized that its attention, given limited time and resources, would vary across the set of personnel systems. More attention was spent where customer need seemed greater and where practical opportunity for significant improvement seemed most likely.

USAID's human resources are the foundation for successful achievement of program results. To achieve those results, the agency relies on the support services of M/HR as a vitally important Agency function to ensure we have the right person at the right place at the right time. Yet the HRBAA worldwide customer survey reflected that management and employees are minimally satisfied with the human resources services.

Reengineering cultural changes will be a challenge for all USAID employees to collectively overcome the previous problems. In large part the devolution of HR responsibilities to the employee is a result of delegation of authorities directly to the employee and the manager at the work unit level. It is at the unit level where resolution to problems, as well as the access to information systems to facilitate transactions with central offices, will occur.

The Office of Human Resources (M/HR) has already established customer service as a principle in all operational units. The factors listed above make it all the more important for M/HR to anticipate new personnel issues and consult with employees on the most effective manner to address and resolve them expeditiously. M/HR has already begun using customer surveys and plans to continue that practice to evaluate its performance, thus HR's effectiveness will be judged and improved upon based on customer surveys.

In conformance with reengineering objectives, HR will establish a Strategic Objective expected to be related to the support USAID employees need to achieve their program objectives. HR's results packages are expected to consist of, inter alia:

- information engineering transformation of HR processes,

- a more objective, predictable and transparent performance evaluation system,

- an open and more systematic assignment process which meets both Agency and individual employee needs,

- training which meets agency and employee career development needs, and which facilitates reengineering reforms,

- alternative dispute resolutions to employee management issues to streamline and make more customer-oriented the results, and

- effective customer services on all personnel transactions.

Terms of Reference

Throughout its work, the HRBAA team was guided by five core values. Four of these are the values shared with other BAAs, especially Operations.

Customer focus -- in both the private and public sector, the importance of aligning business processes with customer need has gained recognition as an approach which leads to greater efficiency and effectiveness.

Managing for results -- for a system to be results oriented, its processes must be focused on achieving changed conditions for the customer.

Teamwork -- teams are groups of individuals coming together through consensus on a common approach to achieve agreed-to objectives or results. Typically, team members bring specific skills needed to achieve a result, or represent an interest central to that achievement.

Empowerment/accountability -- to empower is to invest with authority to make and implement decisions. An organization that involves customers more, and that focuses on the value of its services to customers, has to place the authority for decisions as close as possible to where the impact is achieved.

The HRBAA recommends a fifth core value as an integral part of the value set critical to the Agency's program effectiveness:

Valuing Diversity -- it is a business imperative that USAID achieve a workplace environment unencumbered by traditional barriers. The Agency has a global responsibility in which diversity and equal employment opportunity must be defined in broader terms. Team members must be able to accept human differences and work in problem solving teams to serve our customers. As a business necessity, we must work together and make every effort to get the most out of our human resources. We must value the differences and seek to understand the synergy and the benefits of bringing together people of differing backgrounds and skills to accomplish our Agency goals.

The team developed a human resources "vision" with the executive sponsors and confirmed it with the reference group early in the project. The vision speaks to seven key human resources components which will create a successful USAID personnel operation. In the **philosophy and environment** surrounding our core workforce, for example, the work climate is open, participatory, and creative. In **strategic planning**, human resource and program operations are effectively linked, i.e. it delivers the right staff in the right place at the right time. In **motivation and performance**, both tangible and intangible rewards/incentives are the result of quality performance. In **workforce development**, employee development through learning and career growth opportunities is customary. In **communications**, mechanisms exist and are routinely used to tap employee knowledge, assess customer satisfaction, and feedback into continuous improvement initiatives. In **work design**, responsibilities and duties are broad and flexible. In **human resources systems administration**, procedures and processes are simple, understandable, flexible, and fully automated.

Human Resources Impacts

The Agency is fundamentally changing the way it does business. The Program Operations Business Area Analysis Report, "Making a Difference for Development," set the parameters by providing directions for designing the new systems. The Human Resources Business Area Analysis Team (HRBAA Team) was tasked to modify and align USAID's HR systems, including enabling and supporting the behavioral changes critical to ensuring effective support of the new operations system.

In reviewing the Agency's human resources policies and procedures, the HRBAA team was guided by a vision of USAID administrative and program operations. This vision included a working environment within the Agency that is very different from what exists today: different in the manner in which supervisors and employees view each other and treat each other; different in the way resources for programmatic support are allocated; different in the way employees' work performance is evaluated and in the way incentives are provided; and different in the way the Agency plans for the future.

An overarching theme of USAID's reform program is the creation of a workplace that encourages staff to grow and flourish in an exciting professional environment. USAID will empower line managers and their staffs by pushing decision-making authority closer to our service delivery points and eliminating bureaucratic rules and regulations that inhibit managers.

USAID's affirmative action goal for its American employees is to have a workforce representative of the American people. But beyond equal employment opportunity and affirmative action, USAID's goal is to attain a workplace environment where all employees **value the diversity** that exists in its workers and that of the countries in which USAID works. It is an environment where professional collaboration is encouraged and includes centers of technical excellence and development training opportunities for all employees.

The Changing Role of Individuals

Within a reengineered USAID, individual employees will work increasingly within **teams**. Interpersonal, negotiating and team-building skills will become more highly valued and important to the conduct of business, as teams will be formed to accomplish work at every level in the organization.

All employees will be treated with collegial consideration and respect; they will be treated equitably; and they will have all have opportunities for professional development.

The flexibility and transparency of the new systems will provide each employee with unprecedented access to information. Better informed employees with access to an increased amount, quality and availability of data are expected to make better decisions and to work more efficiently. More regular interaction with the regional bureaus and missions will be expected to ensure that their needs as customers are identified and planned for.

Empowerment to individuals is expected to give employees the latitude to make on-the-spot changes and take risks to achieve results in a more effective manner; **accountability** for those decisions and risk-taking is a performance evaluation factor which will be weighed in the light of the actual and potential achievements and lessons learned.

All employees will formulate better, more interactive, direct working relationships through early and **regular involvement with customers and partners on teams**. This association will continue and strengthen as the role of customers and partners includes active participation during implementation of activities and the monitoring and evaluation of planned versus actual results.

USAID employees at every level will have the potential to **assume greater responsibilities and authorities** over resources. Some team members will bring certain authorities to the team; other team members will have authorities specific to the task given them. **Results-oriented goals** and expectations will accompany the authorities given officers, and they will be held accountable for achieving measurable results or measurable progress toward the stated goals.

Every USAID employee will have professional credentials which will indicate their level of professional accomplishment and proficiency in several skill areas and frequently, in more than one occupational category.

Most personnel actions will be completed electronically and personnel-related processes will be assisted through the development of automated applications. These programs and systems will be available to all employees of all categories and types, both overseas and in USAID Washington.

In the future, employees will develop to be more proficient in automation hardware/software requirements of the new corporate data system, e.g., PCs, Lotus Notes, Windows. They will have more opportunities to strengthen their professional credentials, analytical and language skills to develop and maintain credibility with their partners and customers.

The Changing Role of Managers

USAID managers in a reengineered HR operating environment will consistently and systematically **involve both partners and customers** in the planning, implementation and evaluation of the organization's work. They evolve from traditional supervisors to **assuming roles as coaches, mentors and leaders of others to facilitate and support** the accomplishment of work by others.

Managers are expected to become the primary practitioners of human resources policies, procedures and supporting systems. They are expected to cultivate resources and to develop their workforce -- acting as coordinators, rather than as direct supervisors of work activities. The staff development role must include among other things, the identification of training requirements, mentoring and counseling, and the promotion of **valuing diversity** in the workplace.

All leaders will have a **results orientation** which will be measured and evaluated on several levels. Results orientation is defined as managing for the achievement of results. This means setting clear objectives and targets, collecting adequate information to judge progress and adjusting strategies and tactics as required. In HR terms, results will be measured, in part, through the data collected by regular, comprehensive surveys of employees and through 360 degree performance ratings.

As a long term recommendation in the Transition Chapter, cost center management will eventually devolve to managers, to include responsibility for all USAID resources under their control -- including salaries of staff and budget levels for training and travel. They will have greater control over budget functions and program priorities. Cost orientation is supported through establishing rewards centered on fostering and stretching the utility of resources to achieve results. Leaders will be expected to act as stewards of human resources and to demonstrate efficiencies.

Managers must also establish and foster the development of **self-directed work teams** to accomplish the administrative and programmatic objectives of the Agency. Teamwork is the coming together of a group of individuals through consensus on a common approach to achieve agreed-upon objectives or results. Managers are expected to support and encourage teamwork and to ensure teams function in a collaborative and supportive fashion, drawing on the strengths of individual members.

Greater empowerment of individuals is a core value which managers of organizational units in Washington and in the field must embrace. It is expected that these leaders will delegate authorities and empower their staffs to a much greater extent than is now the norm. Under the guidance of managers, employees will have greater authority and will be able to operate more independently and with less need for detailed guidance by supervisors.

Within clearly defined limits, managers will have greater ability to provide incentives and, when circumstances dictate, to reprimand their staff. Managers will apply and utilize HR resources with greater facility, and they will be more highly trained and proficient as supervisors, given that their training and experience in the supervisory role is of greater importance to Agency management.

Computer applications to speed many HR functions and to assist managers in making personnel and planning related decisions will be available both in the field and in Washington. Access to useful data on personnel and information on policies, procedures **and systems will simplify and support the manager's and employee's role** in the reengineered office.

"Risk taking" is a type of behavior that will be valued and rewarded in the new, reengineered USAID operating environment. Managers will have to become "risk takers" and seek new solutions. Innovative and different approaches to work are being demanded by the Administrator and the top management of the Agency. Managers are expected to abandon some old methods; for example, all employees are expected to be more participatory and less authoritarian in their approaches to problem solving. As individual decision-making gives way to styles founded upon the building of consensus, rewards are also expected to shift from the recognition of individual acts to a new emphasis on results achieved by teams -- team rewards for team-enhancing behaviors.

As is expected of all employees in the Agency, managers will develop a proficiency in automation hardware/software requirements of the new corporate data system, e.g., PCs, Lotus Notes, Windows. Moreover, they must strengthen their professional credentials, analytical and language skills to develop and maintain credibility with their partners and customers.

Changes in the Operating Environment

Given that human resources management is a function of all USAID operating units including bureaus, missions, offices (both staff and line), the HRBAA vision involves changes at every level. Some of the changes in the operations systems which will foster important adjustments in the way the Agency conducts its business include the following.

USAID will become a "learning organization". In the private sector, reengineering changes have been expressed as radical, requiring a "cultural change". While USAID employees understand the concept of cultural change, having to ourselves undergo cultural change is different. We have to learn as we go.

Advancement potential will be based on an employee's ability to perform within USAID's **core values**, which stress the ability to work with others to facilitate the achievement of results.

"Autocratic leadership is out. Even participative management has become passe." (Training & Development, January, 1995.) Management decision-making is dramatically changing with teamwork and empowerment methods. **Customer** surveys will carry much more weight in determining effectiveness of operating units.

The new USAID partnerships initiative includes the proposal to increase the flow of USAID's resources to U.S. and indigenous NGOs, universities, and the many other Partners of USAID to 40% of USAID's total budget. Much of this funding is in the form of grants, reducing USAID's control over its use. Effective **teamwork** thus becomes much more a requirement rather than a choice as a mode of operation. Partner input into performance evaluations will become an increasingly important factor.

Vice President Gore stresses the continuity required in establishing and managing strategic objectives from the President, through the Agency Heads and senior staff to all operational offices. This implies continuity in performance contracts from the USAID Administrator to all employees.

The difficulty of associating individual work objectives with the mission, bureau and agency objectives must be carefully addressed. *"The fact is that with authority now*

being redistributed throughout the organization, there is no the leader. Everyone must be a leader; everyone, that is to say, must answer questions about the business's purpose - and ask questions, too." (Reengineering Management, by James Champy, 1995, p. 41.) Effective leadership for all operating units, however, remains important. The Country Experimental Labs (CELs) are substantiating that. USAID operates within a sensitive political climate which imposes certain constraints. **Empowerment** does not mean total independence. An appropriate balance, still at the experimental stage, between authority delegated and authority remaining by necessity at senior levels will require carefully addressed and agreed performance work plans.

The 360 degree inputs to performance evaluations gained through **customer** surveys permits subordinates to comment on supervisor effectiveness and partners and customers to register their views on USAID employee performance effectiveness. The most senior Agency manager evaluations will also include 360 degree input; managers at all levels in USAID are expected to be reengineering behavioral models.

While not an explicit core value, the necessity of taking risks to **achieve results** is frequently cited as fundamental to success in USAID. The systemic constraints to risk-taking will need to be specified. The legal requirements for procurement, the legislative requirements for the use of OE and program funding, the federal government directives on personnel practices, and the institutional agreements with the unions are all examples of limitations to decision-making flexibility. Risk-taking in the new system will still be subject to these constraints. A clear differentiation in performance management must be made between making inappropriate decisions where guidance and directives exist but were not adequately researched and making decisions in gray areas.

The U.S. budgetary deficit assures that pressure for USAID to reduce costs and demonstrate the **value (results) of our work** will continue for some time in the future. **Delegation** of authority to the manager for more effective workforce planning and job classification is one manifestation. The increased value in cost effectiveness terms of FSN and USPSC employees also becomes increasingly apparent.

Including FSNs, USPSCs, and other full-time employees working directly for USAID as part of the core workforce requires extending HR services to these employees.

The age of electronic transactions is now. All employees must be able to use computer systems to assure the competitive productivity of their work. This capability will rapidly become an important performance factor.

Challenges

The team concluded its analysis and recommendations with a deep appreciation for the

challenge in front of USAID as it seeks to undertake the fundamental reengineering of all its key business processes. No other federal agency has accepted the challenge to reinvent itself to the extent -- and with the enthusiasm -- of USAID. The appreciation of the complexity and many minefields that make success difficult in reengineering was reinforced by the views of students of the process in both the private and public sectors.

Reengineering literature contains both success and horror stories. It stresses that failures are due to inadequate effort to address the human elements. Solutions include: clear vision statements which describes the core values, commitment by and partnership with management to implement reengineering, targets or a good definition of success, inculcation of the new teamwork and consensus decision-making leadership mode through effective training, an evaluation and incentive system which rewards successful performance, and the most effective use of information systems technology to support the new operational structures.

The following are a few areas which require considerable and persistent attention during the reengineering preparation and implementation to reduce the risk of failure.

1. Senior Agency Managers as Behavioral Models

USAID's top executives have directed that USAID implement reengineering practices. Yet, as highlighted by James Champy in his book, Reengineering Management, *"Too often, reengineering stops at the upper echelons of corporations, and managerial levels remain unchanged or resistant to the reengineering process. As a consequence, the task of reengineering is stopped in its tracks, and the anticipated benefits are never achieved."*

Feedback from attendees at a recent USAID Participation Forum indicates that many perceive a number of managers lack the commitment to lead the organization to a new, reinvented USAID. It is not enough that the Agency's top executives are committed to reengineering. We must have a critical mass of upper and mid-level managers who are also really committed to making change happen. They must live and breathe and teach the corporate values and model the desired behavior to truly bring about culture change. As we commit to the "learning organization" practices in instituting a new USAID, we must ensure all managers are provided with the necessary communications, leadership training, and tools to prepare them to change themselves and to "lead" in a new way. Over time, those who continue to resist should be assigned to non -leadership positions or removed. We will only be successful if all managers are consistent in their actions and speaking the same language.

2. **Adequate provision of Information Technology to implement reengineered HR systems, as well as related training to take full advantage of reengineered HR systems.**

The Agency will have difficult choices to make in an austere fiscal environment that is likely to be a permanent feature of future Agency operations. That said, the Agency needs to continue to make the necessary investments, as it has done thus far, to assure that reengineering "takes" in the Agency.

3. **Sufficient Delegation of Authority to lower management units, to FSNs and USPSCs to be Consistent with and Take Full Advantage of the Core Values.**

The Agency dilemma in this area is a tough one. Control is often necessary in crisis situations. Reengineering itself creates urgency, trauma and crisis-like conditions. However, once we are through the current fiscal crisis and transition period, the HRBAA team strongly believes that Agency management must creatively figure out ways to deliver the empowered delegations with accompanying accountability if we are to achieve long term reengineering success.

Executive Overview
PART 2

Summary of Report Recommendations

The following summarizes recommendations which are listed in the order they appear in the report. Each is described in detail within the appropriate chapter, along with background information, objectives of the analysis, and detailed explanations of our findings and recommendations.

Customer Survey Recommendations
Chapter II

1. The Office of Human Resources and personnel staff who deliver human resources services at overseas missions should develop, implement and publish customer service plans.

2. The Office of Human Resources should include as one of its strategic objectives (SO), an SO which addresses meeting internal customer satisfaction.

3. The 1995 Personnel Services Customer Survey, should be modified and used on an annual basis to appraise performance of human resources functions, as well as providing some measurement about USAID's management.

Workforce Management Recommendations
Planning - Chapter III-A

1. Establish a USAID Workforce Planning Committee to fully identify programmatic initiatives and needs on a periodic, continuing basis.

2. Establish a comprehensive database and improve information about employees' skills and abilities, to include FS working family members.

3. Sharply reduce the need to utilize the personal services contract for OE-funded workforce requirements and obtain the technical services of internationally-recruited U.S. citizens through limited, non-career, direct-hire appointments.

4. Identify and recognize differing levels of skills and experience through credential and warranting programs for all occupational categories.

5. Encourage employees to develop qualifications in multiple skills categories.

Workforce Management Recommendations
Recruitment - Chapter III-A

1. Recruit technical specialists as direct-hires, using non-career temporary appointments under a flexible timeframe to enable the Agency to respond readily to staffing needs.

2. Hire FS candidates for direct-hire employment within eight weeks of selection through the use of streamlined security clearance requirements.

3. Guidance should be provided to managers to assist in the acquisition of institution-building skills required for developing capacities and capabilities within USAID.

4. Make routine the "best practice" of considering all available non-traditional assignment options for placing qualified staff.

5. Verify and certify the need for USDH employees in specific positions overseas; develop staffing strategies to maximize the use of FSNs.

6. Provide training to supervisory personnel in defining human resources requirements and provide quality assurance so that position descriptions and PSC scopes of work accurately reflect real duties and responsibilities.

Workforce Management Recommendations
Career Development and Training - Chapter III-B

1. Career development and counseling services should be provided by trained and certified counselors.

2. Career development services should be provided to civil service and foreign service national employees, as well as those in the foreign service.

3. Establish that U.S. Foreign Service employees at grade level FS-02 are expected to have the professional expertise and knowledge to carry out fully the implementation of programs in their occupational category.

4. Reduce the number of distinct personnel backstops now utilized to define employees' technical specialties, and provide opportunity for all employees to develop qualifications and credentials in multiple occupations.

5. Formalize and expand the existing pilot program to enhance civil service career opportunities by establishing a cadre of employees available for overseas

assignment.

6. Advertise AID/W civil service position vacancies overseas so that FS officers can be considered to fill these positions temporarily during three-year rotation assignments.

7. Develop professional standards to form the basis for establishing professional credential and warrant programs in each major occupational category.

8. Require mangers to assume responsibility for the professional growth of all supervised employees and for identifying and acquiring development opportunities.

9. Establish a formal mentoring program and make it available to all employees throughout their career spans.

10. Individual career development and learning plans should be routinely developed for all USAID employees.

11. Create a management development program for civil service and foreign service employees to prepare them for supervisory/managerial positions.

Workforce Management Recommendations
Position Classification - Chapter III-C

1. Managers should be provided appropriate classification tools.

2. Simplify the classification process.

3. Recommend that USAID missions participate in demonstration pilot to test FSN broad-banding. Cooperate with State on the issue of Broad-banding.

4. Establish an annual classification review of FS positions overseas.

6. A new Foreign Service classification guide needs to be developed in recognition of the inadequacy of the current classification scheme.

7. Make position management an integral part of the Agency's strategic planning, budget formulation, and organization management.

Workforce Management Recommendations
Policy - Chapter III-D

1. Extend policy to the entire core workforce.

2. Create a common policy and case law database.

3. Stakeholders should write or help develop policy.

4. Streamline the clearance process.

5. Allow the field to grant waivers for home leave, separate maintenance allowance, and the six month rest and relaxation rule.

Employee Administration Recommendations
Employee Placement/Assignments - Chapter IV-A

1. Propose that the announcement cycle for SMG (including both civil service and foreign service positions) be changed to coincide with the regular FS bid cycle.

2. Propose that tour lengths for technical and management positions for SMG (SFS) and Foreign Service (FS) be lengthened. Under normal conditions a tour length should be from 48 to 60 months, with no less than 36 months, while allowing for flexibility to meet personal and family needs.

3. Proficiency in language and/or mandatory language training must be enforced at posts requiring a second language.

4. Create an Electronic Post Report and other electronic bidding tools to provide FS employees post specific information.

5. Create an inventory of work history, experience and significant skills and abilities on every employee. Data would be used to match against vacant positions, and/or to make team assignments.

6. Provide managers with better information to make sound decisions and match employee skills to meet needs of teams, while making the process more transparent.

7. Revise the COAR format and create an electronic version.

8. When managers identify positions for the FS Bid process, in addition to the 6-8 line narrative description, require them to list at least 5 critical skill indicator bullets (no more than one-line each) which can be used to measure for the best qualified candidates.

9. When a civil service employee fills a foreign service designated position in AID/W, the position should only be filled on a time-limited basis.

10. Expand the role of the Career Development Officers (CDOs) in working with foreign service backstops and in serving on assignment panels.

11. Broaden possibilities for excursion tours and non-traditional assignments and details outside the Agency in the private sector or in other federal agencies.

Employee Administration Recommendations
Employee Evaluation Program - Chapter IV-B

1. Extend the new evaluation system to the entire core workforce.

2. Have Bureau AA or DAA rate mission directors.

3. Create a mechanism for missions which implements effectively the intended role of the appraisal committee in the new evaluation system for all categories of employees.

4. Guidance given to the selection boards at the end of the evaluation cycle, precepts, and other annual guidance related to evaluations should be transparent and widely communicated at the beginning of the cycle.

5. Evaluate the senior managers after ratings of other employees within the work unit headed by the managers have been completed.

6. Consider shifting evaluation cycles to more closely align with the annual budget cycle and summer transfer of foreign service officers.

7. Increase the use of challenging work objectives in the evaluation system by changing the role of work objectives included in AEF's.

8. Include within the work objectives, team objectives that affect individual ratings.

9. Transparency of work objectives/contracts of senior Agency management.

10. Enforce Agency management completion of work objectives/contracts.

11. Limit last minute work objective changes.

Employee Administration Recommendations
Promotion/Tenure/Standards - Chapter IV-C

The recommendations in this section are primarily applicable to foreign service promotion system for rank-in-person promotions.

1. Promotion precepts for employees needs to be congruent with the core values of the Agency.

2. Inform employees of the historical numbers of promotions given annually, provide some indication of how the current year numbers relate to these trends, as well as the average promotion rate, for each grade and occupational category.

3. Establish a minimum time-in-grade before the next promotion for Foreign Service employees.

4. Automatically review employees ranked for but not given promotions in subsequent years, even if not nominated.

5. Performance "standards of the class" for the foreign service should be developed by each Selection Board through a streamlined, structured process. The procedure will help to identify employees at the top and bottom of the performance range and reduce the need to read and review evaluations for every employee in the class.

6. Promotion precepts for senior agency managers should include a systematic consideration of employee morale and satisfaction.

7. Review the constituency of the Selection Boards in relationship to USAID's current goals and reengineering changes to determine if it needs to be revised to assure equitable consideration for all members of USAID's workforce.

    a. Include CS employees to selection/promotion boards and FS employees to selection panels for CS positions.

    b. Include an employee from another foreign affairs agency to selection boards.

    c. Limit the frequency for individual public member participation on the same level of Selection Boards to no more than once per three years.

8. Service on Boards should be made mandatory.

9. Establish criteria for certification requirements for promotion into the Senior Foreign Service.

10. Allocate promotions to the Senior Foreign Service to backstop "clusters" and have the Consolidated Senior Threshold Panel consider each cluster separately to identify candidates for promotion.

11. The "Nomination for Promotion" form should be used in Civil Service employee evaluations and included as part of the CS employee evaluation file.

Employee Administration Recommendations
Employee Relations - Chapter IV-D

1. The Agency should implement all provisions of the 1990 Alternative Dispute Resolution (ADR) Act by exploring ADR methods which can be effectively used by USAID.

2. Grievances on an AEF and other documents contained in an employee's evaluation file must be filed within one year of the date of the document.

3. Develop new guidance\directives to supervisors on both the urgency of giving prompt attention to and the use of ADR and the evaluation process, handbooks, directives and manuals reflecting the reengineering changes in performance-based and disciplinary actions.

4. Allow Mission Directors and AAs/DAAs to issue written reprimands to Foreign Service employees. Create legal and regulatory guidance procedures which permit these managers to perform these actions correctly.

5. Managers and employees should be held accountable for providing a positive work place environment.

6. Apply equitable treatment to FSNs in USAID's disciplinary and performance-based actions.

Employee Administration Recommendations
Separation - Chapter IV-E

1. Develop computer programs for computing retirement benefits which could be given to employees for their personal retirement planning use and for exchanging information with HR/PMES when appropriate.

2. Develop policy guidance which defines clear limits on FSN separation benefits.

Compensation and Benefits Recommendations
Incentives - Chapter V-A

1. Tie the awards more directly and effectively to demonstrated performance and the promise of future superior performance.

   a. Emphasize rewarding accomplishment with non-recurring incentives and emphasize future performance expectations with recurring incentives.

   b. Reach for authority under federal experimental programs to explore the effects of ending entitled longevity-based pay increases tied to satisfactory performance.

   c. Create incentives for achieving superior language skills

2. Broaden the scope of awards to strengthen organizational performance and performance within teams.

   a. Create a set of performance-cycle monetary and non-monetary awards to recognize change agents in support of continuous improvement efforts.

   b. Create a set of awards tied to organizational and team performance on a fiscal year basis.

   c. Broaden the use of off-cycle monetary and non-monetary individual, team and unit awards aimed at internal and external customer satisfaction.

   d. Create a category of Administrator Reinvention Seed (ARS) Awards granted to core workforce teams who propose small-scale reengineering initiatives which offer significant cost-benefit opportunities to the agency.

   e. Treat teams as organization units for purposes of nominating various members for off-cycle awards.

   f. Assure work-unit assessment of performance cycle awards and significant off-cycle awards.

   g. Increase senior management influence in aligning organizational objectives with performance cycle awards.

h. Push down and simplify review and approval rules for many off-cycle awards.

3. Add greater predictability to the incentive process to make it a more effective tool.

   a. Create substantive and timely annual guidance approved by the Administrator for performance awards.

   b. Establish accounts for all monetary awards on an annual basis; provide stable funding for them.

   c. Increase the transparency of performance cycle awards.

   d. Assure that awards are available generally to all components of the workforce.

   e. Simplify the review and certification requirement under the current policy of granting within-grade steps increases based on longevity.

   f. Review the role of the Agency Awards Committee as an effective instrument for delivering incentives.

Compensation and Benefits Recommendations
Benefits - Chapter V-B

1. Consider fully automating employee personnel data records on all categories of the workforce. Automation should allow for employees to access and read their personal record at any given time, especially records on employee benefits.

2. Explore the current classification status of USPSCs as stated in AIDAR and seek legislation which would allow them to set aside from 0-15% of their salaries in tax deferred savings/IRA-SEP (Simplified Employee Pension) funds.

3. Identify alternatives to benefit packages for FSN employees throughout the world. Recommend establishing minimal regional benefits.

4. Implement Alternate Work Schedules and/or consider a pilot program to implement Credit Hours.

5. Actively pursue exploring expanding family-friendly workplace programs to include creating pilot projects for such things as flexiplace arrangements and job sharing.

6. Provide clear guidance to USPSCs and FSNs as to their eligibility for worker's compensation and disability benefits. Supervisors should also have guidance available.

7. For Worker Compensation cases, a critical need exists to automate case files in order to group data for analysis and management reports.

Cross Cutting Issues - Recommendations
Valuing Diversity - Chapter VI-A

1. Adopt Valuing Diversity as an Agency Core Value.

2. Hold individual managers responsible for achieving diversity initiatives in their organization.

3. Extend the Agency Diversity Plan on the equal employment opportunity and affirmative action principle to include the entire workforce.

4. Accelerate the proposed 3-year delivery of cultural sensitivity and diversity training to a completion date of 12 months. Incorporate a training module to cover equal employment opportunity as well as sexual harassment. And ensure learning experiences (training) is available worldwide.

5. Develop policy guidelines and learning experiences/ training to cover FSNs which address equal employment opportunity, sexual harassment, harassment/ intimidation, and cultural sensitivity awareness regarding the United States.

6. Prior to assignment to new posts, all employees should attend a mandatory diversity orientation training which incorporates country specific cultural and diversity issues. Language training should also be a prerequisite before overseas assignments.

Crosscutting Issues - Recommendations
Non-U.S. Direct Hire Workforce - Chapter VI-B

Recommendations specific to the non-U.S. direct hire workforce are addressed in several other sections of the report and therefore, are not summarized here.

Crosscutting Issues
Teams - Chapter VI-C

Recommendations specific to teams are addressed in all sections of the report and therefore, are not summarized here.

Transition Actions
Chapter VII - Part 1

1. The Deputy Assistant Administrator for the Office of Human Resources must ensure the non-technology recommendations approved in this report are implemented within a systematic and timely manner. This should be accomplished by appointing an HR "Transition Manager."

2. Provide training and other assistance to managers, supervisors and employees in the roles and responsibilities associated with effective teams.

3. Improve customer service in the Office of Human Resources.

4. Prepare new policies and procedures.

5. Communicate with internal customers.

6. Design, build, and test HR Information Systems.

7. Convert from the old system to the new system.

8. Implement a process to ensure HR continuous learning in appropriate organizations.

Transition Actions - Longer-term Recommendations
Chapter VII - Part 2

1. Adopt a single unified personnel system in USAID to replace the existing Civil Service and Foreign Service systems.

2. Move all employees' salaries out of the central account and make compensation a part of the field mission or Washington office OE budget; provide incentives for containing costs.

3. Broaden the flexibility for managers to allocate operating expense funds across spending categories.

4. Delegate authority for position classification to the Office Director level or that level where budget authority exists.

5. Decentralize some authority to budget for and to spend training funds to the line managers.

6. The HRBAA proposes that the Agency take steps to enhance delegations to FSNs, within prudent limits.

7. It is recommended that the majority of personal services contractors in the Agency be converted to direct hire status.

8. Obtain U.S. Office of Personnel Management demonstration project status to implement Broad-banding for USAID Civil Service positions.

Executive Overview
Part 3

Future Operations of Human Resources and IE Implications

Introduction

The following is a discussion of information engineering (IE) implications from the recommendations which appear throughout the HRBAA report.

The way in which Human Resources functions within USAID will be accomplished in the future will be significantly different than current methods. The present reality of voluminous paper processing, although not completely eliminated, will be significantly reduced. Shifting of documents from one 'In Box' to another and the inherent danger of lost paperwork will also be significantly reduced or eliminated. Employees will be responsible for entering and updating much of their own personal information. They will have direct access to and be able to change their own benefits information and options (e.g. life insurance, health insurance, retirement) during open season. Information entered into HR's automated systems will be done directly by the affected employees and/or supervisors, maximizing employee responsibility for and ownership of the information. All of these changes will integrate appropriate security concerns, e.g. access and signature authority.

Human Resources procedures and processes will be simple, understandable, flexible, and fully automated. They will be fully integrated into the Agency's day to day operations, supporting the Agency's re-engineered operations. The core values of Teamwork, Empowerment and Accountability, Managing for Results, and Customer Focus will be facilitated by having the right information in the right place at the right time enabling employees and managers to make the better, well informed decisions. Automation support will not be limited to just AID/W based systems but will be placed in the field to support their human resources operations.

The New Management Systems

The Human Resources computer applications fit within a larger structure of Agency wide suite of integrated applications. These applications, collectively known as the New Management Systems (NMS), encompass Agency Operations, Budgeting, Procurement (A&A), and Financial Management (AWACS) as well as the Human Resources applications when completed.

From a technical viewpoint, the NMS systems use Oracle as a relational database and a Microsoft Windows Graphical User Interface (GUI) for user presentation. From a user's perspective, what is important about this technical architecture is that information common to all applications, for example information about an employee, is shared by all the applications. If an employee's address changes, all applications have access to the new address; If an employee changes benefits information such as health insurance or retirement contributions, the information is automatically available to the payroll system. Information, whether from an Operations, Budget, Procurement, Financial Management, or Human Resources perspective, is entered one time by the user of the system and is available by all systems (given certain security and privacy restrictions).

The Windows Graphical User Interface allows a common 'look and feel' for all the applications. The way a user uses the PC is similar across all applications, minimizing the time a user needs to become familiar with the systems. Commands and the way information is presented to a user is standardized. When a Project Development Officer in the field uses the Operations systems, the screens and commands will be very similar to when they use one of the Human Resources applications.

Personal information about an employee is private. Only those employees who have the requirement to use the information will be granted access to it. Others who do not have a need to see the information will not be permitted access. The new HR systems will ensure privacy for all employees.

Automation Support for HR Processes

Within each of the major functional areas of Human Resources, a number of automation improvements have been recommended for both field and AID/W. These are summarized below. The exact nature of the automation support will be determined during the Systems Design phase.

Workforce Planning

Currently, workforce planning is not an integrated process. It involves a number of disparate, unconnected steps including manual entry and calculation of data and some automated support in the case of the Mission Staffing Pattern System (MSPS).

The MSPS system was a first attempt to automate the collection of workforce information. It provides managers, for the first time, with readily accessible information about workforce composition and numbers. However, it by itself is not a complete planning tool. It is a stand alone system, relying on the manual entering of data from other processes and data files E-mailed from field organizations. It also

does not have integrated access to other HR and Agency applications. It provides a useful tool which can be used to project future needs/trends but does not have automated analysis or projection tools.

The envisioned workforce planning tools will be a complete integrated application. Information required by managers to accomplish workforce planing will be automated and easily accessible. The numbers of employees by category (FS, GS, FSN, or USPSC) will be continuously updated. Each time an employee is hired, separated, transferred, promoted, etc. the electronic database will be updated with that information. Managers within each level of the Agency's hierarchy, whether field or AID/W, will then be able to instantaneously view the make-up of the Agency or individual organizational units.

Future projections of Agency manpower needs will be more readily accessible through the integration with the NMS Budget and Operations systems. Resource requirements for the current year plus a minimum of two out years will be identified by all organizational units (field and AID/W) through the R4 (Results Report and Resource Request) process which the Operations BAA identified as a replacement of the current ABS process. Identification of specific skill requirements will also be accomplished. Budget documentation submitted by USAID organizations including both Washington and field based organizations will be readily available. Combined with the personal information contained within the HR applications, which include such items as grade distribution, skills breakdown, backstops, FS TIC dates, will allow HR and Agency management to make better decisions for recruiting goals, promotion numbers, training requirements, assignment needs, etc. Analysis tools such as pie charts, graphical presentations, bar charts, will identify trend lines within various breakouts (i.e. by workforce average age, retirement projections, skill requirements, etc.).

Together, the integration of the HR applications with NMS applications and the availability of analytical tools will greatly assist the Agency in planning for the future. Mission managers as well as the Administrator will have the tools and information available to them to make better, more informed decisions.

Workforce Development - Career Development and Training

Automated support for workforce development will include integrated applications to support career and personal counseling, training, career development, and mentoring.

Career counseling will come in the form of access by the CDOs to the career, skills, position bids, and personal information on those employees they counsel. Personal information will be limited to identification information (i.e. name, address, phone, etc.) and other general information necessary for career development purposes. Employees and CDOs will have an automated 'resume' application which summarizes

an employee's assignments (to include formal position assignments, assignments to results package or strategic objective teams, collateral duty assignments (e.g. appraisal committee, skills data base, personal information, and position bids.) In addition, CDOs will have direct access to the automated bidding application which will allow them to view and provide guidance on the bids an employee is considering. This bidding application will identify all vacancies available to the employee, and will provide required and recommended skills, a description of the position, and country information. Access to the skills data base and an employee's career plan will equip each employee to make judgments on training or assignments which can enhance his/her skills and better position him/her for promotion.

Support for personal counseling will be in much the same fashion as career counseling. Counselors will have access to the same types of information via access to an employees career, personal data, position bids, and skills information on those employees they counsel. Records of actual counseling sessions are not envisioned to be automated. Instead, the current policy of not maintaining records of the substance of a counseling session will continue. However, automated access by a counselor to an employee's information will provide them with considerably more information than currently available and thereby allow them to make better informed recommendations.

The training function will be supported on both an Agency level and individual level. On the Agency level, in conjunction with the Workforce Planning function, required future skill needs will be identified. These future requirements will be matched to an existing personal skills data base to identify scarce workforce skills which the Agency must acquire either through recruitment of new personnel or training of existing workforce. The Agency could then adjust its recruiting or training strategies to eliminate the shortfall. Automated needs assessments as well as course availability and documentation of learning experiences will be part of the new system. On the individual level, the employee's career plan and skills data base will be automated permitting identification of training or other experiential learning an employee should pursue. The CDOs will play a major role by helping employees identify areas to concentrate on in order to improve their potential within the Agency.

The mentoring process will be aided by an automated mentor assignment application and data base. Individual employees desiring a mentor will be able to express their desire to their CDO and identify personal information and desired mentor qualifications. The CDO will have access to a mentor assignment application which will contain information about employees who have volunteered to be mentors and their qualifications. The CDO will then be able to propose a match of mentor to employee.

Classification

Classification is viewed by many within the Agency as an arcane, mysterious process. However, the BAA recommends over the longer-term that this arcane, mysterious process be shifted directly to the line managers. In order to support this concept and eliminate the misperception of the classification process, managers will need tools in order for them to effectively accomplish the classification processes. Policies and procedures regarding the classification process will be simplified and made available directly to the managers. This will be accomplished through rewriting the policies and procedures and placing those new policies in the Automated Directives System (ADS). This will allow ready access by managers to the rules and guidance available in order for them to accomplish the classification processes. In addition, an automated position description writer will be developed to support the creation or updating of position descriptions. This automated tool will include an on-line help which will link directly to the classification portions of the ADS as well as provide contextual help.

Promulgate USAID Policy

With the shift in the accomplishment of HR functions to front line managers, policies, procedures, and guidance must be readily available to those managers. Existing HR policies and procedures are contained in a number of handbooks. These will be rewritten as part of the Business Systems Design (BSD) phase by the Policies and Procedures team. Once completed, these new policies and procedures will be integrated into the Automated Directives System (ADS). Managers and employees throughout the Agency will be able to access the ADS on-line. Search and text retrieval tools will be available to quickly find policies and procedures for the topics desired. In addition to these policies and procedures, instructions on the use of the HR applications including the referenced policies will be incorporated as on-line help features of the applications.

Valuing Workforce Diversity

Ready access to information regarding equal employment opportunity/affirmative action statistics on the U.S. workforce is currently not available for Agency management to retrieve. HR and Agency management as a whole cannot readily determine the composition of the Agency's workforce. Queries from external parties are sometimes delayed due to inaccessibility or incompleteness of that information. The new HR systems will provide ready access to the diversity composition of the Agency's U.S. direct-hire workforce to meet current reporting requirements. Managers will have easy access to statistical breakdowns and graphic charts of their organization and the Agency at large (rather than employee specific information).

Recruitment

Tracking an application from the point of receipt through hiring of an employee is a cumbersome process. Applications are subject to multiple hand-offs and information about an application is maintained in different systems which do not communicate with each other. Applications and resumes received are in multiple formats making it difficult and time consuming to search for specific qualifications and/or experiences.

The application process, to the fullest extent possible, will be done electronically. Applicants should be provided a software application which can be submitted electronically, read by the computer and archived for easy retrieval and tracking. Distribution of a software application may be accomplished through the Internet or on a diskette made available during recruiting visits or through the mail upon request. Another means to streamline the process would be to image a hardcopy resume/application into the computer once it is received at USAID.

Electronic applications and resumes will permit fast, easy scanning of applications for required skills and/or experiences the Agency needs. This permits an automated 'first cut' of submitted applications to determine which should be pursued through the interview process. It also permits easy tracking of an applicant throughout the recruitment process. Technical and interpersonal interviews are, by their very nature, a manual process. Information from the application and resume will be provided by the recruiting application to support these processes. Once the interview process is complete and an offer made, the applicant will be required to submit the security and medical clearance forms. At some point in time, it is expected that the submission of security clearance forms will be done electronically. (As the clearance process is outside the scope of the HRBAA, it is probable that this will be an initiative of the IG's BAA.) The submission of medical clearance documentation, however, will likely remain a manual process.

Once applicants accept a job offer, as new employees they are required to provide documentation to finish the hiring process. Currently, this involves completing a series of forms to start or update pay, insurance (life and health), emergency locator, retirement, etc. information. The new system will permit electronic completion and submission of these forms. Information will be drawn directly from the previously submitted application permitting the new employee to validate and update as necessary as opposed to re-entering each time. Once all information is complete, the HR data base will be updated with the employee's information including update of payroll data. Any forms which require signature will be printed for the employee to sign.

This application will have use in the Mission setting as well. Mission management will be able to use the system to track recruiting actions for local hire actions (e.g. FSNs).

Assignment System

The current assignment process, from announcement of positions through employee bidding and selection, is almost completely a manual process. The new system will have a significant electronic component. Vacancies, currently announced via E-Mail, will be announced via an interactive electronic application. These vacancies will identify the specific position, required backstops and other required or desired skills, will contain a brief description of the position. Employees will also have access to electronic post bulletins providing country specific information. Employees will be able to match their personal backstop and skills against those skills listed for the positions, as well as viewing the other information about the position and country to determine whether they wish to bid on that position. If they choose to bid on the positions, they will be able to indicate their preferences in high, medium, or low categories vice the present 1, 2, 3, 4.

At any point during the bidding process, the employees may stop and save their choices without submitting the bids. They may then contact their CDO for further guidance/advise. CDOs will have access to the employee's career, skills, position bids, and personal information via an automated 'resume'. This resume summarizes the employee's assignments, including both formal position assignments, assignments to results package or strategic objective teams, and collateral duty assignments (e.g. appraisal committee), the employee's skills, and personal information will be available. This information, as well as the employee's prospective bids, will allow the CDO to provide informed guidance on positions to bid for, priority of those positions, and judgments on training or assignments which can enhance an employee's skills, better positioning them for promotion.

Once completed, the electronic bid is submitted by the employee. Assignment panels will have electronic access to all the bids submitted. Panels will be able to match position requirements versus the employees 'resumes' and comments provided in bids to establish the pool of best qualified candidates. Selection of the specific employee for the position will be facilitated by electronic shipping of the pool list to the selecting official.

The assignment process is not complete until the employee reports to the new position. Upon arrival, the employee will update his/her personal information and emergency locator data. When the employee completes the updating/validation of the data, the system will automatically trigger a personnel action, update Agency staffing patterns, and initiate any post specific pay (e.g. post differential) or allowances for the post (i.e. education allowance for dependents, etc.) This automatic process will eliminate the need for an arrival cable and the paperwork processing of that cable at both the mission and in Washington.

Assignment of collateral duties such as an employee to an Appraisal Committee, special projects, results package or strategic objective teams, other committees will also be completed via an automated assignment system.

Employee Evaluation Program

The evaluation system will be supported by a number of automated tools. Support for the creation of evaluations will be in the form of either word processing macros or an on-line interactive application. The rater will be able to enter the work objectives, appraisals, summary statements, and skill areas directly into the computer. Appraisal Committees will be able to review the evaluations electronically, provide input, and pass back to rater and ratee. Ratees will also be able to review the evaluation electronically and provide comment prior to it being produced. Security concerns, e.g. access, will be integrated into the applications.

The passing of the evaluations from a post or within Washington to the employee's official personnel file will be accomplished electronically. Evaluations will be imaged into an electronic document management system making it readily available for retrieval for promotion or other actions as necessary.

Whether an evaluation is processed entirely via electronic means or requires production of a paper copy has not been finalized. The final outcome of these options will be determined during the systems design phase.

Promotion

Support for the promotion process, especially in support of the selection boards, will be greatly improved through the use of imaged and automated records management applications. Presently, the processes of determining promotions is entirely a manual process. Hardcopy evaluations and other evaluation file material is retrieved from the file rooms, validated by HR staff, and then given to the selection boards or panels. This is a very paper intensive process, relying on multiple hand-offs of the documents and the possibility of loss or misplacement.

In the new HR systems, documents will be produced electronically and imaged into an electronic version of the employee's personnel file via a document management system. Retrieval of this information for selection boards or panels will also be done electronically. For Foreign Service promotions, selection boards will be provided imaged and/or electronic versions of the employee's evaluation file contents. Material which has been ordered expunged from the individual's records will be electronically removed, thereby preventing any evidence of removal from being seen by the boards. In addition, an electronic version of the individual's career history showing formal assignments to positions, team and collateral duty assignments, awards, and training accomplishments will be available.

Similar to the Foreign Service promotion process, for GS merit promotions and FSN promotions, selection panels will be provided with electronic versions of the employee's evaluation file. Other appropriate information to the GS or FSN

promotion process including the electronic version of the individual's career history will be available.

Separation

Much of the processing for separations will be shifted to the employee. All current paper forms used in the separation of an employee will be automated. These forms will be completed by a combination of the employee and HR personnel. Information contained on the forms will be drawn primarily from the HR systems data base with the employee responsible for validating/updating the information. HR personnel will serve primarily as advisors to the process to ensure completeness/correctness.

To assist employees in retirement planning, an automated benefits application will be available to an employee at all times. This application will display existing benefits information including estimated retirement contributions and pay-out. Employees will be able to run scenarios of various retirement options based on factors they input (such as estimated future interest rates). Employees will also be able to review/change retirement contributions/options during open season.

Employee Relations

Processing of employee relations issues such as grievances, disciplinary actions, performance based actions, or equal opportunity issues are, and probably will continue to be, primarily a manual process. However, some automated support will be available to assist in the processing. Guidance within each of the areas will be available via the Automated Directives System (ADS). Guidance within the ADS will provide line managers with the rules, regulations, and Agency guidance on how to process any of the employee relations issues. Forms used in the employee relations area will also be automated. These forms will also contain on-line help in addition to access to the ADS.

Incentives

Providing monetary and non-monetary awards and incentives will be supported by an on-line awards/incentives application. Managers will be able to nominate employees for an award or other incentive via an on-line nomination screen. This screen will contain categories of available awards/incentives and the criteria for each. It will link to the manager's awards/incentives budget to allow the manager to judge the effect of the award, if monetary, on the budget. Authorizing officials will be able to approve awards/incentives directly in the computer. In the case of monetary awards, this approval will generate and personnel action and permit direct update of the payroll system , thereby providing for a rapid turn around of payment.

Benefits

Much of the processing for inputting/updating of benefits information will be shifted directly to the employee. All current paper forms used in requesting or changing of benefits will be automated and made available directly to the employee. Employees will be able to view the current status of any of their own benefits (i.e. life insurance, health insurance, retirement, etc.) and, during open season, employees will be able to change their enrollment. Enrollment changes will be automatically passed to the payroll system to update its records and processing. For the retirement benefits option, employees will be able to run scenarios of various options based on factors they input (such as estimated future interest rates).

Allowances

Processing of allowance requests is another area where the processing of paper can be virtually eliminated. Employees will be given access to an application where allowance requests can be made on-line. Depending on the status of the employee, his/her assignment, marital status, and location of spouse and/or dependents, a number of allowances can be granted automatically upon request. The payroll system will also be automatically updated with the allowance, starting any payments and/or deductions with the next pay period.

For those requests not automatically granted, the allowance request will be electronically passed to the authorizing official, whether EXO at post or to HR personnel in Washington. This electronic passing of requests will eliminate the delays associated with passing paper documents back and forth and the inherent danger of loss. Authorizing officials will be able to review the employee's on-line personal record and allowance request and make any judgments of allowance or disallowance directly into the computer. Granting the allowance will automatically update the payroll system while disallowance will pass the request back to the employee with reasons for disallowance.

Teams

Support for teams will primarily be accomplished through the availability of the on-line electronic skills data base. Managers in Washington and the field desiring to form teams for results packages, strategic objectives, special projects, etc., will be able to search the skills data base for employees whose skills match those required for the team. A list of possible team members with matching skills will be displayed to the manager with information on contacting the individuals (i.e. telephone number, fax number, address, etc.). The manager will then conduct a manual process of negotiating with the employees and their supervisors to determine which ones would be appropriate and have the flexibility to be on the team.

Once agreement has been reached between the manager, the employee, and the employee's supervisor, the manager will record the employee as being a member of

the team. This information will be included in the employee's 'resume' for future use in the assignment and promotion processes.

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CHAPTER II
HUMAN RESOURCES BUSINESS AREA ANALYSIS

TABLE OF CONTENTS

A. HRBAA Scope of Work and Core Values

B. Customer Survey - Putting Customers First
   1. Executive Order 12862
   2. Background - Survey Approach
   3. Benchmarking USAID to Government-wide Results
      How does USAID Compare?
      The Benefits of Benchmarking
   4. Recommendations
   5. Personnel Services Customer Survey
      USAID vs Governmentwide Average

HRBAA Scope of Work and Approach

Overview

The effort of the HRBAA involved a review and analysis of USAID's personnel systems in terms of their effectiveness in supporting the Agency's program operations and related activities. The framework for analysis included the core values of the Agency, expressed needs of customers, and a vision of human resource management. The core values should be consistent with the vision.

The core workforce of the Agency comprehends U. S. direct hires, foreign service national (FSN) direct hires, FSN personal services contractors, and U.S. personal services contractors. It includes workers involved in an employee/employer relationship with Agency management; and who receive their compensation directly from the Agency. Other workers, who provide institutional-type services to the Agency were not considered part of the core workforce for the purpose of this effort.

1. The Scope of Work

The HRBAA team agreed on the following tasks in consultation with the executive sponsors and the reference group.

- Every USAID personnel system will be carefully reviewed to ensure that it is designed for maximum efficiency and customer service. Each functional area in human resources will be reviewed to determine what it does and how it does it.

- Processes in need of improvement will be identified in close consultation with the executive sponsors. Each improvement effort will be reengineered by an employee working group in consultation with functional experts and customers, i.e. employees. A reference group of senior managers will guide this process.

- The redesigned processes will be quick, flexible, cost-beneficial, and customer-focused. Most importantly, they will support effectively USAID operations.

- A key aspect of this process will be to apply information technology to reduce paper-work and decentralize responsibility for as many aspects of personnel administration as possible. For example, employees around the world may be given electronic access to aspects of their own personnel

records and become responsible for keeping them up-to-date.

- Any implications for the organizational structure and management practices of the Office of Human Resources, as well as other organizational units involved in personnel administration, will be included in the BAA report.

Examples of business activities within the Office of Human Resources that were to be addressed by the team during the course of its work follow:

A. Planning and Resource Management

- Workforce planning to provide the skills necessary in a timely manner to support the design, implementation and evaluation of programs with a rolling three-five year time horizon

- Structuring the workforce by occupational type, both in headquarters and in field units to flexibly and effectively support dynamic program needs

- Assessment of workforce needs in headquarters and in field units, and determining how to fill planned technical needs (USDH, FSN, FSNPSC or USPSC)

- Recruitment and hiring of CS, FS, USPSC and direct hire and PSC foreign national employees needed on a timely basis for program delivery

- Incorporating diversity issues in all HR planning and resource management functions

B. Workforce Development

- Determining professional needs to assure the Agency timely access to the skills needed to implement development assistance programs overseas

- Delivering specific training required by the Agency for individuals: interface with workforce planning, assignments, and evaluation information to assure it supports Agency program objectives

- Placing employees in appropriate, progressively responsible and growth-oriented work assignments; interface with workforce planning and evaluation information to assure the effective, timely support of Agency program objectives

- Providing individual support -- guidance, counseling and mentoring -- to all types of employees within the core workforce (CS, FS, FSN, FSNPSC and USPSC)

- Providing opportunities for self-directed professional and personal growth -- training, seminars, workshops, arrangements with local colleges and universities

C. Program Support

- Assigning employees to positions in headquarters and in field units to maximize timely, effective, and efficient support for Agency program objectives

- Evaluation of individual performance, to include all categories of employees; evaluation of teams, and individuals within teams; and information linkages affecting assignment and employee development information

- Selecting and placing limited appointment technicians in field units under limited USDH appointments or under contract mechanisms

- Processes utilized for allocating USDH, USPSC, and foreign national personnel levels to field units

- Establishing and communicating HR policies

- Incorporating evaluation information into HR operations and execution of indicated actions, such as promotion, incentives, and probation and separation

D. Employee Support and Benefits

- Recording and maintaining employee benefits and allowances, to include retirement, health and life insurance, leave provisions, medical services, workman's compensation, and other miscellaneous allowances

- Establishing compensation and benefit levels and computing allowances; interface with M/FM to allow exchange of information with AWACS

- Outreach to employees and establishment of customer service standards ; such as workplace environmental issues, transportation/parking, concessional services, child care, exercise facilities, etc

- Integration of services for all categories and types of employee, to include FS, CS, FSNPSC, USPSC

E. Administrative Management

- Maintaining Agency records in a reliable, transparent and user-friendly electronic format

- Document control and document generation systems to facilitate HR functions and to foster employee control over -- and access to -- information

- Supporting a working partnership with labor bargaining units; promoting sharing of information and transparency of policies

Where HR reforms are already substantially underway, they were reviewed for their consistency with the core values and the HR implications of other BAA's, e.g. Reengineered Operations. The content of M/HR delivered services , e.g. specific training, were not analyzed, unless they illustrated underlying processes needing examination. From an information engineering perspective, development coordination efforts with other BAAs were fully supported by the HRBAA.

Payroll (except compensation policies) and security (except for aspects related to hiring) were not covered by the HRBAA. Travel management was not covered. Personnel functions of the Office of the Inspector General were not covered. They have their own BAA underway. However, systems designed in the BSD phase of this overall effort will benefit the IG and need to be coordinated with their reengineering initiative.

2. Human Resources Vision

The HRBAA team developed a vision of human resources to guide the analysis. The vision, we believe, reflects customer needs in USAID. We define the principal customers of human resources to be Agency management and employees in all the core workforce segments. Key elements of the vision include:

Philosophy and environment:

- A mission and vision that focuses on customer needs -- of managers and employees.
- Innovation and risk taking are encouraged.
- The work climate is open, participatory, and creative.

- Employees understand mission and goals.
- A spirit of cooperation and team work exists.

Strategic planning:

- Human resource and program operations are effectively linked: i.e. the linkage delivers the right staff in the right place at the right time.
- USAID does effective strategic workforce planning.
- HR consequences are integrated into all aspects of planning, decision-making, and implementation processes.

Motivation and performance:

- Agency employees perceive as equitable: performance evaluations; career opportunities; and compensation and rewards.
- Individuals are held to high standards tied to Agency results.
- Both tangible and intangible rewards/incentives are the result of quality performance.
- Reward systems support individual and team performance.

Workforce development:

- Diversity of the work force is recognized as essential to organizational success.
- Employee development through learning and career growth opportunities is customary.
- Work is designed to offer broad opportunities and assure effective flow-through of staffs from entry to separation.
- Employees participate in designing work processes.

Communications:

- Human resources information flows smoothly throughout the organization at all levels.
- Staff receives clear, complete, accurate and timely human resources information needed to do work.
- Mechanisms exist and are routinely used to tap employee knowledge, assess customer satisfaction, and feed back into continuous improvement initiatives.
- Employees participate in HR planning and decision processes.
- Labor and management cooperate to improve the organization.

Work design:

- Work design systems anticipate and deliver management's changing HR needs.
- Responsibilities and duties are broad and flexible.
- Work design systems can accommodate individual and team efforts.
- Work emphasis is on achieving quality results.
- Assignments are challenging and encourage growth.

HR systems administration:

- HR systems directly support Agency's mission.
- HR systems promote high ethical standards and ensure fairness and equity.
- HR systems are customer oriented and meet the needs of employees and managers.
- HR procedures and processes are simple, understandable, flexible, and fully automated.
- Data is entered into the automated system directly by the employees and supervisors it affects to maximize employee responsibility for and ownership of data.
- Authority for managing human resources is delegated to managers along with strong accountability standards for results.
- Employees participate in simplifying work processes.

3. Core Values

To implement the vision of human resources, the Human Resources Business Area Analysis (HRBAA) was guided by five core values: customer focus, managing for results, teamwork, empowerment/accountability, and valuing diversity. USAID's human resources system should display characteristics of these values throughout its constituent parts. Four of these core values guided earlier BAA's, including the recently completed BAA on reengineering USAID Operations. Valuing diversity, discussed in a separate segment of this report, is an essential enabler for the Agency in executing its work.

Customer Focus

In both the private and public sector, it is recognized that if business processes are aligned with customer needs and satisfaction, an organization will achieve greater efficiency and effectiveness. And, within reengineering methodology, identifying the customers of the various business processes is a key factor in analyzing how those processes should function to best meet customer need.

Managing for Results

A results orientation is defined as managing for the achievement of results. For a system to be results oriented, its processes must be focused on achieving changed conditions for the customer. Processes can often become overly bureaucratic, directed toward meeting regulatory and administrative requirements rather than toward supporting in a substantive way the objective of the action. Processes with a results orientation place greater emphasis on accomplishing objectives and serving the customer.

Teamwork and Participation

Teams are groups of individuals coming together through consensus on a common approach to achieve agreed-to objectives or results. Typically, team members bring specific skills needed to achieve a result, or represent an interest central to that achievement. Teams function in a collaborative and supportive fashion, drawing on the strengths of individual members. They work best when these individual strengths are combined into a congregation of interested parties working more effectively because they have agreed to this union or because they understand that, "Together each achieves more." The recent reorganization of the Agency was built around the concept of teamwork, which provides an important mechanism for integration and participation.

Empowerment and Accountability

To empower is to invest with authority to make and implement decisions. An organization that involves customers more, and that focuses on the value of its services to customers, has to place the authority for decisions as close as possible to where the impact is achieved. Otherwise customers will not be able to be involved and it will be more difficult to identify and evaluate results. Furthermore, to support greater participation, people must be able to use their own initiative, must be able to take considered risks, and must be able to respond to opportunities.

Thus, empowerment in a customer and results focused organization must result in authority delegated closer to where the action takes place. However, it must also be bound by parameters related to legal and ethical standards as well as organizational goals and management objectives. How is this balance between the needs for autonomy and responsibility best achieved? By eliminating unnecessary rules and by clarifying and making transparent to all the limitations that remain.

Empowerment also implies accountability for decisions made. If a manager is empowered to make decisions, he or she must be delegated sufficient authority and have sufficient knowledge of the legal, ethical and policy related issues to be willing and capable of assuming accountability for that decision. Accountability at a minimum encompasses the decision-making process (management) and some consideration about the relative success of the decision. Decisions may lead to expected results or lessor or greater than expected results. Achievement of results is not necessarily within the full control of the team and its manager/leader, but achievement or non-achievement may relate to how a decision was made and implemented, and therefore does reflect on the quality of management.

The empowerment of teams raises separate authority and accountability issues. There is a continuum when teams are concerned, with team empowerment and accountability meaning anything from the set of individual authorities and responsibilities, and thus individual accountability, to authority, responsibility and accountability resting with the team as a corporate entity. The concept here is closer to the former, but with mechanisms related to the latter, e.g., incorporating team input into individual performance evaluations and rewarding team performance.

Valuing Diversity

It is a business imperative that USAID achieve a workplace environment unencumbered by traditional barriers. Team members must have a common understanding of the value of celebrating the whole concept of global diversity to maximize human potential. We must be able to accept human differences and work in problem solving teams to serve our customers. Valuing diversity involves a mutual respect and understanding between work groups and team members which is free from stereotyping. It speaks to how we treat each other. Achieving diversity often begins through awareness training, taking the time to understand, openly communicate, and working diligently to remove barriers through active team participation and empowerment.

4. Departure Points

The HRBAA identified four departure points for its effort. Our initiative was the fifth in a series of BAAs conducted by USAID as part of an Agency-wide reengineering effort begun in 1993. It had the benefit of following on the heels of the report of the Operations BAA, Making a Difference for Development. That report was more central than other BAA initiatives because it reengineered the key program operations of the Agency. Without the core business of programming, achieving and judging economic

development and humanitarian assistance, there would be no need for human resources. Without the clear understanding of how the Agency intended to do its core business in the future, a set of effective support processes, such as human resources, would be difficult to reengineer. The core business provided the hub for the human resource spoke. The team needed to understand the human resource implications for the new operating system to be successful.

Key implications of the Operations BAA included:

Performance management

Redesign the performance management system to focus on managing for results. The key components of USAID's performance management system (performance expectations, evaluation mechanisms and rewards/recognition) should embrace the four core values (customer focus, empowerment and accountability, results orientation, and teamwork). USAID must be able to evaluate performance in a team setting. Evaluations of supervisors by subordinates and peers will help. Some rating relationships should be reexamined. Finally, design the system so that greater payoff is gained with less time devoted to the performance evaluation process. This will result in more staff time for operations.

Promotion precepts

Base promotions on results more than on level of resources managed; establish parallel promotion tracks for technical contributions, leadership vs. ones based on a traditional organizational pyramid; realign senior foreign service precepts for maximum impact on four core values; review precepts for up and out decisions against loss of expertise, and consequent impact on results.

Assignment management

Assess opportunities for more flexibility in tour length consistent with result package time frames to maximize results and accountability; more opportunities for GS assignments overseas to support results teams; specify principles/rules governing assignment to teams (when is the assignment formal?); flexibility to take fuller advantage of FSN skill pools including opportunities for more responsibility and advancement; and improve Agency capacity to match US direct hire staffing needs to mission workloads.

Workforce planning and management

Reform the workforce planning system to align with reforms and reengineered business areas. The system should ensure USAID has the right people with the right skills, knowledge and capacity at the right place and right time to work in the new system, and to achieve USAID's strategic results. Develop skill and attribute profiles of employees, which could be used in recruiting strategies.

The following are some of the anticipated changes in workforce needs: greater need for more technical staff and technical managers; less non-direct hire managers, because of increased authority/accountability of Results Package managers; greater use of Foreign Service Nationals (assure significant skill set in FSNs); and greater understanding of available skills in present workforce to support results teams.

Training

Reexamine the training system to find effective and efficient ways for USAID staff to "learn" on a continuous improvement basis. Develop and employ new and innovative ways of teaching and learning to keep up with the pace of change and number of people impacted. Training should be focused on enabling the Agency to manage for and achieve results, thereby achieving its objectives.

A **second departure point** was the strong sense that the human resource processes in the Agency, overall, were not doing the job they were supposed to do. They were not sufficiently effective. Nor were they efficient. This view was shared by human resource customers -- both employees and managers. It was shared over the years by a number of internal and external review groups that looked at the personnel systems. It was shared to, a great extent, by the Agency's human resource practitioners themselves whether in the Office of Human Resources or in other parts of the Agency. We needed to grasp fully the specifics of customer needs for effective human resources in USAID.

Indeed, the Office of Human Resources has moved to change certain human resource processes over the past two years, e.g. the new employee evaluation program. **These changes taken together represented a third departure point** for the HRBAA team's work. To some extent, the team had to deal with a moving target. We needed to assess processes that interacted with others, for example evaluation, when one of the variables was in the midst of a fundamental change in its character. Overall, we needed to understand the current human resource processes to lay the groundwork for redesign -- to make them more effective, to make them more efficient by taking fuller advantage of information technology.

The last departure point was a conviction by members of the team that the Agency core workforce -- US direct hires, foreign service nationals (direct hire and personnel services contractors), and US personnel services contractors -- is USAID's most precious asset. The Agency's distinctive contribution to the country's national interest lies in managing a creative, effective foreign aid program which depends mightily on the intellectual capital contained in the core workforce including the foreign and civil service, the foreign service nationals -- whether direct hire or PSC, and in the USPSCs. The team needed to devise mechanisms for improving the Agency's ability to tap to the fullest the skills, knowledge and abilities of this diverse workforce.

5. The HRBAA Team Approach

The HRBAA team developed a three phased approach to do its work: discovery, analysis and reflection, and development of conclusions. These were not always sequential. Some team minds tended to go to design quickly without adequate discovery. However, our charge was to complete the draft report with supporting data models for future information system design and construction by June 30, 1995.

Discovery

Discovery by the team consisted of extensive interviews by team members with subject matter experts in the various process areas in USAID. The purpose was to build a preliminary model of "the way the world worked" in human resources. Over time, we deepened the mutual understanding of the team and gained initial insights into changes that would be needed in those processes to support other Agency reengineering objectives -- for example the use of teams. We confirmed those understandings in focus groups.

As the model took shape, we identified three major clusters of human resource functions -- workforce management, employee administration, and compensation and benefits. Those functions broke into some 17 high level processes. The high level processes decomposed further into some 150 elementary processes. One high level process contained in workforce management, for example, was "provide workforce development". One elementary process contained in workforce development was "determine learning requirement". The team's constant interaction with the evolving model helped sharpened our understanding and thinking. The discipline of treating broad human resource objectives in practical terms -- required to implement better human resource systems -- was an essential tool.

The team then sought and got major input from the Agency human resource customers. This would help us critique the adequacy of the human resource processes currently in place. The team did this in two ways -- a worldwide survey and

interviews. It redesigned a comprehensive survey instrument developed by the Office of Personnel Management for use in determining customer needs of U.S. government employees. The redesign, with help from Agency survey professionals, tailored the survey instrument to USAID's core workforce.

The team also got input from its customers by a series of individual and group interviews to add to the data provided by the survey. We met with other BAAs to understand their needs. The team also took advantage of major employee meetings, e.g. the spring executive officer conference, to absorb issues and clarify others. The team connected to the Country Experimental Labs (CEL) and had a number of useful interventions including sessions with some CEL mission directors. Team members visited one mission to examine human resource processes and issues, meet with core workforce staff, and assess personnel interactions with the Department of State at the embassy level.

Finally, the team reached outside the Agency for ideas and comparative bases for judging the human processes under analysis. Our interest was in benchmarking the processes and finding "best human resources practices" we might import to USAID. These included numerous meetings with other foreign affairs agencies. The team also spent time with companies, e.g. an all day session with Xerox, for the same pragmatic reason. What can we learn? What can we adapt to USAID?

Analysis and reflection

The team's discovery phase evolved into gradually more analysis and reflection about how to achieve needed changes in the processes. How to improve the capacity of placement processes to help teams? How to practically increase risk-taking in the evaluation process? What business rules are needed to achieve the desired outcomes in managing for results, e..g should all core workforce members be evaluated within a common framework? The model was modified to comprehend our recommended changes, where necessary.

We spent considerable time identifying information needs and their interrelationships for supporting the human resource processes, e.g. a performance evaluation can have many work objectives. Precise definition of these often mundane relationships will be critical to building automated systems to support more efficient processes in the Agency. Building these systems to minimize the paper-intensive and labor- intensive character of most USAID human resource processes is an important objective independent of the particular policies and business rules the Agency has at any point in time. These will help, more often, to get the right person in the right place at the right time.

Putting Customers First

"In order to carry out the principles of the National Performance Review, the Federal Government must be customer-driven."

President Clinton
Executive Order 12862

Executive Order 12862

Executive Order 12862, "Setting Customer Service Standards," was issued by President Clinton on September 11, 1993, within days of the September 1993 report of the National Performance Review. The Executive Order called for revolutionary changes in how the Federal Government conducts its business. It mandates that federal agencies be customer-driven, that they establish, implement, and publish customer service standards to guide their business, and they seek a quality of service equal to the best in the business.

The Executive Order identified a number of actions agencies should take to develop customer service standards. Some of those actions include:

- identifying who the customers are
- surveying customers to determine the kind and quality of services they want and their level of satisfaction with existing services
- creating service standards and publishing them
- benchmarking customer service performance against the best in business
- surveying front-line employees on barriers to, and ideas for, matching the best in business
- providing means to address customer complaints

In accordance with Executive Order 12862, USAID published Phase I of its Customer Service Plan in September 1994. That plan identified a set of standards relative to the concerns of our domestic development partners.

On March 22, 1995, President Clinton directed additional steps to assure the government puts the customer first. Agencies are now required to measure results achieved against the customer service standards and report those results to customers at least annually. Of particular interest to the HRBAA study team was Paragraph 5 of the President's memorandum which states,

> *"5. Agencies shall continue to survey employees on ideas to improve customer service, take action to motivate and recognize employees for meeting or exceeding*

customer service standards, and for promoting customer service. ***Without satisfied employees, we cannot have satisfied customers."***

Background

The guiding principle of "putting the customer first" formed the basis of the HRBAA. While the methodology incorporated both information engineering (automation of personnel functions) as well as reengineering (radical changes in business processes), it was paramount to both processes that we first understand the "needs" of the customer. This was accomplished in several ways:

1. A worldwide survey of all employees and managers regarding their satisfaction with human resources services. (We needed a basis to understand where we are and where we need to go);

2. Meetings with the HRBAA executive sponsors and the senior Agency executives who served on the Reference Group. They provided oversight and guidance to the HRBAA, as well as gave us a management perspective by speaking to their needs and expectations of human resources services.

3. Interviews and workshops with subject matter experts from the Office of Human Resources regarding HR processes, needs, and recommendations for potential change;

4. An open-ended questionnaire on employee and management needs, to gain qualitative information from missions, which was used by Agency task teams traveling to Senegal, Mali, Jordan, and Thailand;

5. Four days of interviews and workshops on personnel processes and HR customer needs with staff at the Honduras mission and Embassy. This was done with a small group of HRBAA team members who traveled to Honduras to discuss and compare information engineering process modeled for AID/W with how a mission conducts its business.

6. An invitation to a FSN personnelist in Honduras to work with the HRBAA as a virtual team member. She spent two weeks in AID/W learning the methodology; met with a number of individuals; and drafted a FSN issue paper.

7. Input from the Agency CELS regarding their needs and expectations of human resources in light of the major reengineering initiatives. This included mission feedback from the HR "Reinvention Ready" teams who traveled to a number of

CELS, including Jamaica, Dominican Republic, Senegal and Mali; a meeting of the HRBAA and two CEL mission directors; communication and feedback with the CELS via E-Mail;

8. Workshops with mission executive officers at the March 1995 EXO Conference in Leesburg, Virginia to provide an exchange of ideas on areas to target for improvement.

9. Meetings with other BAA teams, and in particular the Operations BAA, to ensure the processes developed for this effort will incorporate the HR needs of the Agency's business operations.

10. Established an electronic mailbox during the course of the analysis, to provide for comments and suggestions from any employee worldwide to the HRBAA team via E-Mail.

HRBAA Survey - Approach

As identified under #1 above, development of a customer survey was one of the initial HRBAA activities scheduled within the first few weeks of the HRBAA. During the early stages of planning, as the team began to benchmark other agencies and businesses, we discovered that the Office of Personnel Management (OPM) had developed a survey which they planned to distribute in late February to query employees of major departments and agencies in the Federal Government. To provide for benchmarking, we received permission from OPM to adapt and use their survey.

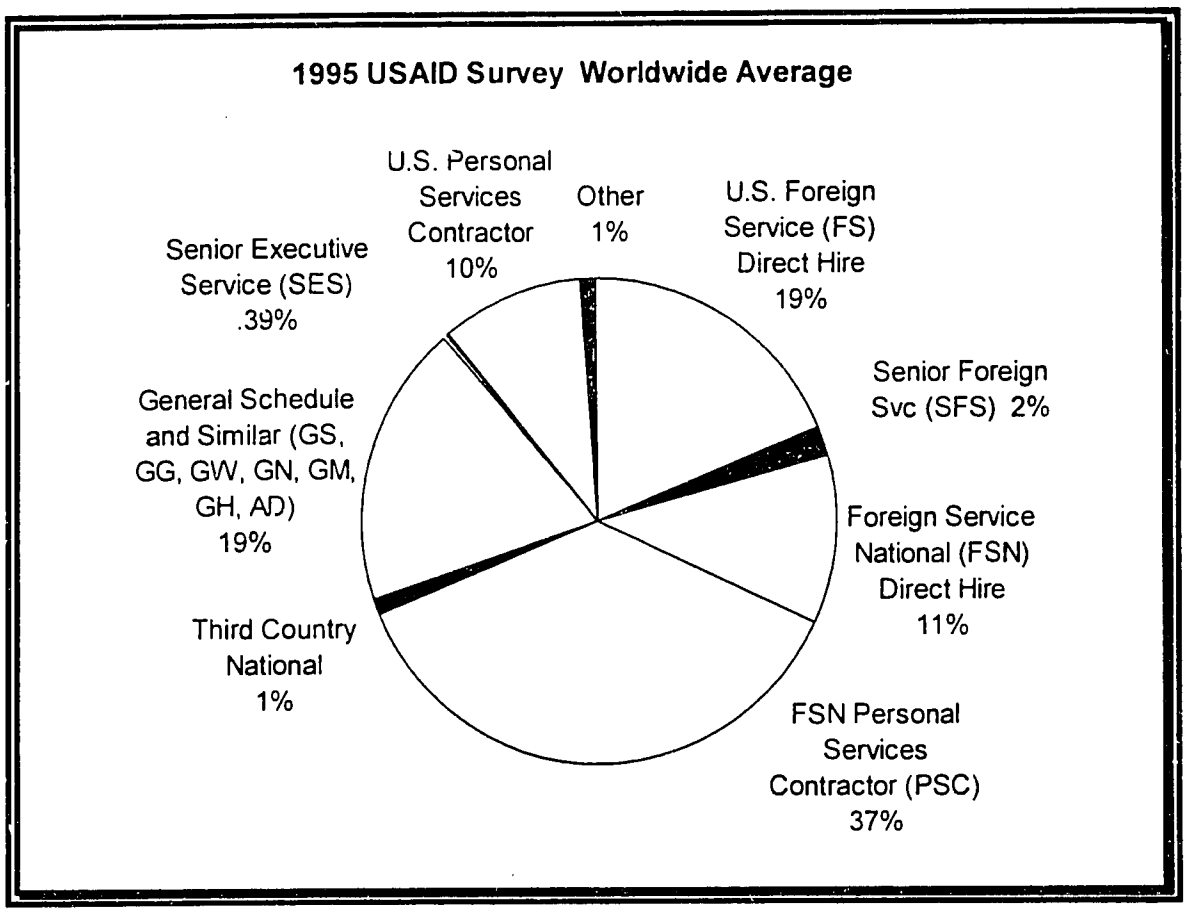
USAID distributed the survey in an electronic format in March 1995. Close to 2700 employees, or 29% of the workforce responded.

When analyzing the data from USAID customers, responses were generally sorted and clustered according to employment categories. This allowed the HRBAA to make comparisons between groups who receive HR services from distinct and different sources, and who are in very different personnel systems. The employment categories which we generally grouped together were:

- All USDH Supervisors (FS, SFS, CS and SES)
- Foreign Service Non-Supervisors
- Civil Service Non-Supervisors
- Foreign Service Nationals - Supervisors
- Foreign Service Nationals, Non-Supervisors (both DH and PSCs)
- Third Country Nationals
- U.S. Personnel Services Contractors - Supervisors

- U.S. Personal Services Contractors, Non-Supervisors
- Other (includes Wage Board, PIT, unspecified/blank field)

The demographics of those who completed the survey, by employment category, is depicted in the following graph.



Benchmarking USAID to Governmentwide Results

The survey results received from USAID's human resources customers were summarized and documented in an "Overview of the HRBAA Survey", which was mailed electronically to all employees in April 1995. This report was a preliminary finding, as the HRBAA continued to use the data to shape its analysis of personnel functions. Throughout this final HRBAA report, new data and charts, not incorporated in the original overview document, are included to further validate our recommendations.

One of the reasons for adapting the HRBAA Customer Survey to align with OPM's nationwide survey was to provide for benchmarking of USAID to other Federal agencies. Benchmarking generally means that we compare ourselves against others to seek out the best practices. It takes the attitude that "we can learn from anyone". Through the HR Customer Survey instrument we now have the comparative measures, the "benchmarks" of where we need to strive and to improve.

At the time the final HRBAA report was being prepared, OPM was still in the process of drafting two documents to provide a descriptive account of its Governmentwide results. Although a final report was not available, OPM provided a copy of their preliminary findings which we have incorporated in this chapter as a comparator to USAID results. We also provided OPM with a copy of the USAID survey results. We will continue to work with OPM to seek out information about those agencies who ranked "the best-in-class" in customer satisfaction and to benchmark them for USAID's core HR processes and functions having the highest importance to the Agency.

The reporting methodology of the OPM survey measures governmentwide findings on a whole by identifying a "government average" of all responses on the high-end of satisfaction (strongly agree and agree). It also lists the responses of the single agency with the highest customer satisfaction for a particular question. To focus on the "best in class," OPM's analysis shows information with combined responses in a collapsed scale. Specifically, the response categories combined for its report are:

"Always and Usually" (combined)
"Strongly Agree and Agree" (combined)

The statistical data following this section gives a snapshot picture of how USAID employees rank HR services compared to general government satisfaction. When comparing USAID to governmentwide results, it is important to remember that **the OPM survey evaluates personnel services delivered only through the Civil Service System.**

USAID is currently faced with the complexities of four personnel systems which are independent from each other and often require the enforcement of very different regulations and policies. Unlike most other government agencies, USAID's human resources personnel who deliver services must be familiar with the foreign service personnel system, the civil service system, the foreign service national personnel system and also with contracting procedures and applicable personnel policies for U.S. personal services contractors. For foreign service nationals, the Agency follows the system for all foreign affairs agencies (under the umbrella of the State Department). Those personnel policies and employment practices fall under a foreign country's local compensation plan and prevailing practice, which most often do not have worldwide consistency with each other. In addition, the foreign service system, with its requirement to rotate personnel

throughout the world, adds further complexities to delivering personnel services with continuity.

How does USAID compare to other government agencies?

The statistical tables give detailed information on each question, but generally speaking:

- USAID employees are more highly educated, with 68% of the respondents graduating from college or receiving Master's or Doctoral degrees. This compares to a 47% governmentwide average.

- USAID employees more often make contact with/seek out help of human resources providers than do employees of other agencies. Over the past 12 months, **50%** of USAID employees stated that they have used personnel services from several times to more than once a month, and 37% said they had used personnel services at least once or twice. This compares to a governmentwide average of **44%** who use services several times a year, and 42% who have used it only once or twice.

- USAID employees receive less training than other government workers (question #5 -- #7 on USAID's questionnaire). Only **52%** of the respondents said they had received training in the last 12 months, as compared to a governmentwide average of **73%**. The Agency who had the highest ranking of responses provided 82% of their employees with training over a one-year period.

- USAID employees also rated the availability of training 50% lower than the rest of government workers. On question #6 (#9 for USAID) **20%** of USAID worldwide stated that they agreed that training was available when they need it. This compares to a **53%** average governmentwide, and 71% for the high agency average.

- USAID supervisors agree equally with the rest of the nation that employees' performance has improved as a result of training. 65% of USAID supervisors said that training improved performance, compared to 66% governmentwide.

- USDH supervisors ranked the importance of the performance management (evaluation) higher than the national average with 67% stating that it was very important to extremely important. This compares to 63% governmentwide and 70% for the "high agency".

- In contrast to the above, USDH supervisors ranked the quality of the performance management services much lower compared to the rest of government. **19%** said it was good to very good, compared to a **39%** response from governmentwide supervisors. This is clearly a gap and needs some focus.

- USAID supervisors ranked the quality of personnel services more than 50% lower than the rest of the nation, with 22% worldwide and **20%** USDH supervisors stating that the quality of services is good and very good. This compares to a 48% statistic for governmentwide and to **69%** for the "high agency" average. The above statistic and the seemingly large gap between USAID customer satisfaction and the rest of government employees surveyed appears to be reflective and consistent with most other question categories. Generally speaking, there is much room for improvements.

The Benefits of Benchmarking and Having Customer Data

The results of USAID's personnel customer service survey give the Agency a starting point to achieve the "best in class". The survey was a learning document which provides a source of baseline data. We now have statistical information to complement the HRBAA study and to explore areas that need improvement. We can focus on "targets of opportunity", identify goals, objectives, and specific benchmarks to achieve the "best in class". We can use the data to develop standards for HR customer service, and with some modification, use the survey instrument in future years to measure our progress. We will also be able to measure the impact of interventions and changes to the HR functions resulting from recommendations made by the HRBAA and other HR reform efforts.

Recommendations

1. **The Office of Human Resources and personnel staff who deliver human resources services at overseas missions should develop, implement and publish customer service plans.** In addition to addressing external customers, the plans should have a strong emphasis on meeting the needs and satisfaction of the internal customer. Customer standards should be tracked and measured.

2. **The Office of Human Resources should include as one of its strategic objectives (SO), an SO which addresses meeting internal customer satisfaction.**

   This recommendation has as its core, the guidance from President Clinton's March 31, 1995 memo stating that the development and tracking of customer

service measures should be *"integrated with other performance initiatives . . . including strategic planning and performance management."*

3. **The 1995 Personnel Services Customer Survey, should be modified and used on an annual basis** to appraise performance of human resources functions, as well as providing some measurement about USAID's management.

   This recommendation is a result of benchmarking with Xerox Corporation, who conducts an annual survey of its employees. Although Xerox asks very similar questions to the recent USAID personnel survey, it also includes a number of questions relating to how its management is perceived by employees. This data is then used by Xerox executives to insure the organization is moving in the strategic direction established by the corporation. Xerox sorts the input by districts to provide constructive feedback to supervisors. The data provides 360° evaluation feedback on management and first-line supervisors and is the basis for corrective actions, if necessary.

Personnel Services Customer Survey

The table on the next several pages provides a statistical comparison of survey results between USAID and other Federal agencies. Where words appear in *italics,* it is to denote a modification in the wording used in the USAID customer survey. Because more than 50% of those taking the USAID survey were Non-U.S. Citizens and employed under very different employment systems than those who participated in the nationwide OPM survey, we have added a second column. It identifies U.S. direct hire responses (both foreign service and civil service) to provide a more formalized comparison with Governmentwide results.

#2-OPM #6 for USAID	Over the past 12 months, I have used personnel services:	1995 USAID Survey Worldwide Average	1995 USAID Survey All USDH Average	1995 OPM Survey Governmentwide Average	1995 OPM Survey High Agency Average
	never	13%	8%	14%	20%
	once or twice	37%	33%	42%	48%
	several times	39%	44%	32%	38%
	about once a month	5%	5%	5%	7%
	more than once a month	6%	9%	7%	11%

#3-OPM #5 for USAID	The place where I primarily receive personnel services is located:	1995 USAID Survey Worldwide Average	1995 USAID Survey All USDH Average	1995 OPM Survey Governmentwide Average	1995 OPM Survey High Agency Average
	- in my building or within walking distance in another building	80%	67%	65%	92%
	- too far to walk but in the same area - within driving distance	11%	18%	20%	42%
	- outside of this immediate geographic area	7%	14%	14%	33%
	- don't know	2%	1%	2%	6%

#4-OPM #2 for USAID	I know which office to contact with questions about:	1995 USAID Survey Worldwide Average - YES	1995 USAID Survey All USDH Average - YES	1995 OPM Survey Governmentwide Average - YES	1995 OPM Survey High Agency Average - YES
	a. my pay (and allowances)	90%	80%	93%	98%
	b. my health care benefits	77%	67%	89%	95%
	c. my life insurance benefits	69%	61%	87%	93%
	d. my retirement benefits	64%	58%	83%	89%
	e. fair and equitable treatment in personnel decisions that affect me.	58%	48%	73%	80%
	f. my official personnel record/file	86%	78%	90%	93%

		1995 USAID Survey Worldwide Average - YES	1995 USAID Survey All USDH Average - YES	1995 OPM Survey Governmentwide Average - YES	1995 OPM Survey High Agency Average - YES
#5 - OPM #7 for USAID	I have had job-related training in the last 12 months	52%	54%	73%	82%
		1995 USAID Survey Worldwide Average (Strongly Agree and Agree)	1995 USAID Survey All USDH Average (Strongly Agree and Agree)	1995 OPM Survey Governmentwide Average (Strongly Agree and Agree)	1995 OPM Survey High Agency Average (Strongly Agree and Agree)
#6 - OPM #9 for USAID	Training is available when I need it.	20%	22%	53%	71%
#7 - OPM #10 for USAID	The quality of training I have received is high.	51%	51%	65%	77%
#8 - OPM #11 for USAID	My performance has improved as a result of training.	61%	60%	69%	80%
		1995 USAID Survey Worldwide Average (Strongly Agree and Agree)	1995 USAID Survey All USDH Average (Strongly Agree and Agree)	1995 OPM Survey Governmentwide Average (Strongly Agree and Agree)	1995 OPM Survey High Agency Average (Strongly Agree and Agree)
#10 - OPM #15 for USAID	My organization *[USAID]* does a good job of:				
	a. satisfactorily resolving problems in my pay	47%	45%	86%	91%
	b. answering my questions about benefits enrollment and changes	42%	42%	80%	90%
	d. giving me information on the status of jobs I have applied for	27%	18%	53%	64%
	e. making job announcements *[position vacancies]* readily available.	33%	20%	65%	78%
	f. providing job announcements *[position vacancies]* that are clear and understandable.	39%	24%	73%	81%
	g. providing helpful technical advice and assistance to ensure prompt, fair responses to complaints or grievances.	22%	14%	53%	66%

	h. telling me why I was found not qualified for a job I applied for.	13%	7%	43%	58%
		1995 USAID Survey Worldwide Average (Always and Usually)	1995 USAID Survey All USDH Average (Always and Usually)	1995 OPM Survey Governmentwide Average (Always and Usually)	1995 OPM Survey High Agency Average (Always and Usually)
#12-OPM #4 for USAID (modified)	When I go to personnel staff for service, they generally: *[When I go to field or Washington personnel staff, or contracting officer if you are a PSC, for service - they generally:]*				
	a. inform me about important changes in personnel rules or benefits	35%	33%	58%	70%
	b. give me accurate information	45%	46%	75%	87%
	c. treat me courteously	62%	65%	85%	92%
	d. provide timely service	39%	35%	69%	82%
	e. anticipate my need for additional information related to the issue	20%	16%	43%	50%
	f. provide the services I expect	39%	36%	66%	80%
	g. offer innovative solutions	19%	15%	36%	45%
	h. know what is and is not allowed under current law and regulation	45%	40%	67%	79%
		1995 USAID Survey Worldwide Average (Strongly Agree and Agree)	1995 USAID Survey All USDH Average (Strongly Agree and Agree)	1995 OPM Survey Governmentwide Average (Strongly Agree and Agree)	1995 OPM Survey High Agency Average (Strongly Agree and Agree)
#14 - OPM #13 for USAID	I am satisfied with my agency's [USAID] in the following work and family areas:				
	a. child care	21%	6%	37%	70%
	b. elder care	12%	7%	28%	37%
	c. flexible work schedules	40%	35%	67%	84%

	d. opportunities for working at home or telecommuting centers	8%	5%	19%	39%
	e. employee assistance programs	15%	11%	57%	74%
	f. part-time employment	15%	13%	46%	56%
	g. job sharing programs	12%	3%	27%	36%
#15 - OPM #16 for USAID	**I am:**	**1995 USAID Survey Worldwide Average**	**1995 USAID Survey All USDH Average**	1995 OPM Survey Governmentwide Average	1995 OPM Survey High Agency Average
	Male	50%	55%	55%	73%
	Female	50%	45%	46%	69%
#17 for USAID	**I am:**	**1995 USAID Survey Worldwide Average**	**1995 USAID Survey All USDH Average**	1995 OPM Survey Governmentwide Average	1995 OPM Survey High Agency Average
	U.S. Citizen	53%	100%	100%	100%
	Non U.S. Citizen	47%			
#16 - OPM #18 for USAID	[for U.S. Citizens only] - **I am:**	**1995 USAID Survey Worldwide Average**	**1995 USAID Survey All USDH Average**	1995 OPM Survey Governmentwide Average	1995 OPM Survey High Agency Average
	African American		21%	11%	31%
	Native American		2%	3%	6%
	Asian or Pacific Islander		4%	3%	7%
	Hispanic		3%	5%	10%
	White, Not of Hispanic origin		66%	78%	83%
	Other		4%		
#19 - OPM #21 for USAID	My pay category [employment category] is:	**1995 USAID Survey Worldwide Average**	**1995 USAID Survey All USDH Average**	1995 OPM Survey Governmentwide Average	1995 OPM Survey High Agency Average
	U.S. Foreign Service (FS) Direct Hire	19%	47%		
	Senior Foreign Service (SFS)	2%	4%		
	Foreign Service National (FSN) Direct Hire	11%	0%		
	FSN Personal Services Contractor (PSC)	37%	0%		
	Third Country National	1%	0%		
	General Schedule and Similar (GS, GG, GW, GN, GM, GH, AD)	19%	48%	83%	
	Senior Executive Service (SES)	0.39%	1%		

	Wage Grade (WG, WI, WS)	0.08%		12%	
	U.S. Personal Services Contractor	10%	0%		
	Other	1%	0%	5%	
#18 - OPM #20 for USAID	**My education level is:**	**1995 USAID Survey Worldwide Average**	**1995 USAID Survey All USDH Average**	1995 OPM Survey Governmentwide Average	1995 OPM Survey High Agency Average
	Elementary School	1%	0%		
	Some high school or technical training	5%	0%	1%	
	High school graduate or GED (Graduate Equivalency Diploma)	7%	5%	12%	
	Technical training or apprenticeship after high school	6%	3%	7%	
	Some college or 2-year associate degree	13%	12%	32%	
	Graduated from college (BA, BS, or other bachelor's degree)	30%	26%	31%	
	Master's degree	29%	41%	13%	
	Doctoral degree (PhD, MD, EdD, etc) or Law degree (JD, LLB)	9%	13%	4%	
#22	The general category that best describes my work is:	**1995 USAID Survey Worldwide Average**	**1995 USAID Survey All USDH Average**	1995 OPM Survey Governmentwide Average	1995 OPM Survey High Agency Average
	Professional technical (requires a technical degree, e.g. scientist, engineer)	34%	40%	32%	65%
	Administrative (e.g. personnel management, budget, contracting)	27%	37%	19%	41%
	Technican (e.g. accounting technician, project assistant)	13%	5%	20%	28%
	Clerical (e.g. support staff, executive secretary, etc.	19%	9%	13%	24%
	Other (includes wage grade)	7%	9%	17%	41%
#24 - OPM #25 for USAID	I have been with my present agency *[USAID]* for:	**1995 USAID Survey Worldwide Average**	**1995 USAID Survey All USDH Average**	1995 OPM Survey Governmentwide Average	1995 OPM Survey High Agency Average
	Less than 1 year	11%	5%	2%	
	1 thru 3 years	21%	9%	14%	
	4 thru 5 years	12%	8%	12%	
	6 thru 10 years	22%	21%	23%	

	11 thru 15 years	13%	18%	18%	
	16 thru 20 years	9%	19%	13%	
	21 thru 25 years	5%	10%	10%	
	26 thru 30 years	5%	9%	5%	
	More than 30 years	2%	3%	2%	
#21 - OPM #26 for USAID	My supervisory status is:	**1995 USAID Survey Worldwide Average**	**1995 USAID Survey All USDH Average**	1995 OPM Survey Governmentwide Average	1995 OPM Survey High Agency Average
	Non-Supervisory	*	46%	88%	90%
	[Technical supervisor (you do not give performance appraisals) - USAID only]	*	10%		
	First-line supervisor (you give performance appraisals)	*	22%	8%	11%
	Manager (above first line, you are a supervisor of one or more supervisors)	*	16%	4%	6%
	Executive	*	5%		2%
* Not completed for worldwide as data not clearly understood by some FSNs					
	Questions directed to supervisors/managers	**1995 USAID Survey Worldwide Average (Strongly Agree and Agree)**	**1995 USAID Survey All USDH Average (Strongly Agree and Agree)**	1995 OPM Survey Governmentwide Average (Strongly Agree and Agree)	1995 OPM Survey High Agency Average (Strongly Agree and Agree)
#33 - OPM #29 for USAID	My employees' performance has improved as a result of training.	65%	64%	66%	74%
#34 - OPM #30 for USAID	The quality of supervisory training I have received is high.	35%	34%	48%	71%
#35 - OPM #31 for USAID	I am satisfied with the orientation program for new employees.	22%	22%	47%	58%
#36 - OPM #32 for USAID	The available training meets our organizational development needs.	16%	14%	40%	65%

# 37 - OPM #33 for USAID	Questions directed to supervisors/managers I receive:	1995 USAID Survey Worldwide Average (Strongly Agree and Agree)	1995 USAID Survey All USDH Average (Strongly Agree and Agree)	1995 OPM Survey Governmentwide Average (Strongly Agree and Agree)	1995 OPM Survey High Agency Average (Strongly Agree and Agree)
	a. accurate answers to questions about position classification	32%	33%	62%	79%
	b. advice on issues affecting position classification	37%	38%	58%	75%
	c. explanations of the basis for position classification	34%	36%	55%	74%
	d. timely position classification assistance	24%	25%	46%	70%
	e. alternatives to help me meet my organizational goals	18%	16%	38%	49%
	f. help in hiring the kinds of employees who can get the job done for my agency *[USAID]*	27%	23%	40%	49%
	i/[g]. useful training advice	17%	16%	46%	62%
	j/[h]. timely training advice	13%	13%	44%	64%
	k/[i]. training that is relevant to my mission	29%	25%	51%	67%
	l/[j]. help achieving affirmative action goals *[workplace diversity goals]*.	23%	21%	53%	67%
	m/[k]. help achieving reasonable accommodation for employees with disabilities	18%	19%	65%	83%

	Questions directed to supervisors/managers	1995 USAID Survey Worldwide Average (Strongly Agree and Agree)	1995 USAID Survey All USDH Average (Strongly Agree and Agree)	1995 OPM Survey Governmentwide Average (Strongly Agree and Agree)	1995 OPM Survey High Agency Average (Strongly Agree and Agree)
#38 - OPM #34 for USAID	I receive helpful technical advice and assistance in:				
	a. developing useful performance goals and clear, measurable, and objective means of assessing accomplishments	26%	24%	39%	46%
	b. counseling, providing feedback and other interpersonal issues related to performance	27%	25%	46%	55%
	c. assessing consistency among raters	13%	8%	30%	39%
	d. taking remedial action in cases of substandard performance	23%	21%	52%	59%
	e. identifying innovative awards and incentives	19%	17%	43%	59%
	Questions directed to supervisors/managers	**1995 USAID Survey Worldwide Average (Strongly Agree and Agree)**	**1995 USAID Survey All USDH Average (Strongly Agree and Agree)**	1995 OPM Survey Governmentwide Average (Strongly Agree and Agree)	1995 OPM Survey High Agency Average (Strongly Agree and Agree)
#44 - OPM #40 for USAID	(Applies to U.S. Direct Hire positions only) The following factors enhance my ability to hire the people I would like to hire:				
	a. agency recruiting strategy	N/A	15%	31%	40%
	b. pool of qualified applicants	N/A	40%	30%	38%
	c. starting pay and benefits	N/A	30%	46%	55%
	e. agency personnel procedures	N/A	15%	28%	35%
	f/[g] ability of applicants to get employment information	N/A	20%	38%	46%

	Questions directed to supervisors/managers	1995 USAID Survey Worldwide Average (Strongly Agree and Agree)	1995 USAID Survey All USDH Average (Strongly Agree and Agree)	1995 OPM Survey Governmentwide Average (Strongly Agree and Agree)	1995 OPM Survey High Agency Average (Strongly Agree and Agree)
#43 - OPM #39 for USAID	(Applies to overseas FSN direct hire, FSN PSC or USPSC vacancies) The following factors enhance my ability to hire the people I would like to hire:			applies to USDH only	applies to USDH only
	a. agency recruiting strategy	23%	17%	31%	40%
	b. pool of qualified applicants	50%	49%	30%	38%
	c. starting pay and benefits	43%	42%	46%	55%
	e. agency personnel procedures	21%	16%	28%	35%
	f/[g] ability of applicants to get employment information	32%	28%	38%	46%

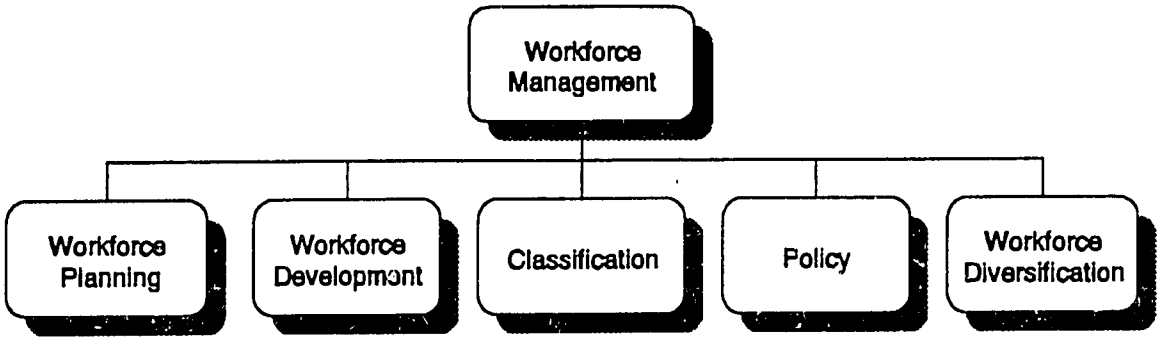
	Questions directed to supervisors/managers	1995 USAID Survey Worldwide Average (Strongly Agree and Agree)	1995 USAID Survey All USDH Average (Strongly Agree and Agree)	1995 OPM Survey Governmentwide Average (Strongly Agree and Agree)	1995 OPM Survey High Agency Average (Strongly Agree and Agree)
#45 - OPM #41 for USAID	I am satisfied with the following services I receive to meet my organization's affirmative employment *[workplace diversity]* goals:				
	a. training on diversity issues	20%	19%	51%	70%
	b. advice on personnel rules and regulations *[applicable to affirmative employment]*	21%	20%	54%	67%
	d. lists of applicants from diverse groups *[certs, or lists of applicants for vacancies, with highly qualified women and minorities]*	15%	15%	36%	45%

	Questions directed to supervisors/managers	1995 USAID Survey Worldwide Average (Strongly Agree and Agree)	1995 USAID Survey All USDH Average (Strongly Agree and Agree)	1995 OPM Survey Governmentwide Average (Strongly Agree and Agree)	1995 OPM Survey High Agency Average (Strongly Agree and Agree)
#46 - OPM #42 for USAID	The staff who provide personnel services:				
	a. have a good understanding of my work unit's operations and mission	27%	25%	46%	57%
	b. provide me with valuable services	32%	30%	55%	71%
	c. help me perform my job effectively	26%	22%	44%	62%
	d. help me achieve my mission	26%	23%	43%	59%

	Questions directed to supervisors/managers	1995 USAID Survey Worldwide Average (Extremely Important and Very Important)	1995 USAID Survey All USDH Average (Extremely Important and Very Important)	1995 OPM Survey Governmentwide Average (Extremely Important and Very Important)	1995 OPM Survey High Agency Average (Extremely Important and Very Important)
#47a - OPM #43 for USAID	Please rate the IMPORTANCE of each service you receive (not important to extremely important) for the following:				
	a. position classification	60%	58%	61%	76%
	c/[b] recruitment	65%	68%	67%	78%
	d. processing personnel actions	67%	70%	82%	90%
	e. advice on employee discipline	42%	39%	70%	81%
	f. labor management relations	30%	26%	55%	69%
	g. awards	52%	52%	66%	78%
	h. retirement	45%	43%	65%	78%
	i. health insurance	47%	44%	71%	81%
	j./ training assistance	57%	55%	64%	69%
	k. discrimination complaints/issues resolution	34%	33%	65%	70%
	l. human resource information/issues	40%	37%	54%	62%
	m. performance management[evaluation]	65%	67%	63%	70%

	n. HR policy and planning	36%	35%	40%	47%
	Questions directed to supervisors/managers	1995 USAID Survey Worldwide Average (Very Good and Good)	1995 USAID Survey All USDH Average (Very Good and Good)	1995 OPM Survey Governmentwide Average (Very Good and Good)	1995 OPM Survey High Agency Average (Very Good and Good)
#47b - OPM #44 for USAID	Please rate the overall QUALITY of each service (very poor to very good) for the following:				
	a. position classification	32%	30%	44%	64%
	c/[b] recruitment	22%	19%	35%	39%
	d. processing personnel actions	23%	18%	48%	58%
	e. advice on employee discipline	19%	14%	45%	50%
	f. labor management relations	16%	13%	48%	59%
	g. awards	19%	16%	47%	73%
	h. retirement	17%	18%	60%	81%
	i. health insurance	26%	23%	66%	79%
	j./ training assistance	17%	15%	42%	70%
	k. discrimination complaints/issues resolution	13%	12%	48%	61%
	l. human resource information/issues	13%	11%	42%	59%
	m. performance management[evaluation]	21%	18%	39%	44%
	n. HR policy and planning	13%	10%	36%	48%
	Questions directed to supervisors/managers	1995 USAID Survey Worldwide Average (Very Good and Good)	1995 USAID Survey All USDH Average (Very Good and Good)	1995 OPM Survey Governmentwide Average (Very Good and Good)	1995 OPM Survey High Agency Average (Very Good and Good)
#48 - OPM #45 for USAID	Overall the quality of personnel services provided to me is:	22%	20%	48%	69%

	Questions directed to supervisors/managers	1995 USAID Survey Worldwide Average (Strongly Agree and Agree)	1995 USAID Survey All USDH Average (Strongly Agree and Agree)	1995 OPM Survey Governmentwide Average (Strongly Agree and Agree)	1995 OPM Survey High Agency Average (Strongly Agree and Agree)
#49 - OPM #46 for USAID	I need help with the following services:				
	a. projecting organizational turnover	29%	29%	52%	
	b. achieving affirmative action [diversity] goals	26%	22%	44%	
	c. locating other employee skills in the agency	40%	42%	56%	
	d. assessing employee attitudes towards their jobs or organization	42%	38%	65%	
	e. identifying alternative recruitment sources	45%	47%	67%	
	f. projecting personnel-related costs	23%	21%	44%	
	g. resturcturing my work unit	26%	24%	44%	
	h. management consulting	33%	30%	47%	
	i. organizational planning and assessment	33%	31%	55%	
	j. downsizing/streamlining techniques	34%	33%	60%	
	k. team building/employee empowerment training	58%	58%	74%	



CHAPTER III
Workforce Management

TABLE OF CONTENTS

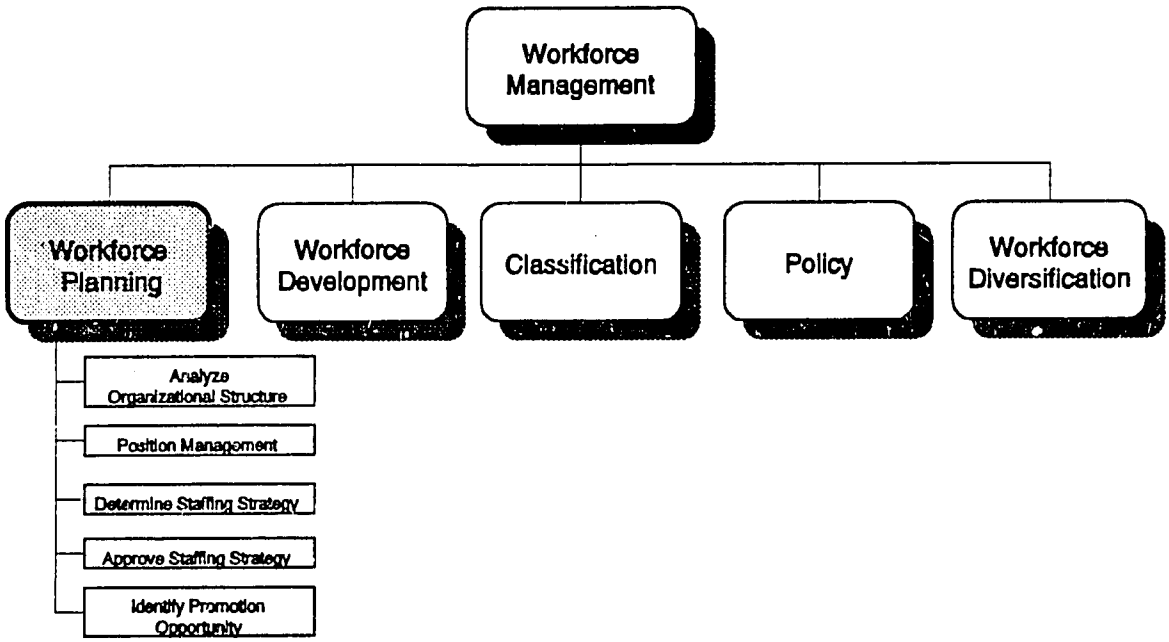
A. Workforce Planning
  1. Planning and Organizational Structure
    a. Overview
    b. Benchmarking
    c. Issues and Concerns
    d. Recommendations
  2. Recruitment and Staffing Strategy
    a. Overview
    b. Benchmarking
    c. Issues and Concerns
    d. Recommendations

B. Workforce Development - Career Development and Training
  1. Overview
  2. Benchmarking
  3. Issues and Concerns
  4. Recommendations

C. Position Classification
  1. Overview
  2. Objectives
  3. Background
  4. HRBAA Customer Survey
  5. Discussion of Potential Initiatives
  6. Recommendations

D. Promulgate USAID Policy
  1. Overview
  2. Recommendations

Workforce Planning and Organizational Structure



Overview

As program operations are reengineered, the effectiveness of how the Agency determines the mix of skills it requires to accomplish programmatic goals must be enhanced. The employment mechanisms that are being used and the assumptions surrounding the manner in which we utilize segments of the traditional workforce must also be modernized to reflect changing operational requirements.

The existing workforce planning function within USAID must be strengthened to ensure that the required mix of employee skills and experiences are available to Agency management. At the present time, office and mission directors are experiencing difficulty in filling vacant positions -- positions that must be occupied to allow for the efficient and effective design, implementation and evaluation of development programs. Moreover, the current composition of the workforce is mainly derivative of areas of programming emphasis in prior years. Program priorities have evolved from basic human needs, to policy reform, to privatization and democratization. The workforce requirements that have resulted during this evolution are very different from those of the past. Many of the specific skills that will now be required as a result of reengineering program, procurement and financial management

operations have not yet been clearly identified.

The core Agency values must be applied when policies and procedures to improve planning are contemplated. Changes must firmly focus on the customers within management, on supporting the formation and work of teams, on basic programmatic results, and on emphasizing the empowerment and accountability of USAID personnel. The result should be an integrated planning system that functions at a variety of levels and that will serve as a useful tool for USAID managers. Managers will have much greater access to data about individuals and institutions and their actual work performance. Information gathered through the planning function must also flow to the managers tasked with recruitment and staff development. Workforce planning should underpin both functions.

In 1992 the Ferris Commission reported to President Bush that, inter alia, a number of initiatives relating to workforce management and planning should be made in USAID. Almost all of the specific concerns cited in the Commission's report have been satisfied by the reform initiatives that have recently been launched. Many of the recommendations in this section of the report also speak to these issues, and they should further serve to strengthen important personnel functions.

The Agency's position management and recruitment functions are only partially centralized, and the worldwide personnel profile consists of many different types of employees, who are grouped into a plethora of narrowly-defined occupational categories.

Workforce planning, as defined by the HR-BAA team, consists of the following processes:

- Analysis of Organizational Structures
- Analysis of Programmatic Requirements
- Position Management and Workload Allocation
- Development of Staffing Strategies
- Analysis of Promotion and Recruitment Needs

These processes are carried out on a variety of levels, and the planning effort involved in establishing a new bureau is similar in type, if not in scope, to the establishment of a single office in an overseas mission. This section of the report concentrates on planning and the analysis of organizational structures.

Note that information from the HR-BAA's worldwide Customer Service Survey is depicted graphically at appropriate points throughout this section of the report to emphasize and to illustrate points made in the text.

Benchmarking

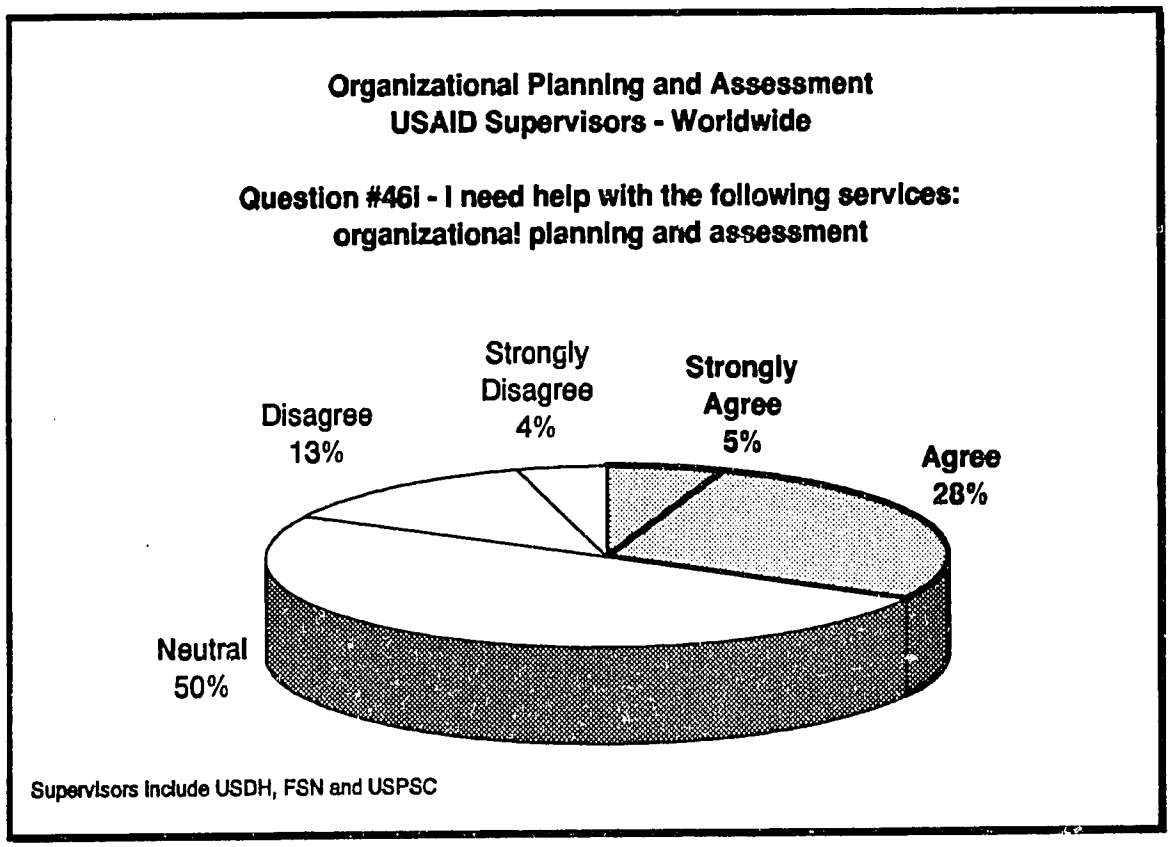
There have been several recent, significant reform initiatives in M/HR to enhance the workforce planning function. For example, an office of workforce planning and recruitment (HR/WPRS) was established in HR approximately one year ago. This is an important effort that has served to move the planning function to the forefront. WPRS has developed the first comprehensive, worldwide staffing report which accurately records the full range of employees in the Agency, by type and occupational category. For the first time senior managers know how many, and what type, of employees are working for USAID. Attrition factors are carefully monitored and an automated system is being utilized to project vacancy rates according to historical data. Additionally, the immediate staffing needs of the bureaus are factored into planning efforts and the results are shared with management. Subsequently, the recruitment staff are advised of the numbers of employees that can be hired. These developments represent real improvements in the areas of planning and recruitment.

The HR-BAA team found little relevance for USAID in the related functions carried out within the Department of State, the U.S. Information Agency, the Foreign Agricultural Service (FAS), or the Foreign Commercial Service (FCS). For the most part, these agencies have continuing, static program objectives. They do not normally require the wide range and relatively large numbers of highly qualified technical staff required by USAID. The FAS, for instance, recruits only agricultural economists; the great majority of which come directly from Agriculture's civil service ranks. As FAS's and the other agencies' programs are stable and rather narrowly focused, there is little need for a widely varied cadre of U.S. direct hire employees. Workforce planning and the painstaking, careful analysis of organizational requirements to date, therefore, is largely limited to projecting attrition.

USAID's highly specialized, highly qualified employees are integral to the complex economic development and humanitarian assistance programming which is central to the Agency's mandate. This requirement for specialized skills serves to make the workforce planning function in USAID especially problematic.

Issues and Concerns

Organizational structures are currently developed with reference to existing guidelines, and oversight is provided by the Management Bureau. A significant reengineering-related development in this area is the restructuring of many missions and offices and the formation of teams to replace traditional work arrangements.



The "new" teams and the emphasis on accomplishing work within that structure promise to drive the manner in which the Agency operates for the next several years. Permanent teams may be established as organizational units in some instances, but the organization of offices and field missions remains the choice of bureaus and the responsible directors. A separate section of this report deals with teams as a cross-cutting issue.

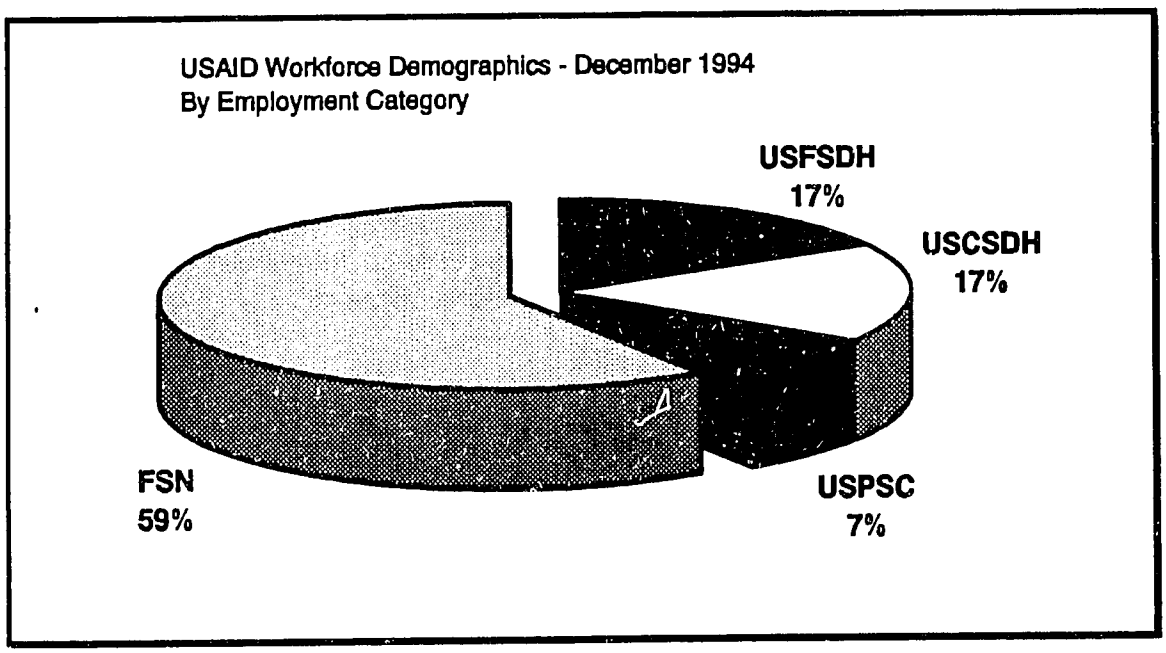
The analysis of programmatic requirements occurs on many levels, and this is the basic element of planning and position management. On a worldwide basis, the Agency has a pressing and long-standing need to identify and define the personnel skills and experiences required to meet current and future programmatic needs, by number and type. Workforce needs must be accurately forecast on a regular and continuing basis to ensure that the future personnel profile of the workforce fully supports Agency organization, policy and strategy objectives.

Another issue which represents a permanent trend is the Agency's current reliance on non-direct hire employees to meet workload demands. While USAID managers require flexible administrative structures to allow them to respond effectively to changing program priorities, disparities between categories of employees are sometimes sharp, and these differences have engendered considerable comment and criticism from individuals who feel disadvantaged by current personnel policies. This

situation has helped to fragment efforts to exercise prudent position management and to develop effective staffing strategies on an agency-wide basis. For example, the use of the personal services contract as a vehicle to employ large numbers of U.S. citizens and foreign nationals to perform work has caused many problems, because this type of contract was never intended to be a means for employing the Agency's permanent workforce.

The core workforce is divided into four distinct groups. They are:

- U.S. Foreign Service
- U.S. Civil Service
- U.S. Personal Service Contractor
- Foreign National Direct Hire and PSC



Each of these groups has differing salary and benefits, and each has separate personnel policies and rules. Disparities even exist within groups according to where an individual was recruited (in the case of USPSCs) or under what authority they have been hired (in the case of foreign nationals). Moreover, the continued use of a contract mechanism to employ our permanent, full-time workforce is a practice that must be reviewed and limited, where appropriate.

The non-career, direct hire appointment would be an extremely flexible and effective tool for enhancing our ability to employ the very best technicians and professional specialists available. We have no problem attracting and retaining highly qualified staff now, and the non-career appointment is seen as a way to regularize employment benefits and to ensure that the Agency can exercise effective control over its

worldwide workforce.

The development of staffing strategies is eased when an organization can minimize the differences in how personnel are administered. Limiting the number of personal service contracts would serve to sharply reduce inequities and discord that frequently mar the working environment in many missions overseas and often complicates the rational allocation of available resources. For example, PSCs cannot generally be moved to other countries as can direct hire employees. It is recognized that the Agency faces mandated limitations in the numbers of personnel it employs and that these limits cannot be exceeded; but if the numbers of USPSCs were sharply reduced in favor of limited direct hire appointments, the workforce planning function in USAID would be strengthened.

Such initiatives must be weighed against disadvantages which would result, such as a reduced flexibility for managers in establishing and filling positions quickly. In many instances, the PSC contract is extremely useful, and it should continue to be an option for managers, particularly in the establishment of program-funded, highly technical positions.

Other aspects of workforce planning, organizational analysis, and position management are addressed in other parts of the report. The sections on assignments, recruitment and teamwork discuss important aspects of workforce planning.

Recommendations

1. **Establish a USAID Workforce Planning Committee to fully identify programmatic initiatives and needs on a periodic, continuing basis.**

   It is proposed that each year the HR Workforce Planning office chair a standing committee and convene a series of meetings to review existing Strategic Objectives Plans, Budget Planning Documents, and other resource submissions from all operating units -- or teams -- on a timeframe geared to the fiscal rhythm of the annual appropriations cycle. The goal of the committee is to identify the Agency's primary workforce requirements over a minimum period of five years. The committee should endeavor to determine USAID's future requirements for specific skills and experiences.

   The standing committee should consist of senior managers, who would aggregate and analyze the resources requests of the Agency. Data would be gleaned from the field missions' R4 submissions or other similar budget planning requests. As submissions already include a "resource request," including a summary of required human resources, no new reporting

requirement is envisioned to support this recommendation. The senior managers would make decisions for the Agency based upon data that was analyzed and manipulated electronically via programs that will replace the existing RAMPS and workforce planning programs. Pertinent information would be created to assist the workforce planning committee.

For example, an electronic scan of worldwide R4 submissions might show a reduced number of employees with the specific skills and training needed to implement and manage planned program initiatives over the next few years, which would indicate that recruitment should target the identified skill sets to ensure the Agency has the tools it will need to conduct business. At the present time, there is no mechanism or capability in USAID that can systematically identify future skills requirements. This electronic manipulation of resource requests, combined with programs that forecast attrition rates, could dramatically enhance the Agency's ability to anticipate skills requirements and to determine its staffing needs. The information generated would be incorporated into the planning committee's recommendations regarding recruitment requirements and training emphasis.

The HR Workforce Planning office would review the committee's report and determine how best to acquire the skills and experiences that have been identified. The employment mechanisms considered should include the training of in-service employees, recruitment of career or non-career direct-hire staff, PASAs, IPAs, etc.

The information generated by this analysis should be utilized in recruitment and in the development and training of in-service employees. Recruitment actions should be based upon the Agency's perceived needs, based upon the best data available at the time. As the emphasis of the Agency program is modified in response to changing economic and political realities, recruitment targets will change commensurately. Likewise, USAID training and career development activities should be geared toward specific targets, and workforce planning should help in the development of such priorities.

2. Establish a comprehensive data base and improve information about employees' skills and abilities, to include FS working family members.

An electronic skills inventory should be established which incorporates the current status, personal skills, and work experiences of each Agency employee, to include all U.S. citizens and FSNs -- both direct-hire and contract. FS skilled family members who desire employment could also be included in a supplementary or complimentary data base. The information gathered on employees should allow the HR Workforce Planning office to quickly match

in-service employees to the specific manpower needs that may be identified. At the same time, such an inventory would allow deficiencies to be quickly assessed.

The skills bank should incorporate differing levels of access. Washington-based managers and mission directors requiring information on USDH employees during the FS assignment cycle, for example, should have full access to information.

Each mission would have the ability to establish a post-specific data base to assist USAID managers in implementing their programs. The skills data generated at a local, mission level about FSN employees should be held locally and not distributed more widely than the information's utility demands. However, the Agency does require that FSNs perform TDY assignments on occasion, and many FSNs have accepted long-term assignments in other countries as "Third Country Nationals" (TCNs). When TDY assistance or a TCN assignment is contemplated, missions could share skills data on their local employees with other posts.

The data base becomes much more useful to planners at both the Agency and office and mission levels, if it is implemented in conjunction with a skills certification program that assigns each employee a level within an occupational category. Such a combination would be an extremely powerful tool in workforce planning and in the allocation -- the assignment -- of human resources to accomplish the Agency's work.

3. Sharply reduce the need to utilize the personal services contract for OE-funded workforce requirements and obtain the technical services of internationally-recruited U.S. citizens through limited, non-career, direct-hire appointments.

In conjunction with an accelerated and streamlined recruitment process, it is proposed that the Agency discontinue the use of long-term PSCs for filling OE-funded positions. Instead, all internationally-recruited technical specialists should be employed as direct-hires under temporary 5-year, non-career appointments.

The personal services contract is considered to be an appropriate vehicle for employing U.S. citizens who are recruited locally. U.S. citizens who are resident in the host country and who are hired locally should continue to be employed as USPSCs.

As of May 1, 1995, M/WPRS/MSPS reported that a total of 583 USPSCs were

employed worldwide. Of that number 199 were funded under the operating expense account, 372 were funded with program (project) funds, and 12 with trust funds. As this proposal is based upon the assumption that direct hire U.S. citizen employees of the Agency must be employed using funds that Congress has appropriated to USAID for operating expenses, potentially only 30% of the total number of USPSCs employed (199 individuals) would be affected -- many of these are individuals who have been recruited locally and should remain USPSCs.

Recruitment policy should be revised to allow missions to put forth candidates for consideration for filling specific positions, and the specific needs of individual missions should be accommodated. Such appointments would eliminate the vast majority of problems that are now prevalent with the use of the personal services contract, and the relative cost -- on an Agency-wide basis -- is virtually the same. Washington would be expected to identify, hire, assign and place the required employees at post within a reasonable timeframe -- for example, within a 4-month period.

USPSCs have not had access to many benefits, such as retirement. In the case of internationally-recruited staff, such inequities would disappear, and the Agency would have greater control and a more complete grasp of the number and types of employees in the workforce. Additionally, as priorities shift and personnel needs change, the Agency would have the option of re-assigning these non-career employees to different posts or offices, as circumstances dictate.

The non-career appointment would be an extremely flexible and effective tool for enhancing our ability to employ the very best technicians and professional specialists available. The concept at the forefront of the proposal is to better serve both Agency management and individual employees. The role of the field must be maximized, and it is envisioned that missions could participate in the recruitment process, for instance, by forwarding to Washington the names and resumes of qualified candidates for the positions that are being established. Washington would be required to consider the mission's preferences before undertaking a wider search.

Any conversion of large numbers of USPSCs to direct hire status may result in the Agency's exceeding its current FTE limits. On an Agency level, USAID must adhere to FTE limits imposed by OMB; on a country level, in many posts formal NSDD-38 clearances may have to be negotiated for a significant number of individuals. While many missions -- especially in Eastern Europe and the NIS -- have required the informal clearance of ambassadors before filling USPSC positions, many have not gone through this process. Budget issues revolving around the use of program and OE funds must also be resolved.

4. Identify and recognize differing levels of skills and experience through credential and warranting programs for all occupational categories.

It is proposed that certification standards be developed for all occupational categories within the Agency. It would be very useful for management if such credential programs were established using grades or levels to assist, for example, in supporting the recruitment and the assignment staff in decision-making.

Because individual abilities within backstops vary widely at the present time, it is sometimes very difficult for planners to know who has the knowledge and abilities to implement a specific development program. In this regard, the workforce planning and the assignment processes are more an art than a science. Rational workforce planning within USAID is nearly impossible when skills are so ill defined. Such a certification program would allow Agency management to easily determine which employees are qualified, under-qualified or over-qualified for a specific position -- given that their individual level of experience and knowledge is reflected in a rating Virtually all employees should be certified in such a manner, including foreign service, civil service, USPSCs, and foreign service nationals of all employment types.

Two approaches to credentialing were considered by the HR-BAA:

In the first scenario, it is envisioned that the credentialing process would not consist of highly detailed matrices or labor-intensive exercises involving considerable time and effort to administer. The HR-BAA team discussed a program where senior representatives of each occupational category would identify and agree on three tiers -- or levels -- of credential. Each tier within the credential would be characterized and described by typical assignments, training and experiential learning. The three tiers could be identified, for example, simply as Basic, Journeyman, and Master competency levels. Such a credentialing program could be developed in-house in short order, drawing on the experience and knowledge of the Agency employees that are most familiar with their disciplines and the actual demands of the workplace.

To further illustrate the team's concept, a "basic competency" level would be granted to employees for the first several years of their career, including the entry, or IDI stage. A "journeyman competency" level would indicate that the individual has had additional training and work assignments of increasing complexity and responsibility. A "master competency" level would be given employees who are fully experienced and capable of carrying out all Agency programs in their area of expertise. The credentialing of project managers, general development officers (with specialties in health, democratic initiatives,

etc.), program, and project development officers could be developed much more easily than the involved certification and warranting programs now being used for Controllers and Executive Officers.

In the second scenario, the credentialing system is envisioned as a more highly refined series of career matrices in each occupational category. Specific skills, work experience and knowledge would be identified at several levels of mastery, and these skill "sets" would, among other things, be used to determine eligibility for promotion. In other words, an employee would have to be certified -- possess the requisite knowledge, skills, abilities and experiences -- at a specific level in the occupational category before being considered for promotion. For example, "full" certification, indicating the ability to provide the complete range of services required by Agency managers in a particular discipline, might be considered a prerequisite for promotion to the FS-02 level.

This proposal is also briefly discussed in the career development and training section of this report, given the impact of this initiative on individual employees.

5. Encourage employees to develop qualifications in multiple skills categories.

The Agency's workforce has shrunk dramatically over the past 20 years, and it appears that this trend is very likely to continue. Therefore, as the number of positions shrink overseas, USAID will be harder pressed to meet managers' demands for specific -- and often highly technical -- skills, experiences and knowledge as the number of employees in all occupational categories dwindle; also, it will be harder to match employees with the jobs they want -- virtually guaranteeing that higher numbers of unwanted employees will be forced into positions they do not desire. It is proposed, therefore, that all Agency employees be certified in at least two occupational backstops, or specialty areas.

Neither employees nor managers can afford to maintain a future workforce that is as highly and as narrowly specialized as USAID's today. Management will have much more flexibility in matching employees to job requirements if an employee has developed specialized knowledge and experience in two different areas. Likewise, employees will enjoy much greater flexibility in the selection of jobs and in career-building, as they will have considerably more options to consider.

Note that this proposal is also discussed in the career development and training section of this report.

Information Engineering Implications

There are several information engineering applications that are being designed to enhance the planning function. The applications will be designed for use in the field, as well as in Washington.

Currently, workforce planning is not an integrated process. It involves a number of disparate, unconnected steps including manual entry and calculation of data and some automated support in the case of the MSPS system.

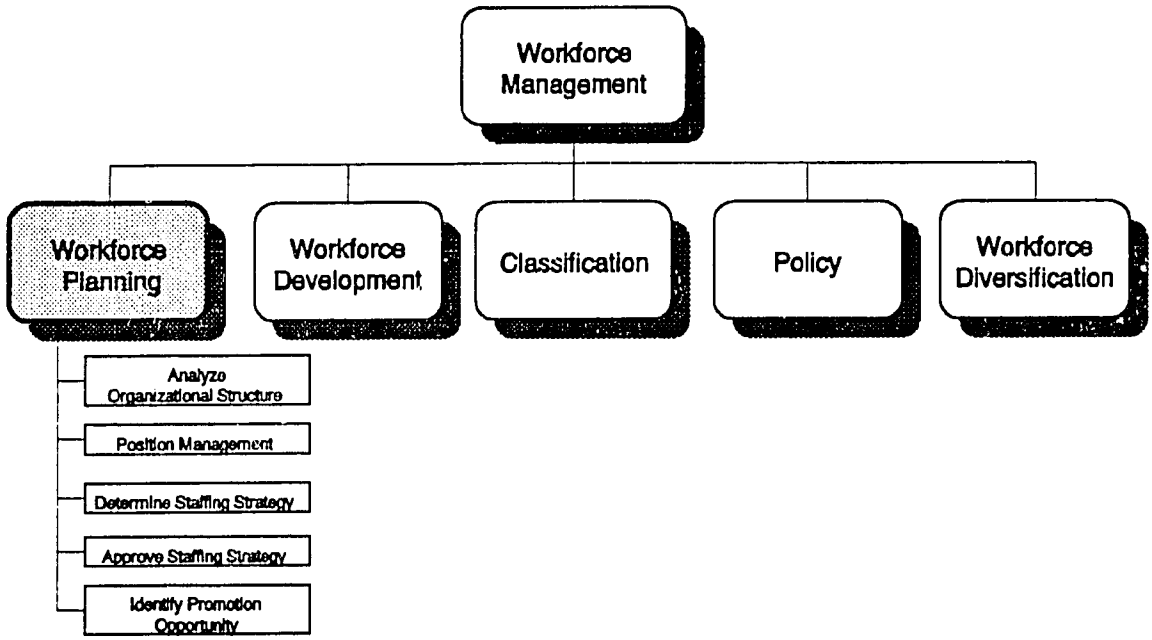
The MSPS system was a first attempt to automate the collection of workforce information. It provides managers, for the first time, with readily accessible information about workforce composition and numbers. However, it by itself is not a complete planning tool. It is a stand alone system, relying on the manual entering of data from other processes and data files e'mailed from field organizations. It also does not have integrated access to other HR and Agency applications. It provides a useful tool which can be used to project future needs/trends but does not have automated analysis or projection tools.

The envisioned workforce planning tools will be a complete integrated application. Information required by managers to accomplish workforce planning will be automated and easily accessible. The numbers of employees by category (FS, GS, FSN, or USPSC) will be continuously updated. Each time an employee is hired, separated, transferred, promoted, etc. the electronic database will be updated with that information. Managers within each level of the Agency's hierarchy will then be able to instantaneously view the make-up of the Agency.

Future projections of Agency manpower needs will be more readily accessible through the integration with the NMS Budget and Operations systems. Resource requirements for the current year plus a minimum of two out years will be identified through the R4 (Results Report and Resource Request) process which the Operations BAA identified as a replacement of the current ABS process. Identification of specific skill requirements will also be identified. Budget documentation submitted by USAID organizations including both Washington and field based organizations will also be readily available. Combined with the personal information contained within the HR applications, which include such items as grade distribution, skills breakdown, backstops, FS TIC dates, will allow HR and Agency management to make better decisions for recruiting goals, promotion numbers, training requirements, assignment needs, etc. Analysis tools such as pie charts, graphical presentations, bar charts, will identify trend lines within various break outs (i.e. by workforce average age, retirement projections, skill requirements, etc.).

Together, the integration of the HR applications with NMS applications and the availability of analytical tools will greatly assist the Agency in planning for the future.

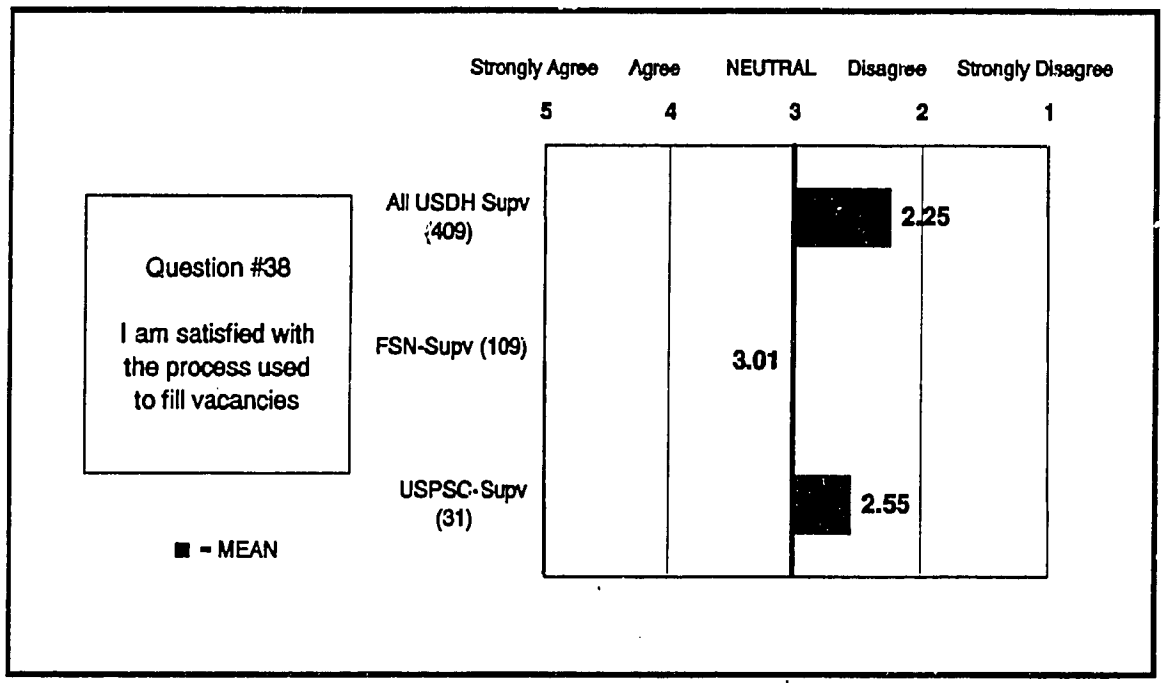
Recruitment and Staffing Strategy



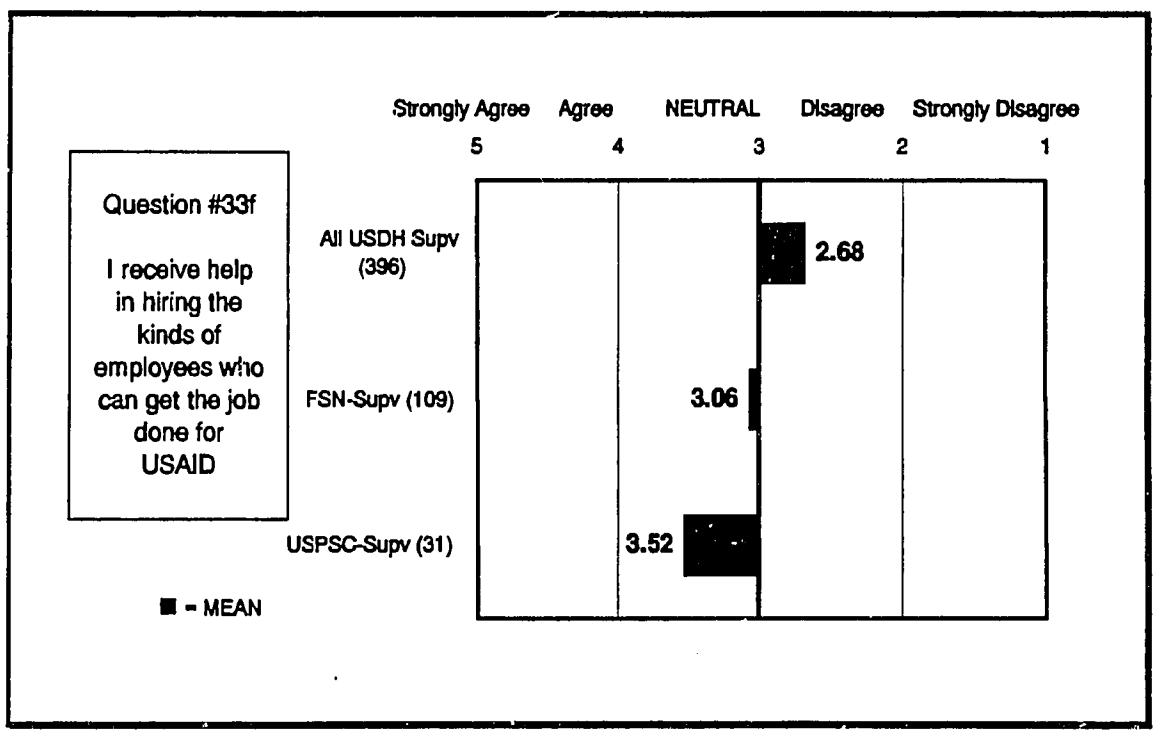
Overview

The recruitment of the core workforce and the development of staffing strategies to fill vacancies includes not only the hiring of individuals from outside the Agency, but it also includes advertising and filling of promotion opportunity vacancies for civil service under the Merit Promotion Plan, as well as FSN and USPSC positions. Certain USDH foreign service positions may also be filled in a non-traditional manner when local circumstances dictate staffing strategies that encompass alternative recruitment actions. For example, the detail of an individual to USAID under a participating agency service agreement (PASA) or the placement of an FSN in a position traditionally encumbered by a U.S. direct hire employee.

It is recognized that the USAID workforce must change in response to an evolving and changing set of Agency priorities. The recruitment planning process must be organized to respond to programmatic demands in a dynamic manner. When polled, USAID managers identified a concern with current processes used to fill vacancies. As shown in the following graph, considerable dissatisfaction was expressed.



In sum, the recruitment process must be faster and more responsive. This is true in the missions, as well as in Washington. As indicated in the next graph, information gleaned from the Agency-wide Customer Service Survey identifies a gap, particularly for USDH supervisors in the help needed in this area, and what assistance is delivered in hiring the right person for the right job.



Benchmarking

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Issues and Concerns

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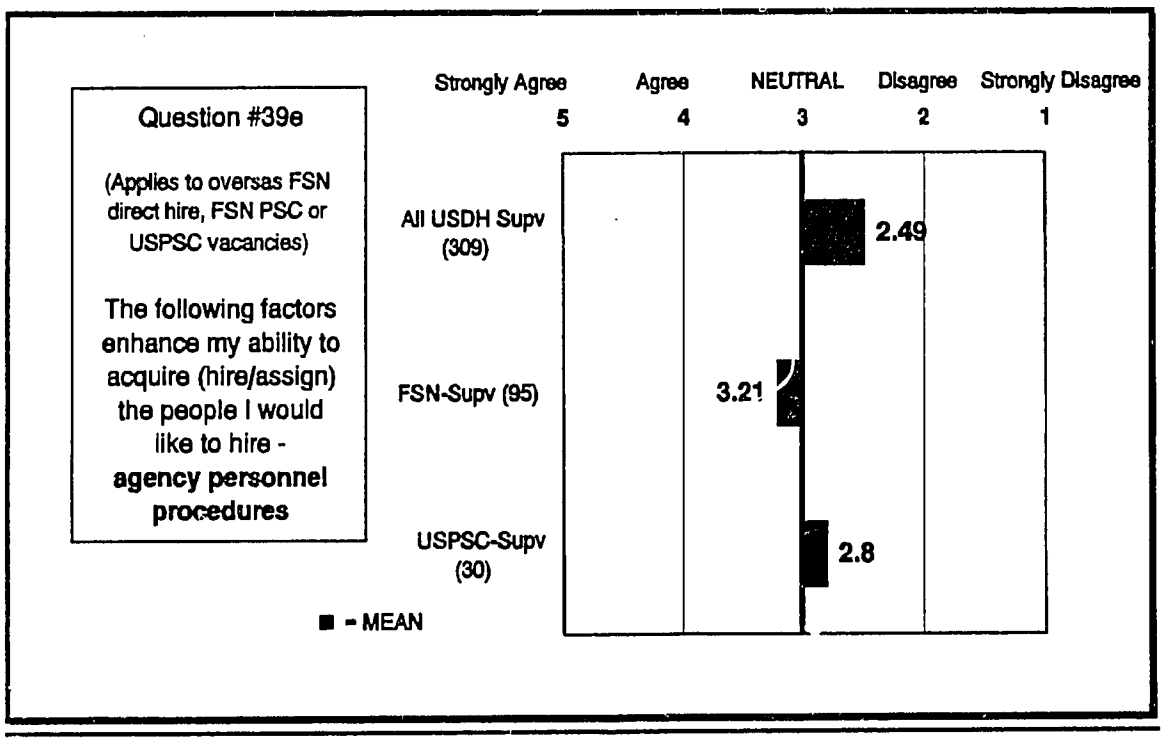
In the future, there will be two types of secret clearance: one tailored for overseas service requiring a limited background investigation, and one for civil service that will not require a background check.

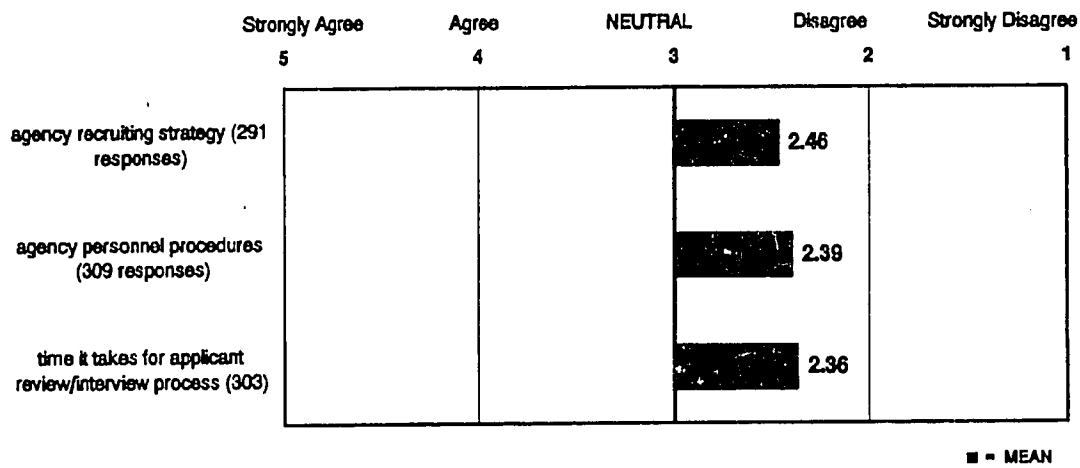
Several recommendations that would improve the recruitment process are contained in the sections of this report on Career Development and on Workforce Analysis and Structure. As many of the recommendations are multifaceted and address several different concerns, they have been placed in the sections where they are deemed to "fit" best. The following graphs, charted from supervisory responses to questions on the Customer Service Survey, clearly portray a need to reform personnel recruiting strategies and procedures for all workforce categories.



Responses from U.S. Direct Hire Supervisors, Managers, Executives - Question #40a, #40e, #40h

Recruitment - (Applies to U.S. Direct-hire positions recruited through Washington, DC)

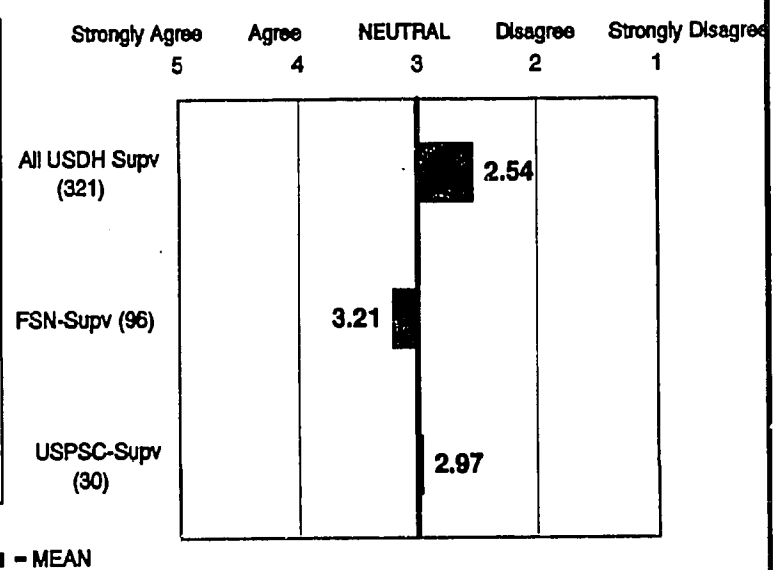
The following factors enchance my ability to acquire (hire/assign) the people I would like to hire:



Question #39f

(Applies to overseas FSN direct hire, FSN PSC or USPSC vacancies)

The following factors enhance my ability to acquire (hire/assign) the people I would like to hire - **agency contracting procedures**



Recommendations

1. **Recruit technical specialists as direct hires, using non-career temporary appointments under a flexible timeframe to enable the Agency to respond readily to staffing needs.**

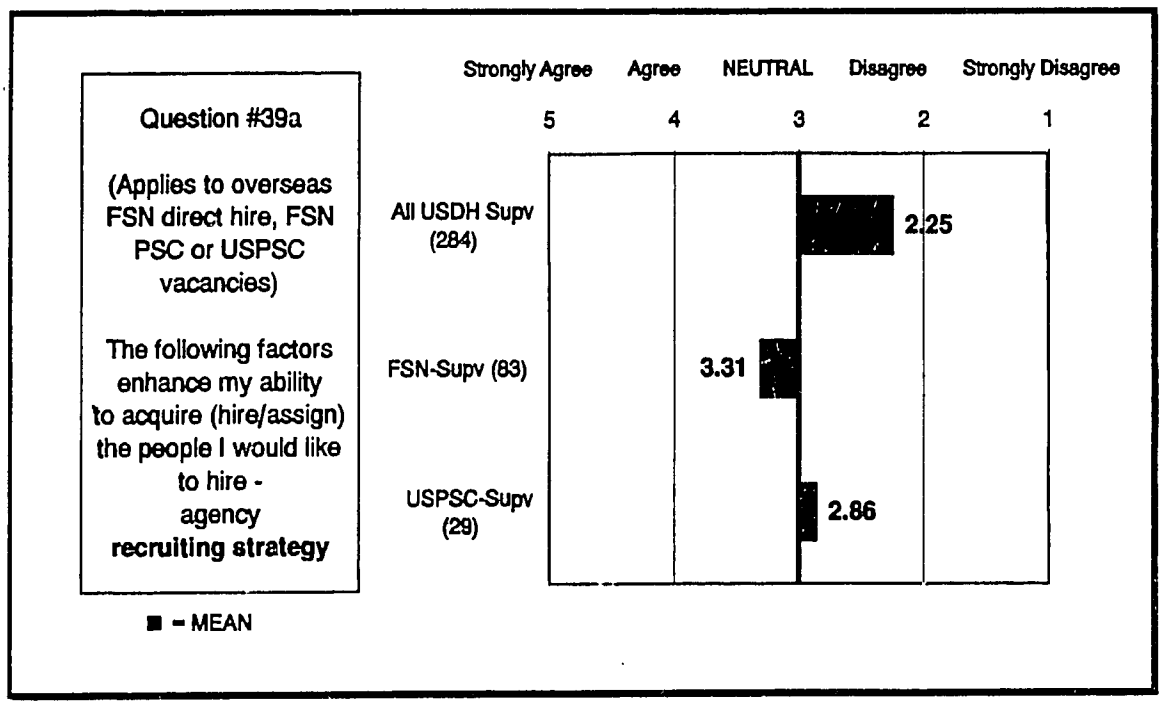
   Ensure that the recruitment and hiring processes can be initiated at various points throughout the year so that Foreign Service non-career technical specialists can be brought on-board as necessary to support program operations. At the present time, IDIs and other direct hire employees are hired only once during the year.

   Given the effort in time and cost of the new-entry training and orientation for career candidates, the HRBAA team believes that the Agency should continue the current practice of recruiting IDIs and other career candidates at one point in the year to ensure that all applicants are considered and the most competitive selected. However, to respond to the pressing staffing needs of Washington and the field, the hiring of non-career direct hire employees under time-limited, temporary appointments should be initiated several times during the year.

   The foreign service recruitment system has benefitted considerably from current efforts to ensure that the largest possible pool of available candidates are reviewed when selection decisions must be made. This proposal suggests that the same recruitment cycle that is now used could be launched, and run concurrently, three or four times during the calendar year to acquire/hire the non-career technical expertise the Agency requires.

   Recruitment must be responsive to the programmatic requirements of the Agency. USAID should hire more of both Foreign Service and Civil Service technical specialists using temporary direct hire appointments rather than USPSCs for overseas work and permanent Civil Service appointments for employees who are needed only short-term in Washington. This recommendation does not suggest that technical specialists should not be hired on a permanent basis if there is a continuing requirement for the skill category. Career appointments should be limited to the occupational categories and skills that are deemed most useful and durable in the Agency.

   The PSC is widely used as an employment mechanism overseas and in some Washington offices where specific authorities exist. However, this recommendation would sharply limit the use of OE funded USPSCs, and M/HR will be required to fill the resulting staffing voids. If managers are obliged to give-up the personal services contract mechanism, M/HR must ensure it can pick up the slack and fill vacancies in a timely manner.



2. **Hire FS candidates for direct-hire employment within eight weeks of selection through the use of streamlined security clearance requirements:**

Ensure that candidates for employment in the foreign service can be hired within an eight-week period after conclusion of the salary negotiation process. The Agency must be able to respond in a flexible and effective manner to managers' demands for staff. This issue is particularly important if increasing use of the temporary, non-career direct-hire appointment authority is utilized to largely replace the current reliance on USPSC employees.

An IG representative advised the HRBAA that new security clearance requirements would allow the Agency to hire foreign service employees with a secret level clearance. The cost savings resulting from this initiative are thought to be substantial, as the full field background investigation required for a top secret clearance is very expensive, given that IG contract personnel must devote considerable time and effort into personally contacting and interviewing individuals to determine suitability and to verify information.

It is proposed, therefore, that all employees, both civil service and foreign service, be hired with a secret security clearance. After entering service the time-consuming process of obtaining a clearance at the top secret level can then

be initiated, if required.

It is noted that in any event, if security requirements are not relaxed, it would appear feasible to initially hire FS candidates with a secret level clearance, and to subsequently upgrade the security clearance to the necessary level after the employee has been hired and is in training or orientation.

3. Guidance should be provided to managers to assist in the acquisition of the institution-building skills required for developing capacities and capabilities within USAID.

The recruitment of FSNs and USPSCs in posts overseas must be guided by the long-term needs of the Agency in that cooperating country. The development of workforce planning data on both a worldwide and country-specific basis should be made available to mission managers. While this recommendation may seem obvious, the HRBAA has observed that the recruitment of FSNs and USPSCs is not uniformly a product of careful position management and planning.

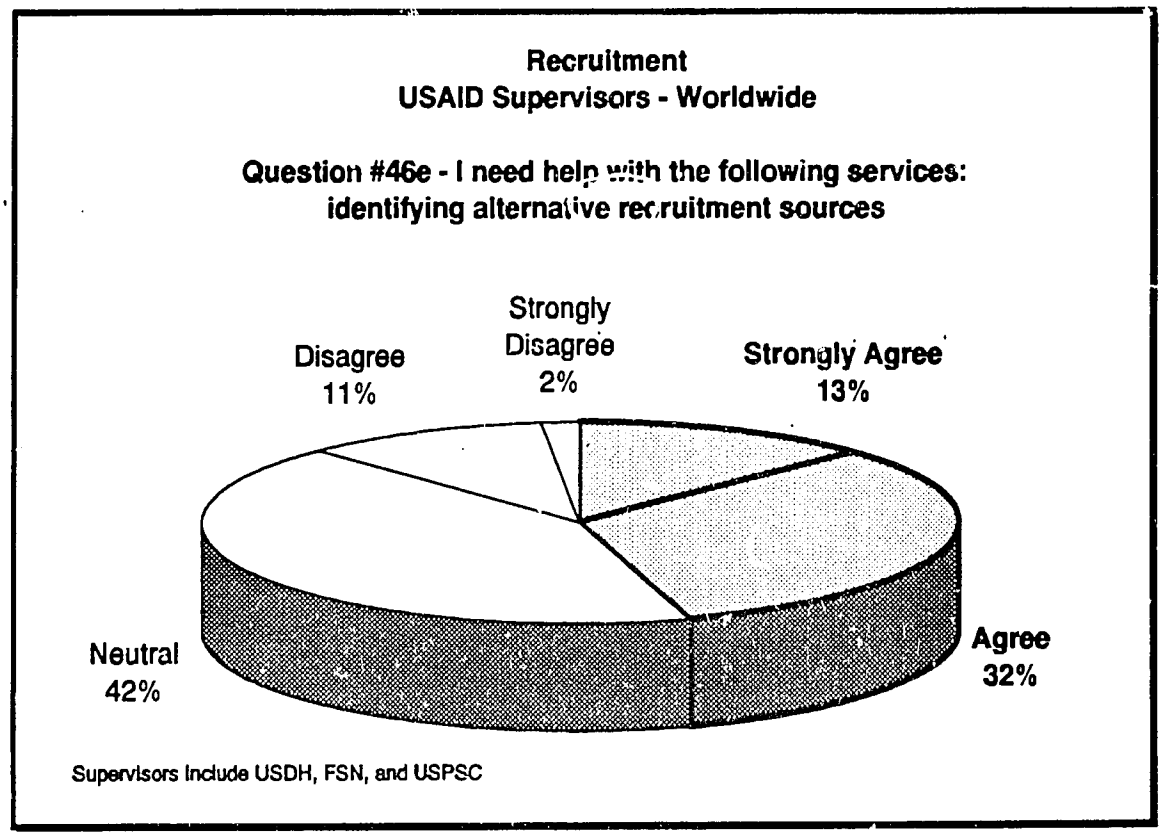
To the extent allowed by immediate on-going operational requirements, all recruitment in the Agency should be aimed at satisfying USAID personnel needs at a point five years in the future. Efforts to define strategic objectives in terms of human resources requirements on a global level are the subject of separate recommendations in this report, and the implementation of those recommendations should complement recruitment at all levels.

The annual Resource Request and Results Review (the R4, as envisioned by the Operations BAA) or other similar budget planning submissions are seen as the planning documents that would provide the basic information required for the analysis and review of workforce requirements. The results of this analysis and the resulting projection of Agency needs over a five year span should be fed directly to recruitment offices so that appropriate strategies can be developed at all levels to acquire the right skills, at the right time.

Decisions to recruit FSNs and USPSCs are extremely serious and expensive for the Agency. Therefore, it is proposed that procedures to guide recruitment planning and to assist mission management should be developed to ensure that informed, deliberate decisions are made.

Within missions, managers and human resources staff who are tasked with the responsibility for anticipating staffing and skills requirements, should review

strategic objectives to obtain general "trend" information about USAID needs from M/HR, and to base recruitment efforts on the best information available about the future personnel requirements of the organization.



4. **Make routine the "best practice" of considering all available non-traditional assignment options for placing qualified staff.**

The accompanying graph shows that 45% of USAID managers and supervisors have identified a need for help in identifying alternative recruitment sources. The recruitment process should encompass the whole range of staffing tools available to the Agency to accomplish its work. Currently, different options may not be fully explored or given appropriate weight in many posts, as information on what alternatives are available is often limited.

For example, in some instances, it may be prudent and appropriate to acquire the services of individuals who may be employed by another federal agency or a university. In such instances, individuals are detailed under a PASA or IPA, or other, similar agreement. USAID currently utilizes staff from USDA

Foreign Agricultural Service under official details, for example. Fellows -- such as those who work under the AAAS fellowship program -- may also be sources for the skills USAID requires overseas and in Washington. Such recruitment options should be considered as a routine measure when it is in the Government's interests

However, caution must be exercised in ensuring that all non-direct hire staff are utilized appropriately and in a manner consistent with the employment mechanism. For instance, individuals working within USAID under fellowship programs should not supervise USAID staff or be supervised by them, manage program activities, nor engage in the "governmental" work of the Agency. The Agency's responsibilities and the roles of USAID employees must not be undertaken by individuals who are not employees of the USG. This recommendation is only useful if managers exercise rigor in ensuring that individuals are tasked appropriately and only in accordance with Agency policies.

A staffing strategy recommended in another section of this report suggests greater use of civil service personnel when staffing overseas missions. By the same token, the temporary assignment of foreign service officers to civil service positions is also proposed. All of these approaches represent tools that USAID managers may use to accomplish their work. The Agency, however, must do a better job of making mission and office directors aware of the possibilities that exist in recruiting.

To facilitate consideration, the Agency should establish and maintain information on all categories of individuals and institutions which could be available to assist USAID managers. Such information should include guidance on the appropriate use that can be made of the differing categories. In this regard, an expansion of the Agency skills bank, which is recommended in another section of this report, should be considered. In addition, managers should receive appropriate training on the development of staffing strategies and the possibilities -- including advantages and limitations -- inherent in each option.

Once information on various recruitment strategies is readily available, it should be utilized to assist missions and offices to consider the full range of possibilities available when planning to fill a position vacancy, eg. PASAs, IPAs, interns, etc. Alternative recruitment information should be made available to all managers which provides guidance on establishing positions and obtaining the services (where appropriate) of such non-USAID personnel.

5. **Verify and certify the need for USDH employees in specific positions overseas; develop staffing strategies to maximize the use of FSNs.**

Each USAID principal officer overseas should review all vacant USDH and USPSC positions -- prior to taking any action to fill the vacancy -- to ensure that the position must be filled by a U.S. citizen. Given that missions must certify, or validate, position vacancies that will be advertised under the foreign service assignment process, it is proposed the validation exercise include certification that a staffing need can only be satisfied through the assignment a USDH employee. Managers should similarly verify the need for a USPSC to the responsible contracting officer.

The HRBAA is recommending in another section of this report that managers be given full authority and assume full accountability for all salary accounts, including U.S. foreign service and civil service. The incentives described in that recommendation should encourage managers to carefully and conscientiously review the work assigned U.S. citizens to determine if their duties and responsibilities could be assumed by their FSN colleagues.

Other sections of this report also recommend that a credentialing program be adopted for all employees to classify their skills and experiences and, further, that positions be defined in part by the specific skills needed to perform the duties in a fully successful manner. Adoption of these recommendations would make it possible for managers to easily and quickly review the skills and experience of FSN employees to determine if they have the requisite personal "inventory" of knowledge, skills and abilities to fill positions now encumbered by U.S. citizens.

Due note should be taken of the Rockefeller Amendment and the full ramifications of its provisions, which require that FSN direct-hire designated positions be made available, as well, to interested and qualified U.S. citizens. However, as this recommendation is concerned with the assignment of in-service employees (U.S. Foreign Service and Civil Service, USPSC, FSNDH and FSNPSC) to existing positions, it is not believed that the Rockefeller Amendment would apply in most instances. Where a position is advertised locally, applications from qualified U.S. citizens in addition to those from foreign nationals would be, it is thought, welcome by Agency managers. The objective is to obtain the required services in the most reasonable manner possible, and a fully qualified, locally-hired USPSC would certainly be a less expensive option for USAID than the traditional FS officer.

It is suggested that policy contain the following key provisions:

(1) If policy constraints dictate that a U.S. citizen must be employed in a specific position, a Mission should attempt to recruit locally for the skills required. If the local pool of available U.S. citizens does not yield qualified candidates acceptable to the Mission, assignment of a USDH or acquisition of an internationally recruited USPSC should be arranged.

(2) If no compelling policy rationale for the use of a U.S. citizen exists, then it should be assumed that the position can be filled by a foreign service national. If a diligent recruitment effort shows that the requisite skills are not available, the Mission should then be able to verify and certify that the national manpower base does not allow the position to be filled locally. This validation from the field would become file justification for the expense of assigning or recruiting a U.S. citizen from off-shore.

Provide training to supervisory personnel in defining human resources requirements and provide quality assurance so that position descriptions and PSC scopes of work accurately reflect real duties and responsibilities.

Basic and practical training in position classification and the elements of awarding grades to positions should be mandatory for all individuals who participate in the establishment of USAID positions. Given the serious nature of position classification, managers should be made fully aware during such training that the over-classification of a position can cost the USG many thousands of dollars over the span of years. Moreover, as it is perceived that a great many USDH Foreign Service, USPSC, and FSN positions are poorly described, supervisory training should encompass the elements of writing comprehensive position descriptions.

Information Engineering Implications

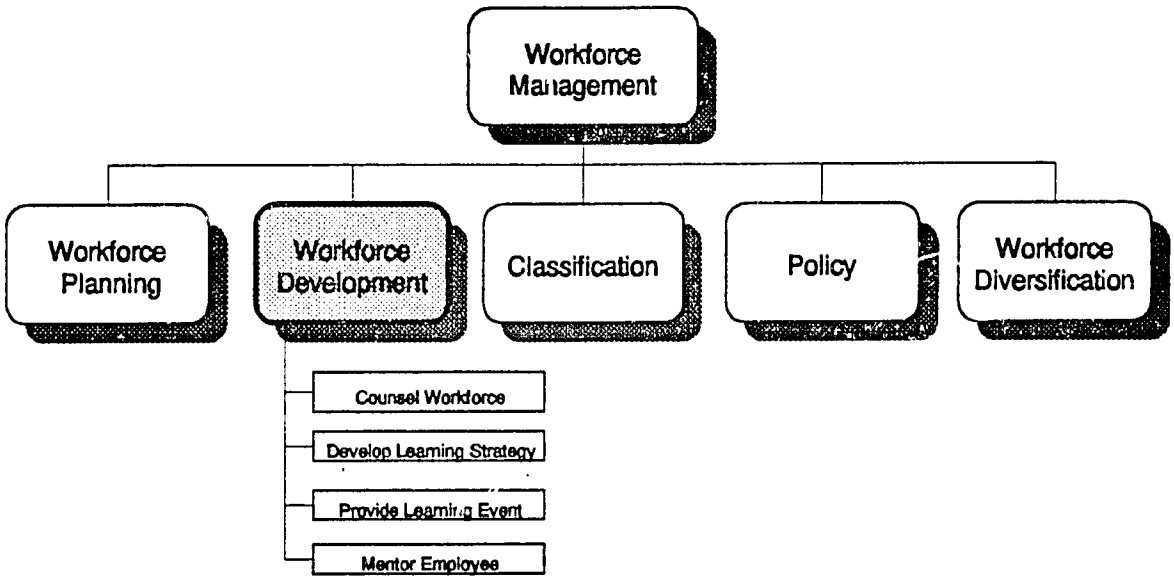
Information engineering enhancements for the recruitment function are many, and the programs developed will assist managers in the field who are filling locally-established positions, as well as HR staff in Washington engaged in recruiting civil service employees, IDI, and mid-level foreign service candidates. Tracking an application from the point of receipt through hiring of an employee is a cumbersome process. Applications are subject to multiple hand-offs and information about an application is maintained in different systems which do not communicate with each other. Applications and resumes received are in multiple formats making it difficult and time consuming to search for specific qualifications and/or experiences.

The application process, to the fullest extent possible, will be done electronically. Applicants should be provided a software application which can be submitted electronically, read by the computer and archived for easy retrieval and tracking. Distribution of a software application may be accomplished through the Internet or on a diskette made available during recruiting visits or through the mail upon request. Another means to streamline the process would be to image a hardcopy resume/application into the computer once it is received at USAID.

Electronic applications and resumes will permit fast, easy scanning of applications for required skills and/or experiences the Agency needs. This system permits an automated 'first cut' of submitted applications to determine which applicants should be pursued through the interview process. It also permits easy tracking of an applicant throughout the recruitment process. Technical and interpersonal interview are, by their very nature, a manual process. Information from the application and resume will be provided by the recruiting application to support these processes. Once the interview process is complete and an offer made, the applicant will be required to submit the security and medical clearance forms. At some point in time, it is expected that the submission of security clearance forms will be done electronically. This likely will be an initiative of the IG's BAA. The submission of medical clearance documentation, however, will likely remain a manual process.

Once the recruitment process is complete, and the applicant has accepted the offer, the new employee will complete the hiring process. Currently, this process involves a series of forms to start or update pay, insurance (life and health), emergency locator, retirement, etc. information. The new system will permit electronic completion and submission of these forms. Information will be drawn directly from the previously submitted application permitting the new employee to validate and update as necessary as opposed to re-entering each time. Once all information is complete, the HR data base will be updated with the employee's information including update of payroll data. Any forms which require signature will be printed for the employee to sign.

Career Development and Training



Overview

Career development and growth within USAID must reflect the professional needs of all types of USAID employees who comprise the core Agency workforce. In approaching this issue it is recognized that individual operating units within the Agency perform related functions, and the scope of the proposals below is not limited to Washington.

Section 703 of the Foreign Service Act of 1980 mandates the establishment of, "...a professional development program to assure members of the service possess the skills and knowledge required at various stages of their careers." This statute gives the Agency the authority to engage in activities designed to promote and enhance the professional development of USAID employees. While the HRBAA has developed several recommendations to strengthen the career development counseling function, it is the view of the team that the primary responsibility for professional development lies with the employee.

The Career Development Branch within HR now provides various types of career management advice and guidance primarily to foreign service employees and on a limited basis to civil service employees. For the most part the Career Development Branch staff consists of foreign service officers from several disciplines who have no previous experience in career counseling. Because these officers are not trained

96

counselors, the sufficiency of the advice and guidance they offer can be perceived to be inadequate or, at least, less than optimum.

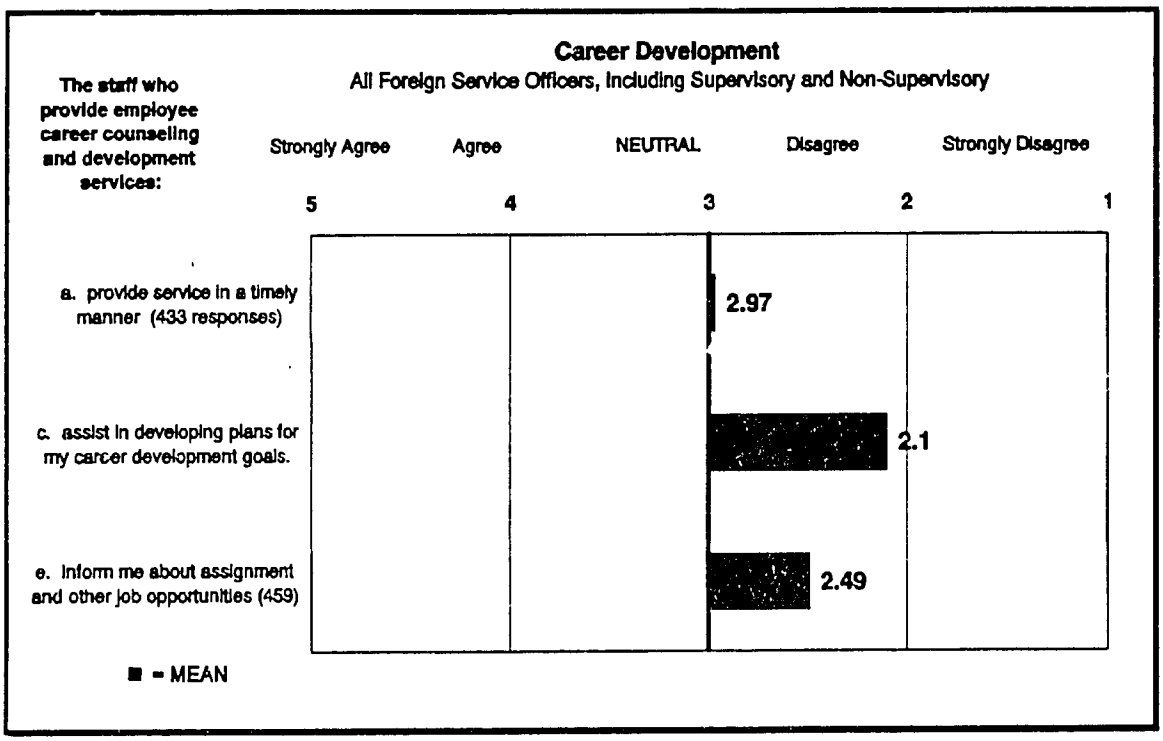
In addition to the Career Development Branch, the staffing specialists and the Training Division staff also offer guidance which has a direct bearing on FS employees' career development. Various technical backstop offices also may offer guidance on assignments and training.

The HR Training Division was excepted from the mandate of the HRBAA. The ongoing reforms recently undertaken by M/HR and the adoption of a "learning organization" orientation by the Agency, as a whole, were developments that were already in process when the HRBAA began its work. These initiatives were intended to revitalize and significantly change the training function. Therefore, the HRBAA's work and the reengineering of the training function was limited to its impact on other areas. Several recommendations which bear on training are included within the HRBAA report, but the Training Division and its activities were not reviewed in depth.

Practical and useful professional assistance and counseling on future assignments, training and career enhancing opportunities have not been obtained by USAID employees in a routine or systematic manner. While such services are provided to the foreign service primarily, within the civil service ranks, only one staff person is assigned to provide part-time career development counseling to more than 1500 civil service employees in the Agency. Career development-related counseling and service is generally not provided at all to foreign service nationals. Personnelists in executive offices overseas may provide this service on an ad hoc, country-specific basis, but there is no regulatory provision or procedure that speaks to FSN needs.

The HRBAA developed several specific recommendations to strengthen the career development function. In addition, other initiatives in this area are also being launched concurrent with the work of the BAA team. For example, the DAA/M for Human Resources is planning to introduce significant improvements such as the development of career matrixes as a tool for guiding career decisions.

The following graph provides a statistical view of career development from the perspective of foreign service officers. The data is from the HRBAA survey conducted in April 1995. As can be seen, foreign service officers identify a gap in services delivered and what they expect in the area of timely services, career development plans and assignment and job opportunities. Following the graph are a number of comments by all categories of USAID employees which illustrate current perceptions about career development counseling in the Agency.



Survey Comments from USDH Supervisors

Question #8 - Career counseling for GS employees does not exist. There are no programs preparing GS employees for SES jobs. Question #15e-SES vacancies are almost always a mystery. How does a GS employee get a SMG/SES job assignment?

I have found the "mentoring" personnel service to be the most useful during my career. This has helped me get assignments I've wanted and at least once contributed to me being promoted.

While this is probably as good as it might get, I still feel there are questions left unasked especially with regard to the career assistance and planning opportunities women and minorities receive.

What do we do with the secretarial and clerical cadre in the automation era? About a quarter of our staff (in those positions) are virtually unemployed. Others in other positions have to work too hard. A huge morale/team problem.

Career advancement does not seem to be based on evaluations. There is not a

95

career track.

Despite best intentions of individuals in HR, there is no career planning. I also believe career planning can only be done by a FS officer, working with SFS/SMG advisers. Lastly, the EER process is corrupt, degrading, demoralizing, ineffective.

The CDO for my backstop has changed twice and been vacant for a long period in the last 2-3 years. It's difficult to build a useful relationship under these circumstances. It would be better for CDOs to stay in position for awhile.

Survey Comments from Civil Service employees:

AID had trainee positions for support staff to move into. What happened to that program? At least it gave the support staff hope. Someone in personnel told me that nobody wants to train people any more and that's sad. They were trained.

USAID needs to concentrate more heavily on advancing women and minorities who wish to get ahead career-wise. There is little career counseling/higher education unless you are already in FS.

Survey Comments from FSN employees

At USAID[mission], Employee Career Counseling and Development Services are not provided. Although most FSNs stay at the Mission for many years (country's unemployment rate is high), they do not move ahead as much as regulations would permit.

For working more than 10 years with the USAID, I learned many things. It broadened my views. I improved my skills and experienced new things. It developed a self confidence in me and developed a sense of initiative and resourcefulness.

There is a clear need to provide for HR services focusing on FSN career development opportunities. Specially as it applies to senior (professional) FSNs.

I am leaving USAID in a week. Though my professional experience has been interesting, as a [ ] FSN, I reached my ceiling a year ago with no future career prospective. In many cases, FSNs should have more room for growth.

Survey Comments from USPSC employees

Support for personal career development does not extend beyond the needs of current contract position, except for informal discussion. Information provided is in the form of notices and cables which are copied and circulated by EXO.

USPSCs have no career track, no performance incentives, and no retirement benefits - a very insecure position! And yet the Mission would be severely hampered if we weren't here....

If services of USPSCs are to continued to be needed, a more ordered manner of identification of availability of potential PSC positions needs to be developed.

Benchmarking

A distinction must be drawn between "career" and "next assignment" counseling. Much of the counseling work that other foreign affairs agencies engage in is, in reality, counseling and advice about placement decisions in the U.S. foreign service. The U.S. Information Agency, for example, in recognition of this difference, has abandoned the job title designation of Career Counselor, and it has instead designated their staff Assignment Counselors. The Department of State, the Foreign Commercial Service, and the Foreign Agricultural Service also generally limit their counseling-related services to "next assignments."

USIA, moreover, has established career "centers" which all employees have access to. These centers are information resources. A library of related, career development information is maintained, and word processing and other ADP equipment is installed for the use of all USIA employees. The center also serves as an outplacement resource for individuals who are leaving the Agency.

In sharp contrast to the model provided by other foreign affairs agencies, USAID expects its career counselors to assume duties that far exceed "next assignment" counseling.

USAID career counselors often become involved in counseling on adjustments to assignments and on family-centered issues. Many of the problems that career development staff discuss with employees appear to be issues that would normally, or at least, could be, referred to social welfare specialists, such as the employee assistance professional who is employed by the Agency for just such purposes.

Within the private sector, Xerox appears to allow teams to provide professional support and guidance to individual members. At a corporate level, Xerox management is only concerned with executive development -- the identification and development of individuals with the potential to assume management-level positions. The concept of providing career development counseling and services within a team context is intriguing, and begs consideration. The type and level of services which could -- and, perhaps, should -- be provided by teams or offices in other bureaus is a fundamental decision which forces organizational decisions and which shapes the manner in which personnel-related services will be accessed by USAID employees.

Issues and Concerns

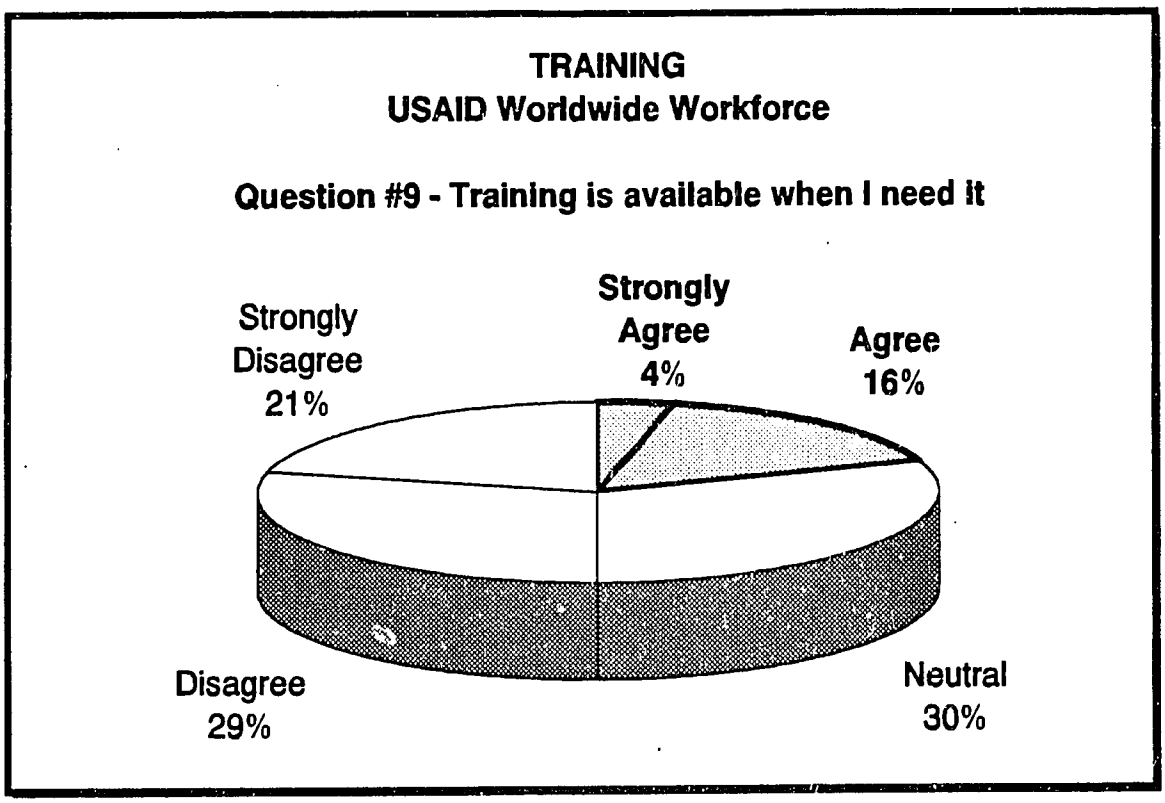
To ensure the Agency has access to the critical skills and experiences required to develop and support economic and humanitarian assistance programs, the career development function should be strengthened to assist and foster the professional growth of all employees. Employees should have the skills the Agency requires, be able to contribute professionally in more than one occupational category, and possess specific certifications or warrants to indicate levels of experience and competency in critical areas. The corporate culture should also incorporate as a key management value the growth of individuals and the development of their abilities and capacities.

The HRBAA team considered the possibility of moving the career development function out of the formal M/HR organizational structure to the functional offices that best know the individuals and the demands of their professions -- the technical backstop offices. Existing offices of this type (GC, M/OP, M/FM, and M/AS/OMS) act now as "backstop managers" and are fully involved in the supply of specific technical expertise in their occupational area to the Agency, as a whole. As many occupational categories have no similar services provided by a functional organizational unit, career development must be provided from a central location to ensure that all employees have equal access.

The need to strengthen the FS career development function is endorsed by the team. However, career development is felt to be a personnel function that must be made available to all types of employees within the core USAID workforce. Current efforts are largely limited to the foreign service. The civil service, foreign nationals, and personal services contractors have very limited, or no access to such services. The HRBAA team embraced the concept that, within reasonable constraints, the same services and treatment should be afforded all employees. In that spirit, the area of career development represents a fertile field for reengineering efforts.

Career counseling -- in the best sense -- is not a service or function that is, or should be, limited to a cadre of trained counselors. Mentors and mentoring programs, for

example, are excellent ways to extend professional counseling services. In many companies, when a strong bond is forged between career counselors, mentors, and employees the career counseling and development function is dramatically improved. Additionally, important segments of the workforce are made fully aware of training and skills-sharpening opportunities which may be available. The methods currently used for counseling and information sharing in USAID can be reshaped and reengineered, and the following recommendations are aimed at stimulating this change.

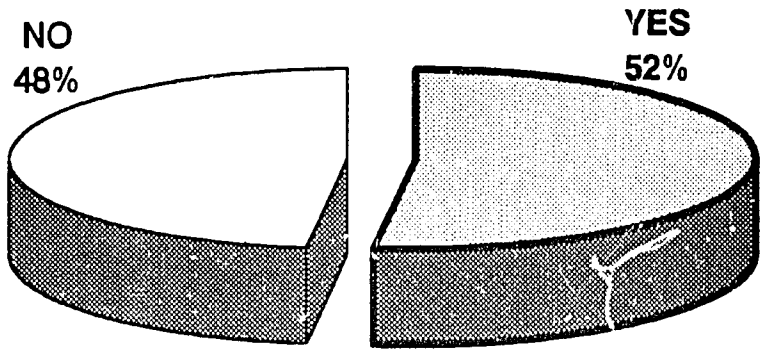


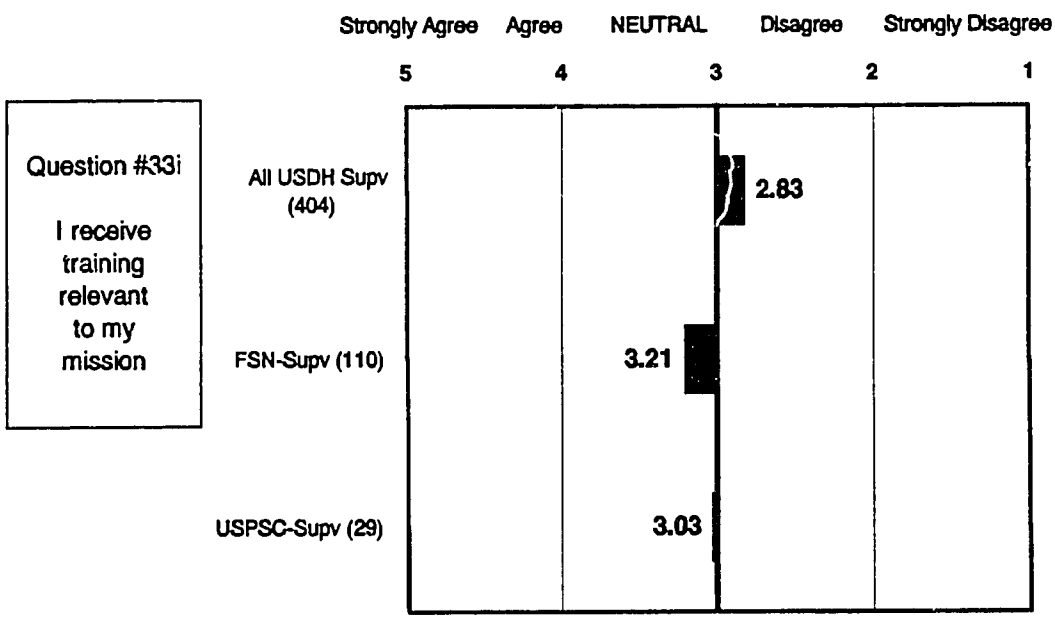
Training and the delivery of professional development materials and learning opportunities is a related area that must also be strengthened. The workforce planning function within USAID is negatively affected when managers cannot obtain the services of employees with the essential skills and abilities needed to implement the Agency's development programs. While such needs can be met, in part, through the recruitment process, there is a compelling need to ensure that the Agency can train employees and develop the specific skills required.

In the recent HRBAA personnel customer survey, more narrative comments were received from all categories of employees regarding training than on any other topic. In addition, as depicted in the previous graph and the following ones, there is a gap in providing timely training, providing needed job-related training, and in providing training relevant to an organization's mission.

TRAINING
USAID Worldwide Workforce

Question #7 - I have had job-related training in the last 12 months





Recommendations by the HR-BAA

1. **Career development and counseling services should be provided by trained and certified counselors.**

For the foreign service, it is proposed the Agency establish a cadre of trained, certified professional career counselors to replace the foreign service officers who now provide career development counselling and who are now assigned to HR on a temporary, rotating basis.

The Agency requires specific skills and experience to get its job done and, as USAID continues to shrink in size, employees increasingly need to ensure that they have the requisite inventory of competencies and abilities and that they can contribute effectively to Agency goals. The CDOs could play a stronger role in the assignment process, and they should become the in-house experts on the skills and abilities of all individuals within the occupational backstops they cover.

Professionally certified career counselors would work closely with the cadre of employees that work in a specific technical area, and they would over time develop an appreciation for both the needs of the Agency and those of specific missions and offices. The counselors would become the "experts" on the human resources within their areas of expertise, and they would work closely with HR Staffing Specialists and the occupational backstop offices -- such as the centers for excellence in the Global Bureau -- in the assignment process. The counselors would receive a broad array of information from occupational backstop offices, and they would utilize this information in the development of "typical" career paths for each occupational category.

Moreover, the Workforce Planning staff should periodically advise the CDOs what skills, competencies and experiences will be needed by Agency managers to implement programs. In turn, career counselors could then devise strategies to assist employees in obtaining the training or professional exposure which would best allow them to "fit" USAID's needs.

Over time, trained counselors would develop a comprehensive knowledge of employees strengths, needs and desires. Continuity also would be assured, and this would have the effect of improving the assignment process, improving the quality of career planning guidance offered to individuals, and improving the impact and efficiency of effective workforce planning. CDOs should routinely

receive and utilize information regarding program trends in the Agency, budget projections, and other pertinent information in providing counseling services.

The activities of the various counselors throughout the Agency would be coordinated by the career development staff in HR/POD. These coordinators would serve as a quality assurance center for all related activities, allocate mentors throughout the Agency, and provide counseling services to all civil service employees. The Career Development Officers and POD staffing specialists would routinely operate as teams -- powerful Career Development and Operations teams which would provide routine services to each employee, as well as quality career-enhancing guidance. At the same time, the family and health-related issues which counselors now discuss with employees should be referred to employee assistance professionals with specific expertise in these areas.

Consideration should be given to providing the training to foreign service officers currently working as CDOs which would be necessary for obtaining certification as professional career development counselors. The certification of existing CDO staff, including the foreign service officers, is recommended as a first step in implementing this proposal.

2. Career development services should be provided to civil service and foreign service national employees, as well as those in the foreign service:

The career development function was instituted for foreign service employees in response to the Foreign Service Act of 1980. However, reengineering experts would say that training and career development should address an organization's entire workforce. Career development guidance and counseling is provided to civil service employees at the present time in a very spotty and incomplete manner. Civil service employees have the same training, skills development, career enhancement, and work enrichment needs as their foreign service colleagues. Prospects for career enhancing job changes are available in the civil service, albeit more slowly, through the merit promotion program, and therefore, the need for professional counsel and guidance is just as valid.

It is further recommended that a "career service" center be established in Washington that would offer information resources and career development services to civil service employees. The center would be staffed by professional counselors who would also be responsible for coordinating all formal Agency counseling and mentoring services.

The needs of foreign service nationals mirror those of the civil service. Each overseas mission of any size evolves over time, and positions are established and deleted in a cycle governed by management imperatives and current programmatic needs. Given the Agency's investment in existing employees, in many instances it is in USAID's interests to ensure that in-service staff have the knowledge, skills and opportunity to compete for new or vacated positions. Therefore, executive offices and personnelists in the field should be required to receive training and to provide services to FSN staff. Where appropriate, small "career service centers should be established within missions. USAID must make the deliberate decision to change the way in which FSNs are regarded and valued. The Agency should invest in its foreign service national employees in real terms; this would include the delivery of the full range of personnel services, such as training and other career development initiatives.

However, given the nature of USPSC employment, the Agency cannot justify extending this service to that category of employee. USPSCs, more than any other category of employee in the core workforce, are employed to address specific operational requirements, and the need for their services is -- by definition --temporary. Those USPSCs who provide services of a continuing nature, and who encumber positions that should be permanent should not be employed under the PSC mechanism. The HRBAA is endorsing the conversion of these individual's employment status to non-career direct-hire, and this initiative is discussed in another section of this report.

3. Establish that U.S. Foreign Service employees at grade level FS-02 are expected to have the professional expertise and knowledge to carry out fully the implementation of programs in their occupational category.

Attainment of the FS-02 grade level should indicate that an individual has mastered the skills requirements and knowledge to design, implement and evaluate Agency programs in a professional area. It should be assumed that an individual having this rank possesses the requisite "skill sets" and will be able to discharge the full range of duties and responsibilities of journeyman-level positions in their area of technical expertise.

Inherent in this recommendation is the assumption that a significant number of positions will be reclassified in the future at the FS-02 level, and as a consequence, there will be proportionately more FS officers with the personal grade of FS-02.

Several factors appear to dictate that the distribution of grade levels within the

USAID population of foreign service officers will change in the next few years. Employees and counselors should be fully cognizant of such changes so that the expectations of employees and the design of "career paths" and individual training and learning plans are realistic. If significant changes are likely, expectations may have to be reshaped to reflect this reality.

Some of the factors that appear to dictate change in the distribution of grade levels are listed below.

- The FS population is shifting down in grade, and there now are fewer employees at the SFS and FS-01 levels than in prior years. It is expected that this trend will continue, as the Agency grade profile, the sum of the personal grades of individuals, is still skewed towards the high end. The imbalance has been noted by Congress and by previous administrations. As the personnel system is rationalized and stabilized, with more officers at the lower ranks, there is a probability that the rate of promotions will slow and that smaller numbers of FS employees will be promoted.

- It is widely perceived that the grade levels assigned FS positions overseas are inflated -- for many reasons. This situation is exacerbated by a lack of any procedure requiring a periodic position classification review, as is required for all civil service positions in Washington. Moreover, overseas all FSN positions are subject to periodic review through Department of State classification reviews. There has been no corresponding effort to periodically review and verify FS position grades. Over the span of many years, many FS positions have continued to bear historic grade designations even though the foreign service has reduced in size. Thus, many positions that once might have justified a relatively high grade level, when missions tended to be considerably larger, have become over-graded in an era of shrinking resources.

One of the changes that seems likely is that the "normal career progression" of FS employees may not continue to include promotion to the FS-01 grade level, and rich and full careers in USAID will not normally include promotion beyond that grade.

Outstanding employees with the management skills and ability to become senior officials of the Agency and to become acknowledged experts in their fields will be identified and promoted to the FS-01 grade level and beyond, but

the Agency culture should comprehend that the majority of employees' professional achievements and competencies are recognized at the FS-02 level.

4. **Reduce the number of distinct personnel backstops now utilized to define employees' technical specialties, and provide opportunities for all employees to develop qualifications and credentials in multiple occupations.**

It is proposed that broad career "professional groups" be established to replace the current "backstop" system. The broad groupings would cluster employees sharing similar, related work. The groupings would form a flexible framework for identifying employees' talents and skills and for managing certain personnel functions, such as the assignment system. It is suggested that these groupings could be as few as four. To illustrate, such specialized groups could be identified as Program Management, Administrative Services, Financial Management, and Technical Services.

Within each broad area, individuals would develop specialties and be credentialed in specific fields. A Technical Services employee for instance might be an economist; another employee in the same area might be an acknowledged expert in private enterprise initiatives; etc.

The workforce is now divided into very narrowly-defined occupational categories, primarily for administrative convenience. The present personnel backstop system has become a type of artificial barrier to the utilization of staff in any non-traditional fashion. The proposal to encourage employees to develop additional skills is discussed fully in the workforce planning section of this report. However, the proposal has significant career development ramifications. It is proposed that Agency employees be strongly encouraged to be certified in at least two occupational categories, or specialty areas.

The lines between several existing backstops have begun to blur already, and the need to redefine many narrowly-focussed roles has begun to find expression in many parts of the Agency. For example:

- Many missions have merged the traditionally separate project development offices and program offices to form new "Program and Project Development Offices." An overlap of responsibilities and skills between the officers in these categories is evident. Although a bit less obvious, the skills, experiences and responsibilities of individuals employed as economists, as privatization officers, and as democratization officers may be sufficiently similar that they could also be incorporated into the same

109

broad grouping of similar skills.

- There has been considerable discussion about combining the backstops of environmental and natural resources with housing and urban development. A logical extension of this initiative might be the inclusion of the science and technology backstop in the same skills group.

- A combining of the traditional secretarial, communications and records, and administrative assistant roles has been suggested to form a new category of employee. Such support staff could function as program assistants and information managers. There is an emerging need to manage and manipulate information in overseas missions and Washington offices in a business -- not a technical or information engineering -- sense. The ongoing revolution in communications and information technologies has generated a flood of information that must be packaged and winnowed to maximize its utility. This emerging need exceeds the role of the staff who have been responsible for managing information flows and tracking correspondence in the past. The establishment of new "Information Specialists" positions (or positions of a similar type) which combine several traditional administrative support skill groups recently has been proposed by several overseas posts.

Neither employees nor managers can afford to maintain a future workforce that is as highly and as narrowly specialized as USAID's is today. Management will have much more flexibility in matching employees to job requirements if an employee has developed specialized knowledge and experience in at least two different areas. Likewise, employees will enjoy greater flexibility in the selection of jobs and in career-building, as they will have more options to consider.

During the assignment process, managers would focus primarily on individuals' actual credentials or warrants, their actual professional level within a technical specialty, rather than a narrow label which says little about the employees' actual capabilities and experiences. The advantage of such a system to the Agency is the increased ease in which employees actual skills can be identified and the development of opportunities -- even imperatives -- for employees to assume other roles within their broad "professional group." The increasing emphasis on accomplishing work within teams appears to encourage the development of multiple roles for each individual, and the need to develop expertise outside of a narrowly focussed occupational specialty. Thus, the grouping of the workforce into broad, flexible categories will serve the interests of both employees and management.

5. **Formalize and expand the existing pilot program to enhance civil service career opportunities by establishing a cadre of employees available for overseas assignment.**

The proposal to make crossover assignments more accessible to civil service employees is discussed fully in another section of this report. The proposal is mentioned here because of its important career development dimensions. As more foreign service jobs overseas remain unfilled, USAID management should establish a procedure for placing civil service employees in missions overseas and for allowing them to participate in the FS bidding process for positions that have been advertised but remain unfilled after the first assignment cycle.

Position vacancy rates overseas continue to cause serious problems for managers, and it is proposed that a procedure be adopted to give the Agency and its employees additional flexibility. The option will allow increasing numbers of civil service employees the opportunity to live and work overseas. Having served overseas, it is expected that the civil service employee will enjoy an enhanced perspective on the work of USAID and a greater ability, therefore, to work effectively on development programs. The benefits to both employees and the Agency are many. Additional information on this proposal is contained in the assignments section of this report.

6. **Advertise AID/W civil service position vacancies overseas so that FS officers can be considered to fill these positions temporarily during three-year rotation assignments.**

At the present time positions can be filled on a temporary basis by foreign service officers on a non-competitive basis if they are selected by managers. There is no requirement that the positions be formally advertised in the same manner as foreign service position vacancies.

A pre-condition, however, to the selection of a foreign service officer should be that managers must first ensure that there are no fully qualified GS employees interested in the position.

It is further proposed that a system of advertising merit promotion vacancies to all field missions be developed, as foreign service officers now have little idea of what vacancies may exist in USAID Washington at the time a rotation assignment to the U.S. is contemplated. In addition, civil service managers should be advised of the options that exist for filling vacancies. The Agency

must become more flexible in the utilization of its workforce, and managers will benefit from the availability of additional staffing options. The section of this report which deals with assignments and placement of employees provides additional information on this proposal.

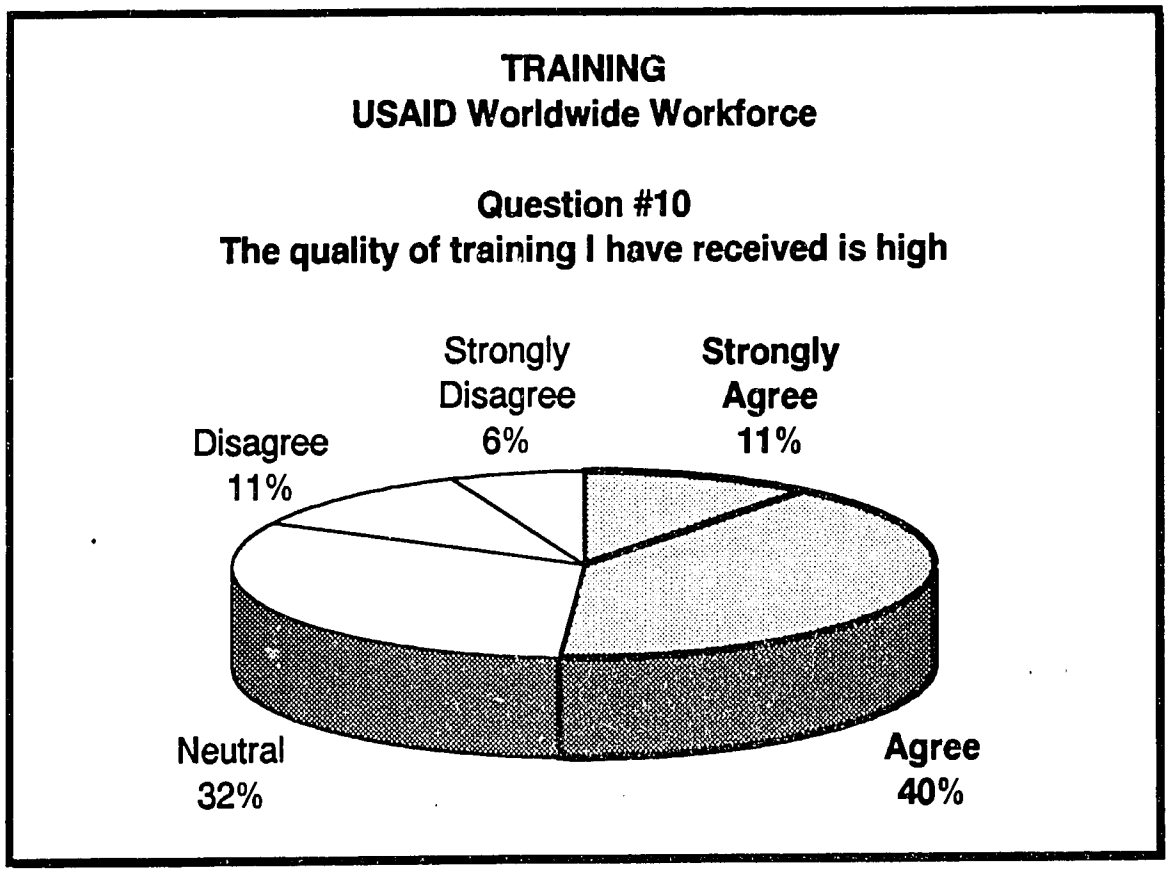
7. **Develop professional standards to form the basis for establishing professional credential and warrant programs in each major occupational category.**

This proposal is discussed in detail in the workforce planning section of this report. It is repeated, in part, here due to the importance of the proposal on the career development of employees. Given the knowledge, experience and degree of expertise obtained by individuals in their professional area is not fully reflected in job titles or grade levels, additional and more specific indicators of professional competence and achievement are required. A credentialing program is viewed as an essential part of efforts to strengthen the assignment, promotion and training functions.

It is proposed that a credential or warrant program be developed for all essential professional functions in each occupational category in the Agency. When reviewed by management officials these credentials, in addition to other pertinent information, would give a clear picture of the individual's background and abilities.

Such a credentialing program would allow Agency management to easily determine appropriate training and assignments for each employee. What training and career development initiatives would be necessary to enhance an individual's level of experience could be easily determined. All employees should be credentialed in such a manner, including foreign service, civil service, USPSCs, and foreign service nationals.

The Agency has several options to choose from in establishing such a program. While many benefits can be derived from a program that assesses capabilities in broad and general terms, more detailed and refined systems allow managers additional specific information about individuals' skills levels and training.

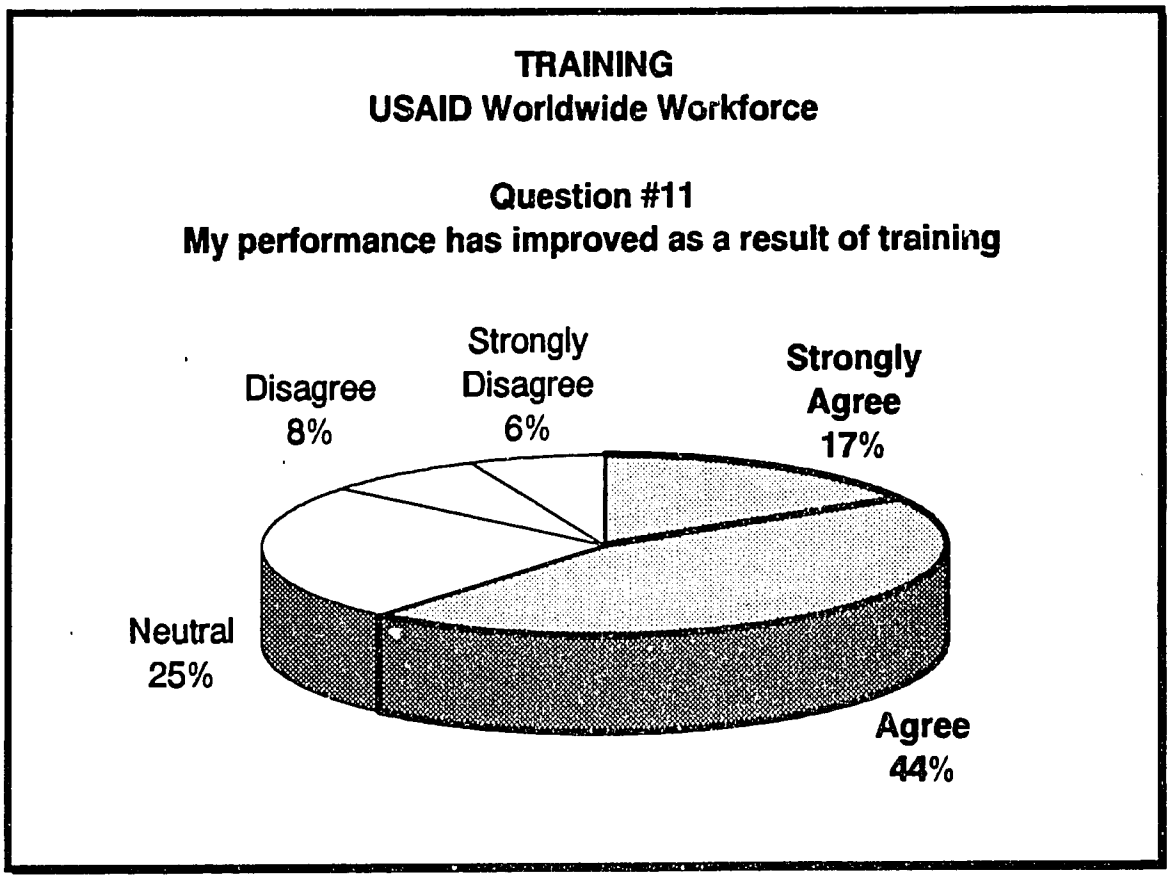


8. **Require mangers to assume responsibility for the professional growth of all supervised employees and for identifying and acquiring development opportunities.**

The Agency must establish that managers are responsible for their employees in a variety of manners. The professional growth and the development of useful skills is seen as a significant managerial role. The HRBAA supports this concept and has developed recommendations to strengthen the manager's ability to act. The Transition section of this report contains a recommendation to transfer responsibility for salary accounts to office and mission directors. These officials must become cost center managers to a greater extent and have the ability to direct OE resources in the most productive manner. This authority would allow directors to shift funds into training activities. The team has recommended that managers develop an individual training plan for all employees.

As a final incentive for managers, it is proposed that their success in promoting training activities and in developing their workforce be a primary evaluation factor in judging their success within the Agency. Training cannot continue to be a secondary consideration, or an activity that is considered to be "someone else's responsibility."

112



9. **Establish a formal mentoring program and make it available to all employees throughout their career spans.**

At various points in the past few years the Agency has encouraged the establishment of "mentoring," but with the exception of the IDI program for FS interns, no coherent and consistent policy has been established. And once an employee graduates from IDI status, there is no continuing formal mentoring program. As the mentoring process is seen as a valuable aspect of career development, it is proposed that in Washington a formal program be adopted and administered by HR that would allow for the identification and assignment of mentors to every interested USAID employee, with the exception of the Senior Foreign Service and the Senior Executive Service. In the field, executive offices and personnelists would be charged with developing and administering a mentoring program for FSNs and USPSCs, as appropriate. Participation in such programs would be encouraged but would not be required.

In general, it is proposed that Agency employees be paired with senior, experienced and successful individuals. In Washington, employees and mentors would be expected to meet periodically, and they would also be expected to

form a "career development team" to meet at least once a year with the employee's career development counselor to discuss training, skills-building strategies, and work assignment possibilities. In the field missions, the same objectives and methods would be adopted and adapted to local conditions and requirements.

10. Individual career development and learning plans should be routinely developed for all USAID employees.

Except for those employees who now must maintain a professional certification or warrant, currently there is no procedure for routinely identifying long-term career development goals and developing training plans as a means of realizing such plans. Training and the continuing development and up-dating of skills is an essential aspect of any career development system, and therefore, it is proposed that procedures be developed to enable employees to better plan their professional career growth. Individual career development and learning plans should be routinely drawn up for all employees by the Career Development or executive office staff in conjunction with the employee.

A plan should be drawn up when the employee is hired by the Agency, and it should be updated annually thereafter. Responsibility for the development of such plans could be jointly shared by the HR career development counselor, the supervisor, the mentor, and the employee. This "team" should be encouraged to meet annually to review the employee's progress and to assess developments within the organization that may have a bearing on the employee and his position. When employees and supervisors are geographically separated from HR and the mentor, an "electronic" conference is suggested. Such plans should routinely be developed for all employees -- including foreign service nationals.

11. Create a management development program for civil service and foreign service employees to prepare them for supervisory/managerial positions.

The foreign service assignment system and the civil service merit promotion system are now placing employees into supervisory and management positions, with little or no training, based on assumptions about their likelihood for success. A program to train and provide credentials to employees to ensure they have the required skills to successfully act in these roles is suggested. There is currently no system for training and preparing employees before selection to a supervisory position. The program should target foreign service officers early in their career and civil service technical employees who aspire to supervisory positions. Individuals would apply for a training program or be nominated by supervisors or career development staff. Such a training

program could consist of appropriate training and details over a one year period.

Upon completing the program, the graduates would be awarded a "supervisor's credential" which would indicate they have the basic knowledge of human resources procedures and the managerial skills necessary to qualify them for supervisory positions. The credentialing program would allow Agency managers additional information about applicants when reviewing candidates for critical positions.

Information Engineering Implications

Information engineering applications which are developed to support career development functions will be utilized both in the field and in Washington. However, personal information about an employee is private. Only those employees who have the requirement to use the information will be granted access to it. Others who do not have a need to see the information will not be permitted access. The new HR systems will ensure privacy for all employees.

Automated support for workforce development will include integrated applications to support career and personal counseling, training, career development, and mentoring.

Career counseling will come in the form of access by the CDOs to the career, skills, position bids, and personal information on those employees they counsel. Personal information will be limited to identification information (i.e. name, address, phone, etc.) and other general information necessary for career development purposes. Employees and CDOs will have an automated 'resume' application which summarizes an employees assignments (to include formal position assignments, assignments to results package or strategic objective teams, collateral duty assignments (e.g. appraisal committee)), skills data base, personal information, and position bids. In addition, CDOs will have direct access to the automated bidding application, allowing them to view and provide guidance on the bids an employee is considering. This biding application will identify all vacancies available to the employee, required and recommended skills, a description of the position, and country information. Access to the skills data base and an employee's career plan will permit them to make judgments on training or assignments which can enhance an employee's skills, better positioning them for promotion.

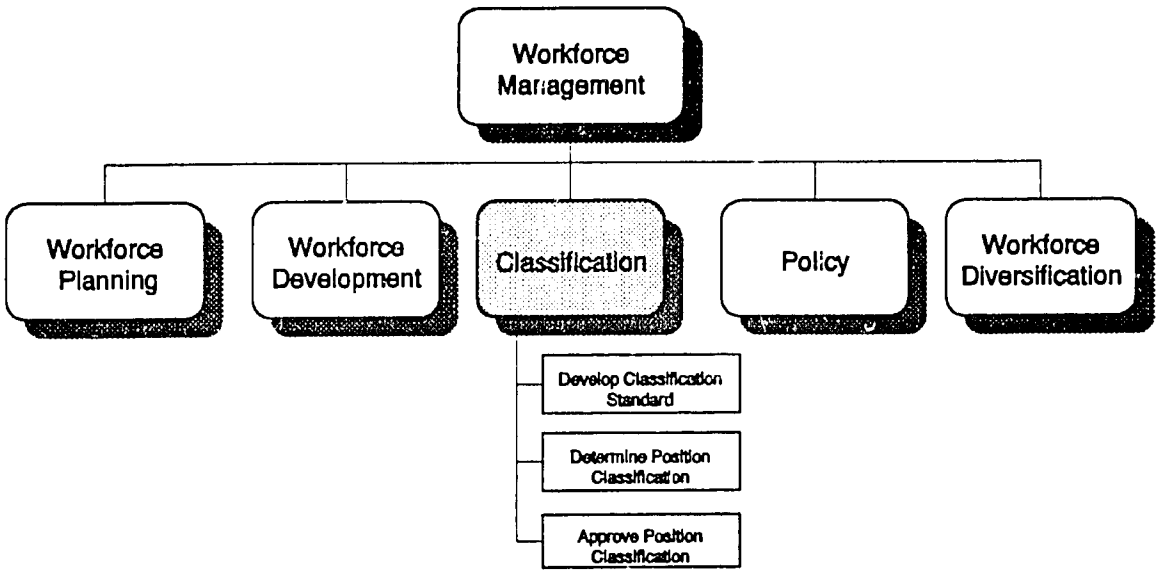
Support for personal counseling will be in much the same fashion as career counseling. Counselors will have access to the same types of information via access to an employees career, personal, bid, position bids, and skills information on those employees they counsel. Records of actual counseling sessions are not envisioned to be automated. Instead, the current policy of not maintaining records of the substance

of a counseling session will continue. However, automated access by a counselor to an employee's information will provide them with considerably more information than currently available and thereby allowing them to make more informed recommendations.

The training function will be supported on both an Agency level and individual level. On the Agency level, in conjunction with the Workforce Planning function, required future skill needs will be identified. These future requirements will be matched to existing personal skills data base to identify workforce skills shortcomings which the Agency must meet through either recruitment of new personnel or training of existing workforce. The Agency could then adjust its recruiting or training strategies to eliminate the shortfall. On the individual level, the employee's career plan and skills data base will be automated permitting identification of training or other experiential learning an employee should pursue. The CDOs will play a major role in this area with the employee in identifying areas an employee should concentrate on to improve their potential within the Agency.

The mentoring process will be aided by an automated mentor assignment application and data base. Individual employees desiring a mentor will be able to express their desire to their CDO and identify personal information and desired mentor qualifications. The CDO will have access to a mentor assignment application which will contain information about employees who have volunteered to be mentors and their qualifications. The CDO will then be able to propose a match of mentor to employee.

Position Classification



Overview

The HRBAA has identified the USAID employee universe as consisting of US Direct Hires, FSN Direct Hires, US and FSN PSCs. At the present time, there is no uniform method of classifying these employees, compensating them, or providing equal benefits. In attempting to apply an equitable approach to all our employees, it is increasingly clear that the methods in current use are inadequate to our purposes. Within the legal limits and external constraints imposed on USAID, more flexible and responsive systems need to be developed.

Objectives

There are both reengineering and information engineering reforms that are applicable to position classification. This paper recommends the following improvements:

1. Providing managers with appropriate classification tools.

2. Recommending that USAID missions participate in demonstration pilot to test FSN broad-banding. Cooperating with State in its efforts to implement broad-banding for foreign service national positions world-wide.

3. Developing a new scheme to classify foreign service positions both in USAID/W and overseas.

4. Establishing an annual classification review of both USAID/W and overseas foreign service and civil service positions.

5. Simplifying the classification process by developing internal Agency guides which contain generic grade level criteria.

6. Developing a strategy for classification of team members.

7. Including position management as an integral part of the Agency's strategic planning, budget formulation, and organizational management.

8. Endorsing the concept of a unified personnel system.

Background

Position management and position classification can be used as effective tools to help managers better utilize their human resources. Unfortunately, position management remains an arcane process to most managers. In a time of shrinking resources, the appropriate office structure and distribution of work are significant factors in maintaining the viability of Agency programs. Position management is a useful planning tool in determining the number of positions necessary to an organization and the way the positions are utilized. Managers need to be trained in the application of position management principles.

For maximum effectiveness, position management considerations should be included in the Agency's strategic planning, budget formulation, and organizational management activities. Once the position management implications are understood and management has agreed on a strategy, position classification plays a major role in helping to determine the appropriate position mix and grade structure.

In order to determine the grade level of a position, the duties and responsibilities of that position are compared to a classification standard. There are several types of classification standards currently in use. The U.S. Office of Personnel Management (U.S.O.P.M.) Classification Standards are used for civil service positions. Other than a small number of classification guides published in the last ten years, the standards are often obsolete (e.g., some issued in 1960). The credibility of these standards is questionable and difficult to defend. USPSC scopes of work are also evaluated by these civil service standards.

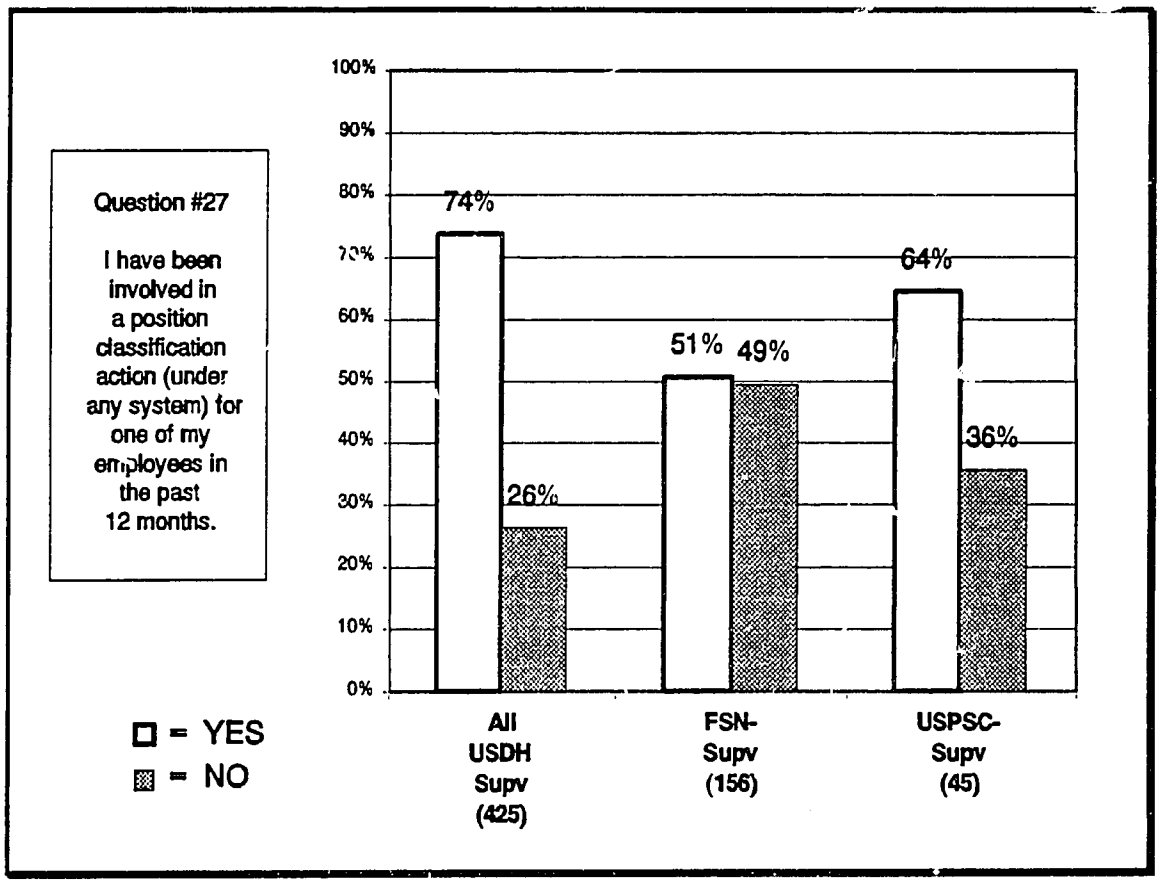
The Local Employee Position Classification Handbook (LEPCH) is used to classify FSN positions. Though USAID has successfully created some single agency standards, such as the Chief Accountant and Program Management Specialist, many USAID managers feel that the LEPCH is not adequate for classifying our positions.

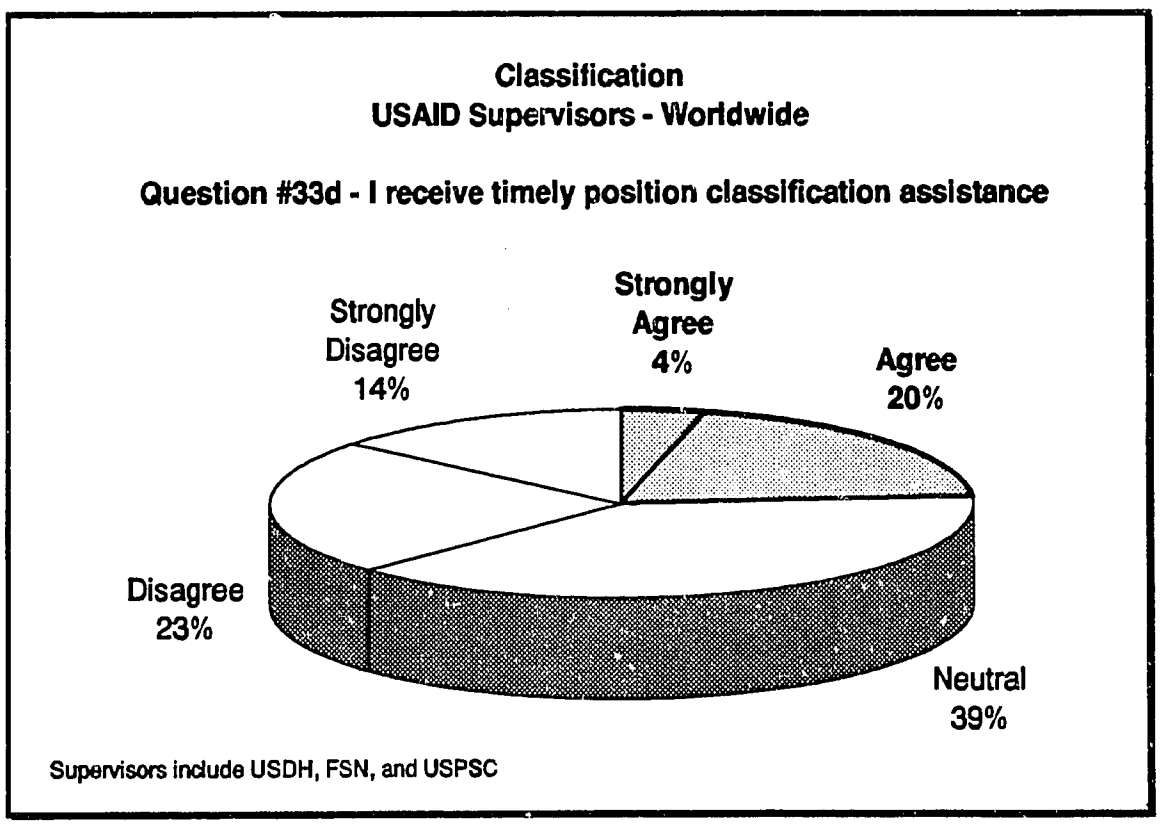
FS positions are classified by the Foreign Service Overseas Evaluation Guide. This 1969 guide is out of date. USAID/W FS positions are evaluated by comparison to benchmark positions. The grade levels in USAID/W are not truly reflective of the nature of work performed but, by reflecting overseas grades, serve as an accommodation to FS officers on rotation. In early 1994, a study, Grade-Level Analysis of Work Performed by the USAID Foreign Service Officer Corps, was conducted by Booz-Allen & Hamilton,Inc. The study concluded that approximately 45% of the professional work performed by Foreign Service Officers is equivalent to the civil service grade of GS-13 or lower. Further, it concluded that approximately 33% of this work was equivalent to GS-14, 19% to GS-15, and 3% to the SES. However, the vast majority of the FS positions are graded at the FS-01 and FS-O2 grade levels. These classifications are not true depictions of the grade levels of the work being performed. These misgraded positions make it impossible to do accurate work force planning and mislead employees into believing that the work they are performing is at a higher level. In recognition of the inadequacy of the current classification guidelines, a new model for classifying FS positions, both in AID/W and overseas, has been developed. This model is still being reviewed internally in the Office of Human Resources. It is simple and equitable but has some long-term* implications such as lowering the average grade level of FS positions from FS-02 to FS-03. Reducing the number of positions at the FS-01 and SFS levels will have an impact on career development goals and may require revision of the TIC system.

Human Resources Customer Survey

The survey results regarding position classification serve as a confirmation that classification is an integral function in human resources and an area where improvement should and can be made.

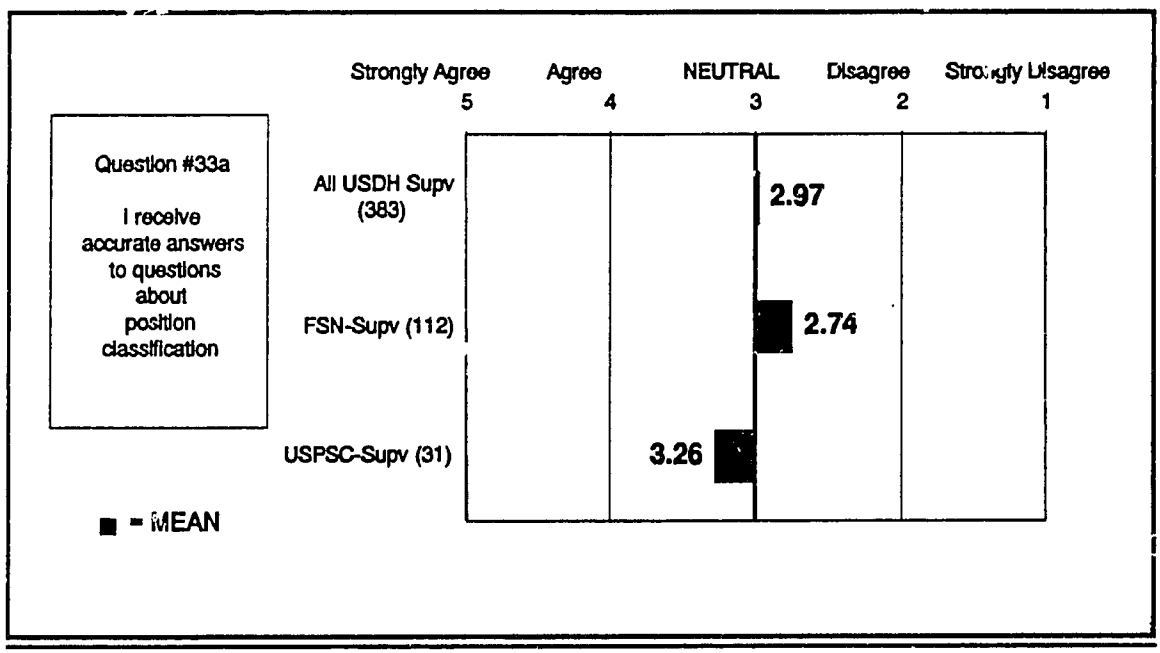
As depicted in the following graph, answers to Survey Question #27 indicate that between 51% and 74% of all supervisors have been involved in at least one position classification action in the past year. This means interaction with position classification specialists, writing position descriptions, writing justifications, getting supervisory approvals, etc. At the present time, much effort must be expended.


Question #27
I have been involved in a position classification action (under any system) for one of my employees in the past 12 months.
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
74%
26%
51%
49%
64%
36%
All USDH Supv (425)
FSN-Supv (156)
USPSC-Supv (45)
= YES
= NO


Classification
USAID Supervisors - Worldwide
Question #33d - I receive timely position classification assistance
Strongly Disagree 14%
Strongly Agree 4%
Agree 20%
Disagree 23%
Neutral 39%
Supervisors include USDH, FSN, and USPSC

Question #33d of the survey (see previous graph) stated that supervisors receive "timely position classification assistance." The responses ranged from being neutral to disagreement with the statement. The problem is that the process of position classification is perceived to be cumbersome, difficult to understand, and too lengthy.

Question #33a stated that supervisors receive "accurate answers" about position classification. Only a few supervisors agreed with that statement. The majority either were neutral or disagreed. One of the main problems is the basic misunderstanding and lack of knowledge most supervisors have of the classification process. Position classification specialists, personnelists, and executive officers have maintained the mystery rather than shared the knowledge. Another problem is that supervisors remain uninvolved and often are unwilling to learn what they need to know to effectively promote and defend their positions.



Human Resources Customer Survey Comments:

I believe for FS employees there is a wide variance between personal grade and position grade. An employee should not be required to work in a higher graded position than personal rank for more than 3 yrs. w/o receiving the compensation.

The mission employment classifications enforced by the embassy are truely suppressive of our ability to hire and adequately retain well qualified professional personnel.

121

Would recommend faster action when position classifications are to be done. Be fair when establishing a grade increase to an individual for additional duties assigned to her.

I have had unpleasant experiences related to disputes regarding position classification and compensation here at the Mission. I believe there is a need to standardize USPSC positions and salary levels - each cable differs on this.

Main problem with personnel issues is that each mission has its own standards, styles, rules, in spite of standard Handbooks and guidelines. For example, job classifications, pay scales, vary from mission to mission for the SAME POSITIONS.

The individual comments reflect concerns which span all USAID personnel systems. For example, the fact that FS employees carry rank-in-person and can be assigned to positions two grades above or below their personnel rank can cause problems of perceived inequity when the positions to which they are assigned are higher. The principle of "equal pay for equal work" is difficult to enforce in a rank-in-person system.

Classification of internationally recruited USPSC positions has varied widely. For many years, position classification played virtually no role in determination of pay for USPSC positions. In the last year, scopes of work have been submitted for classification determinations prior to salary negotiations. A classification guide has recently been developed which should aid executive officers in determining civil service grade level equivalencies for USPSC positions. This step will help to standardize grade level equivalencies for USPSC positions world-wide. It is clearly understood that the grade level equivalency of a Scope of Work is only one of several factors that a contracting officer considers when entering into negotiation. Compensation levels will always be variable based on market availability and such other factors as allowances.

A major complaint concerns the perceived variance from mission to mission regarding position classification and compensation. The Local Employee Position Classification Handbook (LEPCH) provides classification criteria for FSN positions. Theoretically, similar positions should be classified at the same grade level. Disputed classification findings in the field can be resolved in USAID/W (with STATE/PER/OE in FSN DH cases). Compensation is based on local prevailing practices which differ from post to post. Additionally, the concept of the U.S. government being a single employer at post precludes any U.S. agency from developing special compensation packages for its own FSN work force.

Discussion of Potential Initiatives

Teams

The emphasis on the use of teams to accomplish work objectives is a major issue in terms of classification and organization management. As the traditional hierarchical organization is flattened, what criteria will be used to determine appropriate organizational structure? Also, the traditional method of classifying positions by rank in organization may not be applicable. New classification guidelines recognizing the role of team leaders and team members and recognizing the flexibility and fluidity of the team setting have to be developed.

The need to classify positions for team members is a concern for long-term teams, for example, Strategic Objective Teams which have a life of three to five years. This is especially true for technical specialists who are most likely to be dedicated to a team on a full-time basis. It is anticipated that team participation will, generally, not affect grade levels. Classification of positions involved in long-term teams should be reviewed on a case by case basis. Team members who serve in support roles such as legal officers, contracting officers, and financial analysts will probably remain part-time members and remain on position descriptions from their parent organization. Broad-banding is one option which has the flexibility that will be necessary to classify team positions.

Employees who are members of short-term teams (duration of up to one year) would not need a classified position description as a team member. These employees can remain on their position description of record. A generic, boiler-plate statement of duties which describes team participation, including multiple team participation, can be developed and added to position descriptions to reflect team activities. Activities performed for the team can be included in the AEF under work objectives.

The HRBAA has reached no final conclusion regarding this classification issue. The Country Experimental Labs have yet to develop new position descriptions for team members and little precedent exists. However, the HRBAA feels strongly that the team concept must be supported by human resources systems that encourage rather than stifle this creative approach.

Unified Personnel System

USAID is still exploring the possibility of the creation of a unified personnel system. This proposal would place CS and FS employees under the same system. Advantages include all US direct hire employees serving in a "rank in person" system leading to much greater flexibility in assignments, possibilities for more of the work force to

have limited assignments overseas, the same evaluation process, and the same pay structure. This proposal requires legislation and USAID management has been revising the original proposal to submit to Congress at an appropriate time. Implementation of broad-banding would be a step in the right direction. The new performance appraisal system (AEP) which will be used for both FS and CS employees is one outgrowth of the original proposal which is being implemented.

Broad-Banding

Broad-banding is the concept of consolidating several pay grades into a broad band. Since 1980, a number of Federal demonstration projects have involved broad-banding schemes. In the private sector, the concept of broad-banding is gaining increased popularity. A growing number of major corporations, such as Xerox, are turning to broad-banding to simplify compensation and facilitate job transfers and internal mobility.

Broad-banding is a concept that has real potential for USAID. The advantages include a simplified classification scheme and greater flexibility in managing human resources in the areas of recruitment, promotion, and career development. Broad-banding has the greatest chance of success if managers are given greater authority for managing their organization and that includes having responsibility for their human resources budget. Position descriptions will be generic while specific tasks will be detailed in the performance appraisal form. The most troubling aspect of pay banding is the tendency for employees to drift fairly rapidly to the top of the band. Another serious concern is how the bands are determined. Using the general schedule pay grades, for example, banding grades GS-05, GS-07, and GS-09 together is logical. Banding GS-13, 14, and 15 grade levels together is not appropriate because the higher the grade levels, the greater the distinctions between levels of complexity and scope. For Foreign Service grade levels, FS-03 and FS-02 could be banded together. As the FS pay scale contains 14 steps for each pay grade, the higher level FS (e.g. FS-01) grades constitute a pay band already. Therefore, experimentation should initially be confined to grades below FS-01.

State Department is experimenting with the application of broad-banding to the classification of FSNs. This has potential impact for USAID as, under Sections 408 and 203 of the Foreign Service Act, the Secretary of State has responsibility for maintaining the uniformity and compatibility of local employee classifications at posts abroad. This responsibility covers foreign service national employees of the Department of State and associated agencies. Section 207 of the Foreign Service Act states that, under the President's authority, the Chief of Mission shall have authority of all employees of the U.S. government at post. So what State decides to do can have a decided impact on USAID's FSNs. It is very important that USAID participates

closely with State in the development of any new system. State has been consulting closely with all the other foreign affairs agencies on this issue and keeping communications flowing. Several posts have already been designated as test sites, including at least two where there are USAIDs.

State proposes that five bands be developed which cover wage grade, administrative, technical and managerial occupations. The number of bands established at a post may vary depending on the level of complexity of work performed. This variance will need careful study as smaller posts do not necessarily equate to less sophisticated functions. This new classification system would give our managers overseas a real opportunity to have more flexibility and should eliminate some of the tension between USAIDs and embassies over the application of classification standards. At the same time. the concerns voiced above regarding broad-banding apply here. Broad-banding requires a disciplined approach.

The common objectives of Federal broad-banding systems are:

(1) to simplify the classification system by reducing the number of distinctions between levels of work, making the process more serviceable and understandable,

(2) to broaden the range of pay for each broader level of work in order to improve recruitment and retention,

(3) to change the basis for pay progression,

(4) to support delegation of classification authority which transfers cost control from classifiers to line managers, and

(5) to support a rank-in-person concept and dual career ladders for experts and supervisors.

PAY PROGRESSION AND PERFORMANCE MANAGEMENT: Performance Management is a key factor in cost control, and sound performance management systems are required for effective pay administration.

CHOICE OF JOURNEY-LEVEL: Bands for the journey-level have to be chosen carefully because it is the most expensive band in each career path. The majority of employees remain at this level, and salary costs increase as employees move into the upper ranges of the band.

MANAGE TO PAYROLL AND POSITION MANAGEMENT: Managers become more conscious of the cost implications and pay more attention to position management.

CLASSIFICATION: Positive Changes

- classification process is simplified, less time spent on classification.
- simplified classification system facilitates delegation of classification authority to supervisors.
- personnel offices can be more helpful and supportive when the focus of personnel operations shifts from a process to a customer orientation.

DISCUSSION: Unless managed well, broad-banding can result in escalating per capita payroll costs. Factors that must be considered before implementation include:

(1) method of conversion to bands,
(2) policy on starting salaries,
(3) type of pay progression and system of performance management,
(4) size of salary and bonus budgets,
(5) choice of journey-level band, and
(6) overall position management. Another uncontrollable factor is type of funding.

- Organizations that operate under appropriated funding have to emulate the behavior of industrially funded organizations. A change to mission-driven budgets, permitting shifting of funds between line items, would provide needed incentives for managers to both save and make money.
- Broad-banding costs would be lowest in growing organizations that expect increased hiring or experience high turnover. Broad-banding is likely to be most expensive in stable organizations with low turnover, an aging work force, or in organizations that are downsizing.
- Organizational culture is an important success criterion. Broad-banding is likely to work well in organizations that want to maintain flat structures and encourage lateral mobility.
- The strongest candidates for a successful broad-banding system are

organizations looking to support a new culture, with effective communication channels and performance management skills already in place.

The HRBAA has developed two recommendations regarding broad-banding. One recommendation concerning FSN broad-banding is listed in this chapter. The other recommendation concerning Civil Service broad-banding can be found in Chapter VII, Transition.

Recommendations

1. **Managers should be provided appropriate classification tools.**

   Managers should be provided with the appropriate classification tools such as a data base containing menus of position description parts (e.g., duties and responsibilities, factors such as supervisory controls, scope and effect). Software packages are already available which allow managers to create a position description, develop required knowledges, skills, and abilities for recruitment purposes, and develop measures for performance.

   Managers and employees should be trained in position classification and position management concepts. One of the great frustrations for both employees and supervisors is the cloak of mystery that surrounds position classification. Managers have the opportunity to receive some minimal training in classification and position management but rarely do employees receive any information unless their position is directly affected. Every effort has to be made to provide access to classification standards and evaluation documents.

2. **Simplify the classification process.**

   Classification decisions have to be clearly understood by both managers and employees. Simplification of the classification process can be achieved by providing internal agency guidance in the form of concise guides which contain essential generic grade level information. Managers can readily apply these guides to their positions and classifiers can provide the expertise needed for making more complicated decisions.

3. **Recommend that USAID missions participate in demonstration pilot to test FSN broad-banding. Cooperate with State Department on the issue of Broad-banding.**

The concept of broad-banding for the FSN classification scheme is logical and well thought out. Currently, embassies have authority to classify all FSN DH positions. In certain regions, such as ENI, the embassy classifies all FSNPSC positions. Broad-banding will allow our managers much more flexibility in moving employees through a band without having to continually justify positions to the Embassy. State is developing a classification guide which would replace the voluminous Local Employee Position Classification Handbook and would simplify the evaluation of positions. This guide will be based on the bands and providing generic classification criteria. Managers will more easily understand the classification requirements and place less reliance on Executive Officers and personnelists. STATE/PER/OE will be testing the new broad-banding system at selected posts overseas. This would provide an ideal opportunity for one or more of the USAIDs to participate in testing the new system.

Costs can be contained by: 1) managers having direct responsibility for cost centers (the OE funds); and, 2) elimination of longevity based step increases.

4. Establish an annual classification review of FS positions overseas.

The current practice of selective review of FS positions overseas is inadequate. Positions are reviewed only when they are part of a reorganization package, when they are redescriptions, or when they are being established. Positions which are vacant and which bureaus wish to announce on the assignment cable, do not necessarily receive any review by classification. Bureaus can validate these positions directly with staffing specialists, bypassing the classification process. As a result, there are many positions that may originally have been correctly classified but due to a variety of factors such as program changes, no longer have valid classifications. The inaccuracy of these grade levels is particularly detrimental to work force planning activities as there is no way to ascertain a true picture of position worth. For example, determination of numbers of promotion opportunities in various backstops cannot accurately be based on position grades reflected in the staffing pattern.

There must be a prudent audit review of FS positions overseas. A suggested time-frame would be 100% coverage in three years. The need for quality assurance is made even stronger with the emphasis on work force management. The position review serves as an excellent indicator of a manager's ability to use his/her human resources effectively. The review can serve as a feedback mechanism in the evaluation of a manager's performance.

This oversea's audit function would compliment the current practice of reviewing positions in USAID/W, both FS and CS, during a three year cycle.

5. **A new Foreign Service classification guide needs to be developed in recognition of the inadequacy of the current classification scheme.**

   The review of overseas positions performed by Booz-Allen and Hamilton in early 1994 revealed that a large number of overseas FS positions were overgraded. This has implications which cannot be ignored. From a fiscal standpoint the Agency is committing extra funds which are urgently needed elsewhere. Workforce planning is stymied because the data on positions is inaccurate. This makes forecasting future personnel needs very difficult. The artificially high grades also lead to false expectations of available promotions. In these times of severe constraints, which sharply reduce USAID's operating expense budget, the Agency must take appropriate action to correct the over-grading of foreign service positions.

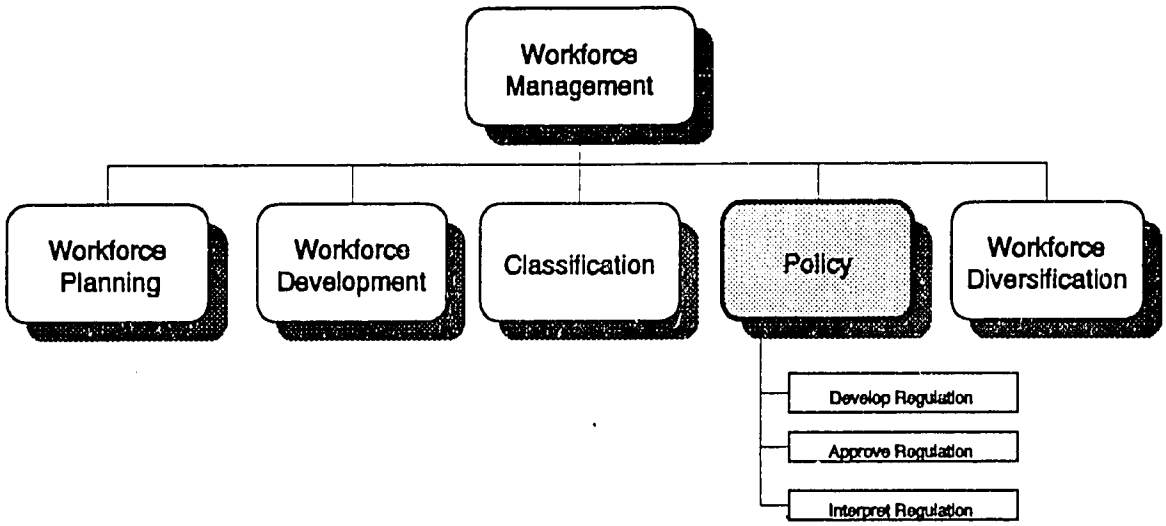
6. **Make position management an integral part of the Agency's strategic planning, budget formulation, and organization management.**

   With shrinking dollars and FTE, the way managers plan the structure and content of their organizations is very important. Position management is an effective tool to help managers plan their work.

Information Engineering Implications

In order to support the delegation of classification to management, managers will need tools to help them effectively accomplish the classification process. Policies and procedures regarding the classification process will be simplified and made available directly to the managers. This will be accomplished through rewriting the policies and procedures and placing those new policies in the Automated Directives System (ADS). This will allow ready access by managers to the rules and guidance available. In addition, an automated position description writer will be developed to support the creation or updating of position descriptions. This automated tool will include on-line help which will provide links directly to the classification portions of the ADS as well as contextual help.

Policy



Overview

Policy needs to be written to embrace the core values of the Agency: customer focus, empowerment and accountability, results orientation, and teamwork. Clear, meaningful policy statements that are available to all employees enables informed decision making for internal and external customers. Succinct policy statements will help the employee focus on the results of his efforts rather than on the "red tape" needed to accomplish the task. Agency teams will benefit because work can be accomplished easier. If a given policy covers more than one group of players, a team approach should be taken to develop that policy.

Policy determination and the issuance of Federal regulations is generally triggered by legislation or an executive order. Currently a General Notice is sent out to employees notifying them of the legislation/executive/OPM interim regulation prior to determining internal USAID policy implementation and updating the handbooks, a long and tedious process.

A cursory review of the current handbooks related to human resources reveals that of the 1344 pages of text, 72 percent of the present hard copy HR handbooks could be eliminated, moved elsewhere and cross-referenced, or otherwise condensed into economical policy and essential procedural language. The second phase of the Human Resources BAA involves revising policy. The HR BAA Team suggests that a 70 percent reduction from the current HR policy and regulations is possible. All revisions and updates to policy will be placed in the new Automated Directives System (ADS) which will replace Agency handbooks.

The Series 400 of the ADS will address Personnel policy. Information in Series 400 will be built into computer software currently being developed in the Human Resources BAA. Thus, the new policy and business rules developed by the HR BAA Policy Team will be reflected in the system being developed by the HR BAA Systems Design Team.

The Series 400 will have individual chapters which cover specific topics. Each topic may include a number of individual directives. Each directive must include a policy statement, and generally will also include essential procedures related to a stated policy and supplementary references. The format for the policy is described below:

Policy - A clear statement of what must be done in order for the Agency to do its business. Typically this is something that is required by law, by executive order, or by order of the Administrator.

Essential Procedures - Mandatory actions that are required in order to comply with policy.

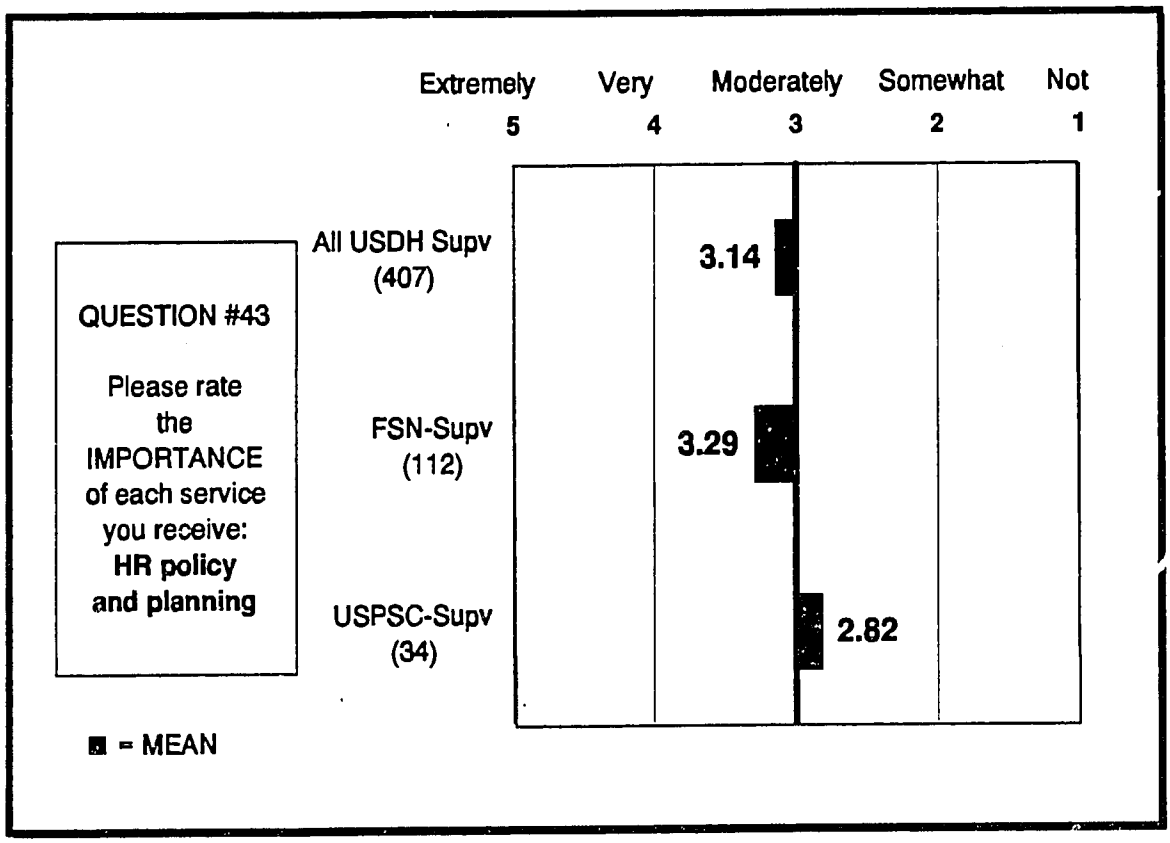
Supplementary References - "How to" guidance, reference materials, best practices and suggestions -- any of which may be used but which are not required. More attention should be placed on creating guidance than on creating regulations.

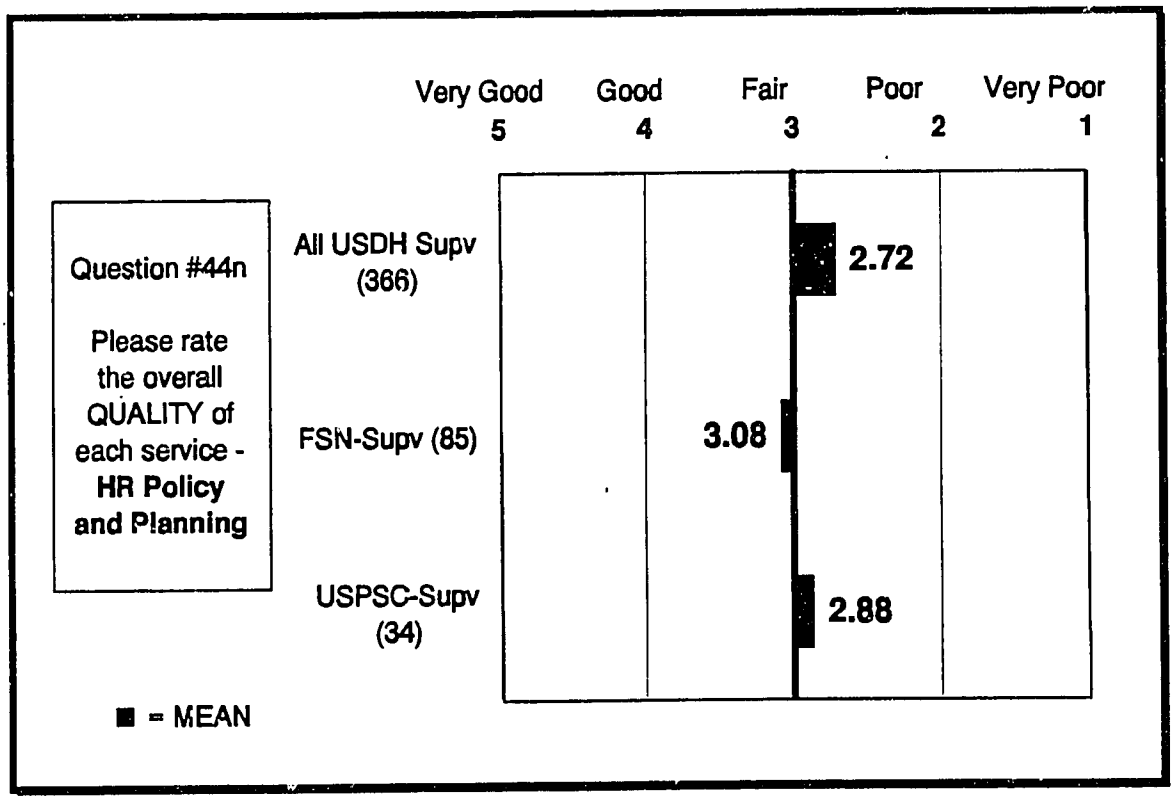
In the ADS, related policies and procedures are numerically linked. Essential procedures are identified by the placement of the letter "E" before the directive number. The policies and the corresponding essential procedures will be provided together to make them simpler to follow.

Customer Focus

The ultimate customer of USAID is defined as the end user beneficiary of USAID's development efforts. However, not all employees contribute directly to this ultimate USAID customer. Many provide support services in which their customer is an internal Agency customer (i.e. other USAID employees). Whether the employee is contributing directly to the ultimate USAID customer or to any of the chain of customers from the internal customer to stakeholders to partners, the efforts of the employee should focus on providing the best possible service.

The results of the HR-BAA Customer Survey determined that USAID supervisors felt that while policy was moderately important, the quality of the service was poor to fair. Results are depicted in the following two graphs. Improvements can occur by writing clearer policy, documenting all waivers to policy, and by sharing policy and policy interpretation


Extremely 5
Very 4
Moderately 3
Somewhat 2
Not 1
QUESTION #43
Please rate the IMPORTANCE of each service you receive: HR policy and planning
All USDH Supv (407)
3.14
FSN-Supv (112)
3.29
USPSC-Supv (34)
2.82
■ = MEAN


Very Good 5
Good 4
Fair 3
Poor 2
Very Poor 1
Question #44n
Please rate the overall QUALITY of each service - HR Policy and Planning
All USDH Supv (366)
2.72
FSN-Supv (85)
3.08
USPSC-Supv (34)
2.88
■ = MEAN

132

In order to improve customer service, the concept of a "single Agency policy shop" should be created. While it is recognized that this is not feasible from a physical standpoint, the Agency's various policy groups should merge in other ways to become a "virtual team." All of the policy groups should standardize their guidance on the distribution of regulations, notices, and directives according to the standards set up by the ADS. They should share a common data base of policy, essential procedures, supplementary references, and cases.

A case law data base should be created that contains a central interpretation of a policy for an employee or organization. All cases (minus individual names) should be able to be accessed by the various policy offices for reference.

In building a case law data base, policy offices should create a case only when a waiver to the policy is necessary. Case history should not be kept for clarification of simple questions. The "Supplementary References" that accompany each policy should include a broad range of references and best practices so that the creation of case law is not normally needed. And, when many cases surrounding a given policy are created, it should trigger the need for closer examination of the policy as written.

The field as well as Washington should be able to grant waivers to policy that create a case. Washington will have access to these cases through the central case law data base.

Results Orientation

Policy must focus on the result, the outcome of a process rather than on the process itself. While policy traditionally has focused on the "how" of getting an activity accomplished, it now needs to be focused on the "what" of getting an activity accomplished. Examples of "how" need to be included in the "Supplemental References" attachment to the policy statement, but "what" needs to be accomplished or followed needs to be the main thrust of all policy statements.

Teamwork

A teamwork approach should be taken toward policy development. Policy should be written collaboratively with the stakeholders. If the unions (AFSA, AFGE, or the Partnership Council) need to be involved, their input should be received early in the process to lessen the current reactionary environment. Regulations that also apply to the other foreign affairs agencies should be developed jointly with them.

Empowerment and Accountability

With clear policies that are more accessible, employees will be able to better understand the "rules." This creates an atmosphere of trust rather than one of adversity and reduces the notion of "forms shopping" -- looking for the right person to interpret policy to cover just what the employee wants to do. Clearer policy will reduce the need for much interpretation. However, when waivers to a policy are deemed necessary, that waiver will be documented as a case and available to all who need to see the case. The case law data base will also help determine whether or not an action is possible.

The field as well as Washington should be empowered to grant waivers to policy that create a case. The field should be allowed to grant waivers for home leave, separate maintenance allowances, and the 6 month rest and relaxation rule. Washington will have access to these cases through the central case law data base. This reduces the need for multiple clearances and empowers the missions.

Indeed, the clearance process for all policy should be streamlined to assure that clearance officials are somehow accountable for the actual implementation of the policy rather than just interested parties. Does everyone who is currently approving a given policy need to be part of the approval process? Would notification of the policy be enough? Why should an employee need to approve a policy if he will not have to be held accountable for the results of its implementation? On the other hand, if an employee must "carry a big stick" to implement a policy, he should be empowered to help create that policy.

In keeping with this idea, the expert line organization should write or participate in the development of the policy that pertains to its area. All policy writers should follow the standard format of the Automated Directives System.

Recommendations

1. **Extend policy to the entire core workforce.**

   Policy should be written to cover all employees, the professional and non-professional level Foreign Service National component (both personal services contractors and direct hires) as well as the USPSCs.

2. **Create a common policy and case law data base.**

   The policy shops within USAID can become a "virtual team" if they are linked through a common data base of policy, essential procedures, supplementary references, and cases. The policy groups should also standardize their guidance

on the distribution of regulations, notices, and directives. A case law data base should be created that contains a central interpretation of a policy for an employee or organization. All cases (minus individual names) should be able to be accessed by the various policy offices for reference.

3. **Stakeholders should write or help develop policy.**

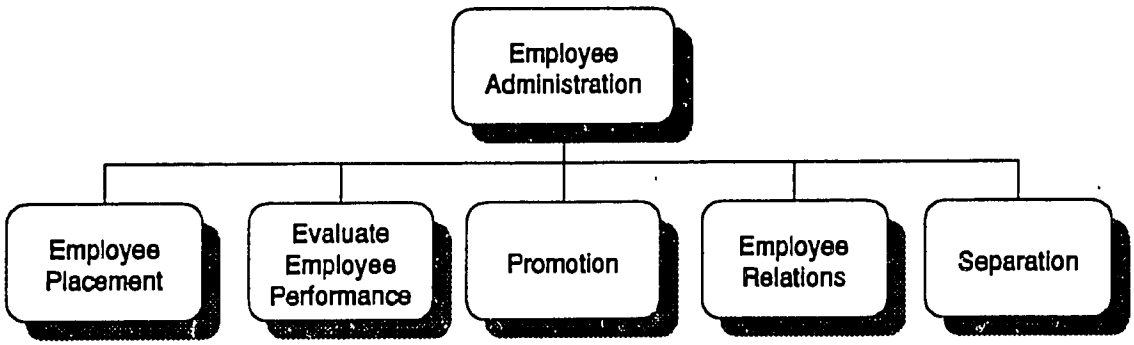
The expert line organization should write the policy that pertains to its area by engaging all stakeholders. Stakeholders include the State Department, the United States Information Agency (USIA), the unions, and subject matter experts. Policy writers should follow the standard format of the Automated Directives System.

4. **Streamline the clearance process.**

Only the parties who will be held accountable for the implementation of a given policy should be clearing the policy. For example, the approval of all managers in a line organization may not be necessary for granting an employee over six months of maternity leave. While many people do need to be informed, the approval could be limited strictly to the immediate supervisor and not the third level supervisor. If an organization's part in the process is to inform the employee of the effect of over six months of leave to her retirement and health benefits, this can be done by informing that organization about the leave rather than asking them to concur with the leave. The organization can then notify the employee of the effect. If a supervisor does not grant leave wisely, this can be reflected in his evaluation. Therefore, in this case, the necessary approvals may have reduced from 5 to 1 with information copies being sent to the necessary parties. Also, if the employee were given clearly written rules about the effect of extended maternity leave from her supervisor, she may not need to speak to any special human resources organization that would inform her that the leave would change her service computation date which in turn would affect her eligible date of retirement. The supervisor could do more of the necessary work.

5. **Allow the field to grant waivers for home leave, separate maintenance allowance, and the six month rest and relaxation rule.**

Missions should be allowed to grant the above waivers to policy. The granting of a policy waiver will create a case in the case law data base which can be accessed by Washington.



CHAPTER IV
Employee Administration

TABLE OF CONTENTS

A. Employee Placement Using the Assignment Process
   1. Overview/Background
      a. Foreign Service Assignment System
      b. Civil Service and FSN Assignment System
      c. Senior Management Group
   2. Recommendations

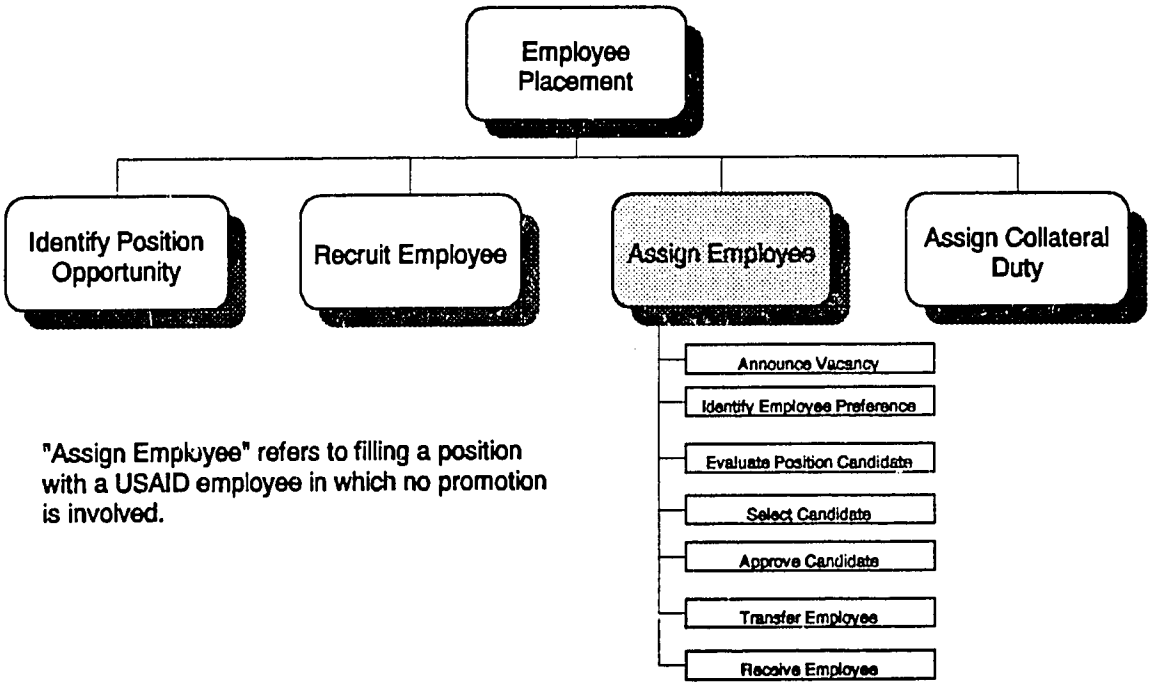
B. Employee Evaluation Program
   1. Overview
   2. Results Orientation
   3. Customer Focus
   4. Teamwork
   5. Empowerment and Accountability
   6. Recommendations

C. Promotion/Tenure/Standards
   1. Overview
   2. 1995 Evaluation/Promotion Reform
   3. Reengineering Impacts on Advancement
   4. CS and FSN Merit Promotion System
   5. Recommendations

D. Employee Relations
   1. Overview
   2. FSNs and USPSCs
   3. Recommendations

E. Separation
   1. Overview
   2. FSNs and USPSCs
   3. Recommendations

Employee Placement Using the Assignment Process



"Assign Employee" refers to filling a position with a USAID employee in which no promotion is involved.

Overview

An essential aspect of employee placement rests in the ability of USAID to make work assignments with utmost flexibility, timeliness, and cost effectiveness. People who possess the appropriate skill requirements must be matched to the Agency's programmatic needs in order to maximize our productivity and efficiency.

In addition, we must ensure that assignments are made in a manner so all staff are developed to reach their fullest potential. This involves a commitment to equal employment opportunity, valuing diversity, and providing opportunities for everyone to succeed, including minorities and women, while assuring fairness and equity to all. However, it must also be noted that in the interest of the Agency, management has the authority to direct assignments in the interest of the Agency.

Appropriate assignments for individuals leads to successful career development. Those who have the opportunity to stretch, grow and feel empowered in their work will be highly satisfied and motivated. High employee satisfaction will lead to increased teamwork and productivity. And, it will ultimately have a direct influence on the quality of customer service delivered to USAID's external customers, the country beneficiaries. The assignment process becomes even more critical to the Agency as

resources, both financial and human, are being reduced yet economic and humanitarian assistance programs continue to be on the forefront of international needs.

Background

The assignment process, in general, is applicable to all categories of employees. However, in context with the HRBAA definition for assignment, there is little assigning of contract employees once their contract is in place, although separate task orders and contract amendments can be written.

Assignments should be viewed as being on a continuum, from an informal task assignment to task teams, to teams formed for short- or long-term accomplishment of strategic objectives, to details, to permanent or long-term assignments to a formal position within an organizational construct. In the last context, the assignment process involves a formal position vacancy announcement, as happens with the FS assignment/bid process or the CS merit promotion procedures. In other cases, as a management prerogative, supervisors may arrange for direct reassignment or detail of an individual employee if there is no promotion opportunity.

In reviewing the existing assignment processes, a number of information engineering (IE) and reengineering objectives surfaced to which the team made recommendations:

- While the new FS assignment process was substantially changed during the past year and has great merit, there are still potential areas for improvement;

- We need to continue to strive for transparency and to assure the right person is put in the right place at the right time;

- Reflecting on the information engineering aspects, a number of technologies can be utilized to make the system more efficient. IE will provide more information to employees seeking assignment information, as well as provide managers and those empowered to make assignment recommendations and selections the data to make sound decisions.

Foreign Service Assignments

Prior to the Accompanying Report of the National Performance Review of September 1993, USAID's Foreign Service assignment system was labor-intensive, time-

consuming, and perceived as unfair, especially to women and minorities who were not part of the traditional networking system. In addition, procedures were extremely involved, requiring excessive amounts of paper, hundreds of steps, and numerous handoffs. On an average, each assignment required approximately 15 days of labor and it took over 26 months to execute each assignment cycle. Employees were asked to bid during the summer months, at a time when many employees were away from post or on home leave.

Issues and Recommendations of the NPR

The September 1993 Accompanying Report of the National Performance Review, identified and recommended actions for USAID to consider regarding the foreign service assignment process. The report: [1]

1. Brought into question the length of assignment tours. Specifically, the two- and four- year tours (depending on the post) were perceived as being too short and having the potential to negatively impact staff effectiveness, program continuity and overhead investments. It was recommended that USAID *"ensure that the lengths of overseas assignments are logically related to the nature of the work performed."*

2. Criticized the existing process as being an "informal" process whereby the majority of assignments were negotiated directly by employees without the overall needs or priorities of the Agency considered.

3. Suggested that the bidding and selection method was potentially unfair to many employees who did not have established "informal" networking channels.

4. Recommended that qualified spouses of FS officers be integrated into the assignment process for position consideration. In addition, it emphasized that assigning tandem couples (married FS officers who serve at the same post) needs to be done carefully so as not to violate federal law and regulations regarding nepotism.

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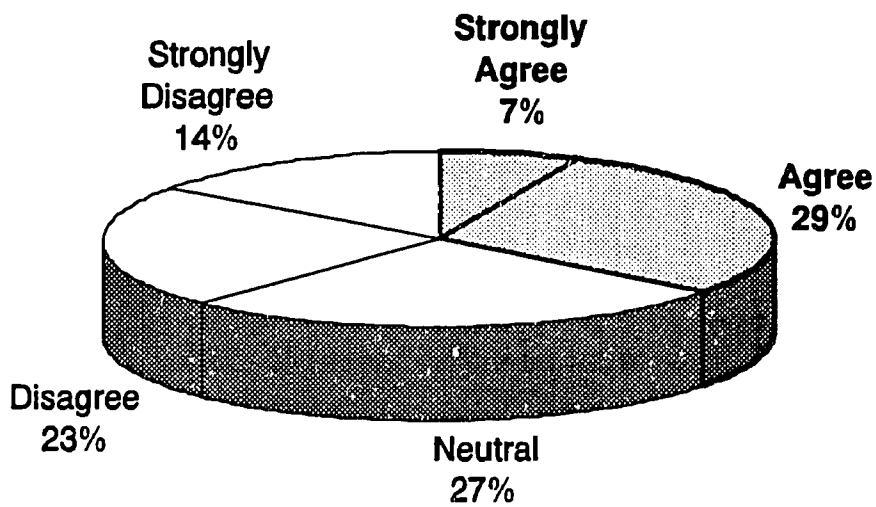
[1]*Creating a Government That Works Better & Costs Less - Agency for International Development, Accompanying Report of the National Performance Review*, Office of the Vice President, September 1993, pp 21-23 summarized in bullet #s 1-4

Benchmarking of Foreign Service Agencies

When benchmarking other organizations, particular emphasis on the assignment process was discussed with persons from U.S. Information Agency (USIA) and the Department of State. Both State and USIA conduct bid processes similar to USAID, where networking and lobbying of individuals has played a major part in assignment decisions. Career counselors are generally foreign service officers serving on rotational assignment. USIA considers their counselors as "assignment" advisors rather than long-term "career development" officers. While USAID sought to create transparency in its recent cycle by inviting AFSA to participate as an observer, neither USIA or State include labor representatives on their panels.

When USAID foreign service personnel were recently polled on their satisfaction with the assignment system, 36% showed some measure of satisfaction. The chart below more graphically depicts the survey results.



Question #14h
I am satisfied with USAID programs in the following work/family areas - ASSIGNMENTS

Note: Chart represents 492 FS/SFS employee responses

In contrast to USAID employees, interviews with State and USIA suggest that the foreign service employees of these agencies appear to be satisfied with their system.

However, both these agencies advertise for a substantial number of generalists positions compared to USAID, and therefore more assignment opportunities and choices are available at any given time. For hard-to-fill vacancies, both agencies provide opportunities for Civil Service employees to be considered for excursion tours. In addition, State may adjust tour lengths, provide additional R&R, etc., to entice candidates to extremely hard-to-fill but critical jobs.

1995 Reform Initiatives

During the past year, the Agency took a critical look at its FS Assignment System. Staff in the Office of Human Resources made significant changes to the existing system and considered major redesign and reengineering of how this function is performed.

The current process, implemented in 1995, involves identifying position opportunities via the collection of position-specific information from the Bureaus or field missions. It is followed by the bid announcement cycle. Positions are advertised and candidates are required to fill out a "Completion of Assignment Report" (COAR) that identifies the jobs for which they wish consideration.

Career development officers and staffing specialists then check employees' qualifications against position requirements and prepare CERTs, identifying those candidates determined to be best qualified. Both AFSA and EOP representatives are present as objective observers in the CERT preparation process. Once the CERT is prepared it is sent electronically to the selecting official who identifies his/her top three preferences. If there is a match between employee preference and the selecting official, the assignment is approved. The process incorporates an appeal mechanism if either an employee or selecting official are dissatisfied. During the most recent cycle, non-selected employees were notified and asked to submit a new COAR in order to get new bids back into the system.

> The newly reformed Assignment System reduces the processing time from 26 to 16 months

The most notable improvement from the changed process is the time it now takes to complete the assignment cycle. During 1995, the cycle will be cut by one-third--from 26 to

16 months. The number of labor days to complete each assignment is reduced by one-half, from 15 days to 7 days.

Specific change actions which achieved these results included:

1. Working directly with selecting officials and saving timely intermediate steps.

2. Utilizing electronic communications and posting the announcements on USAID's Electronic Bulletin Board (EBB).

3. Issuing an open assignment cable describing the jobs, rather that past practice which required all candidates to network in order to bid on jobs. For the first time employees had position information about job responsibilities. Bureaus and Offices were encouraged to send out supplemental notices describing, in little more detail, job responsibilities and contact people.

4. Changing the old annual cycle which created an inconvenience for many employees due to its timing, to one that is more user friendly. Jobs are validated in September and October, employees bid in November, and they are assigned in December. The initial cable will be issued each Fall, followed by three updates. Bidders can send the COAR via cable, E-Mail, fax or hard copy.

5. Reducing the announcement period from 45 to 30 days.

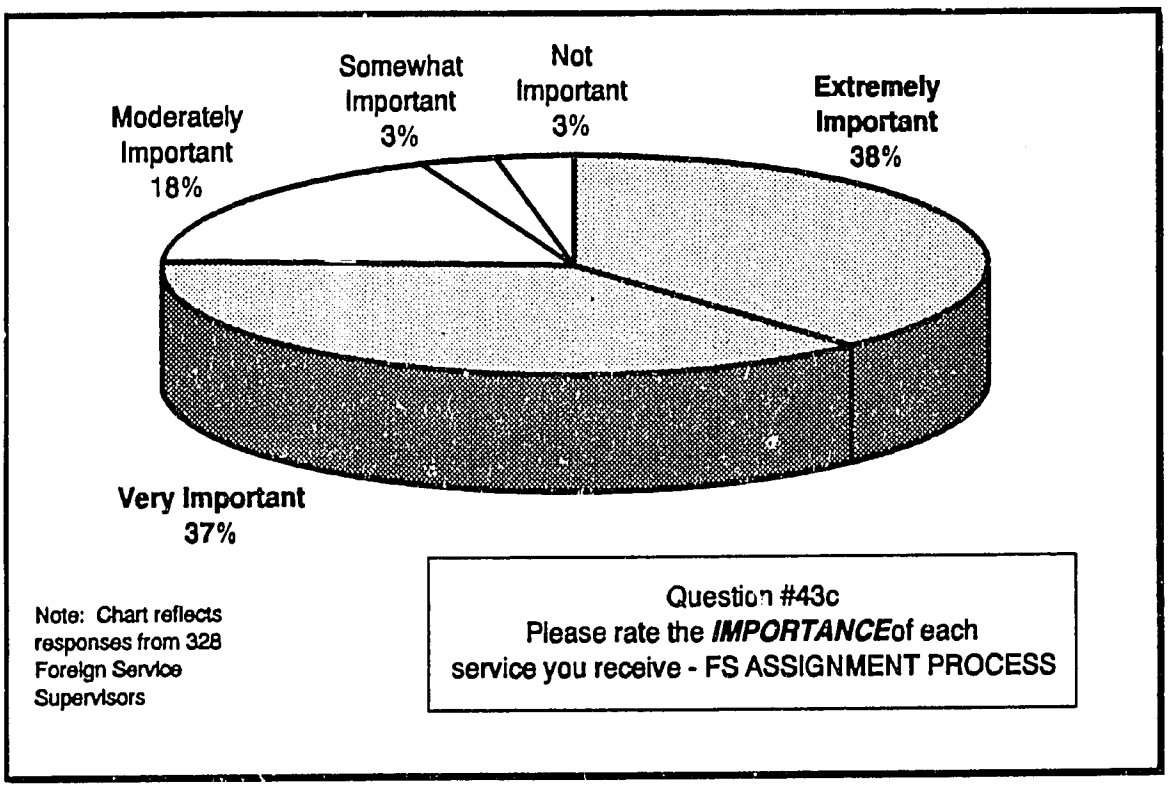
6 Creating an "open" system by tasking HR to create a slate of candidates from which selecting officials choose. Bureaus, missions and EOP participate in the selection process, and AFSA is invited to observe.

Assignment Satisfaction Rated on the HRBAA Customer Survey

The HRBAA Customer Survey was distributed at approximately the same time as the major HR reform effort to revamp the old FS assignment system was being implemented. Therefore, it can be assumed, since not every FS employee is on the same bid cycle, that many respondents answered from their prior experience and knowledge of the older model. Question #14h (refer to previous chart) asked employees to rate their satisfaction with assignments. Of the total FS respondents (both supervisory and non-supervisory) only 36% indicated a satisfaction with the assignment process. 64% were either neutral in their feelings or expressed some measure of dissatisfaction.

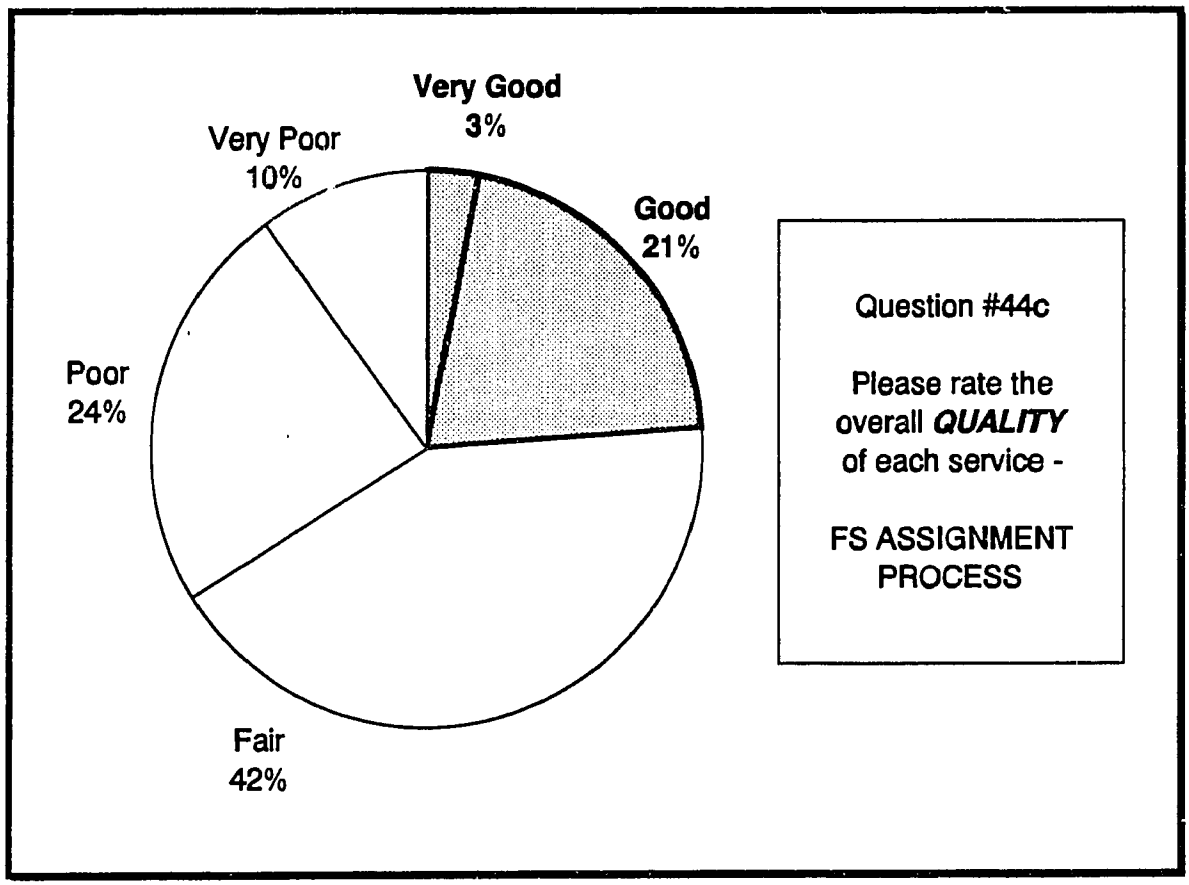
Supervisors were also asked to rate the **importance** of the foreign service assignment process and then the **quality** of the system. The following two charts provide a quick overview of how these questions were viewed.

Of the 328 FS supervisors who completed Question #43c regarding the importance of this service, ***75% said it was either very important or extremely important.***



Yet when queried about the quality of service, only 24% rated the assignment process as good or better, with 42% rating the quality as minimally "fair" and 34% ranking it either poor or very poor. These percentages are more easily understood when viewing them graphically in the next chart.

When comparing the data to how supervisors ranked the importance of the process, coupled with data on the satisfaction of the assignment system by all foreign service employees, it is clear that we need to continue to look for improvements. The recent reform efforts did much to correct some of the earlier known inequities. However, as the HRBAA proceeded to interview FS employees and to conduct analysis following the Personnel Services Customer Survey, a number of issues continued to surface, which we have endeavored to address in our recommendations.



Following are several narrative comments received from survey respondents. Additional comments can be found in the HRBAA Survey Report, issued April 1995.

> *"The survey does not address the manner of selection of SMG positions. There is still no transparency, personnel files are not consulted for employee weaknesses and the buddy system prevails. Business as usual."*

> *"My observation is that too often the candidate is selected BEFORE the job is announced. This is unfair. Also, managers used "hall way gossip" rather than EERs and PARs to select employees. One enemy can ruin a career. Ouch !! Wrong !!"*

> *"Anything that can be done to provide transparency in assignment selection and promotions, and to reward personnel for results and performance, will improve the personnel services of USAID."*

> *"Assignment, especially overseas, is highly political and unfair to people who don't belong to "old boy network."*

"Eliminating Regional Bureaus from the bidding and assignment process disadvantages employees and management."

"Noticed that AFSA collected many negative comments about assignment process this year. I do not agree. I feel HRM/POD including CDO did very good job looking out for my career and assignment interests in BS-10 and BS-50. Appreciate it a lot."

"FS tours should be lengthened to 5-7 years, w/o loss of home leave and R&R intervals. Language training should be done primarily overseas. FS assignment process would be less distracting if individual could lock in assignment a minimum of 12 months in advance."

"From a manager's point of view, CERTS didn't work. We accepted two candidates recommended for one job, both were assigned for a day and then unassigned and we had no one. We are unsuccessfully and actively searching for diversity candidates."

"Opportunity to use one's skills by having assignments to Backstop (BS) positions that are not in the assigned primary BS appear to be very limited. This should become more transparent to avoid frustrations as one tries to apply their experience, etc."

Other Identified Concerns

Additional concerns identified by the HRBAA Team during the past several months came from interviews and meetings with subject matter experts, EXOs, the Reference Group of senior advisors, and from employee feedback. They include the following:

1. Effectively managing for results dictates a requirement, based on programmatic needs, to identify and prioritize the most critical positions to fill within the Agency. The current assignment and career development process is too heavily weighted on individual preference and not on the Agency's needs as a whole.

2. While E-Mail has greatly facilitated the ease with which communications occur between the Office of Human Resources and the missions in the FS Assignment process, it is still a fairly cumbersome and time consuming process. Automation would greatly enhance the ability to collect data, identify priority positions to fill, and identify critical skill requirements.

3. There is currently no tool or data system to quickly and flexibly identify an employee's skill profile, experience or prior work history. This results in a cumbersome manual process, networking, and reviewing paper files to rank individuals according to their skill levels, and in identifying and matching them against skills required for a particular position.

4. Lack of integration between assignment, performance and career development systems often results in Career Development Officers intervening haphazardly at critical points in an employee's career, rather than at the best possible times.

5. Some concern was raised when the new FS assignment cycle was implemented, that with the changing role of the Executive Management Staff, managers no longer had a "power broker" to assist them in helping to negotiate the best/right person for a particular Bureau or mission.

Civil Service and FSN Assignment System

Assigning, reassigning, or detailing Civil Service and FSN employees does not involve the extensive processing of paper, nor is it as time consuming as the FS system. There are several reasons for this. To begin with, the CS and FSN workforce are not part of a mandatory rotational assignment system. They are hired into the Agency for a certain position, and unless they compete for a promotion or another position, it is possible to remain in that one location for their entire career. Secondly, CS and FSN employees are not subject to an "up or out" system, whereby competition for certain positions and assignments can impact and determine one's longevity at the Agency.

Employees interested in a reassignment or detail to another organization can often arranged for that change via an informal process of contacting the supervisor of the gaining organization, and in coordination with his/her supervisor and staffing specialist, arrange for the personnel action. Under the Merit Promotion procedures, employees eligible for reassignment can bid on vacancy announcements and be considered along with other candidates.

As the Agency looks towards maximizing employee skills and providing opportunities to participate in cross-agency and results teams, we have the potential to tap quality resources of this cadre of the workforce. However, we are currently limited by not having a skills inventory readily at our fingertips, and thus are unable to quickly and effectively match all eligible people against position requirements.

Senior Management Group (SMG)

The Senior Management Group (SMG) consists of approximately 170 positions which are predominantly senior-level career. For the field, this consists of Mission Directors, Deputy Mission Directors and AID Reps/Affairs Officers. For AID/W, the positions generally consist of DAAs and higher level positions and most office directors.

The responsibility for the SMG program rests with the Executive Management (EM) Staff of the Office of Human Resources which coordinates, develops, and manages the Agency's programs for executive level personnel, both foreign service and civil service. In addition to SMG, they are also responsible for Presidential, Schedule C and Administratively Determined (AD) appointees, Career and Non-career Senior Executive Service (SES), Senior Foreign Service (SFS), and Senior Long Term Training assignments. With regard to the assignment function, EM supports, advises and implements results of the SMG Assignment Panel and the Senior Management Review Board.

In the past year, EM reviewed the Agency's SMG process to identify areas for reform and improvement. The changes:

- communicated the SMG selection process and announced all SMG openings and results;

- allowed employees to self-nominate; set up an interview and evaluation process via SMG panelists;

- required candidate slates to include diversity candidates as well as applicants from outside the hiring bureau

Recommendations

1. **Propose that the announcement cycle for SMG (including both foreign service and civil service) be changed to coincide with the regular FS bid cycle.**

   This proposal is a result of benchmarking USAID's process against State and USIA, as well as interviews with subject matter experts and receiving customer feedback.

   It is recommended that all positions for SMG and FS be included on the same open announcement. There are several advantages to adopting this change. For one, FS candidates will have a wider range of positions to consider

simultaneously. Those FS-1 and FS-2 who are considered to be SMG-potential can also have their names considered simultaneously for FS slots, should they not be selected for a SMG position. Also, for foreign service SMGs who are not moved to another SMG position, they must currently bid on the open assignment process. This change would help to facilitate their ability to be considered for a wider range of positions.

2. **Propose that tour lengths for technical and management positions for SMG (SFS) and Foreign Service (FS) be lengthened. Under normal conditions a tour length should be from 48 to 60 months, with no less than 36 months, while allowing for flexibility to meet personal and family needs.**

It is recommend that when a position is advertised on the open announcement the expected length of tour be clearly specified. Tours should be lengthened to a minimum of 36 months without loss of current allowances for home leave or R&R intervals. Therefore, a 3-year tour would include two R&Rs.

This proposal looked at the current USAID practice of consecutive 24-month tours, the need to maximize a foreign service officer's contribution to a mission's results objectives, and the costs related to moving a foreign service officer from post to post. It is estimated that when an employee reports to a new location, a good portion of the first year's productivity is lost due to the time it takes to get settled into a new country, the time necessary to become familiar with the strategic objectives and work plans, as well as the time required to become oriented to the culture and needs of the country beneficiaries. During the latter half of the 24-month tour, an employee is often preparing to leave the post which involves all the administrative processes required to facilitate that move. Therefore, there is often not sufficient time for a foreign service officer to work on a project and delve into the issues. As a result, the Agency is not realizing a maximum benefit from its foreign service human capacity.

USAID issued a draft proposal in April 1994 to extend the standard tour from 48 to 60 months without additional home leave or R&R leave, hardship and optional tours of duty from 24 to 36 months, and danger posts to 18 month tours. However, the proposal has not been acted on. We recommend that the Agency revisit the question of lengthened tours (without loss of allowance benefits).

Concurrent with this recommendation, we must carefully examine the cost/ benefits of sending a foreign service officer overseas when his/her TIC date will not cover the specified timeframe. When TIC dates fall short of the

advertised tour length, the HR director, in consultation with the appropriate Bureau AA, should review the costs and benefits associated with a new assignment and make a determination which ensures the Agency's best interests are met. Alternative assignments or extensions at existing posts should be considered in the analysis.

3. **Proficiency in language and/or mandatory language training must be enforced at posts requiring a second language.**

While the Agency highly values language skills, over the years less emphasis has been placed on language proficiency. **We must reinforce language skills by requiring all FS officers to be proficient in at least one foreign language.**

In addition to cultural diversity/sensitivity training, the Agency must ensure its foreign service officers are properly trained in foreign language (when required at a specific post) prior to an employee leaving the States. Exceptions, which are now a frequent occurrence, should be rare. When the vacant positions are announced, training time should be factored into the tour length.

4. **Create an Electronic Post Report and other electronic bidding tools to provide FS employees greater access to post specific information.**

Propose working with the Department of State to develop a joint project to make available an electronic version of the FS post report (describes country/embassy accommodations/schools/facilities, etc.) and other bidding tools. An electronic version would allow all employees the opportunity to easily and quickly identify available accommodations/schools to meet family needs and requirements at any overseas posts.

5. **Create an inventory of work history, experience and significant skills and abilities on every employee. Data would be used to match against vacant positions, and/or to make team assignments.** This recommendation speaks to assuring the best qualified are selected to fill the Agency's highest priorities.

This recommendation is more fully expounded in the Workforce Management chapter. The end-product would be data on each employee presented in a resume format which resides on the Agency's computer system. All the computer

safeguards to assure compliance with the Privacy Act would be built into the system. Employees would be able to access their resume/self-assessed skills data at any given time so that information would be kept current. Certain non-privacy fields would be available to others with a need to know (e.g. when searching for agency skills to fill a particular role for Operation's teams, etc.)

6. **Provide managers with better information to make sound decisions and match employee skills to meet needs of teams, while making the process more transparent.**

This recommendation is based on feedback received from employees regarding the "hallway" reputations which currently carries weight and is the basis for many position assignments. Reputations are frequently one-sided, anecdotal, and out-of-date. Employees who are deserving of serious consideration for positions are sometimes denied those opportunities, and by the same token, employees with unreservedly "good" reputations are many times assigned to positions for wrong reasons. We must seek ways to make the assignment process more effective and transparent. From interviews of managers conducted by the HRBAA, they reported that they must often rely on "hallway" information and resort to second-hand information since they do not receive any comprehensive information on employees' skills and abilities with the CERTs. We believe it is imperative that:

(a) **the Agency develop an automated skills bank/knowledge base of employees' skills, abilities and competencies.** It is envisioned that a skills bank will be the basic tool to facilitate the assignment to teams. For short-term or part-time team assignments, managers and team leaders should have access to a skills bank whereby they can query regarding the available personnel who possess the skills/talents required by their organization/team. At minimum the query screen should include the supervisor's name and a phone number for contact, so that negotiations and assignments can be easily arranged through appropriate supervisory channels.

(b) **Bureaus fully prioritize their human resources needs based upon programmatic imperatives.** This process should be implemented at the beginning of the FS assignment cycle when mission supervisors/managers submit vacant job descriptions to Human Resources.

Once the Bureau priorities are received, it would be necessary to prioritize all positions collectively via a review committee, with

clearance by the HR director. First consideration for filling positions should be based on Agency need and Bureau priority. Once the technology is in place, a Bureau could easily have access to and query all position information under their jurisdiction to prioritize and provide feedback to HR.

(c) **Managers identify the critical skill indicators of each position for which they are recruiting,** considering the strategic objectives, results packages, and the skills needed to accomplish them. Employees should address the critical skill indicators on their application forms or bid request (COAR). Staffing Specialists within POD must become intimately familiar with the programmatic trends and requirements of bureaus and missions and HR must ensure that POD staff visit the field missions and attend program reviews and other substantive meetings within the bureaus they are assigned to support.

(d) Automate the assignment process to the fullest extent so that selecting officials are provided an electronic COAR and skills package on each employee being considered for a specific position, along with an employee resume (from past work history, skills data bank info) and the CERT prepared by POD. Suggest that the employee COAR available to the selecting official only list employee request information pertinent to that particular assignment/post.

7. **Revise the COAR format and create an electronic version.**

As stated in #6(d) above, we recommend revising the current COAR format to include a number of changes to facilitate transparency and to make more user friendly. Simultaneous to completing the COAR, employees would have access to his/her skills inventory and resume data to easily update. Changes include:

creating a fully automated form which can be used to match the employee's skill requirements against a given position.

revising the format so family considerations are easily identifiable on the COAR. The form should include a section where an employee can address specific information/needs if they are part of a tandem couple, and/or identify skills, background and job interests of a working spouse.

Identify job preferences by "high, medium, or low" preference, rather than identifying a position priority by #1, #2, etc. which is currently the practice used by USIA. For a number of reasons, employees don't always end up getting

assigned to a post which they identified as their #1 priority. An employee may consider two or three posts as "high" priority, and any one would be considered as desirable as the other. This suggested change, although simple, would produce a second advantage by giving an employee an assignment which they considered to have a "high" preference. The agency would also tend to have more latitude in making an assignment which was in the best interests of the Agency, rather than focusing only on "one" employee preference.

8. **When managers identify positions for the FS Bid process, in addition to the 6-8 line narrative description, require them to list at least 5 critical skill indicator bullets (no more than one-line each) which can be used to measure for the best qualified candidates.**

The fully automated skills inventory and COAR process, along with this "automated" recommendation will provide an analysis tool for effective selection and assignment of employees to meet the Agency's work priority. For FS and SMG employees, this recommendation would combine critical skills indicators identified for each position against an employee skills inventory and information contained in the COAR to better match employees to vacant positions.

9. **When a civil service employee fills a foreign service designated position in AID/W, the position should only be filled on a time-limited basis.**

There are occasions when a civil service employee is placed in a designated AID/W foreign service position. When such assignments are made, civil service employees, who are much less mobile due to the differing nature of the services, often remain in those positions for an indefinite period, thereby blocking rotational opportunities for foreign service.

It is recommended that when a FS designated position is filled by a civil service employee, the nature of action on the personnel document specify a not-to-exceed date. Or, if the personnel action does not contain a not-to-exceed date, a signed memo from the employee should be required which states he/she understands the position is designated as FS and at the end of the specified timeframe they will be reassigned to another civil service position. This would send a clear message that the position will not be encumbered for an indefinite length.

This recommendation also requires that the Office of Human Resources determine a mechanism to integrate the civil service person into another position upon the completion of that assignment.

10. Expand the role of the Career Development Officers (CDOs) in working with FS backstops and in serving on assignment panels.

This recommendation is elaborated on in more detail under the Career Development chapter of this report. It is envisioned that the function of the Career Development Officers be strengthened so the CDOs play a more active role as assignment advisors and advocates for the foreign service backstops. Not only is it important that the employee have an advocate when assignment negotiations occur between Bureaus, but the assignment process must include "brokers" who are advocates for the managers, as well as those who can review the overall agency priorities and make the best match for the Agency and the employee. Staffing specialists must also become well versed with the programmatic needs of the bureaus and missions they service.

11. Broaden possibilities for excursion tours and non-traditional assignments and details outside the Agency in the private sector or in other federal agencies:

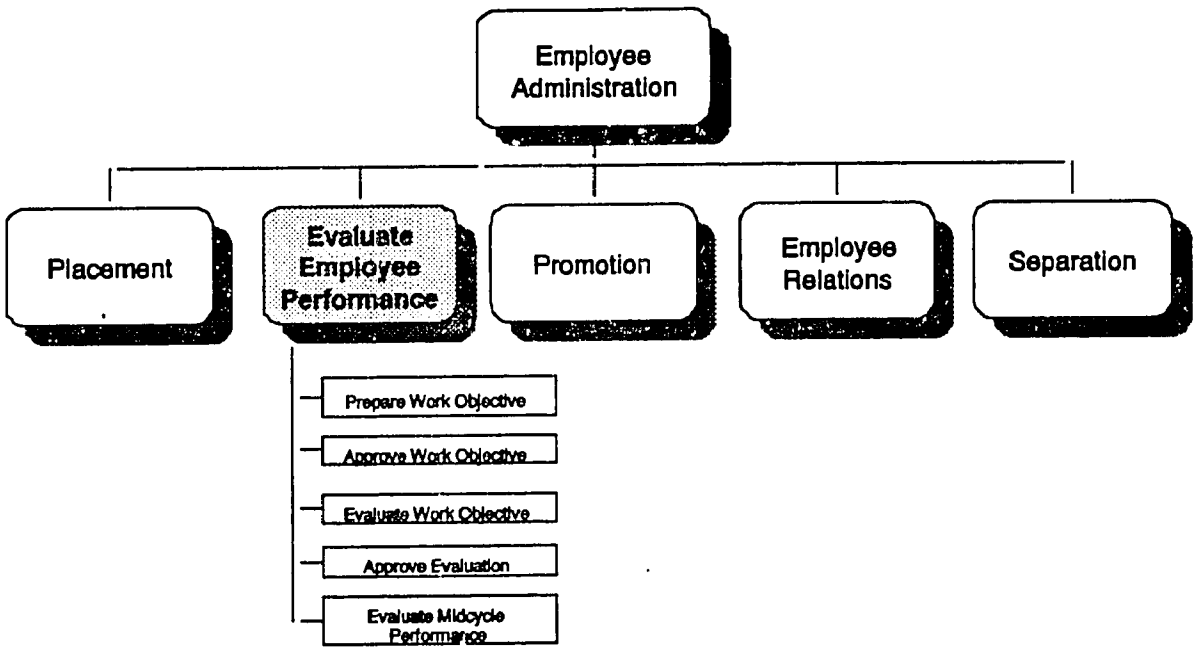
This recommendation comes from benchmarking with the Department of State regarding their career development and assignment process. State works with a number of foreign affairs agencies and private organizations to arrange for extended developmental programs for their foreign service employees. Opportunities are advertised along with their regular bid process to allow individuals flexibility in planning for long- or short-term career development.

It is in USAID's interest to ensure that its workforce is broadly experienced, flexible and capable of functioning in a wide variety of work situations. In a learning organization, all employees should be continually refreshing their area of expertise and acquiring state-of-the-art knowledge. In addition, work assignments for a foreign service officer should commensurate with his/her personal grade, which is not always the situation when one takes a rotational assignment in AID/W. Therefore, it is recommended that temporary assignments be made widely available, either as excursion tours to other posts or to external organizations such as private businesses, corporations, other agencies, city or state governments, universities, and PVOs or NGOs. Such assignments could bring a wealth of new background and experience to USAID that could significantly strengthen management operations.

This recommendation must consider a process for identifying the career development aspects of the assignment, integrating the person coming back into the agency at the completion of the excursion tour, and preparing the individual for their next onward assignment.

To ensure that such work assignments would not be detrimental to FS employees' career prospects, selection panels could be instructed that such details and excursions would be a factor arguing for promotion of employees with these experiences.

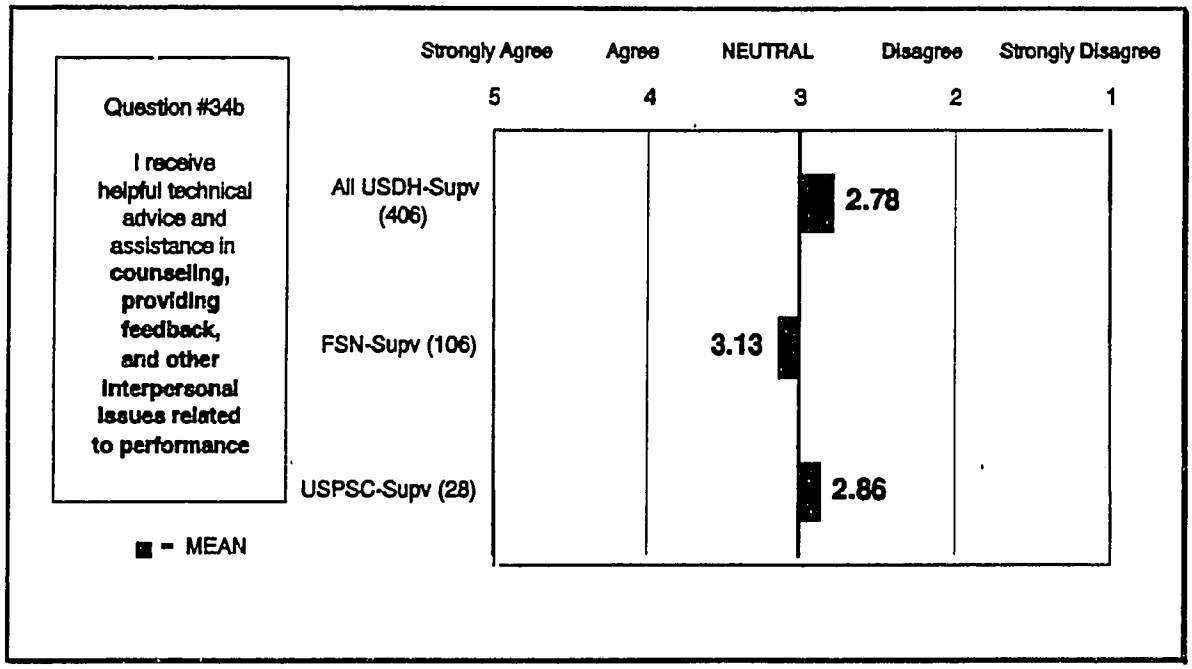
Employee Evaluation

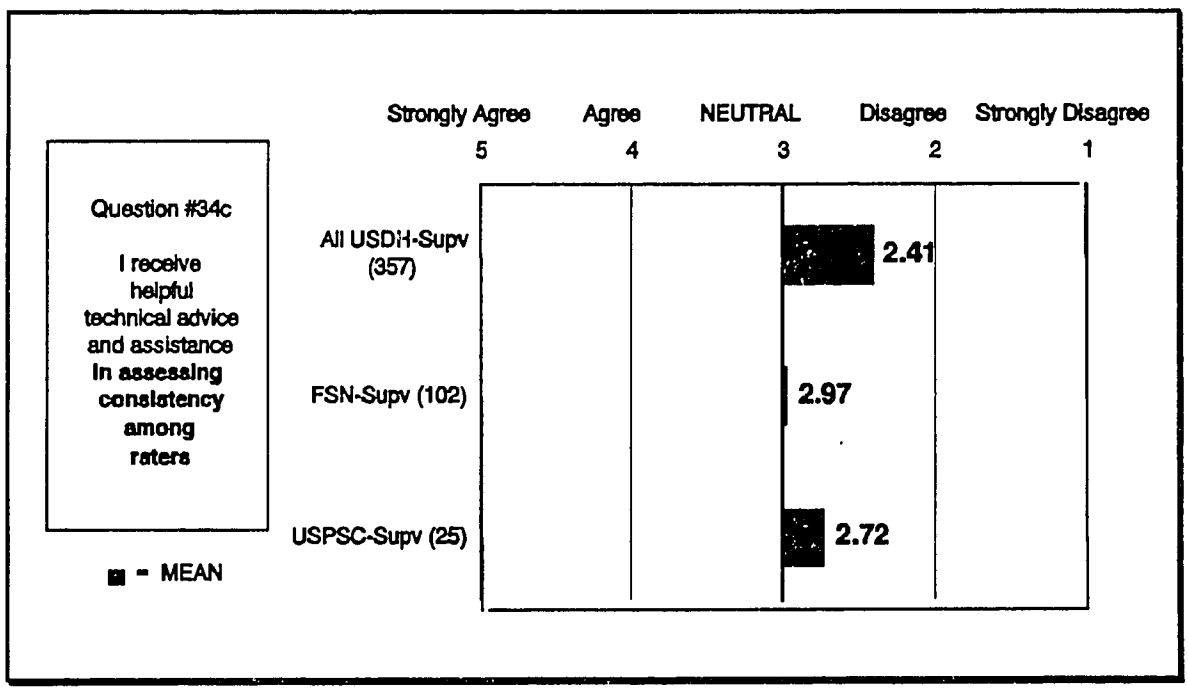


Overview

The agency recently adopted a new evaluation system for its US direct hire workforce. For the Foreign Service, this new system went into effect as of April 1, 1995. The Civil Service workforce components will be included as their current performance cycles end this calendar year. By April 1 of 1996, all US direct hires will be on the same performance cycle in the new evaluation system. The system, as designed, promises a substantial improvement in the evaluation process based on explicit work objectives and in the scope and quality of feedback to employees. It has made great strides in improving an evaluation process seen by many within the Agency as having been cumbersome and unfair. The new system streamlines the evaluation form and incorporates the concept of a 360 degree input among other improvements. This new system will provide a structure within which the Agency's core values can be achieved through effectively evaluating its employees.

Results of the recent HR-BAA Personnel Services Customer Survey regarding performance are depicted in the following two graphs. Supervisors clearly identified a need for technical advice and counseling on performance related issues, as well as assistance in assessing consistency among raters. It should be noted that the survey was conducted at the same time the new evaluation system was first being introduced.





Survey Comments from foreign service employees

This survey is incomplete in that it offers no opportunity for assessing the role of DAAs and the Deputy Administrator in assignments, advancement and awards. Credibility is at risk yet and again.

Who do you think you're kidding with this make AID "an even better place to work?" If you were serious about "reforming" AID personnel you would discard the spoiled fruits of the past (ratings) to start everyone over fairly.

Survey Comments from civil service employees

It is very unfair to have just one person to determine your career, i.e. to appraise you.

Survey Comments from foreign service national employees

I wish we could get our job evaluation reports on a timely manner (EERs are delayed for months).

The Operations BAA in its December, 1995 report, Making a Difference for Development, described a need for redesigning the performance management processes in order to be consistent with the re-engineered program operations system and the Agency's core values. The performance management system must provide a means of focusing on managing for results. The key components of USAID's performance management system (performance expectations, evaluation mechanisms and rewards/recognition) should embrace the four core values (customer focus, empowerment and accountability, results orientation, and teamwork).

At the same time that re-engineering is bringing about significant internal management changes, USAID is also facing a changing external environment in the forms of a rapidly changing world and US foreign policy. The new evaluation system's policies, procedures, and guidelines will need to be designed to accommodate: both traditional large missions and an increasing number of small posts; the increasing importance of political factors influencing USAID-funded activities and USAID's mission (particularly factors which lead to instability); the phase-out (sometimes rapid) of programs in countries which no longer qualify for concessional assistance (graduates) or are no longer considered to be good development partners; the creation of new programs when needs dictate, and the diverse demands of global technical and humanitarian assistance programs.

The changes USAID is facing, both internal and external, are forcing the Agency to expand its view of who is a full player in the process. FSNs and USPSCs are key members of the workforce yet under the present evaluation system only the US Direct Hire employee are addressed. The Agency's FSN and USPSC employees are subject to different evaluation systems inclusive of different forms and policies. This creates a multi-tiered system where the professional FSN and USPSC employees perform the same or similar functions to US direct hire employees yet are evaluated differently.

The key role of the Agency's partners is also not incorporated into the evaluation process. Partners are a major part in the Agency's operations yet play no explicit role within the evaluation process. Partners often are the direct recipients of USAID's development assistance or are the vehicle through which development assistance is delivered to the ultimate USAID customer. Within this context, they are directly involved in being able to judge the performance of USAID employees. In some instances, Partners fill the role of the ultimate USAID customer's representatives or are the customer of USAID processes. In this sense, they are an integral part of the Agency's customer focus. As customers or representatives of customers, they can provide a keen insight into and judgment of the Agency's customer focus.

As the Agency progresses into this new environment, the evaluation system must be flexible and adaptable. As part of the "Learning Agency" model, changes in the operating environment of the Agency should lead to changes in the evaluation system.

Results Orientation

The new evaluation system must incorporate the managing for results concept within its structure. Employees must be evaluated on attainment of measurable results or effective management to obtain those results. Employees in the program setting are delivering results contributing toward the attainment of one or more Strategic Objectives. Within the support setting, employees are delivering results contributing toward the attainment of one or more Strategic Support Objectives. Within the work objectives, all employees should identify measurable and attainable results against which they will be evaluated. These results should relate to the Strategic Objectives or Strategic Support Objectives for which they are responsible.

Results in the Strategic Objective sense are 5 to 8 year targets. However, these longer range targets are broken down into shorter term results packages. Results within these results packages contribute to the attainment of the long range strategic objectives.

Customer Focus

The ultimate customer of USAID is defined as the end user beneficiary of USAID's development efforts. However, not all employees contribute directly to this ultimate USAID customer. Many employees are providing support services in which their customer is an internal Agency customer (i.e. other USAID employees). Whether the employee is contributing directly to the ultimate USAID customer or to any of the chain of customers from the internal customer to stakeholders to partners, the efforts of the employee should be focusing on providing the best service to their particular customer. Focusing on the customer certainly does not mean giving the customer everything they want. Instead it may mean turning down an internal customer's (i.e. employee's) request for an allowance.

The HR-BAA team has conducted benchmarking in the evaluations area, most notably with Xerox to determine their method of incorporating customer input into the evaluation process. Xerox uses customer satisfaction survey for both external and internal customers. These tools are very powerful in incorporating the customer focus into the workforce. For USAID, an employee's performance in relation to customer focus should be evaluated in respect to the provision of efficient and effective service to the customer whether internal or external. The customer should be incorporated into the 360 degree input for the employees. This may take the form of a customer satisfaction survey or direct input from customers. Managers within USAID should also have incorporated into their evaluation input from their employees also in the form of a customer satisfaction survey.

Teamwork

The concept and execution of evaluations within teams is one area where much work needs to be done. How evaluations will be structured to include individual and team work objectives, 360 degree evaluation inputs from team members, rating official's and appraisal committee's relationships with teams, and the varied make-up of teams to include not only US Direct Hire but also FSNs, USPSCs, and partners must be examined. As the Agency shifts its work towards implementation within a team context and as partners are brought in as an integral part of the teams, the evaluation system must be broadened to include both teams and partners.

Teams within the context of USAID's operations include core teams composed only of USAID employees as well as expanded teams where the membership could include host country government officials, NGOs, PVOs, customers, and a host of others. All of these team members should be thought of as a productive and contributing members in the operation of the team. As such, they should have a valued input into the evaluation process for USAID employees including FSN (direct hire and PSC), USPSC, and even USDH (Foreign Service Officers). The extent of the input from all members of the team, whether core or expanded should include the full participation in the evaluation process, from establishment of work objectives through the 360 degree input.

One approach to the team concept for evaluation is to view the team as the rating official. In such a scenario, the team would be empowered by the Appraisal Committee to set work objectives for individual team members, conduct mid-year evaluations of progress, and provide input into the final evaluation. One individual on a rotational basis should serve as coordinator for this process. The team may set up its own internal processes for the establishment of work objectives, mid-cycle review, and evaluation of work objective achievement. The Appraisal Committee would still maintain the role as approval authority for establishing work objectives and evaluation

of achievement. For USDH, another direct hire employee would still sign as rating official.

Empowerment and Accountability

The evaluation function is a key tool in the accountability of an employee for their performance. Individuals are accountable for the achievement of their work objectives. Within a team, the individual's work objectives should lead toward the accomplishment of the overall teams results. When not in a team setting, the individuals' work objectives should be traceable to the Strategic Objectives or Strategic Support Objectives they support. To attain the work objectives, the employee should be granted the requisite authority to make decisions to accomplish the objective.

Evaluations provide a mechanism through which an employee's attainment or non-attainment of work objectives can be measured. Employees may be evaluated in areas of but not limited to: accomplishment of objective, effectiveness within the objective, efficiency in use of resources, and teamwork. Incentives for accomplishment either within a team or individually must adequately reward members for performance. This may be accomplished through meaningful evaluations for work in the personal evaluation process and enhanced promotion opportunities or other compensation opportunities for those personnel who perform above average. Poor performance or below average performance can be identified through a review of the evaluations and timely counseling and or training provided. A trend of poor or below average performance uncorrected by counseling or training could be indicative of a need for removal from promotion opportunity or possible dismissal.

Evaluations are not limited to USAID personnel but are to provide an avenue for evaluating partners and partner representatives working within a team. Evaluations of USAID personnel will be used as a feeder into the formal evaluation process and as a basis for promotion/retention decisions. Evaluations of partners and their representatives are intended to serve as a basis for decisions as to whether to use that partner or representative again. In this sense, partners are held accountable for their performance. Partners who are an active member to and contribute in the work team should be rewarded through continued use of their services. Their performance can also be evaluated with the work team evaluation concept.

Employees should be encouraged to take reasonable risks and to be held accountable for their decisions. They should not be punished for circumstances outside their control or for the courage to recognize and present to higher management situations where results would be unattainable. This may be due to lack of adequate resources, political or socio-economic situation, or other factors beyond the control of the team or even recognition of misdirected or incompatible program objective. Team members

should be encouraged and rewarded for bringing these circumstances to the recognition of the Agency thus enabling the resources to be redirected in a timely manner. This should be reflected within the individual's evaluations.

Automated Support

The evaluation system will be supported by a number of automated tools. Support for the creation of evaluations will be in the form of either word processing macros or an on-line interactive application. The rater will be able to enter the work objectives, appraisals, summary statements, and skill areas directly into the computer. Appraisal Committees will be able to review the evaluations electronically, provide input, and pass back to rater and ratee. Ratees will also be able to review the evaluation electronically and provide comment prior to it being produced.

The passing of the evaluations from a post or within Washington to the employee's official personnel file will be accomplished electronically. Evaluations will be imaged into an electronic document management system making it readily available for retrieval for promotion or other actions as necessary.

Whether an evaluation is processed entirely via electronic means or requires production of a paper copy has not been finalized. The final outcome of these options will be determined during the systems design phase.

Recommendations

1. **Extend the new evaluation system to the entire core workforce.**

   The system should be extended to cover all employees in the core workforce as soon as practical. The concept of the new evaluation system, including the 360 degree input, should apply to all employees, the professional and non-professional level Foreign Service National component (both personal services contractors and direct hire) as well as the USPSCs. All employees should be focused sharply on performance based work objectives; should be judged by the same standards as their peers; and equitable application of evaluation standards is critical to supporting work in teams. The exact form to be used for FSNs and USPSCs may not necessarily be the same, but the concept of the new evaluation system should apply to all employees.

2. **Have Bureau AA or DAA rate mission directors.**

   For mission directors and other senior USAID officials at post, the Ambassador or senior country team leader currently is the rating official. Reviewing

officials are at the USAID bureau level. This presents a conflict for mission directors in that the Agency policy or direction which they are following may conflict with the wishes of the Ambassador. If senior Agency management, for example the bureau AA or DAA, were the mission director's rating official and the Ambassador was including as a part of the 360 degree input, this potential conflict could be removed. In addition, Ambassadors would complete the supplemental evaluation form required for all SMG positions. This would provide another vehicle for incorporating the ambassador's concerns/opinion of the USAID employee's performance. This proposal is currently moving forward for implementation.

3. **Create a mechanism for missions which implements effectively the intended role of the appraisal committee in the new evaluation system for all categories of employees.**

With the incorporation of all categories of employees into the new evaluation system, the role of the appraisal committee should be examined as it applies to those employee categories. A key objective is that the appraisal committee knows best the broad impact of work done by ratees. To accomplish this, the make-up of the committee should be adjusted depending upon the employee category. This may involve multiple appraisal committees depending upon the category of ratees. For example, a core appraisal committee made up of only foreign service officers would handle FS evaluations in the mission setting. When evaluating USPSCs or FSNs, an expanded appraisal committee could be formed. This expanded committee would include the core members plus participation by the affected category (i.e. a USPSC member for USPSC evaluations; an FSN member for FSN evaluations).

In addition, a number of our posts lack the scale to fully implement an appraisal committee for foreign service officers as envisioned in the new evaluation system. Careful consideration should be given to making membership on the committees in this situation more diverse. Alternatives to be explored including an appraisal committee drawn from all regional office staff with knowledge of post operations or bureau level staff.

4. **Guidance given to the selection boards at the end of the evaluation cycle, precepts, and other annual guidance related to evaluations should be transparent and widely communicated at the beginning of the cycle.**

Guidance given to the selection board plays a major role in the selection boards ranking of foreign service officers. This guidance, if communicated to the

Agency at the beginning of the evaluation cycle, could refocus Agency personnel on different work objectives concurrent with management direction. In addition, it is not uncommon that precepts and annual guidance appropriate to an evaluation cycle are only available to raters at the end of the cycle. To focus performance sharply in the development of work objectives, this information should be developed and communicated prior to the start of each rating cycle, or at the latest, sufficiently early in the evaluation cycle to allow modification to work objectives.

In addition, the current policy of announcing the membership of the selection boards should be continued as an Agency policy.

5. **Evaluate the senior managers after ratings of other employees within the work unit headed by the managers have been completed.**

The objective of this recommendation is to provide an additional input into the managers evaluation process (i.e. timeliness of evaluations, results achievement of work unit, etc.) and to include these factors as part of the promotion precepts.

6. **Consider shifting evaluation cycles to more closely align with the annual budget cycle and summer transfers of foreign service officers.**

The present Agency policy is to align GS and FS performance cycles with the foreign service April-March time frame. This alignment is out of synch with significant turnover at posts during the summer. By shifting the evaluation cycle to May-April, the abbreviated evaluations done for foreign service officers transferring during the summer would not be necessary.

In addition, to lessen the administrative burden of having all evaluation cycles end during the same month, a two to three month stagger of evaluations should be considered. For example, foreign service evaluation would occur in the May-April cycle, GS and FSN evaluations would occur one month later (June-May), and USPSC would occur an additional month later (July-June).

Further research will be necessary to determine whether the SES performance cycle, presently aligned with the fiscal year, could also be shifted.

7. **Increase the use of challenging work objectives in the evaluation system by changing the role of work objectives included in AEF's.**

A number of steps should be taken to encourage challenging work objectives expected in a learning organization. At the judgement of the appraisal committee, at least one work objective should be a stretch objective involving a higher degree of difficulty. The Appraisal Committee and rater then could factor in this challenging work objective at the conclusion of the rating cycle in determining the employee's accomplishments. The expectation is that work objectives would be more challenging and more outcome oriented than in the present system design and that an employee should be rewarded for risk taking.

8. **Include within the work objectives, team objectives that affect individual ratings.**

The new evaluation system offers a number of opportunities to strengthen work in teams. Consistent with principles of managing for results, some part of outcomes for individuals need to be tied to team outcomes. This may be accomplished by encouraging work objectives for individuals be developed and approved by their team. This would assure that individual and team objectives conform. This applies to teams supporting Strategic Support Objectives as well as Strategic Objectives. In addition, the Appraisal Committees must get input from the team(s) as part of the 360 degree input process.

9. **Transparency of work objectives/contracts of senior Agency management.**

Work objectives of senior Agency management should flow from the AA's through Agency management to all Agency employees. This ensures congruence of Agency direction and that all employees are working towards common goals. These work objectives should be transparent to subordinates, allowing them to align their work objectives and goals to the managers and thereby, the Agency as a whole. Some protection and privacy must be afforded to these levels of management, especially for work objectives which may prove controversial or divisive.

Additionally, evaluations of senior management in the Agency (mission directors and above) should include employee satisfaction surveys as part of their 360 degree input. In the HR-BAA's benchmarking of Xerox's evaluation process, it was determined that this proves a valuable input into the manager's effectiveness and leadership. Once again, some protection must be afforded to the manager for situations where they have been placed in a difficult and

unpopular situation, i.e. mission close-out or office down sizing. This is accomplished through the rater's knowledge of the manager's work objectives or role in which they were placed.

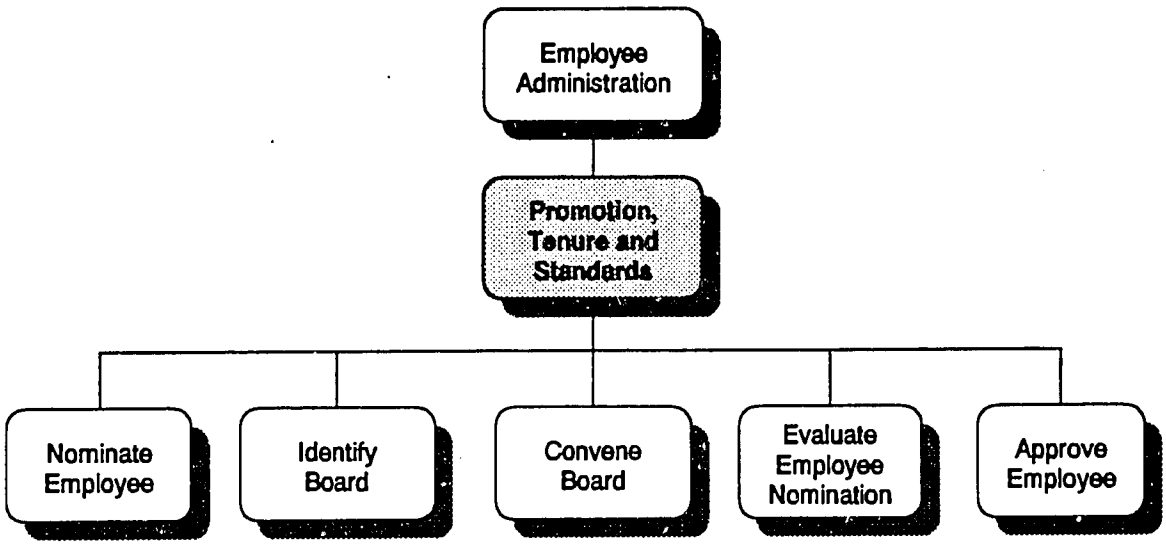
10. Enforce Agency management completion of work objectives/contracts

As in above, work objectives or contracts of Agency management should flow from the Administrator through management to all employees to ensure congruence of Agency direction and that all employees are working towards common goals. Currently, Agency management often do not complete work objectives/contracts in a sufficiently timely manner to allow this flow of objectives. These work objectives by not being completed early enough do not permit subordinates from aligning their work objectives and goals to the managers and thereby, the Agency as a whole. To enforce rigor in this process, recommend prohibiting managers from being eligible for bonuses if their work objectives have not been completed by the third month of the evaluation cycle.

11. Limit last minute work objective changes.

Presently, no policy exists on how late in the evaluation cycle a work objective may be changed. This has resulted, in some instances, of work objective being changed or created in the last minute to reflect actual outcomes. To prevent this from occurring, recommend the Appraisal Committee prohibit changing of work objectives within the last three months of the evaluation cycle.

Promotion/Tenure/Standards



Overview

Improving the objectivity, transparency, predictability and effectiveness of the evaluation and promotion system is an important objective for the Agency.

This section deals primarily with the Foreign Service (FS) promotion process and the Civil Service (CS) and Foreign Service National (FSN) merit promotion process. Other promotions for Civil Service and FSN employees are a function of selection into a higher graded position and are managed as part of the Employee Placement function.

The Foreign Service promotion and tenure procedures are essentially a rank-in-person system. Boards meet annually to rate employees evaluations and recommend them for promotion, tenure or selection out. Ratings are based on general Precepts (Promotion - Handbook 25, Tenure - Handbook 25, Selection Out - Handbook 30), plus supplementary guidance provided on an annual basis.

Current Reform Initiatives: Beginning with the 1995-96 rating cycle, a new evaluation process, the Employee Evaluation Program (EEP), which includes both FS and CS employees, was initiated. The previous evaluation system had been used since the 1982-83 rating cycle. The system had evolved through several iterations and while not revered, the peer review process was respected and the process accepted by the general foreign service population. The principle criticisms were: a) rating officer

writing skill was felt to be as important a factor as performance achievements; b) the Precepts were biased in favor of certain skill categories and assignment factors, particularly for promotion into the Senior Foreign Service; c) one poor EER could harm an employee's advancement possibilities for years; and, d) candidates referred to the Performance Standards Boards were often effective performers in their skills at that level, however, because of their assignments or some other factor beyond their control, were ranked low relative to others.

The Customer Service Survey comments included these representative comments from foreign service officers:

> *I think that unfortunately the Human Resources people have done a poor job as far as assignments and promotions. The worst failing is the poor evaluation and promotion system. It is not what you do but how the EER is written.*
>
> *The EER process is terribly labor intensive; I fear the new system won't be better. Assignment System is a mess. The few incentives (promotions, bonuses, training opportunities) and long days (overtime) for those who care, busts morale.*

Highlights of the new Employee Evaluation Program include:

- A new Annual Evaluation Form (AEF). Section I is a summary of the work context and employee performance. This section also provides a summary of skills appraisal. Section II lists the work objectives, measures and appraisal [resembling the previous CS Personnel Appraisal Report {PAR}form]. Section III is a detailed skills checklist to be used only by the employee and the rating officer but not submitted as part of the evaluation. In addition, an optional Employee Statement form is available. A Nomination for Promotion report accompanies the evaluation report when the employee is being recommended for promotion or tenure. The employee also fills out a Career Development work sheet which is transmitted his/her Career Development Officer separately from the AEF.

- The new evaluation system includes 360 degree inputs. It separates performance appraisals from the promotion process, and it establishes more effective measures both of results achieved and of the skills which lead to more effective performance in a reengineered Agency.

- Key to the success of the new promotion process is the establishment of new authority delegated to Appraisal Committees to nominate a limited number of candidates for promotion. This increases the importance of the recommendations coming from the work unit level in the promotion process, and reduces the workload of the Selection Boards.

- The promotion or tenure recommendations are made by the Appraisal Committee at the end of the evaluation process. This Committee prepares the nomination using the standard form. Promotion and tenure decisions are made by separate boards, but are managed concurrently with and use the same form (Nomination for Promotion/Tenure). Promotion and Selection Out decisions are also made by the same board.

- Promotion Precepts are being redrafted to correspond with the new EEP system. They will change significantly with the reengineering reforms and the changing mission of the Agency. A customer-service oriented HR is devoting an important effort toward "learning" how to make the necessary changes in the evaluation and promotion forms and procedures which fit both the Agency's new values and the employee expectations.

- The Selection Boards is composed of peers, thus the peer rating system, was not changed.

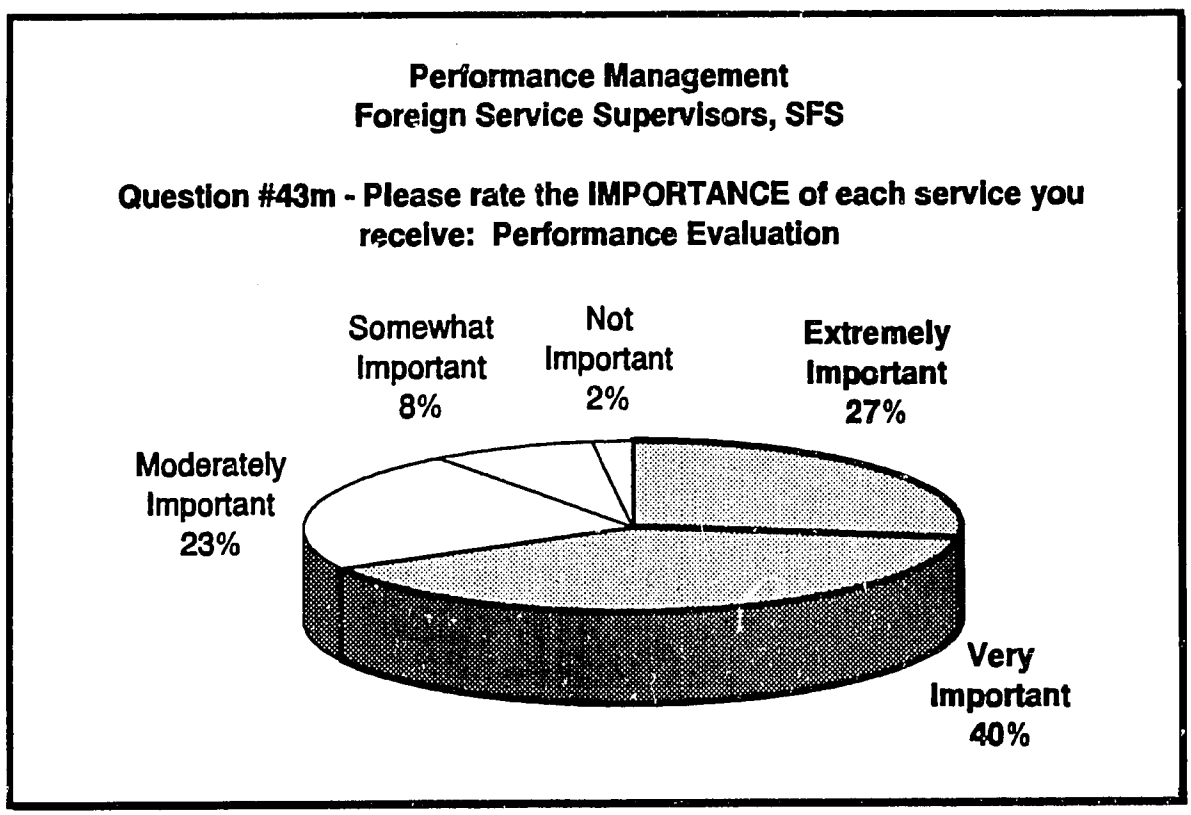
In addition to improving the evaluation and promotion process, another objective of the new design was to reduce the labor requirements for preparing and reviewing the final AEF. The writing requirement for the final AEF is reduced by devoting more attention at the beginning of the rating period to work objective preparation, separating the evaluation from the promotion nomination process and limiting the number of promotion nominations to be submitted. The review requirements for the Selection Boards will be reduced as they review full files for employees recommended for promotion and only current year AEFs of other employees for developing the class standards. If implemented according to the process design, the objective will be achieved.

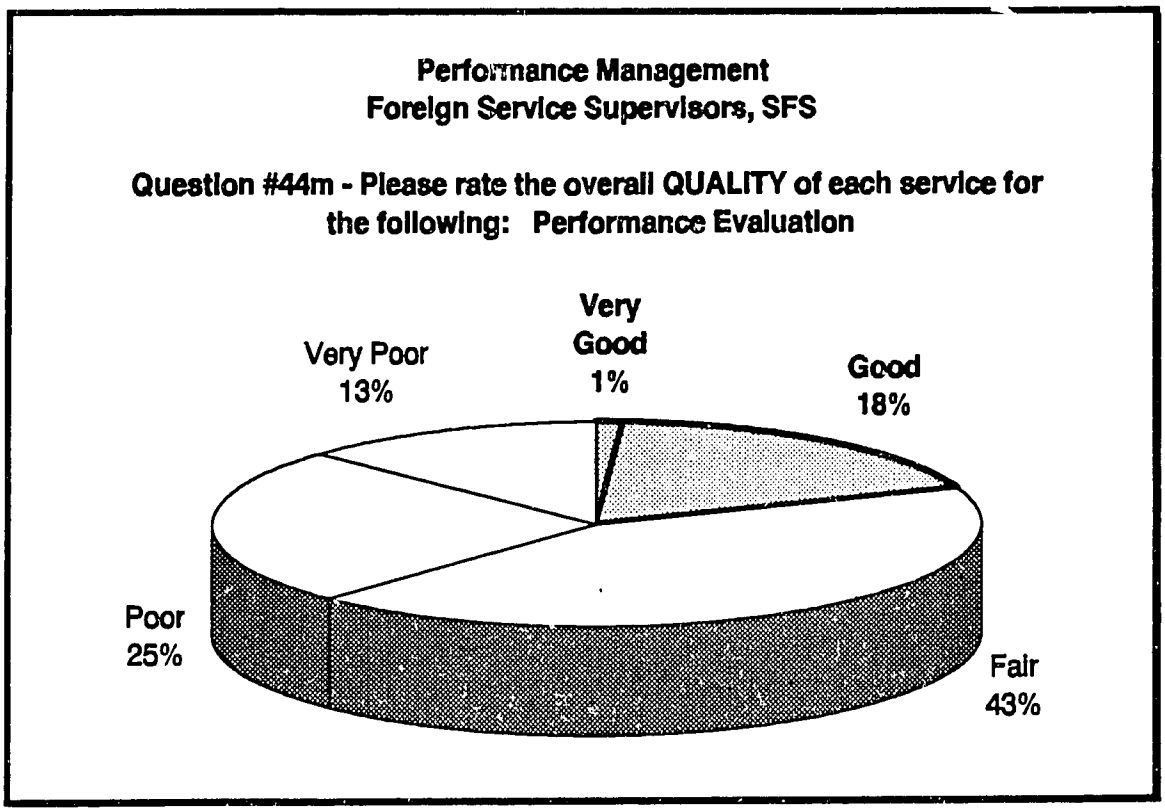
Among the constraints to effective implementation are equity concerns among competing occupational groups, Bureaus and Missions, particularly with regard to the Selection Boards that rank employees for promotion into the SFS. Pressure by these groups on the M decision-makers to increase the allocation of promotion numbers to the employees they represent can be expected to be significant. This can be constructively managed in the following ways:

- The Workforce Planning section of this report recommends establishing a USAID Workforce Planning Committee to, inter alia, determine Agency needs for employee numbers in each skill category. This committee will also be a resource in determining the promotion numbers for each skill category. As the Agency's information systems are improved to provide objective data on numbers of employees needed by grade and skill level, the committee's work would be based on hard numbers. This would improve the objectivity of the promotion process in determining promotion numbers.

- The Career Development and Training section of this report recommends a reduction in the number of backstop categories as well as providing opportunities for employees to develop multiple skills. The collapsing of backstop categories would lead to a greater consideration of like categories of employees for promotion purposes. System objectivity does not necessarily translate to equity unless specifically addressed.

The HR-BAA Personnel Services Customer Survey asked supervisors to identify both the importance and quality of the evaluation and promotion system. The following two graphs portray the results regarding performance evaluation, and include responses from only those supervisors within the foreign service. As can be seen, there is a marked gap between the importance and the quality.





Impacts on Advancement

The USAID of the future will see a flatter organization (with a corresponding grade structure) and a shift of skills requirements for managers. Thus the advancement process requires careful examination and adjustment. Among the factors which work together collectively to make the adjustment (as well as to reduce the evaluation preparation and review burden) are the following:

- Developing a more objective, predictable and transparent evaluation and promotion system.

- Creating minimum time limits between promotions to permit skill development for more responsible positions (a corollary to the "up-or-out" system is the need to permit employees to advance at a pace not detrimental to the latter stages of their careers).

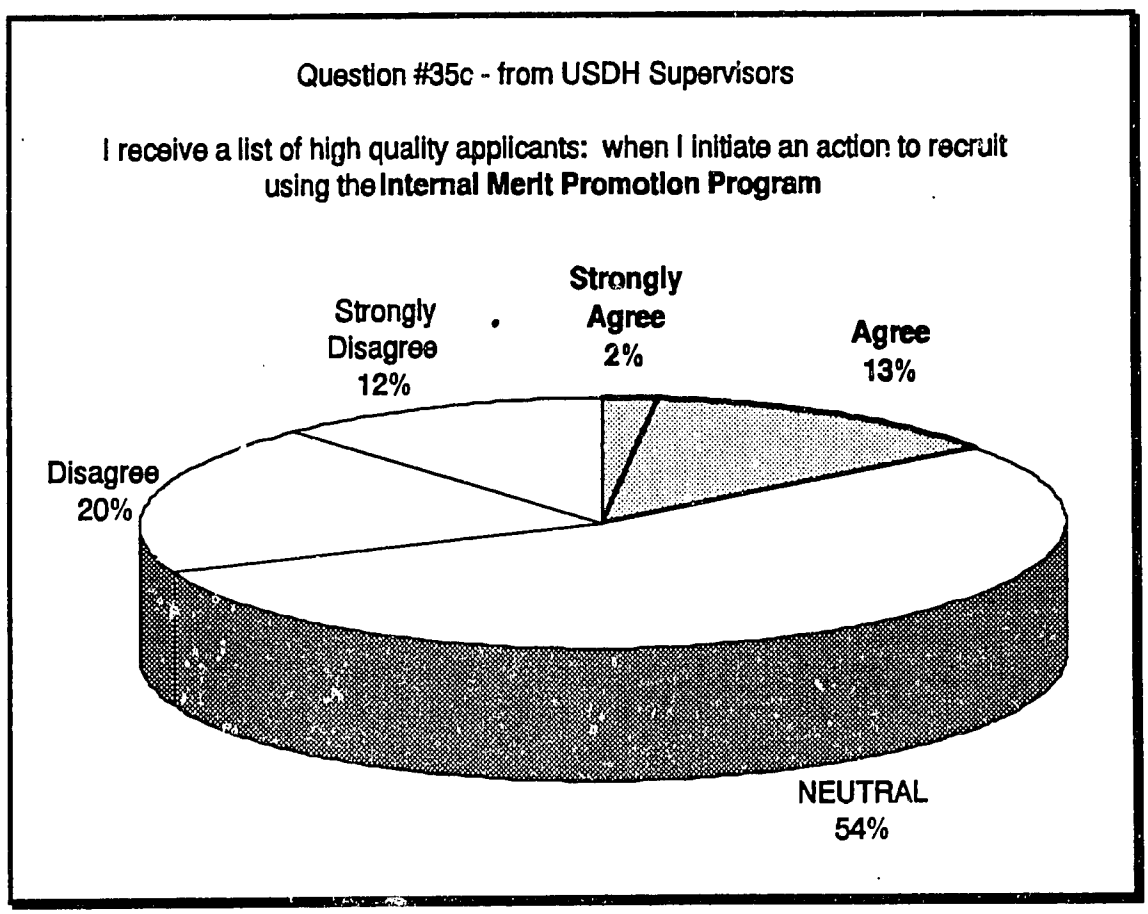
- Increased scrutiny and proven experience for promotion into the SFS.

- Not reviewing all employees every year for promotion. This reduces the annual pressure and opens some interesting possibilities. For example, the employee will have the option of targeting a year which provides the most favorable conditions for being promoted (e.g., the year activity objectives will be achieved). This

would come from discussions with the supervisor and operating unit officers (including teammates) and in principle satisfactory progress would result in support from colleagues during the intervening and the target years. This also reinforces the evaluation counselling process, reducing its sensitivity if a promotion nomination is not anticipated immediately.

Civil Service and Foreign Service National Employee Merit Promotion System

The Merit Promotion System is used for civil service and foreign service national employees. As part of a rank-in-position system, each promotion is a separate action. The vacancy is announced, employees apply for the position, staffing specialists perform a qualifications review, a panel meets to rank qualified applicants, a certificate of eligibles is prepared, the selecting official interviews prospective candidates, and then the official makes a choice. Subjectivity in this process exists, as indicated in the survey responses below from 199 supervisors regarding the merit promotion system.



HR-BAA Survey Comments from Civil Service employees

Promotions and awards seem to reflect politics more than qualifications. Leadership needs to change the management culture that permits this abuse, Diversity improves performance.

I have had to fight for each promotion even when the evaluations were outstanding. I am now in a position which has promotion potential. Now I can't even get my PD written to help me with all this hiring .....[?]

I find that upward job opportunities since the re-engineering (down sizing etc.) are usually restricted to the Bureau/Office issuing the announcement, resulting in a locked in/locked out dead end; overall employee growth is stunted.

GS promotion system is a scandal. Preselection is common and vacancy announcements are sometimes purposely misleading to suit the devious needs of hiring office. Outside hiring common even when current employees could fill position well.

Regarding job vacancies, I feel that if a job has already been slated for someone in the office, another system should be used for announcing such a job or that it should not be put in competition.

I think promotional opportunities are unfair. Opportunities in AID/W are unsatisfactory for a career individual.

There is presently some "mystery" about jobs availability and promotion possibilities--Is there a freeze or not? Where do all the PSCs come from? Is there fairness in hiring PSCs?

HR-BAA Survey Comments from FSNs

I am suggesting that the recommendations made by the supervisor on the EER, like that of step increase or promotion, should be dealt with on a timely manner.

Dissatisfied with existing regulation/policy of the internal promotion system.

As a Master's Degree holder I tried to change my present job to a professional type of job, but I did not get it. It is really frustrating.

I strongly believe that FSNs should have a better way to get promoted.

Promotions mostly depend on job vacancies rather than personal motivation or career opportunities.

I believe that the Mission employees should have priority when there are employment vacancies rather than applicants from outside.

The Merit Promotion System meets the U.S. Office of Personnel Management (OPM) requirements of a free and open competition system. The exception is that promotion from within can be achieved through an "accretion of duties." This has been the subject of a recent administrative notice which specifies the criteria to be applied when following this process. For the open advertisement process to be followed, all eligible employees, both from within the office and external, may apply. It is the responsibility of the selecting official, who participates in making the assignment decision, to keep open the option to select among all qualified candidates and not practice pre-selection. In addition, the publication of the promotions achieved through the Merit Promotion System would provide increased transparency.

The AEF "Nomination for Promotion" form was initially developed for the FS promotion system. It can also be used for Civil Service employees who demonstrate advancement potential. These nomination forms can be submitted to be included in the employee's evaluation file to be read when being considered for promotion under the Merit Promotion program. For those on the threshold of being considered for Agency management positions, it could serve as support to the employee's being accepted into management training courses. The Agency could also use these forms as the basis for a competitive management development program.

The FSN direct hire promotion system is patterned on the Civil Service promotion procedures. The opportunities for promotions are much more limited for direct hire FSNs, however, and for that reason promotion for them will remain problematic. FSN PSC advancement to positions of greater responsibilities is managed through the contracts process, although many of the Merit Promotion System procedures apply.

Advances for USPSCs are not by promotion. The Agency has yet to address this in a satisfactory manner. Yet a reengineered Agency stresses the value of skills which employees possess, strengthening the negotiating basis for the USPSCs who have marketable skills desired by USAID. In addition, the Agency is preparing an electronic skills data bank which will include USPSCs. This would permit USPSCs to be identified and recruited on the basis of skills they have gained and successfully used.

Recommendations

I. Promotion precepts need to be congruent with the core values of the Agency.

The precepts must communicate values essential to reinvention and the learning organization which USAID is striving to achieve. Examples of these values include demonstrated capacity to acquire multiple skill sets, teamwork, management skill which encourages empowerment, managing for results, risk taking, etc. The precepts should be reviewed and updated more frequently, e.g., annually for at least the next three years as reengineering is being implemented, then every two to three years thereafter.

Promotion precepts under the new system are currently being drafted. They are expected to include the following highlights:

- Employees with a "long range potential" for AID will include those who can make maximum effective use of the Information Engineering changes being instituted, those who can facilitate results achievement using the Agency's Core Values behavioral skills, and those who can perform accurate analyses of resource requirements and availabilities leading to successful activities.

- A description of the principle changes brought about by reforms which lead to "cultural change" in AID performance management, including the electronic documentation processing and communication systems, 360 degree input, working in teams, the various forms of team decision-making, the use of customer surveys to evaluate performance, and the resulting need to work more effectively with partners and customers.

- A revised set of principal factors to be considered by the Selection Boards for promotions:

Achievement of Results - requires information on measures of successful completion of work objectives, results of 360 degree inputs with respect to results achieved, ability to establish measurable and attainable objectives, management of changing conditions, and contribution to unit and Agency objectives.

Practices Demonstrating Skills and Potential - requires information which describes the employee's practices reflecting skills required for advancement in both the AEF skill domains as well as the Core Values skills.

Understanding of and Ability to Advance the Agency's Mission - requires information about the employee's "vision," ability to work in a

variety of the Agency's objectives and geographic areas, political awareness, ability to achieve "break-throughs" in accomplishing tasks and work objectives, willingness to take risks, ability to make good judgements in risk decisions, willingness to seek challenging assignments, ability to gain competencies useful to the Agency through stretch objectives and assignments, and, in general, the degree employee is proactive in contributing to the Agency's mission.

Past Performance - requires information about employee's performance in past rating cycles and how it conforms to the AID reforms.

- Threshold candidates for promotion into the Senior Foreign Service and promotion within the Senior Foreign Service will need to clearly demonstrate skills which conform to a reengineered Agency, thus performance evaluation of these candidates during the transition period will carry significant weight.

2. **Inform employees of the historical numbers of promotions given annually, provide some indication of how the current year numbers relate to these trends, as well the average promotion rate, for each grade and occupational category.**

The Agency needs to provide greater transparency of both historical and future projections for promotion opportunities that is consistent with its expected grade level profile in the long-run. This will allow employees to reassess the expected average outcomes for promotions during a career with USAID and to define a reasonable advancement process.

3. **Establish a minimum time-in-grade before the next promotion for Foreign Service employees.**

Given the anticipated reduced number of senior FS positions in a smaller, streamlined USAID, a slower promotion progression can be expected. This will enable employees to develop skills and program their experiences to meet the qualifications needed for more senior positions, setting a minimum of four years within grade at FS-03 and above before becoming eligible for the next promotion. Below FS-03, there should be a graduated minimum time-in-grade based on the employee's personal grade as is currently the practice at State and USIA. This waiting period will ensure that selection boards will not spend undue time on the evaluations of individuals who are highly unlikely to be seriously considered for promotion, given their very short time in their current class. It is further recommended that the evaluations of these individuals are automatically set aside to reduce the total number of evaluations considered by the boards to mitigate their workload.

4. **Automatically review employees ranked for but not given promotions in subsequent years, even if not nominated.**

Employees who have been ranked for promotion but not reached for promotion have, subsequently, been dropping out of the promotion category. To overcome this weakness to the system, a procedure is needed that requires panels to automatically review the file of any employee nominated twice for promotion during the past five years -- but who may not have been formally nominated in the current year. This should assure that reassigned employees are not adversely affected for promotion opportunities by the first year of their new assignments .

5. **Performance "standards of the class" for the foreign service should be developed by each Selection Board through a streamlined, structured process. The procedure will help to identify employees at the top and bottom of the performance range and reduce the need to read and review evaluations for every employee in the class.**

Every year each selection board spends a large proportion of their time reading the evaluations of employees who are performing work in a competent and satisfactory manner and who fall squarely into the middle performance rank. These are employees who are performing well in comparison with their peers -- by definition, the performance evaluations of the majority of employees in a given class.

The HRBAA team was advised that all evaluations must be read and reviewed by the boards so members can develop and identify the performance "standards" of that group of employees. The performance standards are the mental yardstick, or "sense" of work performance, by which all individual performance will be measured and which form a basis for rankings. However, there is no specific form or written procedure for the development of standards. Each board evidently defines standards according to their understanding of Agency requirements.

The team believes that standards can be developed in a more economic and efficient manner without sacrificing the collective "sense" or group wisdom that develops within each board. It is recommended that the Summary Skill Areas section (page 2) of the AEP form be scanned electronically to identify the individuals who are performing at the top and at the bottom of their class. Such a program, for example, could assign a numerical value to each skill rating and compare them. Relative to peer rankings, the program would select the top 25% and the bottom 25% of the evaluations in a class for review -- the boards could then dispense with reading and reviewing the remaining 50% of the evaluations. The board would also review any evaluations for individuals

recommended for promotion, but who did not receive relatively high marks in the Summary Skill Areas section -- hopefully, a rare occurrence. Note that this process preserves the "relative" ranking of foreign service employees, as their Summary Skill Area rankings are developed in comparison with those of their peers -- the ranking is not against an absolute standard, but rather, against the relative strengths and weaknesses of other FS officers.

As part of this recommendation, a number of evaluations from the largest group identified in the electronic process -- the middle group -- would be read, say 10 evaluations. As all of the evaluations in the top (including the evaluations of employees not recommended for promotion to ensure the identification of all worthy candidate for promotion) and bottom groupings will be read by the appraisal committees, it would appear that the selection boards would develop a very good sense of performance "standards" through this process.

The system described is workable due to the nature of the skill areas which will be reviewed. For example, it is unlikely that an individual who has been marked as "Needs Improvement" in any single skill area will fall in the top 25%. Likewise, if that individual is not performing at an acceptable level, he will probably receive few "Exceptional" or "Effective" ratings and his evaluation would probably fall in the bottom 25%.

It is believed that the rating official and the appraisal committee will ensure that the Summary Skill Area section of the evaluation report fairly reflects individual strengths and weaknesses. Given that these skill areas are essential, this section of the report is thought to be indicative of the individual's overall performance. The skill areas listed in the Summary Skill Area section of the AEP are:

- Quality of Work
- Management
- Teamwork and interpersonal skills
- Leadership
- People development
- Professionalism

6. Promotions precepts for senior agency managers should include a systematic consideration of employee morale and satisfaction.

The Agency's senior managers should be behavioral models within a reengineered organization. This should be reinforced through the precepts for

which we measure these managers in terms of customer focus within the work place. The Department of State routinely assesses post morale and the role of the Ambassador in assuring that Embassy employees are working in a productive environment. Xerox, a recognized industry leader in reengineering, performs this assessment through customer surveys (of their employees). Customer surveys will be the process used to provide measures of the ability of all managers in USAID to maintain employee satisfaction, thus productivity. It is incumbent upon the Agency to make it a practice to also measure this performance for the Agency's most senior managers. The customer survey would be included as a key part of the 360 degree input.

7. **Review the constituency of the Selection Boards in relationship to USAID's current goals and reengineering changes to determine if it needs to be revised to assure equitable consideration for all members of USAID's work force.**

Membership constituency of the Selection, Standards and Tenure Boards needs a new level of attention given both the increased diversity of USAID activities and the new practice of not reviewing every employee every year for promotion. The criteria for the composition of panel membership should be reviewed, and new criteria developed, if appropriate, to assure objective consideration of the wider range of skills and experiences growing among USAID employees.

Some of the specific changes to be recommended are the following:

- Include GS employees on selection and promotion boards and FS employees on selection panels for GS positions.

The objective is to operate as one core work force. It assumes that each component will have sufficient awareness of agency needs and individual perspectives to make value-added contributions to promotion decisions. This is already a practice at State.

- Include an employee from another foreign affairs agency on selection boards.

Reengineering emphasizes effective work with USAID's Partners. Given the need for increasing the breadth of view on the panels and the increased political significance of USAID's work, a perspective of USAID employee work provided by an individual from a "partner" agency will strengthen the objectivity of the promotion ranking decisions made by the boards. (This is done for the SES selection boards.)

- Limit the frequency of individual public member participation on the same

level of Selection Boards to no more than once per three years.

There is a continued need to broaden the net of participants from the public member community. Individuals serving as the public member of a board tend to be selected over consecutive year periods because of excellent qualifications and availability. This, however, could lead to adverse effects for certain employees if the same public member serves on the board in consecutive years. The availability for qualified public members does not appear to be a limiting fact. Both State and USIA have specific regulations prohibit the practice of public members serving consecutive years.

There is a concern about using ex-USAID and retired USAID employees as public members because of the danger that employees may be judged on the basis of how USAID did business in the past and personal knowledge of the individuals under review.

8. Service on Boards should be mandatory.

All tenured employees should be encouraged to serve on the Boards. A frequent comment from Board members at the end of their activities is that they should have served earlier in their career. Waivers to participation on Boards, easy to achieve in the past, need to be much more stringent to assure that selection of Board members can follow designated criteria (availability would not be the most important criteria). An incentive to serve on a Board should be recognition of board membership as a plus factor in the promotion precepts.

9. Establish criteria for certification requirements for promotion into the Senior Foreign Service.

The pay differential and the increased level of responsibility between the FS-1 and the SFS levels is significant. It behooves the Agency to take extra care for promotions to the SFS and minimize the incidence of the Peter principle. Experience has demonstrated too frequently that employees promoted to the SFS have lacked a critical skill which has harmed their effectiveness.

Prior to an appointment to an SMG position, an employee should have demonstrated management skills. A process should be developed whereby the individual is certified as having the abilities necessary to be a senior manager. The FS-1 (threshold) board should be instructed to rank for promotion those FS-1 employees already serving in SMG positions and those employees certified for assignment to SMG positions. Employees would have to be on this list to be selected for service in an SMG position.

10. Allocate promotions to the Senior Foreign Service to backstop "clusters" and have the Consolidated Senior Threshold Panel consider each cluster separately to identify candidates for promotion.

To ensure that the Senior Foreign Service is broadly representative of the work force, promotions to the SFS should be allocated by backstop cluster. The Agency has tended to advance and promote individuals in a few occupational categories. The project development and program backstops have been the SFS seed bed for the past several years. While there are many SFS officers from other occupational categories, the 02 and 94 backstops have been the major source of supply for the USAID senior ranks.

Given that these officers tend to assume leadership roles in missions overseas because of their close involvement in program design and implementation initiatives, their identification by panels for promotion to senior levels is understandable. However, the HRBAA team is concerned that senior Agency management, as a whole, be broadly skilled and consist of a rich and diverse mix of occupational types.

The Department of State, for example, regularly promotes administrative staff to the SFS, and many of these officers become ambassadors overseas and office directors in the Department. The interlacing of administrative expertise with more narrowly focussed, strictly program-oriented managers has become a source of strength for State. USAID would benefit substantially from a similar policy.

Knowledge and facility with the programmatic goals and requirements of the Agency must continue to be a basic and fundamental requirement, along with other promotion precepts. In reviewing the candidates for promotion, however, panels have tended to promote a disproportionate numbers of individuals with professionally similar backgrounds -- backgrounds very similar to those of the members, in point of fact. The panels have considered all FS-01 candidates for promotion as a single group, and it is natural that they would identify for promotion people like themselves -- individuals with strong programmatic, as opposed to managerial and administrative, backgrounds.

State allocates promotion "slots" among employee groups -- cones -- to ensure that promotions are broadly representative across occupation types. It is recommended that USAID adopt a similar procedure. The team is not proposing more panels, rather, the Threshold panel should divide its work according to clusters of employees, similar to the four clusters now used to group FS employees for panel review at the lower ranks.

11. **The "Nomination for Promotion" form should be used in Civil Service employee evaluations and included as part of the CS employee evaluation file.**

The CS evaluation process is now the same as the FS. This lends itself to the evaluation of promotion potential for CS employees. No such record currently exists. CS promotions are a factor of the CS Assignment and Merit Promotion processes, and promotion decisions are often just as subjective as FS promotion decisions. The "Nomination for Promotion" form could be used to record promotion potential information for use in these promotion processes. The inclusion of this form in the employee's evaluation file would be based on a corporate decision by the organization's Appraisal Committee. Further review is needed to determine what would trigger its use for CS employees (e.g., two outstanding ratings in a row).

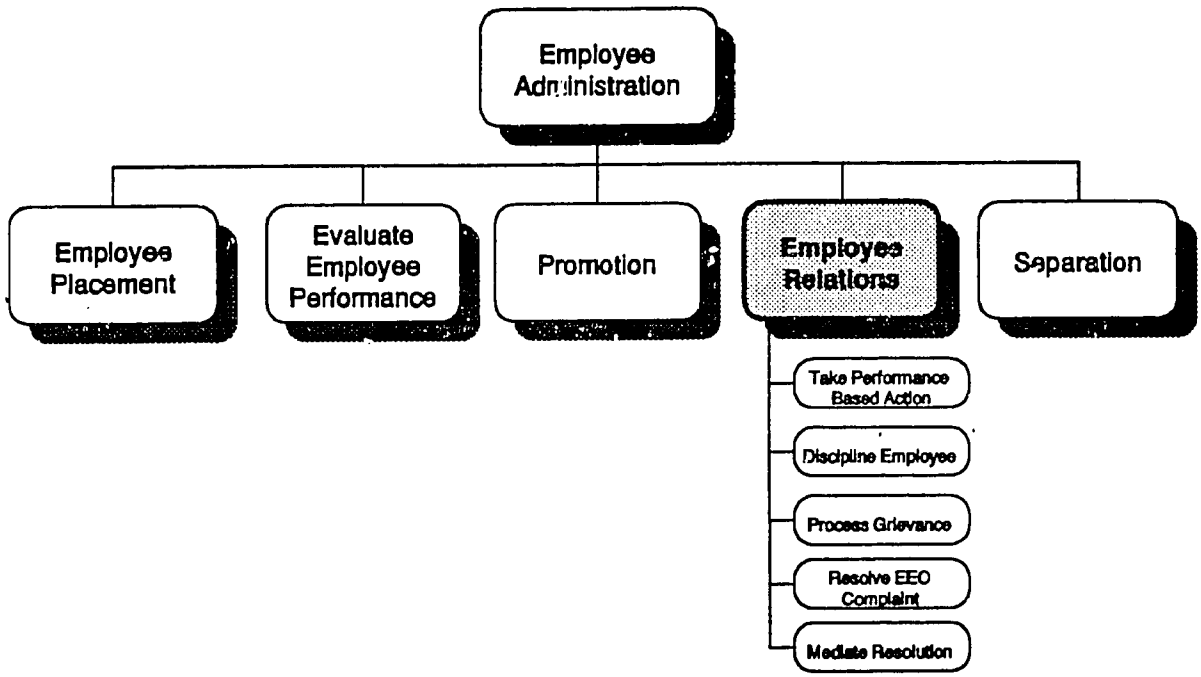
Information Engineering Implications

Support for the promotion process, especially in support of the selection boards, will be greatly improved through the use of imaged and automated records management applications. At the present time, the process for determining promotions is entirely a manual one. Hardcopy evaluations and other evaluation file material is retrieved from the file room, validated by HR staff, and then given to the selection boards or panels. This is a very paper intensive process, relying on multiple hand-offs of the documents and incurring the possibility of loss or misplacement.

In the new HR systems, documents will be produced electronically and imaged into an electronic version of the employee's evaluation file contents. Material which has been ordered expunged from the individual's records will be electronically removed, thereby preventing this information from being seen by the boards. In addition, an electronic version of the individual's career history showing formal assignments to positions, team and collateral duty assignments, awards, and training accomplishments will be available.

As with the Foreign Service promotion process, selection panels for CS and FSN merit promotions will be provided with electronic versions of the employee's evaluation file. Other appropriate information to the CS or FSN promotion process including the electronic version of the individual's career history will be available.

Employee Relations



Overview

Reengineering principles stress management practices which empower and motivate employees to bring out the best of their potential. This includes creating a work environment where even those employees considered to be weak performers will be motivated to contribute effectively to the work unit's activities. Any performance problems must be addressed over the long term with assistance, support, and constructive action which has been agreed upon. Thus, the most effective performance actions will be those which managers turn around from problem situations into effective learning experiences.

When an employee engages in destructive and/or disruptive behavior, disciplinary measures are called for and in an expeditious manner. Ability of the first-line supervisor to address disciplinary and performance problems promptly and effectively is vitally important. Clear communication between supervisors and employees regarding expected behavior goes a long way to reduce employee hostility.

Poor performance or employee actions requiring disciplinary measures must be addressed quickly by the supervisor and approached in a manner that leads to constructive, corrective action agreed on by both parties. This will lead to a genuine commitment on the part of the employee to take corrective measures in a way which

also maintains self-respect.

Reengineering does bring some new elements to bear on these processes. The new performance evaluation system (the use of the AEF work objectives and skills assessments) is expected to provide more objective information to an employee's evaluation file and to stimulate more frequent and frank exchanges in performance consultations. One of the purposes of the current systems is to assure that full effort is made to correct weak performance and to encourage and assist supervisors not to leave a performance problem unaddressed. It is generally felt that most poor performance problems are corrected by effective management.

When differences cannot be resolved with a more effective use of performance evaluation measures, an intermediate step for dispute resolution could be used by the Agency before employees resort to formal complain or grievance procedures. In 1990, Congress enacted the Alternative Dispute Resolution Act (ADR) which requires federal agencies to:

- adopt policies addressing the use of ADR for all administrative programs after review of these programs,
- designate a senior agency official to act as the Dispute Resolution Specialist (DRS),
- provide agency staff training in ADR techniques, and
- review standard agency contracts and assistance agreements to determine whether to amend them or to encourage the use of ADR.

The Department of Justice and the Internal Revenue Service are far ahead of other agencies in implementing ADR. State and USDA are ahead of USAID. USAID has not yet established a general ADR policy. ADR techniques are beginning to be explored and tested through the initiative of staff officers in EOP and HR/LRS, but not as a result of a policy established by the Agency. These officers, as well as USAID's AFSA representative and GC, feel that ADR measures have significant promise for USAID.

A reengineered agency must have the means to take performance-based action to replace an ineffective employee in any given work activity, to be able to terminate employees who repeatedly are unable to contribute effectively, and to take other disciplinary actions to correct inappropriate employee behavior. Managers in USAID have stated that the current processes supportive of employee and discipline actions are litigious, time-consuming and frequently do not result in termination. While the current systems continue to have merit when their use is appropriate, efforts to improve them should continue in conjunction with instituting ADR.

A large portion of the grievance workload is FS performance evaluation grievances. The cause of this is that the performance evaluation process, with the AEFs being the principle information base for that process, is currently the sole basis for Agency decision on employee advancement and selection out. Although the recommendations in this report focus on improving the objectivity of the evaluation process, such as providing more data to the performance evaluation file in addition to the AEFs, there is no reason to expect that the potential grievance caseload will ease. Thus finding alternative measures to resolve employee concerns with the content of the evaluation file before a grievance is filed will become more important. Reengineering practices raise a new issue, that of supervisory discipline. Under the current management systems it is institutionally nearly impossible for subordinates to influence inappropriate behavior on the part of a supervisor which creates a hostile work environment and seriously compromises employee productivity. While it still remains with the next level of supervision to provide guidance to the supervisor, the 360 degree input of subordinates to performance evaluations will help in pinpointing negative supervisory behavior. At one of the power marketing agencies within the Department of Energy, experiments are beginning. They include treating behavior which creates a hostile work environment as a form of "harassment" and handling it under management assistance and labor/management relations procedures. USAID should also consider the value of instituting such a procedure.

FSNs; USPSCs:

The HRBAA team proposes that FSNs and USPSCs be included in USAID's core work force. This leads to a requirement to include these employees in all of the HR systems to the extent applicable.

USPSCs are subject to all U.S. laws and regulations as well as contract clauses which permit termination for poor performance. USAID's reinvention measures, including making them members of the core work force, will require the addition of contract clauses which delineate that role. For example, the recommendations elsewhere in this report include them in USAID's evaluation system. This is expected to improve the Agency's ability to systematically obtain performance information assuring fair treatment. A contract clause will need to be added stating that USPSCs have the right to dispute contract issues (managed by OP) and to lodge EEO complaints. Because their employment mechanism is contractual, however, HR's only involvement with them under the current system is when they submit EEO complaints. Nevertheless, there does not seem to be a reason to change that system with regard to the Employee Relations processes.

For FSNs, performance-based, disciplinary and EEO actions are all handled at post. While following State-prescribed guidelines, local laws also must be observed to the extent possible. Conditions vary widely around the world, thus flexibility must be maintained in any new system which incorporates FSNs into the core work force. In

contrast to USPSCs, however, FSNs do not have the right to lodge grievances or complaints through the official USAID system. (They have the right to do that through the host country systems.)

The FSNs and USPSCs need to be given equitable treatment in disciplinary, performance-based and RIF actions. Introduction of ADR techniques in missions will provide an alternate method of handling employee relations problems and EEO complaints.

Recommendations

1. **The Agency should implement all provisions of the 1990 ADR Act by exploring ADR methods which can be effectively used by USAID.**

   Though, at the present time, USAID has no defined ADR management, there are definite benefits to the Agency by implementing ADR. Currently, the Agency spends thousands of dollars and hundreds of staff hours dealing with grievances and EEO complaints. The cost and time factors involved could be significantly lowered by using ADR techniques. ADR is less threatening and less formal than Agency procedures. Early stage intervention is particularly important overseas where problems tend to fester and then blow-up. The cost factor of curtailing an FS officer's assignment for misconduct and having to replace that employee is high. By using ADR, this technique should also provide a measure of trust in management's good faith effort to settle problems on a more informal basis.

   A range of ADR methods is available (e.g., mediation, early neutral evaluation). The Administrative Conference of the United States has published guidance for implementing the Act, and lists criteria where ADR is not appropriate. This guidance, however, indicates that prompt attention to disputes results in 70-80% resolution when the parties agree to use ADR. The Department of State's Dispute Resolution Specialist (DRS) is devoting his attention to employee disputes and has begun pilot activities and training efforts as encouraged by the ADR Act. This includes referring two State cases to a USDA Dispute Resolution Board. The USDA Board condenses a mediation process into two days, the first day to air the issues and possible solutions, the second day to review the progress, and possibly launch a more extended ADR level investigation if the first day did not reach a resolution. (Agencies are encouraged to assist each other as part of the "shared neutral" aspect of ADR.) The State DRS strongly recommends that USAID take the step proposed here and participate closely with State and both would benefit from the resultant economies of scale. (Two USAID employees have participated in State training activities.)

A suggested first step is to convene a round table for USAID OP, GC, HR, and EOP officers, inviting the State DRS, selected other Agency representatives, and AFSA/AFGE representatives to review experiences and determine the next USAID steps. In many agencies, a senior officer in GC serves as the DRS. The State DRS is for the moment a unique individual. State Department has not yet determined whether State/M or State/L will house the DRS.

ADR mechanisms applicable to USAID can be identified through experience-based brainstorming and benchmarking with other organizations, then agreed upon in consultations with the unions and management. If sufficient additional objective information is contained in evaluation files and other documents in dispute, per HR's objectives, changes on components of this information could be negotiated by the signatory parties on the document without significantly affecting the overall content of the file/document. The intention is to reduce the incidence of launching the formal, time-consuming procedures.

2. **Grievances on an AEF and other documents contained in a Foreign Service employee's evaluation file must be filed within one year of the date of the document.**

The ability of the Agency to objectively investigate a grievance matter is inversely proportional to the time passed since it occurred. The current time limit for Foreign Service employees is three years under normal circumstances and five years if it relates to a selection out procedure. By contrast, Civil Service employees have only ninety days to file a grievance. Errors or misinformation contained in a document should be immediately apparent and immediately addressed. Generally, if grievances are filed long after the occurrence of the event, it is due to an accumulation of performance problems rather than the one incident. Such grievances become questionable in their rationale and extremely difficult to resolve objectively.

3. **Develop new guidance/directives to supervisors on both the urgency of giving prompt attention to and the use of ADR and the evaluation process, handbooks, directives and manuals reflecting the reengineering changes in performance-based and disciplinary actions.**

Early identification and management of performance problems are key to resolving them. The new AEF skills checklist can be used any time during the rating cycle when a performance problem is detected, and this should be encouraged. (This checklist is part of the evaluation process but not part of the official evaluation file, thus a less threatening tool.) The work objectives

provide measurable targets which create a more objective performance review process. Employees who are members of teams can expect to hear of their performance weaknesses from other team members. The 360 degree inputs as part of the official evaluation process will lend weight to performance information provided by partners and customers.

ADR techniques to be employed by USAID will be determined by implementation of Recommendation 1 above. These will be translated into directives, handbooks, manuals, as appropriate.

The processes for taking performance-based action on FS and CS employees remain separate, but both can be launched more easily with the new evaluation system in place. The evaluation process is the means for managing poor performance problems for FS employees. The formal CS performance action process will still consist of a supervisor-initiated performance review, employee counselling, the establishment of a 90 day Performance Improvement Plan (PIP - now expected to be based on the AEF work objectives), an evaluation of progress achieved during the 90 days, and a recommended action (termination, demotion, or reassignment) based on the results. Proposed changes for the Within-grade Increase process is addressed in the Incentives section of this report. Probationary employees will still be terminated for unsatisfactory performance.

4. **Allow Mission Directors, AAs/DAAs and Office Directors to issue written reprimands to Foreign Service Employees. Create legal and regulatory guidance procedures which permit these managers to perform these actions correctly.**

Currently reprimands to FS employees must be issued by the head of HR. It has not always been this way, and it is not clear why it must be this way now. Implementation of this recommendation would be consistent with the reprimand procedures for CS employees. When ADR techniques are not appropriate and an incident or series of incidents can be addressed and resolved rapidly, a reprimand can be the most effective measure. Reprimands are less harmful to a career and need to be included among the alternatives available to senior Agency managers. Delegation of this authority should include provisions to assure it is not abused. One provision is to require one level of review prior to deciding to issue a letter of reprimand.

This recommendation requires that HR and GC provide the proper guidance to managers who wish to avail themselves of this advise. This guidance will have to be developed for rapid access by managers.

5. **Managers and employees should be held accountable for providing a positive work place environment.**

The "cultural change" under reengineering includes some form of team decision-making as the normal mode of operation. With the introduction of 360 degree input in the AEF, subordinate staff members in USAID are provided an opportunity to express concern over working conditions. Also, administering the recommended yearly employee satisfaction survey will provide additional good feedback for managers.

Some agencies consider that a hostile work environment is a form of "harassment." Harassment is defined as inappropriate, non-job related conduct (conduct not a part of successful performance of assigned duties) that causes employees to feel threatened or intimidated. Examples included under "harassment" are derogatory, demeaning, loud, abusive comments, and any form of retaliation. With the emphasis on reengineering techniques which require consensus, the managers becoming coaches, and tolerance of diversity in its broadest sense, it is incumbent on all employees to strive for a positive work place environment.

6. **Apply equitable treatment to FSNs in USAID's disciplinary and performance-based actions.**

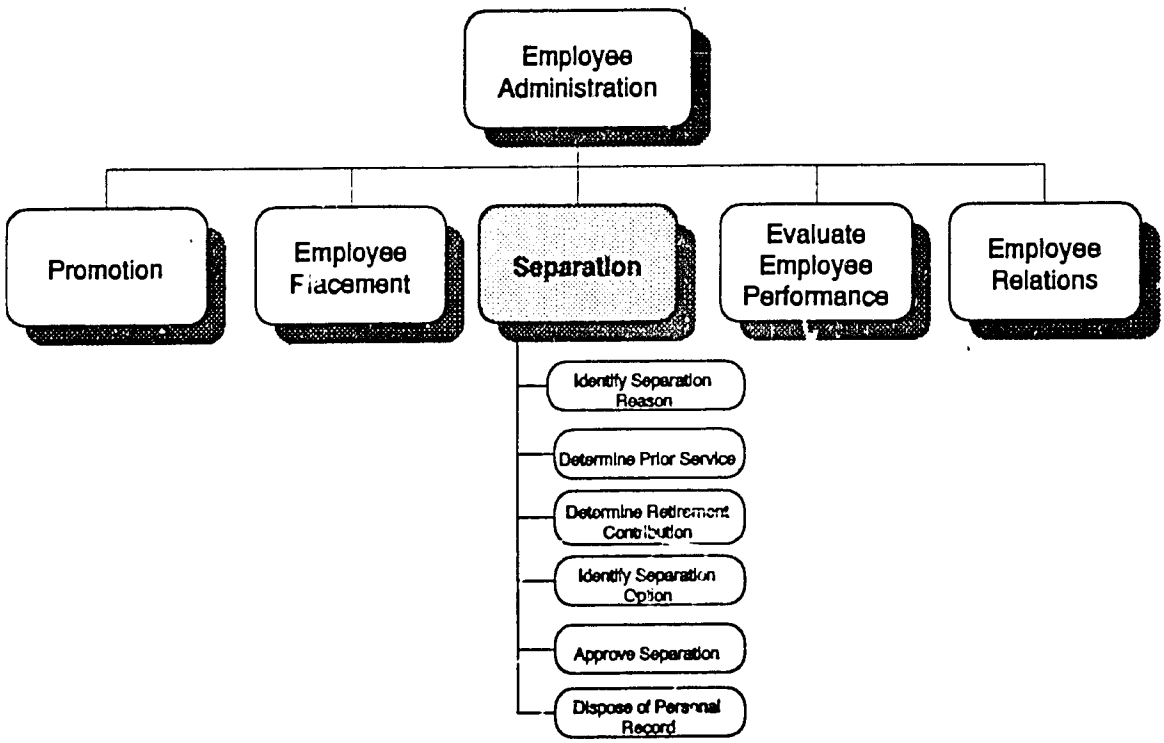
This may mean the rapid implementation of ADR procedures for USAID's field missions. It also may require a more systematic assessment to first obtain information on current practices and problems, then making recommendations on management improvements for further analysis and decision. ADR methods for resolving USPSC complaints/disputes in Missions should be included. The assessment would include determining the value of having a centralized information base which includes cases and their outcomes, access to advice on handling new situations based on past experience, a list (similar to the Better Business Bureau approach) of USPSCs and perhaps FSNs, and information needed by FSNs and USPSCs as part of HR's customer service objective.

Information Engineering Implications

Processing of employee relations issues such as grievances, disciplinary actions, performance based actions, or equal opportunity issues are and probably will continue to be primarily a manual process. However, some automated support will be available to assist in the processing. Guidance within each of the areas will be available via the

Automated Directives System (ADS). Guidance within the ADS will provide line managers with the rules, regulations, and Agency guidance on how to process any of the employee relations issues. Forms used in the employee relations area will also be automated. These forms will also contain on-line help in addition to access to the ADS. There are opportunities for field applications also, in that, for example, a corporate data base of mission employee relations cases can be created.

Separation



Overview

HR recently introduced significant changes to facilitate USAID's USDH separation process for employees stationed in field missions. The structure of the process will remain the same, however. State Department will continue to manage the retirement actions while HR works with retiring employees to assure that all information needs for both State and the employee are meet. Information Engineering changes are being introduced to facilitate the process electronically, including software to assist the employee stationed in the field to make the necessary calculations.

M/HR/PMES has just instituted a new Personal Benefits Statement pamphlet which includes specific calculations on retirement contributions and benefits for each employee. This has received very favorable review in the survey statements returned by employees.

The Retirement Seminar conducted jointly with the other foreign affairs agencies has also been evaluated very positively. Employees are encouraged to take this seminar four to five years before planned retirement. Both FS and CS employees attend these seminars. For FS employees, a one to three month Job Search Program is provided, conducted by State. This is particularly important for those who are involuntarily

retired due to the expiration of their Time-in-Class under the "up-or-out" system.

Retirement and resignation are the principal voluntary separation reasons. The major decisions leading to involuntary separation are handled in other parts of this paper, i.e., termination due to poor performance (CS), termination of a career-limited appointment, reduction-in-force, expiration of Time-in-Class (TIC), and selection out due to poor performance (FS).

The separation process consists of preparing the documentation necessary, guided by the regulations, for the employee to leave USAID and receive the benefits for which eligible. It essentially consists of making all the calculations for service credit, retirement contributions, retirement benefits, then selecting options as appropriate, passing the separation documentation to State (which completes the transaction with OPM), and de-activization of the official files.

FSNs; USPSCs:

It is proposed that FSNs and USPSCs be included in USAID's core work force. This leads to a requirement to include these employees in all of the HR systems to the extent applicable.
Separation of direct hire FSNs has been managed at post through State channels and not centrally in Washington. The embassies determine the correct separation procedure. For FSNs eligible for USG-funded benefits, the U.S. Embassy transacts the separation procedures and passes the documentation directly to the U.S. Office of Personnel Management retirement office, with no direct HR involvement. Requests from FSN DH employees for information and follow-up action on their cases at U.S.O.P.M. do come to HR.

Separation of FSN and USPSCs is managed under the terms of the contracts, and is considered a pure contract transaction. Employees who have been employed for long periods of time under contract have no additional benefits than those completing short-term contracts.
It is agreed that this management system for U.S. and FSN PSCs is not the most desirable system, but it evolved through management decisions taken as the most expedient way of staffing USAID's activities in light of the external legislative directives. To the credit of the PSC employees, they understand the conditions of their employment and know they have the option of working elsewhere. The inconvenience, awkwardness and limitations of this system for long-term PSCs upon whom USAID has grown dependent does not have institutional solutions.

Separation benefits for U.S. and FSN PSCs are addressed in the Employee Benefits section of this report.

Recommendations

1. **Develop computer programs for computing retirement benefits which could be given to employees for their personal retirement planning use and for exchanging information with HR/PMES when appropriate.**

   This will be especially useful for employees assigned abroad. It is assumed that the IE efforts being developed as part of AID's reengineering will automate the separation calculations.

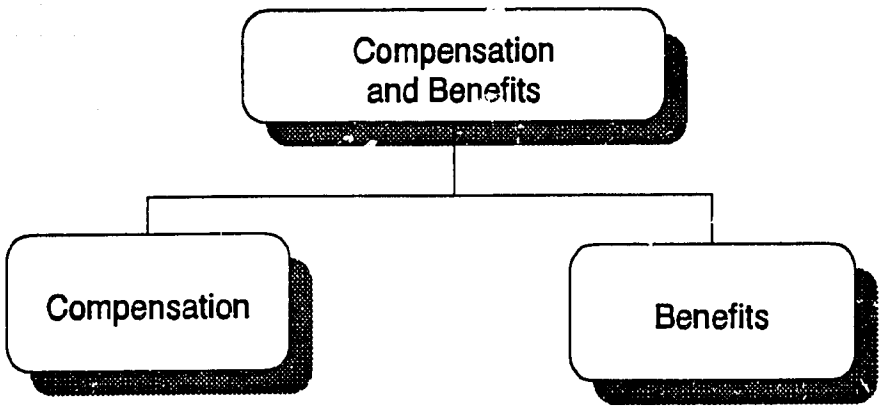
2. **Develop policy guidance which defines clear limits on FSN separation benefits.**

   As many missions are or will be closing, the Agency particularly needs clear guidance on FSN separation. Missions must be in compliance with local labor laws. While missions follow post procedures for separating employees, missions often wish to go beyond providing the regular benefits. The policy guidance must define clear limits within which missions need to operate. Along with other separation issues, the Agency's obligation to provide outplacement activities needs examination.

Information Engineering Implication

Much of the processing for separations will be shifted to the employee. All current paper forms used in separation of an employee will be automated. These forms will be completed by a combination of the employee and HR personnel. Information contained on the forms will be drawn primarily from the HR systems data base with the employee responsible for validating/updating the information. HR personnel will serve primarily as advisors to the process to ensure completeness/correctness.

To assist employees in retirement planning, an automated benefits application will be available to an employee at all times. This application will display existing benefits information including estimated retirement contributions and pay-out. Employees will be able to run scenarios of various retirement options based on factors they input (such as estimated future interest rates). Employees will also be able to review/change retirement contributions/options during open season.



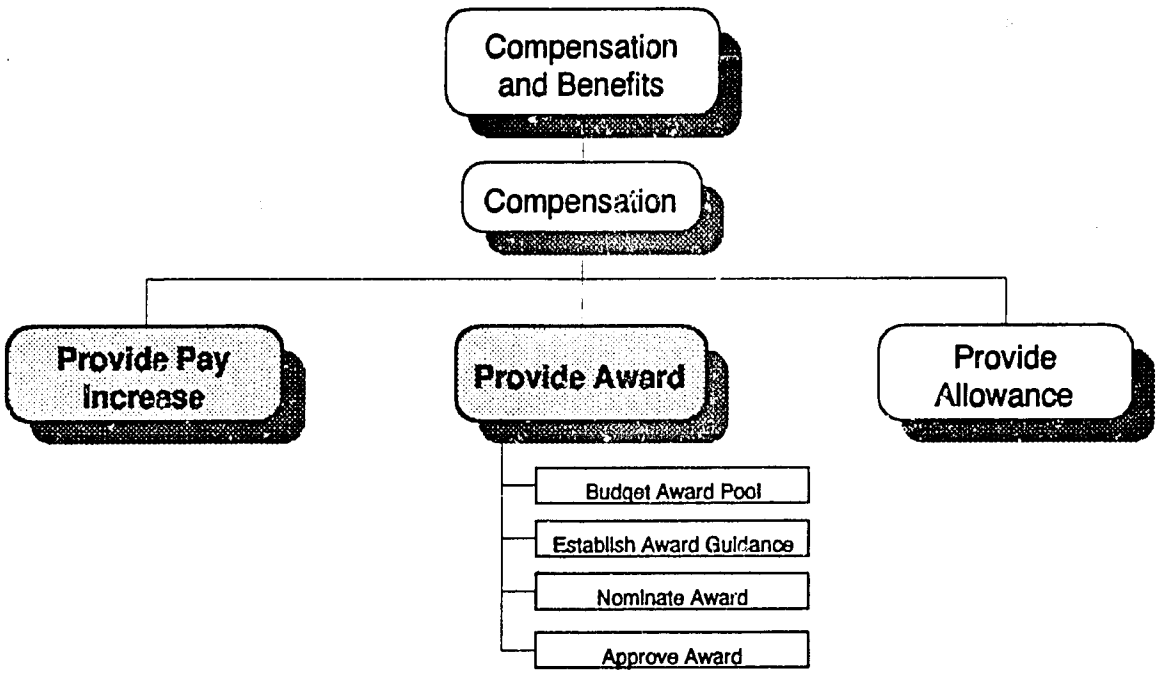
CHAPTER V
Compensation and Benefits

TABLE OF CONTENTS

A. Incentives
   1. Overview
   2. What is Possible
   3. Recommendations

B. Benefits and Workplace Environment
   1. Overview
      a. Worker Compensation Benefit
      b. Health, Life, Retirement
      c. Workplace Environment
   2. Recommendations

Incentives



Overview

Incentives recognize employees in order to motivate them to achieve higher levels of performance and desired behavior. For purposes of this paper, incentives program means, primarily, the formal tools the Agency uses to reward performance and guide future desired behavior. However, a broad array of activities in USAID have the effect of providing signals - positive or negative - which reward performance and guide future behavior. One example is assignments, another is training. Their purpose is not to provide incentives. The purpose is to assign the right staff, in the right place, at the right time, or to train them. This chapter does not treat them. In the transition chapter, there is a discussion of a few such activities which possess incentive opportunities. They include decentralizing operating expense and classification authority to managers, and should be viewed as longer term possibilities.

The HRBAA team reviewed the available research and varied experiences in the public and privates sectors. The team identified three reengineering objectives to support the USAID core values in the incentives area:

1) tie the awards more directly and effectively to demonstrated performance

194

and the promise of future superior performance;

2) broaden the scope of awards to strengthen organizational performance and performance within teams;

3) add predictability to the process to make incentives a more effective tool; and

The team also feels strongly that USAID should apply incentives in a manner that harmonizes the component workforces, i.e. the incentives are comparable.

Discussion:

The present program provides two categories of incentives for the USAID core workforce. The first category is tied to annual performance cycles and related ratings for individuals. The second is independent of particular individual performance cycles. It may occur within one performance cycle, e.g. an on-the-spot award, or transcend a number of cycles. e.g. an Agency Honor award. We use the term off-cycle to categorize this set. Both categories are composed of monetary and non-monetary awards. The USAID core workforce eligible for some or all of these awards is comprised of the direct hires: general schedule (GS), foreign service (FS), and foreign service national(FSN). The core workforce also includes personal service contractors (PSC): FSNPSC and United States (USPSC).

Performance cycle awards are given to selected employees based on their relative superior performance during the preceding rating period. They are either non-recurring (bonuses) or recurring (meritorious step increase - MSI or quality step increase - QSI). All FSNs are eligible for MSIs. The awards may be granted or not in a particular performance cycle, and the amounts may vary from year to year. Two individuals who get the same ratings above fully successful may not get the same or any monetary recognition. The rating itself, when not accompanied by compensation, is a non-monetary incentive award. Since FSN individual rating cycles are tied often to contract renewal dates, comparative performance judgments at one annual point in time with other FSNs are difficult.

Recurring longevity pay increases are granted, presently, based on a current fully successful rating for certain core workforce components (GS, FSN, FSNPSC). They are triggered by anniversary dates of employment over fixed periods (1-3 years). They occur unless a formal negative judgment is made by the supervisor, i.e. performance is currently deemed below the fully successful level. This happens rarely. The awards are "entitled" to the extent that a defined outcome in additional dollars of base pay results automatically without further practical discretionary judgment. OPM's current view is that longevity based pay adjustments are not deniable solely because of funding

problems.

FS officers get recurring longevity increases annually not tied to any specific level of performance. FS employees found below the standards of their class by performance standards boards (PSB) may not receive the annual pay adjustments. This does not happen often since the basis for referral to the PSB is not an absolute standard of fully successful tied to a performance plan. Rather, the referral reflects a relative judgment tied to performance by other FS officers. USPSC's are not eligible for performance cycle awards.

The Agency in recent years has had considerable difficulty in providing a stable funding environment for discretionary performance awards at any level for either recurring or non-recurring awards. In some years, no recurring awards and few if any performance bonuses have been available. In FY 1994, the Agency spent about $250,000 on these awards. On "entitled" in-steps, the Agency spent just over $2 million.

Off-cycle awards are given to selected employees based on specific accomplishments which may occur during a performance cycle or for longer-term accomplishment which transcends individual performance cycles, e.g. Presidential rank awards. They are either monetary or non-monetary. The agency bases its major awards on nominations made within calendar years and granted in June of the following year. Monetary awards range from on-the-spot awards with nominal values and limited review and approval requirements to significant dollar awards with greater review and approval requirements. A suggestions program exists which allows monetary awards for significant improvements with tangible benefits. It has had little activity..

FSNs are eligible for off-cycle awards granted for special acts or sustained superior performance over many rating cycles. Typically, posts have one or two awards ceremonies per year to give off-cycle awards, often in conjunction with the Embassy/Consulate. USPSC's are eligible only for off-cycle non-monetary awards.

What is possible?

The National Performance Review published a report in September 1993 entitled: Reinventing Human Resource Management. The report cited the critical need for change in incentives programs.

> .... Governmentwide incentive programs are not responsive to organization-specific needs and objectives, workforce characteristics, and agency cultures. The emphasis is primarily on incentives and awards for individual performance, not for those that recognize organizational or team performance, or even individual contributions to team accomplishments.

However,

> ....Pay for performance programs have had mixed results in both the public and private sectors. After several years of experience and study, informed observers (e.g. The General Accounting Office, the Merit Systems Protection Board, the National Research Council) agree that (1) there is insufficient empirical evidence that pay for performance programs are effective, and (2) variable pay or bonuses are superior to base pay adjustments for improving employee performance.

Given the Agency's comprehensive effort to reinvent itself during the last three years, the role of incentives is critical to successfully carrying forward the fundamental changes already underway. USAID has moved demonstrably to put in place reengineered program operations which promise greater performance in significant results for the taxpayer dollars invested. Processes and management systems have been redesigned to support those reengineered operations. They are built around four core values: customer focus, managing for results, empowerment and accountability, and teamwork. Practice of the core values by the Agency workforce needs to be reinforced with an incentive structure that fits those values.

When it comes to incentives however, USAID does not operate in a vacuum. Many Federal regulations and underlying statutes define the framework within which USAID is free to be as creative as possible. One recommendation, for example, of the HRBAA is to end the effective entitlement of employees to longevity-based salary adjustments tied to satisfactory or, in some cases, minimal performance requirements. The HRBAA team recommends that the permanent pay adjustments be reserved for performance above a fully successful level and tied to an expectation of continued superior performance. Present Federal law appears to preclude that option.

The HRBAA team notes that this year the President intends to send to the Congress a legislative proposal incorporating a number of National Performance Review recommendations. They include authority to give significant individual cash awards to individuals, to set the salaries of workers at any level within specific grades, to deny workers' advancement to the next step of their grade based on performance -- without any appeal rights to the MSPB, allow agencies to set up programs that would protect "well qualified" employees who lacked veterans preference or seniority from being laid off during reductions in force, and to allow agencies to cut the salary of poor performers by 25 percent for as long as 120 days.

We are supportive, generally, of the proposed authorities that are contained in the Administration's proposal. We also recognize the legislative process may take a while to runs its course. When those authorities materialize USAID should aggressively and thoroughly examine them for their value in supporting the reinvented Agency.

Significant opportunities exist, however, for the Agency within the present regulatory framework. Reengineering steps already taken -- e.g. a new evaluation system -- offer an opportunity to build/complement them with better tailored incentives systems. The new operations system, new management systems and emphasis on team-based work offer similar opportunities.

In the near-term, the HRBAA team concluded that it should spend its energy, for the most part, developing recommendations that were achievable within the Agency's current regulatory/statutory framework. Where the recommendations require statutory change, they are so noted.

Recommendations

1) tie the awards more directly and effectively to demonstrated performance and the promise of future superior performance.

a - Emphasize rewarding accomplishment with non-recurring incentives and emphasize future performance expectations with recurring incentives.

Criteria for non-recurring performance-cycle awards, i.e. bonuses, should reflect primarily accomplishment. Tie them directly to concretely defined work objectives contained in the new annual evaluation form (AEF). The purpose is to reward significant accomplishment by the eligible core workforce in support of organizational goals and in **managing for results**. Appraisal committees should nominate and/or approve such awards (see recommendation 2f below).

These should be paid out in lump sums or some version of variable pay tied to a greater than fully successful level of performance. A non-recurring payout should be assured for a given achieved performance level, e.g. outstanding. In the new Agency evaluation system (EEP) , fully successful performance is "effective". "Highly effective" replaces outstanding. Above fully successful was eliminated. Managers should be able within broad guidance to make individual judgments as to amounts. Under present policy, some payouts are not required. Tie non-recurring performance cycle awards for the foreign service directly to the rating for the predecessor period. Presently the boards base non-recurring performance awards on the officer's complete performance over a period of years. The incentive would be more effective if related to the most recent performance rating.

Expeditious extension of the redesigned Employee Evaluation Program (EEP) to FSNs should occur, because it will allow these recommendations to be implemented consistently across most of the core workforce.

How to apply this recommendation to USPSCs? Presently they are only eligible for non-monetary awards. The need is for elements to be added to the contract scopes of work which differentiate varied standards of performance. The Agency should explore the feasibility of performance-based contracts for USPSCs. They should have a comparable effect to non-recurring performance-based judgments under direct hire authorities.

Criteria for recurring base pay adjustment awards should be tied primarily to potential. For such pay increases, tie them directly to higher than fully successful performance ratings for the predecessor period, with a relative emphasis on exceptional performance in the six skill areas defined in the AEF. Those skill areas speak to demonstrated competencies and needed practices, e.g. **teamwork**. For the foreign service, limit eligibility to individuals with above average report cards. Include standard performance based components in USPSC contract instruments that achieve the same objectives as performance-cycle awards for other components of the core workforce, e.g. a variable component tied to outstanding performance. Appraisal committees should nominate and/or approve such awards (see recommendation 2f below).

Overall, spend significantly more on these discretionary incentive tools. Spend relatively more on non-recurring incentives. Spend relatively less on recurring incentives. This could be budget neutral if longevity-based step increases were ended.

b - Reach for authority under federal experimental programs to explore the effects of ending entitled longevity-based pay increases tied to satisfactory performance.

The Agency needs to tie more effectively and flexibly the granting of recurring increases in compensation to superior achievement and expected levels of higher performance in the Agency by eligible core workforce members. We need to reinforce key competencies and behaviors required in the reinvented Agency, e.g. team-based performance. The Agency has limited resources with which to do this. One is the pool of money presently expended through longevity-based recurring pay adjustments -- i.e. step increases. In FY 1994, about $2 million was spent on this compensation tool. About one-tenth of that sum was spent on motivating performance above the fully successful level. The only core workforce elements that don't get step increases are USPSC's and SES members. As presently designed, the tool has little positive impact in motivating higher performance levels targeted to needed competencies and practices. The recommendation would redeploy those funds to more flexible use in targeting superior performance in **managing for results**.

Specifically, the HRBAA recommends ending longevity based pay increases based on satisfactory performance (if not otherwise required by law, or by virtue

of experimental authority). Use the Agency assets freed up to fund at a more stable and higher level discretionary recurring pay adjustments and non-recurring performance awards. This proposal only works if the freed up funds are actually redeployed to a comparable extent to discretionary awards. If not, the proposal should be rejected.

This recommendation would leave the present policy of granting cost-of-living increases intact.

c - Create incentives for achieving superior language skills.

The Agency in recent years has lacked the ability to deliver needed language skills in staff to satisfy the requirements of many overseas assignments. Waivers of language requirements have become more routine. While a number of factors explain the shortfall, additional individual incentive would be helpful. These incentives are not aimed at stimulating the acquisition of language skills deemed necessary for specific language designated positions. They should be aimed at attaining levels of excellence which serve more effectively to support the core values of managing for results, customer focus, and teamwork and participation. The incentive should be a non-recurring monetary award tied to demonstrated language proficiency at superior and excellent levels.

2) broaden the scope of awards to strengthen organizational performance and performance within teams

a- Create a set of performance-cycle monetary and non-monetary awards to recognize change agents in support of continuous improvement efforts.

The Agency should create specific awards for managers at all organizational levels, teams, and support units for the period of transition to a reinvented Agency and beyond. These are needed in a learning organization like USAID. Some examples of these might include "most effective CEL", "bureau demonstrating greatest progress", "outstanding **teamwork** performance", "outstanding change agent", etc. We should design individual awards that re-enforce teamwork rather than competition, e.g., "outstanding team leader" (nominated by team members), "most innovative reengineering idea". We should design awards which reward cultural change such as "most effective non-directive team leader" and "champion risk-taker" awards at multiple agency levels which emphasize lessons learned; "AA (and/or DAA) most responsive to 360 degree evaluation input", "most innovative and effective **customer** survey design", and "The Administrator's **results** achievement cup".

b - Create a set of awards tied to organizational and team performance on a fiscal year

basis.

Judging of organizational performance is best done on a fiscal year basis. This is in harmony with the fundamental rhythms of planning, achieving and judging which drive agency processes. Create a new category of organization and team-based performance awards. The decision to reward the team would be made by the appropriate line organization based on evidence of **superior management for results**. This incentive category should draw on organization/team performance judgments made in the Results Reporting and Resource Request process for the Agency's reengineered operations. Rewards for timely decisions to change tactics in support of strategic objectives by closing out marginal activities is an example of management for results.

These would be add-ons to awards stemming from individual performance-cycle rating based judgments for the core workforce. Differential judgments could be made by Agency senior management on which parts of the organization deserved superior performance recognition through this tool.

Distribution within the team of monetary awards would be made by the team. All awards should be non-recurring. They are intended to reward accomplishment. Make other US government employees eligible for team-based monetary and non-monetary awards. This may involve transfer of funds to other agencies. Non- US government team members would not be eligible. Budget for these awards on an annual basis.

c - Broaden the use of off-cycle monetary and non-monetary individual, team and unit awards aimed at internal and external customer satisfaction.

The purpose of this set of awards is to reinforce the **customer focus** of agency staff. It would build credibility into the establishment of customer standards and measurement of the degree to which they are satisfied. The Agency would recognize, systematically, examples of outstanding external customer satisfaction by teams and individuals. Internal customers could recognize their internal suppliers of services, e.g. Global recognizing the Office of Human Resources. These could be monetary as well as non-monetary for USAID core workforce.

Non-US government staff would be ineligible for monetary awards. The non-monetary awards, however, would have particular value for rewarding partners represented on teams, e.g. from NGOs, institutional contractors, and host governments. They would be useful in influencing additional rewards within the partners' independent incentive systems.

d - Create a category of Administrator Reinvention Seed (ARS) Awards granted to core workforce teams who propose small-scale re-engineering initiatives which offer

significant cost-benefit opportunities to the agency.

The award is use of agency funds and the time to develop the proposed innovation. Opportunities should be encouraged on both the program and administrative sides. Budget for funding and allow time for execution by the group. Approval decisions could be at selected appraisal committee levels, and by a continuing agency-level reinvention group. Recognition of accomplishment by the ARS teams would be non-monetary. Budget routinely for this activity.

e - Treat teams as organization units for purposes of nominating various members for off-cycle awards.

The objective is to encourage performance within teams as a superior method for accomplishing much of the Agency's work. The **empowerment** idea would be that teams recognized for their superior accomplishment by the Agency have derivative authority to recommend team members for additional recognition tied to the overall team accomplishment.

f - Assure work-unit assessment of performance cycle awards and significant off-cycle awards.

Require that appraisal committees nominate and/or review approval of all nominations for these awards. The purpose is to **empower** groups that share primary **accountability** for organizational performance. The appraisal committee represents the senior management of the office, mission or bureau.

g - Increase senior management influence in aligning organizational objectives with performance cycle awards.

Empower the Agency head to influence all senior management awards on the same basis. Conform the SFS award decisions to the SES model. SFS awards are set presently by a peer group. The Agency head has no discretion because of statute to change those decisions. The SES awards are recommended by a peer group, but the Agency head has considerable discretion in modifying those judgments. This recommendation may require legislation.

h - Push down and simplify review and approval rules for many off-cycle awards.

For significant off-cycle monetary awards, require review and approval by appropriate appraisal committee. For nominal off-cycle monetary awards, require limited prior review and approval, e.g. teams with budget authority, on-the-spot cash awards by managers with budget authority. Enable teams to honor individuals and groups which are supportive of its efforts.

For significant off-cycle non-monetary awards below agency level, require appraisal committee review, e.g. bureau level awards by bureau level appraisal committee. This would **empower accountable** groups. For most require only one level of review. e.g. staff supervisor to next level supervisor, from team member to team.

Retain the present flexibility in line units to make awards within specific dollar parameters and little central agency review. Retain agency review for the most significant awards. For off-cycle non-monetary awards, do the same for teams and accomplishment within teams.

3) add greater predictability to the incentive process to make it a more effective tool.

a - Create substantive and timely annual guidance approved by the Administrator for performance awards.

The Administrator should be expected to articulate what organizational objectives are particularly important in the upcoming rating cycles for Agency staff. The guidance (precepts) should be issued at the beginning of the annual performance period and be transparent to the employees. This practice would increase the likelihood of **management for results**.

The Agency needs to create explicit and timely substantive criteria for performance-cycle awards; especially to individuals for performance and accomplishment within teams. For performance cycle awards, the only formal guidance, presently, is procedural. If substantive guidance is created, it is typically at the end of the performance cycle. The substantive guidance is usually general and informal. For off cycle awards, explicit substantive guidance is tied to each category/award.

b - Establish accounts for all monetary awards on an annual basis; provide stable funding for them.

Budgets currently are established for performance cycle awards, and to a limited extent, for off-cycle awards. The Agency needs to establish a predictable expectation for getting awards in the core workforce if the employee performs at a superior level or achieves a superior accomplishment. Presently an uneven expectation exists. Budgets, if set, are determined often after completion of the performance cycle. The amounts are less important than the stable level of expectation.

Unit budgets exist presently for performance cycle awards and off cycle on-the-

spot cash awards. Give budgets to pool managers at the start of performance cycles. This will add **empowerment to their accountability**. Fund parameters exist for performance cycle award budgets tied to a percentage of aggregate base bay. Within grade step increases (other than MSI/QSI) are not budgeted. The assumption is that turnover in staff will keep them budget neutral.

Establish annual budgets for both performance cycle and off-cycle awards prior to the start of fiscal years and performance cycles. Require unit level award budgets at the bureau and mission level. Allow them at lower levels to work units with budget authority. Retain rules that allow bureau heads to allocate pools as they see fit within broad guidance. Include a performance based compensation component in all PSC contract instruments.

c - Increase the transparency of performance cycle awards.

Publish the amount and employee rating/report card when awards are disbursed to strengthen **accountability**. Assure completion and disbursement of awards within 90 days of the end of the cycle. Urge ceremonies at lower Agency levels which routinely recognize all performance cycle awards. This strengthens **management for results**. Factor this practice into senior manager ratings.

d - Assure that awards are available generally to all components of the workforce.

Eliminate or minimize rules which narrow eligibility for awards to core workforce segments. This strengthens **teamwork**. If some are reserved for one component of the workforce by regulation or sensible custom, have comparable awards for other workforce components, e.g. The Adler award for administrative management to the foreign service, unless it is impractical. For FSN awards, create rules that end distinctions between FSNDHs and FSNPSCs and USPSCs. All FSNs should be eligible for FSN of the year awards. Presently, only FSNDHs are eligible.

e - Simplify the review and certification requirement under the current policy of granting within-grade steps increases based on longevity.

Replace some/all of the current individual certification process by supervisors; instead, rely on the current mid-cycle or current annual rating -- whichever is nearer the eligible date for granting the within grade step increase.

f - Review the role of the Agency Award Committee as an effective instrument for delivering incentives.

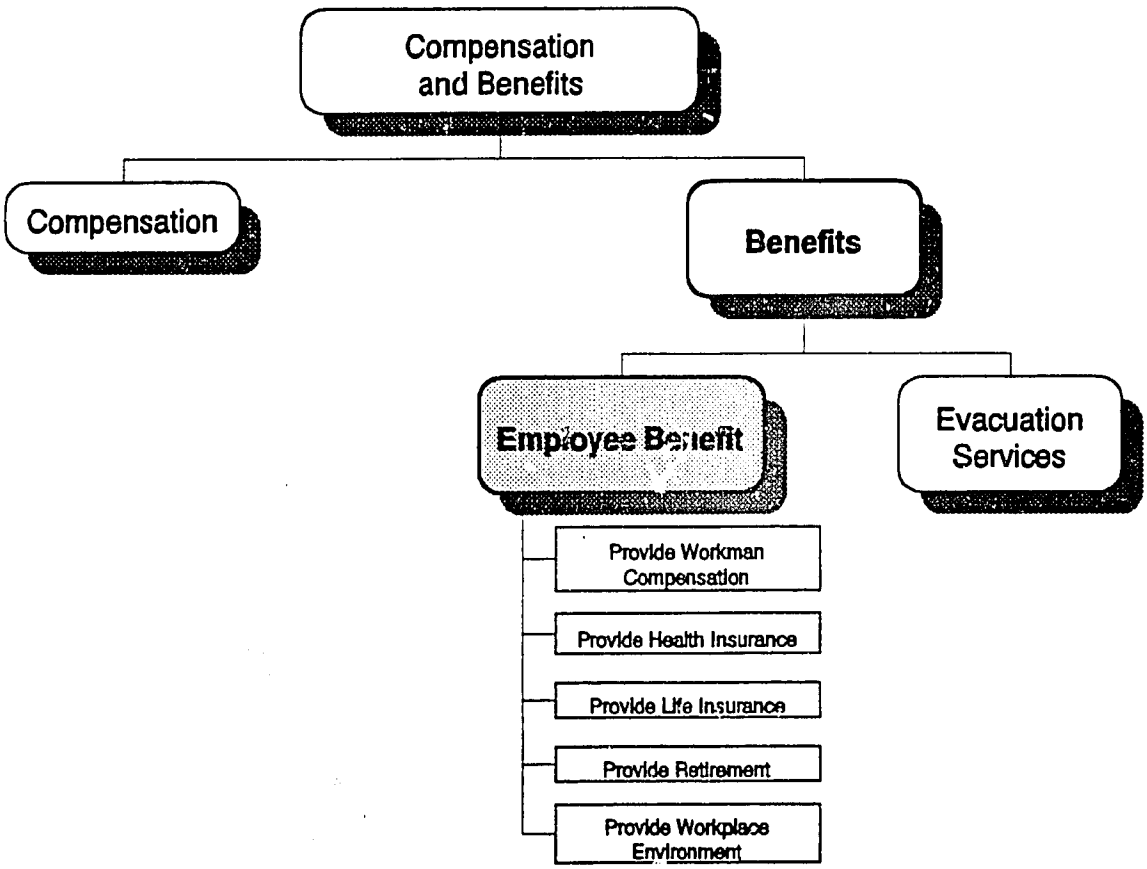
The review should aim to -- shorten the life cycle from nomination to award, assure timely input and influence from Agency senior line management, increase

transparency in its deliberations, and assure quality judgments on awardees. The review needs to find creative ways to increase the nominations for Agency level awards and below Agency level awards. We need initiatives to increase well-written justifications by nominators, e.g. by providing samples of successful justifications. The review should consider expanding the Award Committee's role to do fact-finding when necessary.

Information technology support

Providing monetary and non-monetary awards and incentives will be supported by an on-line awards/incentives application. Manager will be able to nomination employees for an award or other incentive via an on-line nomination screen. This screen will contain categories of available awards/incentives and the criteria for each. It will link to the managers awards/incentives budget to allow the manager to judge the effect of the award, if monetary, on the budget. Authorizing officials will be able to approve awards/incentive directly into the computer. In the case of monetary awards, this will permit direct update of the payroll system and therefore rapid turn around of payment.

Benefits and Workplace Environment



Overview

During its analysis, the HR-BAA identified four types of major benefits contained within the ***Employee Benefit*** process. These processes to some degree, have application to the entire core USAID workforce, although the benefits are not equitably distributed amongst the various employment categories. For the purpose of Information Engineering, the processes modeled were:

- Provide Worker Compensation Benefit
- Provide Health Insurance Benefit
- Provide Life Insurance Benefit
- Provide Retirement Benefit

These processes are further described below:

Worker Compensation Benefit

Worker Compensation is payable under the Federal Employees' Compensation Act (FECA) for injuries and/or death sustained while on-the-job. The non-taxable benefits can be paid to an employee due to loss of wages, medical expenses, rehabilitation expenses, loss of use of major body functions, and in the event of death, benefits paid to family members.
For on-the-job injuries and the applicable Worker Compensation Benefit, all categories of employees working for USAID both in AID/W and overseas are covered, including USPSCs and FSNs. USPSCs and resident hires retain the same benefits as U.S. direct hires. FSNs receive compensation from OWCP based on local compensation laws, regulations and customs, or in the event the country has no well-defined workers' compensation benefits, they receive benefits accorded in a nearby country.

Health, Life, Retirement Benefits

The health, life and retirement benefits for the Civil Service and Foreign Service were established through legislation and are applicable to all U.S. direct hire Federal employees. USPSCs do not have health, life and retirement per se, but contracts are negotiated and written to incorporate a certain portion of payment in addition to basic salary to help offset for "benefits". Internationally recruited USPSCs are now eligible to participate in a competitive group health insurance plan which provides full plan benefits while traveling or on leave anywhere in the world, including the United States. FSNs are covered for health, life and retirement benefits to the extent these benefits are incorporated into a benefits package within a local compensation plan for their particular country. There is often no equitable comparison between countries or regions.

Workplace Environment

Not covered in the above mentioned benefits modeled by the HRBAA, are a number of initiatives that are in place in many U.S. government agencies to help employees balance their home and work life. These are often referred to as the ***"family friendly"*** benefits and initiatives. These new programs/benefits include flexible hours, compressed work weeks, flexible workplace arrangements, dependent care services, among others. The National Performance Review (NPR) cited a number of action items to reinforce the family friendly environment and to expand it. Recommendations followed a number of studies completed in the late 1980s and early 1990's.

On July 11, 1994, President Clinton issued a memorandum to all Federal agencies to establish programs to encourage and support the expansion of family-friendly work arrangements. Quoting from the President's memo, it states:

> *"The head of each executive department or agency (hereafter collectively "agency" or "agencies") is hereby directed to establish a program to encourage and support the expansion of flexible family-friendly work arrangements, including: job sharing;*

career part-time employment; alternative work schedules; telecommuting and satellite work locations."

The Office of Personnel Management (OPM) and the Administrator of General Services (GSA) were asked to identify further steps to make the Federal environment a "model workplace". GSA has actively pursued creating telecommuting centers (an alternate office setting for employees who otherwise would travel long distances between home and work) to variations of flexible workplace arrangements, including pilot projects for working at home.

Beginning in 1992, Congress appropriated funding to GSA to set up telecommuting centers for use by federal employees in the Washington, DC area. These telecommuting centers are facilities that provide an alternate office setting for employees who otherwise would travel a longer distance between home and work. The rationale is to foster a more "family-friendly" workplace environment thereby increasing an agency's productivity. Other benefits expected include improving customer service; generating environmental and energy conservation benefits; reducing traffic congestion on area highways; and increasing civic involvement and volunteerism in nearby communities. The initial pilot program was considered a success, and more workstations and additional telecenter sites are being added. There are currently centers in Hagerstown and Charles County Maryland, and Winchester and Fredericksburg, Virginia..

In January 1995, OPM issued a report to the President, titled, "Balancing Work and Family Demands: The Federal Response". In that report, OPM recommended several initiatives which, if adopted, will have a future impact on the work environment of USAID. Some key points of the initiatives include:

1. Proposing legislation to provide agencies broad discretion to use appropriated funds for subsidizing child and elder care programs in ways not possible under current law. Such alternatives could include subsidies or reimbursements to employees for dependent care.

2. Expand child care services by making them more available and affordable for the rank-and-file Federal employees by establishing additional options and pilot programs such as sick/emergency care; before and after school care for 5-to 12-year olds; and summer care.

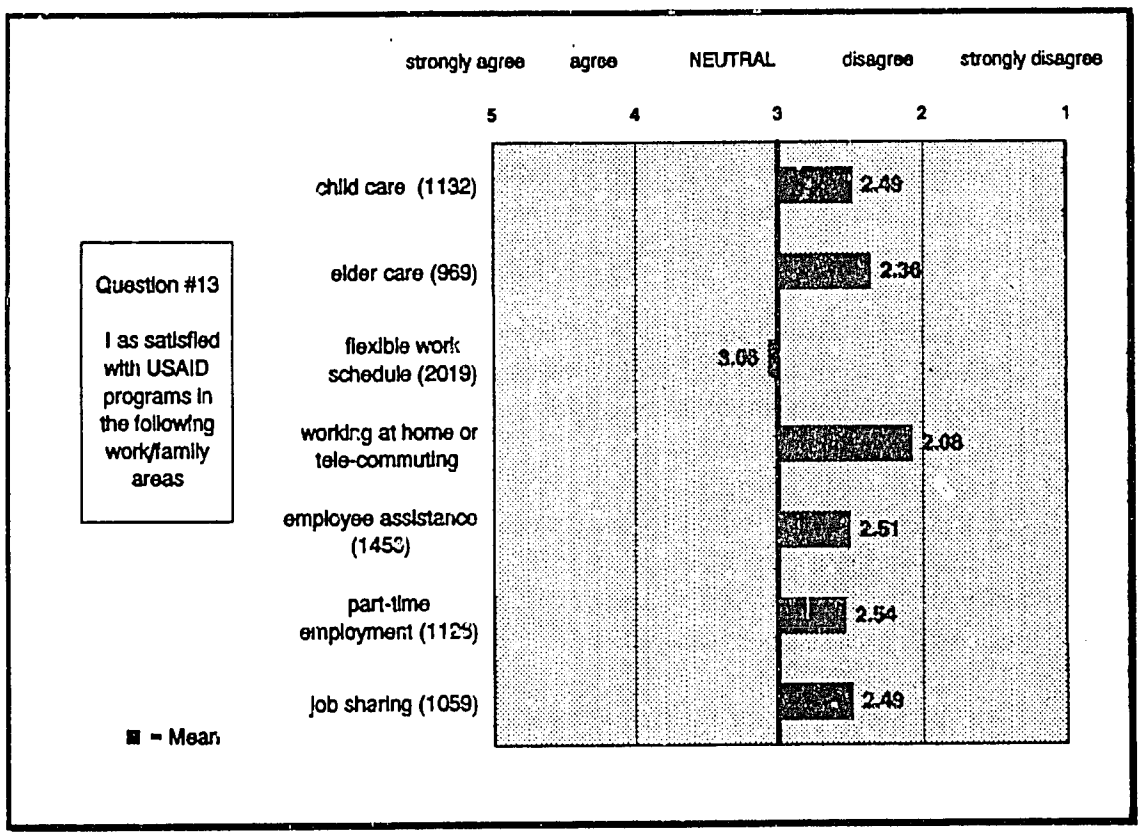
3. Give increased priority to expanding family-friendly workplace programs through agency Labor-Management Partnership Councils. (OPM, in consultation with the National Partnership Council, plans to issue a memorandum to all Federal departments and agencies asking them to make work and family issues a high priority.)

In the recent HRBAA survey, USAID employees were queried regarding some of these new Federal initiatives. The fact that most of these programs have not been implemented at USAID was reflected in the responses, as more than 50% of those who completed the survey

said "not applicable or don't know" to this section.

The following chart taken from the final HRBAA Survey report asks employees to rate their satisfaction with a number of Federal initiatives. It does not differentiate the various categories of employees, but rather provides the average score for the total population who responded. As can be seen by the graph, the mean (average of all responses) was fairly low, ranging from 2.08 to 2.5 ("2" being "disagree"), for all sub-questions under Question #13 which were within a range of 5-to-1. Flexible work schedules was the only area rated "Neutral". One can account for this response since flexible start/stop times has been in place for AID/W employees without the compressed work week component.

The USAID workforce clearly identified a gap in employee satisfaction by not having these programs as reflected below and in the many narrative comments received. If USAID is to be a leader in the reengineering of human resources, then we must consider this data and make every effort to provide enhanced workplace arrangements and champion the recommendations of the National Performance Review.



HRBAA Survey Comments from the direct hire workforce:

> *Comment on flex time - flex time is not allowed at this mission, therefore I rated it very low . . . .*

The major area AID needs to make improvements in is making the FS more family friendly, especially for two career couples. This involves making day care available in D.C., and improving employment possibilities for professional spouses.

I think there should be more of a family friendly workplace atmosphere, such as an AWS with a least one day off a pay period. This would help someone like me with two small children.

Other benefit areas which were not specifically referred to in the survey were also addressed through employee comments, especially from USPSCs and Foreign Service Nationals. Following are some of those comments which focus particularly on retirement, health benefits, and salary compensation.

HRBAA Survey Comments from USPSCs:

PSCs are cost effective for the Agency. I am in a third career and pleased to be a PSC WITH 2 EXCEPTIONS. 1) we can't participate in a Keough or the USAID retirement program; 2) It is a battle to be permitted to get technical training.

US PSCs have no support for retirement or health plans outside of receiving reimbursement for health. The agency should consider 401 (K) or keoughs for us and include us in a USDH health program. Assistance with job search would be great.

US PSCs, unlike Direct Hires and local FSN hires, have no post-employment benefits. Because we are considered government employees we can not enroll in Keough Accounts nor is there any USG program for retirement.

Very little information for PSCs on what opportunities are open to them and what types of issues they are affected by related to benefits (e.g. health, taxes, etc.) Being geographically far from contracting office, have little opportunity to ask.

HRBAA Survey Comments from Foreign Service National employees:

1. health benefits more ample; 2. reimbursement on health policy be made more promptly; 3. Like to see less problems when reimbursing medical claims. Expedite health policy as a whole.

Local FSNs resent discriminations and differences in benefits policies.

The Lump Sum benefits are not clear and it should be equal for everybody. Not the difference of 25% or 2% if I don't want to work with the mission any more.

The low salaries for the FSNs and the Lump Sum Retirement Gratuity Payment are

issues that are affecting the moral of the FSN employees. For more details, please contact AENSAL which is the Salvadoran Employees Association.

Recommendations

1. **Consider fully automating employee personnel data records on all categories of the workforce. Automation should allow for employees to access and read their personal record at any given time, especially records on employee benefits.**

   Computer programs should also be established to allow employees to query their benefits data and to generate calculations on retirement projections and benefits. In some instances, certain fields should be open for the employee to update at any given time (i.e. mailing address, emergency information, etc.) It is also recommended that employees have broader access to financial planning and counseling to prepare them for retirement. Many organizations provide this type of service throughout an employee's career.

2. **Explore the current classification status of USPSCs as stated in AIDAR and seek legislation which would allow them to set aside from 0-15% of their salaries in tax deferred savings/IRA-SEP (Simplified Employee Pension) funds.**

   USPSCs have been caught in a dilemma regarding retirement plans. On one hand, they are considered government employees but excluded from participating in any federal pension plan. Yet the Internal Revenue Service has also informed the Agency that USPSCs are not eligible to participate in Simplified Employee Pensions because of their classification status. Correcting this inequity requires that USAID seek a statutory revision to the Foreign Affairs Act. USAID would <u>not</u> contribute any government funding, there would be little or no administrative costs and no fiduciary responsibility. However, taking this action would allow USPSCs to set aside some of their own monies and participate in a SEP plan from which they are now excluded.

3. **Identify alternatives to benefit packages for FSN employees throughout the world. Recommend establishing minimal regional benefits.**

   Medical and retirement benefits vary widely from country to country. In some regions there are no health benefits; in others there are generous plans. This recommendation could be accomplished in two ways:

   a) Actively work with State/PER/OE to identify alternative benefit packages. There may be some minimal cost involved, although the assumption is that the FSN employee would be responsible for funding

the package as an optional benefit.

b) The Agency should provide technical assistance (e.g. through transfer of information from the Global Bureau's health center) and a mechanism to communicate to FSN Employee Associations regarding worldwide companies who could possibly provide benefits packages. This would involve no cost to the Agency.

4. Implement Alternate Work Schedules and/or consider a pilot program to implement Credit Hours.

As a reinvention laboratory, USAID should be a LEADER in this area demonstrating a model working environment and enhancing employees' abilities to balance work and family and other responsibilities.

AFGE recently completed a survey of AID/W employees on more flexible work arrangements and has made a recommendation regarding implementation of compressed work schedules. It is recommended that mission directors begin a dialogue with ambassadors to set the stage to discuss the use of the various options listed below. These options are currently available to federal agencies.

Flexible work hours, which is in place in AID/W, consists of work days composed of a core time when all employees must be at work, and a flexible part of the work day when employees may (within limits and supervisory approval) choose their time of arrival and departure. Agencies have the option of establishing their own policies with differing types of flexible hour programs, from establishing a prearranged starting/stopping time (which is the current AID/W policy) to allowing employees to vary starting times within flexible time bands, without prior supervisory approval.

Compressed work schedules are fixed schedules. Under this alternate work program, employees may complete the basic 80 hour biweekly work requirement in less than 10 workdays. Generally, government employees on a compressed work schedule work four 10-hour days, 4 days a week; or some employees work what is called a 5-4/9. That is, they work 9 hours for 8 workdays and 8 hours for 1 workday during a biweekly pay period, allowing them to take off one extra day every two-weeks.

Credit hours provide the most flexibility for employees and often times the work group. "Credit hours" are hours worked in excess of the basic work requirement - at the employee's option, but approved by the supervisor. Employees do not receive overtime for these extra hours; Employees work under a predefined band of flexible arrival and departure times and can earn up

to 24 additional credit hours of time. Unused credit hours are carried over from one pay period to the next without time limit.

5. **Actively pursue exploring expanding family-friendly workplace programs to include creating pilot projects for such things as flexiplace arrangements and job sharing.**

As stated in the background information of this section, GSA has pilot programs underway in the Washington, DC area for telecommuting. While there are only about 3,000 federal workers now participating in telecommuting, the first reports on this benefit are having positive results. Clearly, USAID should explore more ways to create an environment in which work and family issues have a high priority. Information technology and increased delegations of authority to the field make this recommendation more feasible than in past years. As the IE systems are implemented and more Agency data is available worldwide through our systems and Internet, it may also provide an opportune time to consider flexiplace arrangements, as well as considering job sharing for those with family responsibilities who would like to work part-time.

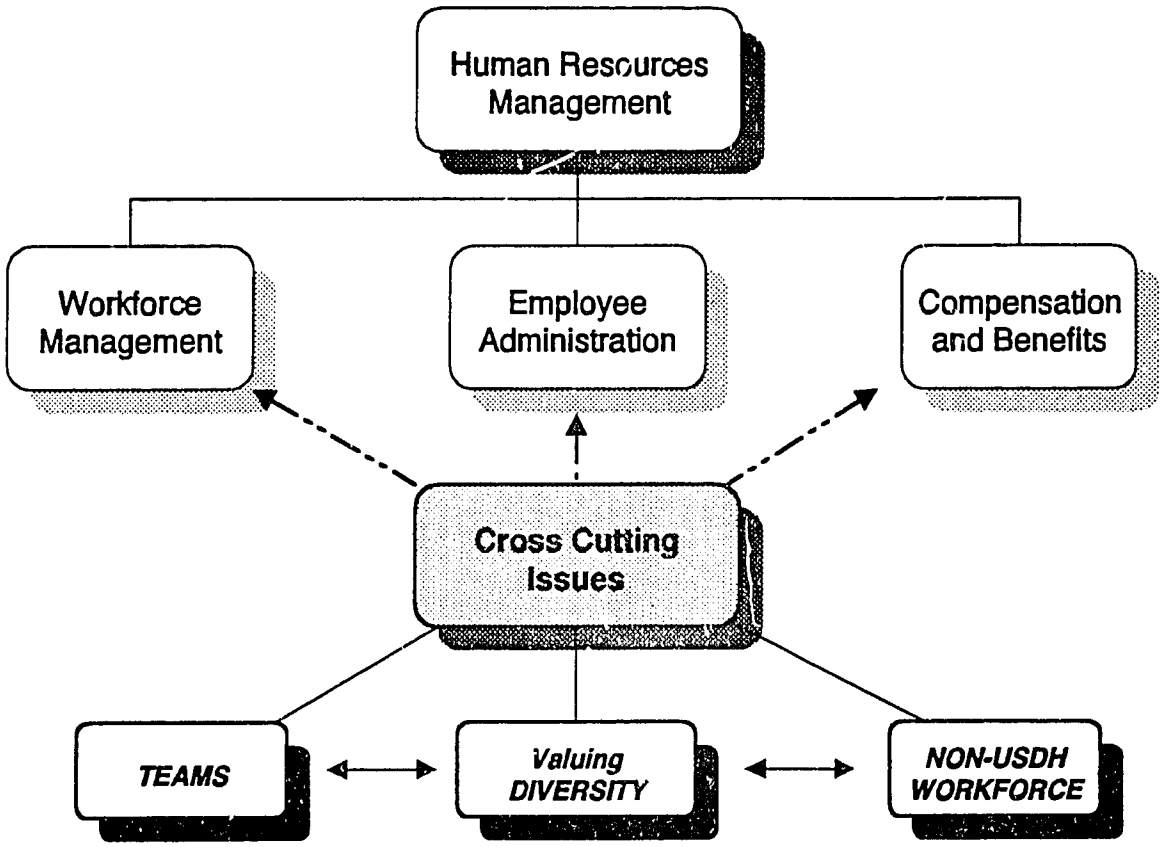
6. **Provide clear guidance to USPSCs and FSNs as to their eligibility for worker's compensation and disability benefits.**

This information should also be readily available to supervisors. In general, written procedures/pamphlets (not just info in Handbook 29) should be established, published and communicated to missions and AID/W employees and management.

7. **For Worker Compensation cases, a critical need exists to automate case files in order to group data for analysis and management reports.**

Everything is now done manually and there is no way to way to pull or group data for management reports. The potential exists to save considerable dollars via moving previously injured employees to vocational rehabilitation programs, etc. In addition, the agency should consider reasonable accommodations for ALL job categories.

Child care was not specifically mentioned in the above recommendations, in particular for AID/W, as plans are underway to establish a child care center when the Agency moves to the new Federal Triangle building. Page 3 of this chapter also lists several proposed OPM initiatives which could further impact child and elder care programs. Where feasible, the Agency should also explore contributing towards overseas' child care on a cost neutral basis, e.g., providing space when available, etc.



CHAPTER VI
Cross Cutting Issues

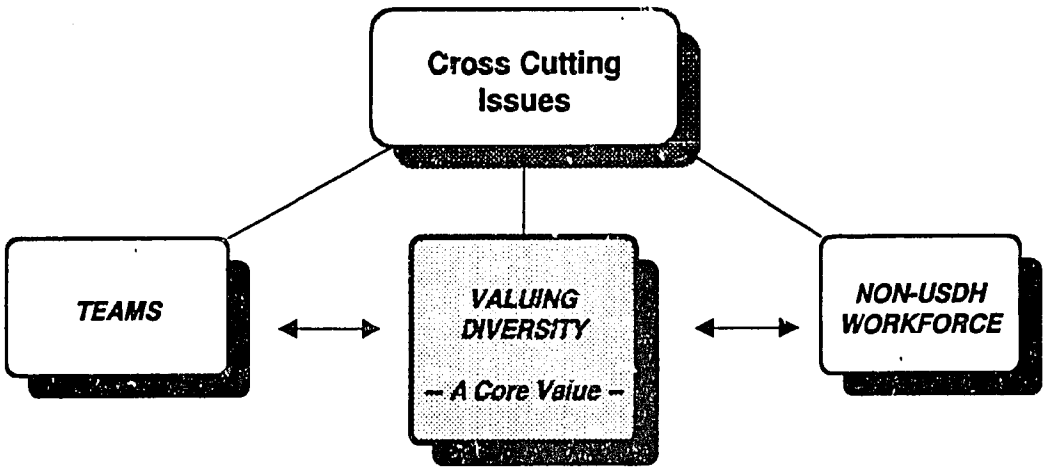
TABLE OF CONTENTS

A. Valuing Workforce Diversity
   1. Overview
   2. Benchmarking
   3. Teams, Customers and Valuing Diversity
   4. Background of USAID's Diversity Program
   5. Diversity and the HRBAA Survey
   6. Recommendations

B. The Agency's Non U.S. Direct Hire Workforce
   1. Foreign Service Nationals
   2. U.S. Citizen Personal Service Contractors
   3. The Expanded Workforce

C. Teams - Beyond Teamwork to Teams
   1. Overview
   2. Practical Issues Regarding Teams
   3. Questions and Answers

Valuing Workforce Diversity



"the Agency must demonstrate that it values all its employees, and that it will take measures to ensure real opportunities for employment and career advancement for all who demonstrate competence, hard work, a positive attitude, and a willingness to make the extra effort to contribute."

J. Brian Atwood, USAID General Notice, May 11, 1993

Overview

The Agency for International Development, dedicated to global improvement of the quality of human life, stands as a beacon of hope and opportunity to people of developing countries. But in order to effectively deliver quality programs to the country beneficiaries, our ultimate customers, we must ensure a workplace environment in which each employee values the richness of diversity, experience and contributions of others. In addition, every employee must have the opportunity to contribute to the full extent of their ability.

What is diversity? USAID's Diversity Plan defines diversity as 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. Diversity goes beyond the traditional mandates of Equal Employment Opportunity and Affirmative Action responsibilities to address cultural dimensions and mutual respect for the uniqueness that each person brings to the

table.

As the HRBAA identified and analyzed the processes of USAID's current diversity program, we made two very clear distinctions between EEO/affirmative action and what we termed "valuing diversity". EEO and affirmative action have specific legal requirements as they pertain to the U.S. workforce. Valuing diversity, on the other hand, speaks to attitudes and workplace environment and it is all-encompassing of every employment category.

Benchmarking

When the HRBAA team benchmarked human resources functions with Xerox Corporation, it participated in a workshop session where Xerox described diversity as a competitive strategy. The corporation executives view diversity as more than a moral imperative or business necessity. For them it is considered to be a business opportunity. Xerox' view is that diversity *"goes beyond numbers and targets: it is the acceptance of people of all ages with globally diverse backgrounds whose fresh new ideas, opinions, perspectives and borderless creativity enrich the lives of others."* It includes both an acceptance and utilization of human differences to work in heterogeneous teams who collectively serve the customer. Proctor and Gamble Company has adopted a similar diversity principle, stating that diversity goes beyond physical differences such as race, sex and age, which normally have been considered under the EEO and Affirmative Action legal requirements, to touching on the less visible differences such as nationality, culture heritage, personal background, education, socio-economic status, position in an organization, etc.

Teams, Customers and Valuing Diversity

There is both urgency and a compelling Agency need for all levels of the workforce -- from management to employees -- to understand and value diversity as we progress towards a reengineered organization. The framework of the Operations BAA moves the Agency beyond teamwork to accomplishing its major activities in and through teams made up of USAID employees, partners, stakeholders and customers. This requires a major paradigm shift in our thinking and understanding of diversity in the normal context. Rather than defining it within the confines of the American workforce, we must think about it in an expanded context of international working teams possessing global multicultural dimensions.

Core teams of USAID personnel consisting of U.S. direct hires, USPSCs and Foreign Service Nationals, and extended teams of USAID staff, external partners and stakeholders, represent a mosaic of multicultural individuals who must arrive at a common work goal to achieve a result. It is a business imperative that we create a workplace environment unencumbered by traditional barriers. Team members must have a common understanding of diversity to be able to accept human differences and work in problem solving teams to serve our customers. Ours is a global responsibility in which diversity and equal employment opportunity must be defined in broader terms.

Valuing diversity involves a mutual respect and understanding between work groups and team members which is free from stereotyping. It speaks to how we treat each other. It involves doing what is right and just and fair in all our personal interactions within the working environment. Diversity does not just happen. To use a quote from Stephen Covey, noted author and international consultant on principle-centered leadership, we must *"seek first to understand, then to be understood."* It is a business necessity that we understand the synergy and benefits of bringing together people of differing backgrounds and skills to accomplish our Agency goals. We must work together and make every effort to get the most out of our human resources.

Achieving a workforce environment that values diversity often begins through awareness training, taking the time to understand, openly communicate, and working diligently to remove barriers through active team participation and empowerment.

Background of USAID's Diversity Program

At present there are four mechanisms in place which are associated with USAID diversity issues. All four aspects serve in some capacity to improve workforce diversity in USAID.
There exists a:

- A traditional Equal Employment Opportunity Program Office
- Diversity Plan
- Diversity Council
- Diversity Training Strategy

Equal Opportunity Program Office

USAID's Equal Opportunity Program (EOP) Office has the traditional legally mandated responsibilities associated with complaints adjudication, affirmative employment, and equal employment opportunity. It also works cooperatively with management officials and human resources professionals to ensure achievement of a workforce reflective of the overall U.S. nation. This includes the development, administration and monitoring of the Affirmative Employment Program Plan.

Diversity Plan

The Diversity Plan, published March 1994, was written based upon three principles:

- The first principle is to continue to pursue a full representational workforce profile through affirmative employment;

  Affirmative employment in the context of the Diversity Plan speaks only to the American workforce. It is based on Executive Order 11478 of 1969, the Civil Service Reform Act of 1978, and the Foreign Service Act of 1980. These legal authorities mandate that Federal agencies establish and maintain affirmative action and recruitment programs designed to eliminate underrepresentation of minorities and women in their workforce.

  Again, these laws speak only to U.S. citizens. The U.S. Equal Employment Opportunity Commission (EEOC) provides oversight and requires that agencies identify their workforce profile (compared to U.S. census data or the Civilian Labor Force), identify barriers to equal opportunity, steps to eliminate those barriers, analysis of recruiting and selection strategies, and other EEO goals, considerations, and timetables for achieving a representative workforce profile for their agency. To assist agencies in profiling, the U.S. Office of Personnel Management (OPM) has classified government employees into five white-collar groupings -- the same groupings which appeared in the recent HRBAA survey. That is, professional, administrative, technical, clerical and "other" categories. All agencies conduct analyses of these work groups in light of the grade levels and the numbers of women, African American, Native American, Hispanic, Asian/Pacific Islander, and White (not of Hispanic origin) employees who fill permanent positions.

- The second diversity plan principle is to value diversity by creating a

working environment where every employee feels valued and accepted;

This principle speaks to the treatment of and respect for all non-U.S. direct hire employees, including FSNs and USPSCs. It identifies a need for cultural sensitivity training and a need to seek ways to empower all personnel. The Diversity Council (see below) was formed to provide a dialogue on valuing diversity and to coordinate the activities contained in the Diversity Plan.

- The third principle addresses the need to manage diversity, building enabling skills in the workforce and creating policies to allow each employee to contribute to their fullest potential.

During the past year several action items were completed, including a number of meetings co-chaired by the Director, EOP, and the HR Director of Workforce Planning to address diversity management and workforce planning; there was also implementation of a new reformed assignment system designed to make the selection process on FS assignments more transparent; and the first issuance of a periodic satisfaction survey via the HRBAA Personnel Services Customer Survey.

The Diversity Plan is divided into two phases, FY 94 and FY 95, with specific activities and target completion dates. It is a proactive instrument. The Plan defines diversity for the Agency as 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 (page 17 of the Plan).

Diversity Council

The charter of the Diversity Council is to serve as a sub-working group of the Deputy Assistant Administrator Committee (DAAC). The DAAC was established by the Administrator in August, 1993. A subsequent meeting of the DAAC resulted in each Bureau and Office designating a Diversity Coordinator to serve on a Diversity Council, to be co-chaired by HR and the Director of EOP. The Council's primary purpose is to provide support to the achievement of the USAID Diversity Plan objectives.

Diversity Training Strategy

The last mechanism is the diversity training strategy sponsored by the HR

training organization. The training strategy addresses five components: the Agency context, a view of workplace diversity, the need for diversity training, diversity training activity, and a training evaluation framework. This strategy clearly describes the historic evolution of diversity within the Agency, and describes the need for diversity training.
However, the training strategy does not seem to convey a sense of urgency to implementation and execution, nor does it enunciate clearly which organizational entity will do what. For example, the strategy proposes a three-year implementation period. Our reengineered business processes require the ability to work effectively in diverse teams. We cannot afford to delay preparing to meet a critical business need, when it is possible to execute training in less than 12 months. On the surface, it also appears that another missing component in the training proposal is an emphasis on the supervisory responsibilities of managers and supervisors concerning equal employment opportunity legal requirements. This is a different dimension, but just as important.

Diversity and the HRBAA Survey

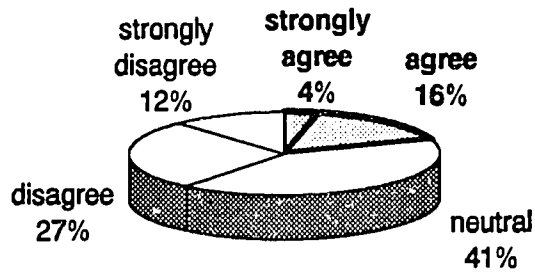
The recent results of the HRBAA Customer Service Survey clearly demonstrate that employees have concerns about equity and fairness in the workplace, including issues about sexual and other harassment. More information on this can be found in the April 1995 "Overview of the HRBAA Personnel Services Customer Survey".

As shown in the following two graphs, supervisors identified both a need for training on diversity issues, as well as advice on personnel rules and regulations applicable to affirmative employment. Only 20% of all supervisors worldwide feel they have had adequate training in diversity issues. 41% are minimally satisfied and 39% are not satisfied.

Equally important as training in diversity are affirmative action and EEO issues as they relate to legislation and requirements for the U.S. workforce. In the second graph, U.S. supervisors identified a gap in the services needed regarding EEO/Affirmative Action regulations and what they receive.

DIVERSITY
USAID Supervisors - Worldwide

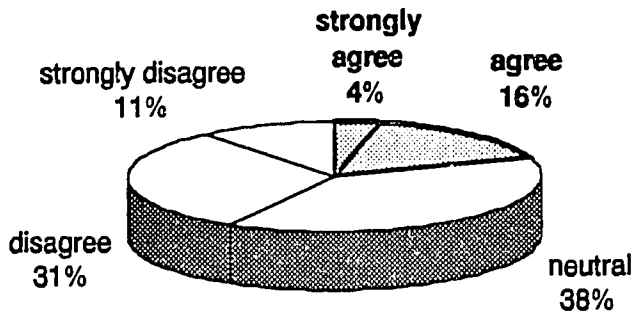
Question #41a - I am satisfisfied with the following services I receive to meet my organization's workplace diversity goals: Training on Diversity Issues



Supervisors include USDH, FSN and USPSC

DIVERSITY
USAID Supervisors - U.S. Citizens

Question #41b - I am satisfied with the following services I receive to meet my organization's workplace diversity goals:Advice on personnel rules and regulations applicable to affirmative employment



Supervisors includes USDH and USPSC

If we are to meet workplace diversity and equal employment opportunity goals, and create a work environment free from harassment and intimidation, we must

actively train supervisors and employees on cultural sensitivity issues, as well as EEO and anti-harassment responsibilities. Everyone must have a clear understanding of harassment, discrimination, and other types of inappropriate behavior.

As we move forward to train the workforce and to communicate and shift this value, it can be expected that follow-up surveys will reflect higher percentage ratings on questions relating to diversity and EEO/Affirmative Action.

Recommendations

1. **Adopt Valuing Diversity as an Agency Core Value.**

   When the Agency adopted the four core values of customer focus, results orientation, empowerment/accountability, and teamwork, it recognized that each played a critical role in doing business in a new way. However, the HRBAA believes that because of our multicultural workforce consisting of approximately 59% foreign service nationals from all over the globe; a U.S. workforce of diverse composition; our responsibility to our end customers, the country beneficiaries of our development programs; and our focus on using extended teams made up of USAID employees, partners, stakeholders and customers, that **valuing diversity is the supporting pillar to all other core values**. Teams and teamwork will not work without valuing the unique contributions of each member. It is a business imperative to maximize all human resources contributions.

2. **Hold individual managers responsible for achieving diversity initiatives in their organization.**

   We recommend that during the R4 process (annual Results Report and Resource Request), that managers be required to discuss diversity achievement within the context of resource utilization. Focus should not just be on recruitment, assignment, and promotion actions which tend to address equal employment opportunity and affirmative action as it pertains to the U.S. workforce. Rather valuing diversity should address such areas as how the entire workforce is being developed, how teams are being integrated with all work categories to realize business objectives, and how maximum utilization of staff is/was realized. It could also involve discussions on the training and development of employees in order to better prepare them to take on greater responsibilities, how staff was recognized, rewarded and supported, and/or how staff increased participation and

interaction with USAID's customers (the country beneficiaries).

Coupled with the above recommendation, the Agency should review the four mechanisms (EOP, Diversity Council, Diversity Plan and Diversity Training) which focus on the achievement of workforce diversity. Some responsibilities for these four overlap and need to be reviewed for clarity and focus. For example, the charter of the Diversity Council should be reviewed to determine its role and responsibilities under the reengineered human resources functions and recommendations in this report. We must also explore how to strengthen the role and ensure Agency commitment at the DAA and AA level.

In addition, we recommend that the new performance appraisal plan be amended to add a skill set covering diversity and EEO/affirmative action. For executive managers, as mentioned elsewhere in this report, it is recommended that the employee satisfaction survey be used as a tool to provide 360° feedback from employees. This is essential to ensuring managers are held accountable and so that corrective measures, if needed, can be addressed. It is also recommended that Agency managers be required to provide diversity training to all subordinate supervisors and employees and to enforce existing policy.

3. **Extend the Agency Diversity Plan on the equal employment opportunity and affirmative action principle to include the entire workforce.**

While existing legislation requires the USDH workforce be reflective of the American society, we recommend that USAID must also strive to ensure the workforce in an oversea's mission is reflective of the society/country in which each USAID mission operates. To implement and achieve this objective, managers should consider developing mission-specific diversity plans to guide them in meeting diversity goals and action items.

Secondly, although promotion precepts for foreign service officers address diversity, the revised performance evaluation form should also incorporate reference to this critical value and provide some means of measurement as to its accomplishment.

4. **Accelerate the proposed 3-year delivery of cultural sensitivity and diversity training to a completion date of 12 months. Incorporate a training module to cover equal employment opportunity as well as sexual harassment. And, ensure learning experiences (training) is available worldwide.**

This recommendation should not be considered a one-time effort; rather, continuing refresher courses should be mandatory at least once every three years. Understanding and valuing diversity is critical to teamwork and reengineering. It must involve the entire workforce.

In addition, managers and supervisors need to be more aware of their obligations to EEO and affirmative action under federal legislation, as well as sexual harassment issues; therefore, we recommend that this learning experience/training be given one of the agency's top priorities.

5. **Develop policy guidelines and learning experiences/training to cover FSNs which address equal employment opportunity, sexual harassment, harassment/intimidation, and cultural sensitivity awareness regarding the United States.**

   It is perceived that the agency has generally been silent on the above, as legislation was written to specifically address the treatment of U.S. citizens. Ours is a unique mission. It is time to address fairness and equity concerns for all employees. There should be published guidelines and processes, consistent throughout the world, whereby FSNs have a mechanism to file complaints, especially regarding sexual harassment. This would be consistent with Title VII protection afforded U.S. direct hires.

   It is also imperative that we have a common view on U.S. expectations and work ethics and values as it relates to our overseas work. As FSNs are educated on U.S. cultural and work values, along with the laws that govern U.S. citizens, they will be better equipped to handle and be empowered with additional responsibilities.

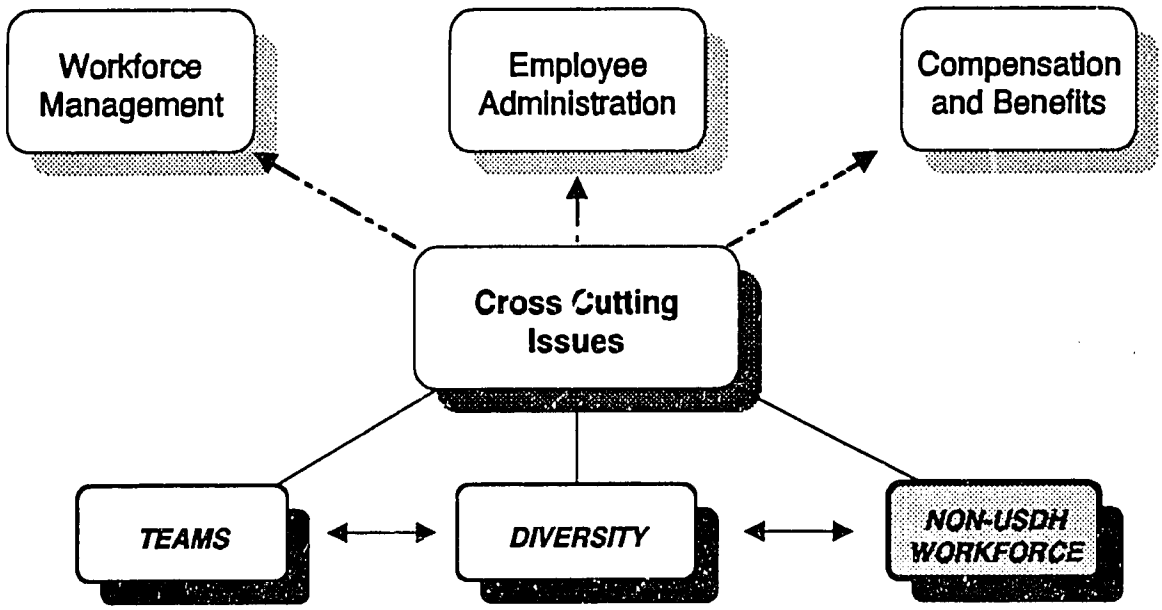
6. **Prior to assignment to new posts, all employees should attend a mandatory diversity orientation training which incorporates country specific cultural and diversity issues. Language training should also be a prerequisite before overseas assignments. (Note: Language training is discussed more fully under the assignment section, Chapter IV).**

   Cultural sensitivity training applies to long-term assignments of all U.S. citizens, as well as briefings and/or training for those planning short-term TDY excursions. It is also recommended that all eligible family members attend training prior to an extended overseas assignment. We must not assume we "know" how to act within a given culture - we must take the time to examine and understand the country and the peoples with whom we

will be interacting. Only then can we come together as effective working teams and realize a synergy of our combined efforts.

The HRBAA recommends that training is mandatory and that exceptions are rare and not the general rule. Timing of training is critical to effectively working with our partners and customers. Therefore, the Agency should not be bound by the training schedule established by the Department of State's National Foreign Affairs Training Center. We must ensure money is available for area studies programs, language training, and other external courses addressing country specific cultural and diversity issues.

The Non U.S. Direct Hire Workforce



Overview

Charged with designing and implementing humanitarian and economic assistance programs overseas, USAID employs U.S. citizens and foreign nationals under a variety of employment mechanisms. The Agency's core workforce, as well as the mechanisms used to hire them, have evolved over the years to reflect changing realities within the Government as a whole and particularly changes in how programs are designed and how work is accomplished.

Initially, USAID performed all design, implementation and evaluation work "in house" using its own direct hire employees, and this staff was hired in numbers commensurate with the development program. This core workforce consisted not only of U.S. direct hire employees but also of foreign service nationals hired under direct appointments. Representing a wide variety of highly specialized disciplines, such as engineering, agriculture, and public safety, the U.S. direct hire employees were assigned overseas in numbers necessary to accomplish the work envisioned in project design, within limits imposed by Congress on funding and personnel ceilings. The foreign national direct hires provided administrative depth to this team of USDHs.

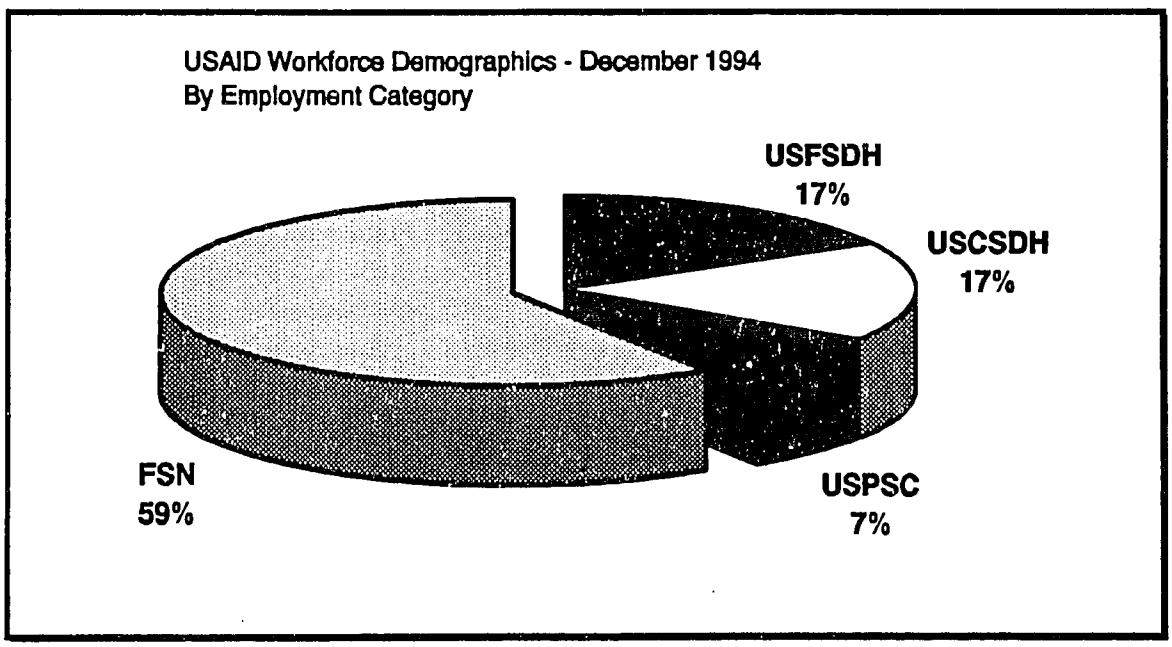
In the 1970s, the USG began to turn increasingly to the private sector to implement its programs. Mirroring this change, USAID began to focus less on developing its own in house workforce and more on utilizing private sector entities to accomplish development project work. Resources were diverted to contract mechanisms, and the Agency's direct hire workforce was reduced. USAID began to exercise its contracting authorities to

acquire the services of institutional contractors, and grants and cooperative agreements became an effective means of funding the activities of private voluntary organizations (PVOs) and other non-governmental nonprofit organizations (NGOs).

As the direct hire workforce began to diminish, however, the roles and responsibilities of employees expanded. Workloads increased significantly as Congress demanded increased levels of accountability for resources. The political and regulatory environment in which the Agency operated became more complex. With the Congressionally mandated reductions in personnel ceilings, or Full Time Equivalents (FTEs), and the accompanying reduction in the number of direct hire personnel available to support program implementation, the Agency was forced to seek other human resources to accomplish its overseas mission.

The Agency began to increasingly utilize contracts to accomplish work, and managers hired large numbers of foreign nationals and U.S. citizens under personal service contracts and established employer\employee relationships with them.
The Agency began to accomplish part of its basic, governmental work with personal service contractors. As a result, by the mid-1970s, the Agency had virtually stopped allocating new FTEs for foreign service national employees, and managers were expected to utilize contracts to employ their locally-hired FSN workforce.

Today each USAID field unit has its own unique "personnel profile," which is directly dependent upon such local factors as the availability of commercial services, the levels of OE funds, the established FTE ceilings, and the number of educated and experienced local job applicants.



The Agency's core workforce as defined by the HRBAA is divided into four distinct groups. They are:

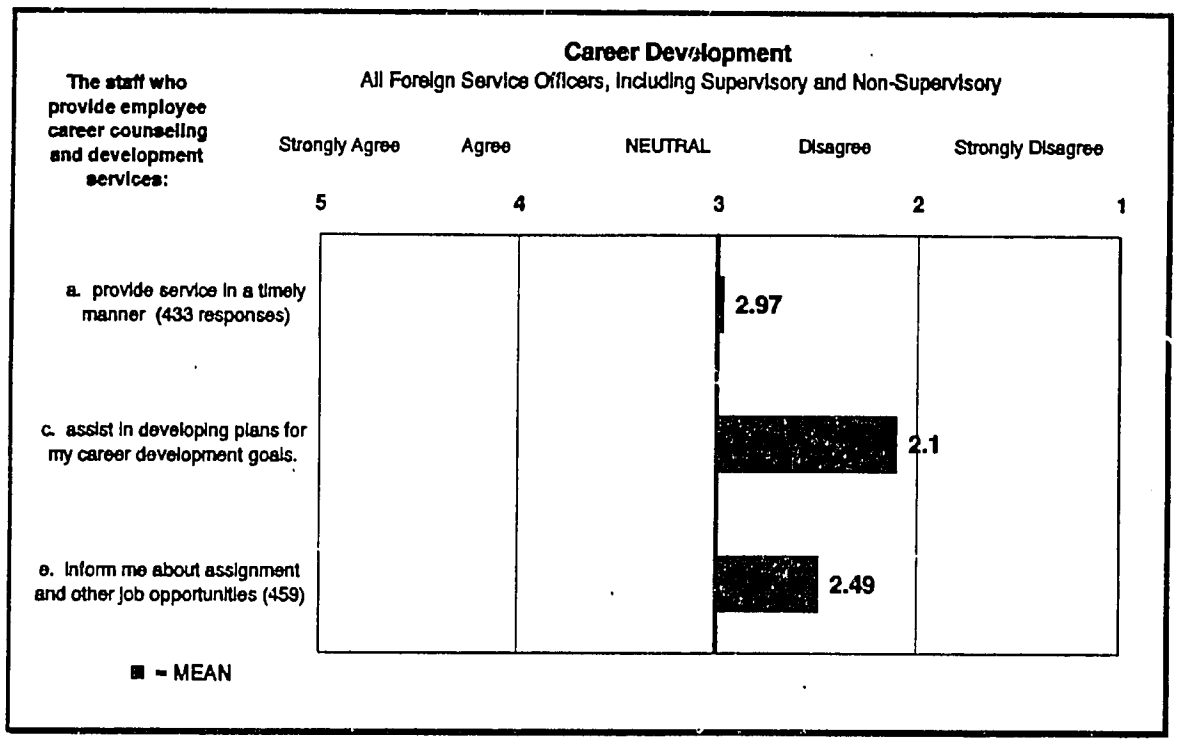
- U.S. Foreign Service
- U.S. Civil Service
- U.S. Personal Service Contractors
- Foreign National Direct Hires and Personal Service Contractors

These groups are distributed as shown in the graph above. Note, however, that the category designated "FSN" does not discriminate between direct hires and personal services contractors. As of May 1, 1995, M/HR/WPRS/MSPS reported there were 5291 FSNs employed by USAID worldwide; of that number, 4700 were contractors (FSNPSCs). Missions reported 583 USPSC employees, of which 199 were OE-funded with the remainder funded from program accounts or trust funds.

Issues and Concerns

Today USAID managers utilize personal services contractors, both foreign national and U.S., as integral and important parts of the core USAID workforce. The reengineering work currently underway in the Country Experimental Laboratories (CELs) has highlighted some of the reengineering-related issues which revolve around the "appropriate" role of FSNs and USPSCs. Giving employees more authority and holding them more accountable for their actions are basic, underpinning values of the Agency's reforms. Some managers see the process of delegating increased levels of responsibility to the workforce (which is primarily FSNPSC and USPSC, and therefore, non-direct hire) as an essential element of overall, meaningful reform, while others argue that this workforce are "contractors," not "employees." Therein lies the dilemma for the Agency.

The non-direct hire workforce now encompasses approximately two-thirds of the worldwide total. While there has been considerable effort expended to ensure that all types of employees are treated fairly and equitably, inequities do exist. The following graph drawn from the HRBAA Customer Service Survey illustrates, in part, how FSNPSCs and USPSCs perceive their employment with USAID.



Comments from FSN employees:

> *At USAID[mission], Employee Career Counseling and Development Services are not provided. Although most FSNs stay at the Mission for many years (country's unemployment rate is high), they do not move ahead as much as regulations would permit.*
>
> *For working more than 10 years with the USAID, I learned many things. It broadened my views. I improved my skills and experienced new things. It developed a self confidence in me and developed a sense of initiative and resourcefulness.*
>
> *There is a clear need to provide for HR services focusing on FSN career development opportunities. Specially as it applies to senior (professional) FSNs.*
>
> *I am leaving USAID in a week. Though my professional experience has been interesting, as a [ ] FSN, I reached my ceiling a year ago with no future career prospective. In many cases, FSNs should have more room for growth.*

Comments from USPSC employees:

> *Support for personal career development does not extend beyond the needs of current contract position, except for informal discussion. Information provided is*

in the form of notices and cables which are copied and circulated by EXO.

USPSCs have no career track, no performance incentives, and no retirement benefits - a very insecure position! And yet the Mission would be severely hampered if we weren't here....

If services of USPSCs are to continue to be needed, a more ordered manner of identification of availability of potential PSC positions needs to be developed.

The obvious solution is to rationalize employment by hiring all employees in the same manner and under the same authorities. Unfortunately this is perhaps the least realistic given current political and budgetary realities. The conversion of PSCs to direct hire status is a move which would more fairly reflect their role and relationship with the Agency, but which can only be accomplished on a limited scale at this time.

Discussion

In the field, foreign service national personal services contractors (FSNPSCs) work alongside direct hire nationals (FSNDHs) performing, for the most part, exactly the same duties and assuming the same kinds of responsibilities. Although a manager may desire to treat them both alike, many of the current policies and procedures are different for these two groups. While the Government is still somewhat ambivalent on whether PSCs are "employees" or not, the more traditional view is that PSCs are not "employees" of USAID.

As the Agency shifts from its traditional hierarchical structure to a flatter, more team-oriented method of accomplishing tasks, the importance of delegating increased levels of authority and accountability to FSNs becomes increasingly an issue for discussion. Although ongoing reinvention and reengineering initiatives suggest the delegation of increased levels of authority and accountability to FSNs, there are very real concerns that Congress, among others, will consider delegations to non-direct hire employees to be inappropriate.

In addition, neither OPM nor OMB could be expected to support further delegation of authority to FSNs whose employment relationship with the Agency is determined to be defined in the contracting mechanism used, particularly when the contract instrument itself is ambivalent on this point. Even USAID's contracting officials hold that the responsibilities and authorities of PSCs should continue to be limited because they are not "employees" bur rather "contractors." Moreover, much of the resistance to consideration of delegating additional authorities to FSNs revolves around their national status and not the instrument of employment. The Agency must have legal recourse and access to individuals. In the case of foreign nationals, both legal remedies and access become problematic.

Although the conversion of both U.S. and FSNPSCs on a large scale may only be a long-term option for the future, this recommendation should be effected where feasible and as soon as possible for the Agency's 199 OE-funded USPSCs.

It is proposed that internationally-recruited USPSCs be hired under non-career, 5-year limited appointments. Personal services contracts should not be utilized in the future to acquire the services of U.S. citizen specialists who are recruited internationally. The PSC is considered to be an appropriate employment mechanism for acquiring the personal services of U.S. citizens and FSNs locally.

Although more dramatic changes may be possible at some time in the future when Congress is more supportive of development assistance, the following discussion of USPSC and FSN issues is provided within the current context and restricts itself to those modifications in policy and procedures that can enhance Agency operations now.
To support the effectiveness of re-engineered program operations, the Agency must develop an effective method of determining the mix of skills it requires to accomplish its programmatic goals. In addition, it must modernize the employment mechanisms used and the assumptions dictating how it utilizes segments of the traditional workforce to reflect changing operational requirements and realities in the new, reengineered USAID. It must also maintain an effective and efficient staff and provide appropriate personnel services to all categories of employees. The myriad of challenges and opportunities facing USAID in maintaining a majority non-direct hire workforce is discussed below.

I. FOREIGN SERVICE NATIONAL EMPLOYEES

The Foreign Service Nationals (FSNs), both direct hire and PSC, who serve in overseas missions, constitute a sizeable, generally highly educated and competent resource base. Eager for more authority and responsibility, they are dollar for dollar the least expensive component of the overseas work force and a resource which the Agency is currently under-utilizing. The current reform initiatives present opportunities for the Agency to make revolutionary changes in how it uses this workforce. The newly reengineered systems and processes rely heavily on the enhanced participation of the FSN staff who ultimately will ensure or undermine its success.

Focusing on the Agency's core values of customer focus, managing for results, teamwork, and empowerment and accountability, the HR-BAA developed its vision of human resources within a reengineered USAID. This vision defines its principal customers as Agency management and employees, including FSNs, and reflects the needs of this customer base. The discussion which follows is organized around the key elements of this vision as it relates to FSNs.

1. Agency Philosophy and the Operating Environment:

<u>Managers should be required to engineer cultural change within their organizations and to empower FSNs to the extent practicable.</u>

To maximize benefits for both the Agency and its FSNs, the work climate in all USAID organizational units must be open, participatory and creative. Supervisors at all levels must actively and demonstrably encourage innovation and risk taking by all employees in a spirit of cooperation and within a team framework.

Most FSNs are "comfortable" within the hierarchical mission environment, where they are given responsibilities... up to a point and then removed from any risk, as substantive decision-making and commitments are passed "up" to the American supervisors. Only a few have played any lead role in development planning (referred to now as planning for results). Information has customarily been "passed down" to FSNs on a "need to know basis" rather than being readily accessible in a transparent work environment.

The philosophy of reengineering demands a change in the operating environment throughout the Agency. To effect such fundamental change requires time and places a premium on creating a learning environment. Micro-management, both at the Washington and mission level, as well as the limitless number of regulations which employees are expected to know or be able to refer to, have provided a "security blanket" that discourages employees from thinking for themselves. Effective transitioning into the new reengineered work environment where employees are not only expected but actually encouraged to think for themselves will require training at all levels. The Agency must, therefore, provide the appropriate learning tools to train FSNs during this transition

period to enable them to assume their enhanced roles responsibly. Mission management must be committed to this cultural change and must work aggressively in behalf of their FSN staff. Reports from the Country Experimental Labs (CELs) confirm that senior FSNs, both within the traditional mission organization as well as those on teams, are responding positively to being assigned to more responsible positions with increased levels of accountability.

2. Strategic Planning and Resource Allocations:

Mangers should be required to review staffing assumptions and to place FSNs in new, non-traditional roles.

Human resources and program operations must be more clearly linked to enable the Agency to provide the right staff in the right place at the right time. More effective utilization of FSNs could maximize the distribution of the Agency's scarce human resources.

Mission managers need to realistically determine their requirements for American personnel. Currently, the restrictions on delegations of authority do not permit the Agency to use its USPSC workforce to perform duties that cannot be performed by FSNs. Since a fully loaded USPSC contract is significantly more expensive than that of a locally hired FSN and since the same type of work can be performed by both USPSCs and FSNPSCs, a USPSC should only be used when it is absolutely necessary. The USPSC hiring mechanism should not be abandoned entirely, but serious consideration should be given to using FSNs wherever practicable.

The Agency should consider utilizing highly skilled FSNs to fill positions outside their country of origin. As reductions in both USAID's human and financial resources continue, the Agency must seek to maximize its use of a talented, experienced and highly skilled FSN work force not only in the FSN's home country but also internationally - perhaps even providing rotational assignments for FSNs in various regional offices or in USAID/W offices. Currently, although Missions are already utilizing FSNs for short-term TDYs outside their home country, this practice is limited and informal. The practice of employing FSNs on a full-time basis outside the country of origin as Third Country Nationals (TCNs), however, has historically met resistance from the losing mission. Losing Missions see the loss of manpower and the possible loss of related OE funding as factors which negatively impact on Mission productivity -- individual development and the career enhancing nature of a job opportunity in another country are normally secondary considerations.

a) Utilize the FSN workforce on TDY and on long-term assignments in third countries:

While the expense of relocating foreign national employees and their families may sharply limit the utility of this proposal, the concept should be explored, as it may prove to be useful in certain circumstances.

Develop a skills data base to determine what skills are currently available within our FSN work force.

This information must be readily available to all managers as they plan their workforce requirements, and it is expected that all missions will develop a "catalog" of skills. This data base should be made available to other missions when highly technical, specialized USAID-specific skills and experiences are required on a short or long-term. FSNs can be a valuable source of temporary assistance, and the Agency has considerable experience in utilizing some FSNs in this manner.

FSNs are applying in increasing numbers for positions advertised on a worldwide basis. Historically these positions have been filled by USPSCs and have been classified in accordance with the GS or FS pay scale. When a non-USPSC is hired, however, the guidance is not as clear on how to set salaries and establish benefits, particularly because there are so many variations of TCNs and no clear definition of the difference between the TCN and the FSN. Some contracts use Appendix D of Handbook 23 to develop a benefit package and set salaries on the GS or FS pay scale, while other contracts use appendix J and the local FSN compensation and benefit package.

The employment mechanism for FSNs outside of their home country must be regularized to assure that equitable pay and allowance benefits are provided worldwide.
Since losing Missions can hardly be expected to hold vacated positions open for two years until the FSN's return, the issue of onward assignments is somewhat problematic. Those Missions may see little benefit in this type of expanded employment opportunities for FSNs and may need to be offered incentives to participate. Other issues to be resolved include whether USAID would pay to move the FSN's family as it now does for USPSCs. A more important concern is what kinds of host country legal restrictions exist to prohibit free movement of FSNs from one country to another. While AID/W rotational assignments may be more difficult to effect, both the Agency and FSNs would benefit from FSN participation in such offices as the FSN Unit in HR as part of the backstop team for FSNs, in regional bureaus working with country desks and project development, and in central bureaus such as Global.

b) Delegation of Authority:

USAID policy considerations have dictated that an expansion of authorities to empower the FSN workforce be undertaken with caution. While the General Counsel (GC) has indicated that there are no statutory restrictions to further delegations of authority to FSNs, the Agency must demonstrate to Congress and OMB that appropriated funds are properly safeguarded -- that requires that the USG have legal recourse and access to

individuals in the event resources are misappropriated.

The general interagency regulations on FSNs, under 3 FAM 900, contain limiting provisions. They state that "...FSN employees may not be hired to perform work which involves policy formulation, representation or supervision of U.S. citizens." (2) "Notwithstanding the above, it is the policy of USAID to encourage FSN employees to assume as much professional responsibility as they are capable of handling and, within the constraints outlined in section 922.4, to work in an atmosphere of full professional equality with U.S. citizen employees."

Current political realities, however, do not permit the Agency to take the initiative in delegating to foreign nationals the full authorities range of authorities and responsibilities they are capable of assuming. Recommendations to significantly increase the type and level of delegations to FSNs were developed by the HRBAA team. These recommendations are included in Part II of the Transition section of this report.

3. Motivation and Performance

In order to effectively motivate FSN employees, the Agency must change the way in which it interacts with as well as the signals it sends to this work force. As evidenced by the responses to the HRBAA employee survey questionnaires, equity issues are a major concern to FSNs in general. State's Office of Overseas Employment (OE) has initiated its own review of FSN policies and procedures and has actively engaged members of the HRBAA in discussions on various FSN issues.

<u>The Agency should review its current FSN personnel policies and adopt programs to ensure that the same treatment afforded US staff -- to the extent reasonable and prudent -- is provided to FSNs.</u>

For example, the Agency has not consistently afforded FSNs with the same level of support it provides US citizens in the areas of career development, rewards and incentives for quality performance, and due process when disciplinary or performance issues arise.

Several of the recommendations in this report build upon reforms that have been launched within the Department of State. Moreover, no discussion of FSN compensation, benefits, and classification can take place without taking due note of State's statutory authority of the management of personnel systems overseas. The HRBAA has discussed FSN issues with other foreign affairs agencies -- including State, the Foreign Agriculture Service, and the Foreign Commercial Service. While each agency may be approaching its FSN problems somewhat differently, there appears to be significant progress in many areas. USAID should ensure it captures and capitalizes upon these changes.

The BAA team has worked closely with State in reviewing several dramatic initiatives which they have developed. The BAA endorses State's efforts, and it is believed that the initiatives described below will substantially improve FSN personnel administration overseas. Moreover, the new systems will provide additional latitude and flexibility in addressing USAID-specific staffing and classification concerns.

a) Compensation

State's statutory control over the system and its ability to restrict implementation of approved FSN salary increases for all agencies at post continues to be problematic. USAID's decentralized budget mechanism, which gives Missions the authority to shift funds as may be required to cover approved increases in FSN salaries and benefits, allows for much greater flexibility than does State's and USIA's. Where the salary increases are funded out of bureau budgets -- as is now the case in State, the various agencies at post lose their ability to negotiate changes within the inter-agency committee.

In recognition of many of these problems, State is proposing the following:

(1) Purchase of Market Data from Local Companies

The current method of periodic reviews of FSN compensation is too expensive and lengthy a process. State and the other foreign affairs agencies are currently exploring a more cost effective way of collecting salary information. State PER/OE has proposed a method in which "off-the-shelf" market data is acquired from reputable firms in-country; e.g., Price Waterhouse or Wyatt. This information is then utilized to develop a compensation plan for the USG. PER/OE estimates that this new method of developing compensation plans could be employed in approximately 60% of the countries in which State now operates.

(2) Job Pricing

The majority of the USAID countries fall in the remaining 40%, where there is no such in-country capability. In these cases, another approach has been suggested, that of "job pricing," a method used extensively by the private sector. Job pricing pinpoints specific types of positions (e.g., accountants) using unpublished, proprietary data from major corporations operating in-country. These pinpoint matches are then used to develop salaries for USG employees.

(3) Single Comparators

Still another approach has been proposed for Small Embassy Program (SEP) posts where there are only one or two viable comparators in the local market - a situation frequently found in Africa. Here the pay schedule of one comparator

such as UNDP would be used to establish the USG's relative position in the local economy.

b) Position Classification

Currently State has the authority to classify all FSN direct hire positions. These classifications are handled either at Post or are referred to State's Office of Overseas Employment (OE) for action. HR/PMC becomes involved in this process when disagreements arise over the proper classification of a position. In those instances, State and USAID hammer out an agreement.

Although USAID has the authority to classify FSN contract positions, most Ambassadors fiercely enforce the "single employer" concept throughout all agencies at Post, and some require that even FSN contract positions be classified by the Embassy. This Ambassadorial prerogative severely limits the flexibility allowed USAID in the AIDAR. This situation has allowed a perception to arise that many of the existing FSN position classification standards, as well as the current assumptions of the existing classification system, do not accurately reflect the nature and complexity of the jobs being performed by USAID professional FSNs, do not reflect the realities of today's overseas Missions, and/or better serve the very different needs of State than those of USAID.

The three major foreign affairs agencies (State, USAID and USIA) are analyzing the possibility of converting from the present classification system to a "broad banding" model which would greatly simplify the classification of positions. It is anticipated that broad banding would mitigate many of the Agency's current problems and provide managers increased flexibility to move employees within occupational bands. As pay bands for different occupational/skill groups could be adjusted to more closely reflect the availability of certain skills within the local market, a manager's ability to recruit and retain employees with scarce job skills would be enhanced.

Broad banding is not a new concept for the Civil Service; OPM has authorized several agencies to implement similar systems on a case-by-case, experimental basis. This is the first time, however, that it has seriously been considered for application to FSNs. NOTE: Refer to the classification section for a more detailed information on broad banding.

HR has already sent teams to visit CEL missions to discuss their experiences in establishing flatter organizational structures and the accompanying impact on job responsibilities and positions as they develop their work force more closely around team structures.

<u>It is recommended that broad banding pilot tests be initiated in at least two of the CEL Missions.</u>

State's Office of Overseas Employment has already informally agreed to allow the

Agency to set aside the existing classification guidelines as well as current compensation procedures and to run its own tests of the proposed systems at selected Missions. These pilot tests are particularly important given that there are currently no built-in provisions to prevent salary "creep," and since the Agency will need to prove the existence and effectiveness of such controls prior to a widespread implementation of any proposed change. In addition, managers will need to fully understand the implications of broad banding and their accountability to contain costs under the new system.

c) Benefits

Assuming that the original recommendation to transfer all contract FSN personnel to direct hire status is not a viable option at this point in time due to the political climate in which the Agency finds itself, the second best solution is simply to convert all FSN direct hires to PSCs. Continued maintenance of two FSN personnel systems -- the direct hire work force and the personal service contract work force -- only perpetuates the inequities in the existing systems. Given current direct hire FTE constraints, FSN direct hire positions now encumbered should be eliminated as quickly as possible. Except where FSNs are covered under the Civil Service Retirement (CAR) plan or where local labor laws prohibit a transfer from direct hire status to personal services contract status without a break-in-service, FSNDHs should be converted to FSNPSCs. Those FSNDH positions currently filled by FSNDHs covered under CAR, however, should be eliminated through a process of attrition. When those FSNDH employees retire or resign, their positions should be converted to FSNPSC positions. The Agency should move to a unified FSN contract work force as quickly as possible but without disadvantaging any employee.

Under the current system of establishing benefits in accordance with prevailing practice, some FSN employees currently have virtually no benefits - that is to say, no minimum levels of health, retirement, and severance coverage. Unfortunately where prevailing practice is at an abysmal level, the current system faithfully reflects it. While any resolution of this issue will require considerable research, co-ordination and time, priority should be given to providing this group of FSNs at least a minimal level of coverage.

<u>Regional, rather than country-specific, compensation packages should be developed where needed on a pilot basis, which would provide minimum levels of health and life insurance coverage to FSN employees.</u>

d) Awards and Incentives

If the Agency decides to adopt broad banding, incentive awards will need to be reevaluated to ensure that they are consistent with the new method of compensation. For example, certain salary incentives may already be built into the proposed system. As the Agency shifts more towards the concept of pay for performance it may want to consider shifting from a seniority based system where yearly step increases are primarily indicators of an FSN's length of service to a system that recognizes instead exceptional

performance by some type of one-time variable percentage increase.

Periodic step increases would be completely eliminated in such a system, and the Agency could avoid the historic "grade creep." In such a case, the whole compensation plan could be adjusted periodically for inflation so that the USG could retain its overall position in the market. The size of the variable component in relation to the basic, continuing annual salary would determine how large a role performance would play in compensation. Percentages could vary from post to post. Refer to the incentives section of this report for more detailed information on awards.

e) Performance Evaluation

The formation of teams and the accomplishment of work in a team environment will necessitate that the Agency improve the quality of its FSN performance evaluations. A universal evaluation system that adequately captures the FSN's role within the mission and on teams must be developed. As empowered FSNs play increasingly larger roles on teams or in mission management as office directors, deputy directors, etc., they should be evaluated against the same standards as their American colleagues. The Agency has recently implemented a new 360 degree evaluation system for its USDH and CS work force.

<u>The new EEP should be utilized to evaluate the performance of all USAID employees, including FSNs.</u>

Modifications could be made to the new AEP form as deemed necessary for those individuals who work in trades, crafts, or other blue collar positions.

f) Valuing Diversity

Two separate components were considered by the HRBAA when dealing with diversity issues. First, it is Agency policy to provide equal employment opportunities for all persons, regardless of age, race, sex, religious preference, or physical disability. Managers should be evaluated annually on their participation in diversity-related activities and their real accomplishments in establishing diverse Mission personnel profiles.

Missions must also become more sensitive to discriminatory practices which may be unique to specific countries. For instance, the indigenous populations in Latin American countries are frequently under-represented in professional positions; in the near eastern countries, certain religious minorities may form a larger proportion of the work force than would be indicated by the demographic profile of the population. There are obviously no pat or easy answers as to how to encourage diversity, but the USG's commitment to eliminating discrimination in the workplace extends to our offices overseas. USAID managers must be directed to dedicate themselves to ensuring that the workforce profiles

of each Mission fairly represents, to the extent reasonable, the nature and make-up of the general population of that country.

Second, it is business necessity that all employees work together to achieve our Agency's goals. As such, we need to appreciate the global multicultural dimensions and contributions that each person brings to the work place. We must have a common understanding of diversity issues and accept the human differences in others. Only then can we effectively work in problem solving teams to serve our customers and achieve our desired results.

g) Due Process

Overlapping jurisdictions and the uncertainty involved in applying local and USG statutes have frequently caused confusion and frustration on the part of the FSNs seeking due process. A conflict resolution process must either be put in place in those countries where none exists, or be strengthened where it is only a "Mission Order" without teeth and implemented sporadically or not at all. Mission management must demonstrate to its entire staff that the Agency's commitment to equitable treatment for all employees is real and that it is a fundamental feature of USG employment.

Managers must be trained appropriately and made fully aware of their responsibilities to their employees under USG regulations as well as of the administrative tools available to them to discipline and to enforce Agency policies.

4. Workforce Development

A rich, full and diverse career is just as essential to our non-American workforce and just as valid within overseas organizational units as it is in the U.S. The Agency, however, has provided no resources nor assigned priority to encouraging -- or even acknowledging -- the professional aspirations of its FSNs. In USAID's new, reengineered operating environment, an overseas Mission must provide each individual within its work force broad opportunities for career growth through experiential learning and by progressively structuring assignments to enable the FSN to undertake increasingly responsible tasks.

a) Career Development

Managers should develop job enrichment programs and design and deliver career development services to all employees.

The Agency's U.S. work force, both direct hire and PSC, has been reduced substantially over the past several years, and it appears that this trend will continue in the future. As a result, the Agency will be forced to rely more heavily on its FSN work force to perform the Agency's work in the field. Since Management will have greater flexibility in

matching employees with job requirements if each employee has developed his/her specialized knowledge and experience in more than one area, the Agency must focus its attention on developing a broad and diverse range of skills at differing levels within its stable FSN workforce.

As the Agency makes the transition to a "learning organization," each individual employee will be required to assume primary responsibility for acquiring the skills and the knowledge needed to perform his/her job. At the same time, the Agency must provide appropriate training opportunities to enable its FSN workforce to master the skills and knowledge required to function as effective members of teams. Like their American colleagues, the FSNs will require formal certification to assume certain new roles, and adequate resources must be made available to train them to assume the new responsibilities that go hand-in-hand with the re-engineering effort. Although self-study modules will provide FSNs with increased opportunities for career development and cross training, managers must give priority to this type of in-house training and must provide adequate time on-the-job for FSNs to work on these self-study modules.

As training will become of paramount importance at a time when the OE budget is shrinking, the Agency will be challenged to offer better learning materials on a more frequent basis to a larger target group at a reduced per person cost. In this environment, it will be essential to establish policies and procedures to prevent FSNs from having to vie for an ever-shrinking pool of training money. As employee's/team member's individual skills are strengthened, the Mission should expect to see not only a marked improvement in the quality of the end results, but also in the communication among the team members.

b) Career Planning and Mentoring

Mentoring for FSNs is a valuable aspect of career development. Both U.S. direct hires and senior FSNs should see mentoring as an opportunity and as an incentive for their own career advancement. Mentoring activities should be highly valued and included in the promotion precepts. Learning modules should also be developed for both the mentor and "mentee." With today's technology, strong mentoring relationships can continue even though employees have transferred to other countries.

c) FSN Personal Services Contracts

Although PSCs comprise the majority of the Agency's FSN workforce, many feel that their career opportunities within the Agency are limited and that their positions are far less permanent than those of their direct hire colleagues. Yearly renewals of PSC contracts only serve to accentuate the FSNPSC's feelings of insecurity and uncertainty. Serious consideration should be given to changing the current constraints on PSCs. For example, Missions could choose to negotiate multi-year PSC contracts or to establish a five year appointment.

d) Rockefeller Amendment

This amendment requires that preference be given to qualified expatriate American citizens applying for FSNDH positions and specifies that salaries shall be set in accordance with the local compensation plan (provided the hourly rate is no lower than the U.S. minimum wage). Although currently the amendment applies only to FSN direct hire positions, a number of discrimination complaints have already been filed with EEO. It is anticipated, however, that as the Agency is pursuing a policy of converting FSN direct hire positions to PSC positions, the amendment should have minimal impact on the missions. State has indicated that future revisions of the Rockefeller Amendment may expand its applicability to FSNPSC positions as well. Should this happen, the impact would be greater.

5. Communication of Policies and Management of the FSN Workforce

<u>The Agency must firmly and publicly establish that FSNs are equal partners in the business of development and must be treated as such in the work place.</u>

HR's re-establishment of the FSN Unit is the first step in a formal process of recognizing FSNs as equal partners in development assistance. Historically, FSN direct hire personnel policy issues have been addressed by HR, while FSNPSC personnel issues have been fielded by the Office of Procurement. The operational aspects of FSN issues have been distributed among a number of different offices within USAID.

<u>Centralization of personnel policy responsibility of FSNs, both PSC and direct hire, in one office -- a "One-Stop-Shop", to maximize efficiency and consistency.</u>

This de-linking of operations from policy distances the policy makers from the very problems that the Agency's policies should be designed to address. Further, it physically restricts the establishment of a free and open dialogue between the policy makers and their clients and increases the likelihood that a policy, over time, will become "frozen," rather than responsive to an ever-changing work environment where new problems demand new solutions. This approach addresses head on a core Agency value and requires a reengineering of policy.

The Agency's reengineering efforts are predicated on the belief that FSNs should participate in the development process as equal partners. This fundamental and basic change in our corporate culture must be addressed at all levels. Senior Agency management must be committed to assuring that FSNs are treated equitably on all levels and that our colleagues in the other foreign affairs agencies recognize and support the role of USAID's FSNs in our overseas missions. It is hoped that increased flexibility for USAID, particularly in the areas of classification and compensation, would evolve from such recognition.

II. U.S. CITIZEN PERSONAL SERVICES CONTRACTORS

U.S. citizen personal services contractors (USPSCs) make up a significant part of the Agency's core workforce overseas. The USPSC is one of the primary sources of specialized technical assistance available to managers in designing and implementing development assistance programs. The personal services contract is a flexible and readily available tool for acquiring the services of technical experts, and it is an employment mechanism that USAID managers utilize frequently. When FTEs are scarce or non-existent, when NSDD-38 and USDH personnel shortages constrain programs, the USPSC is frequently the most viable solution to staffing problems.

Assigning and maintaining a direct hire employee overseas is extremely time-consuming and complex -- not to mention expensive. While USPSCs can also be expensive, there are many advantages in using this employment mechanism. USPSCs may either be recruited internationally or locally. It is useful to consider these two types of USPSC separately.

- **Locally Recruited**

Locally recruited USPSCs receive limited benefits and allowances. They frequently offer skills and experience that are not available on the local labor market and that would be very expensive to import. Moreover, the services required are often short-term in nature. Administrative management, secretarial, and project management services are typical uses of the PSC when U.S. citizens are hired locally. The hiring of a U.S. citizen to provide these types of services often reflects a shortage of locally available English language skills or the need for a security clearance.

It is the applicant's responsibility to adhere to all host country laws and to satisfy all local income tax, alien registration, and/or visa requirements. Expatriate U.S. citizens, in conjunction with the official USG dependent family member employment programs at each post, can represent a valuable talent pool.

As the non-official American expatriate community overseas and the numbers of skilled American family members increase, so does the pool of qualified local candidates. As a result, qualified USPSCs may be hired locally to fill sometimes very specialized and technically complex positions.

- **Internationally-Recruited**

USPSCs recruited offshore possess specific technical expertise that is required for program or administrative operations. These individuals are recruited under long-term

contracts of more than one year. Personal services contracts are limited to two years, with options for renewal and extension. These PSCs may be used to replace USDHs when the Agency cannot provide in-house the required skills due to personnel shortages in particular occupational categories or when the establishment of a USDH position and subsequent assignment of a direct hire employee is difficult to accomplish. The majority of the issues and recommendations in this section of the report are aimed at the highly specialized, long-term USPSC employee.

1. Agency Philosophy and the Operating Environment

USPSCs often assume program-funded positions or those staff positions which cannot readily be filled by USDH employees. Many regional bureaus have become heavily dependent on USPSCs as substitutes for USDH staff, and many managers will argue that USPSCs contribute to the mission's operational effectiveness in a concrete and substantive fashion. In other words, the PSC mechanism works and the services acquired through this mechanism are considered to be good value for the money.

For example, the Africa Bureau has developed a dependence on USPSCs, and for very good reasons. Many African missions are located in hardship areas and are generally small and are hard to staff. Without its USPSCs, the AFR Bureau would, in many areas, have great difficulty in discharging its duties and responsibilities. Many USPSCs occupy responsible positions with significant project implementation responsibilities. Others provide administrative services to several organizational units. Without USPSCs, these missions would find it difficult to acquire the support services they supply.

Although personal services contractors are not supposed to represent the USG, to supervise direct hire employees, or to commit the USG to the expenditure of any funds and, notwithstanding the federal and USAID acquisition regulations, USPSCs are being tasked in a wide variety of manners.

In some missions, USPSCs -- particularly internationally recruited technical specialists -- are treated on a par with USDH employees and efforts are made to minimize differences in treatment. In other missions USPScs are treated as simply contractors and not as employees. They are not included in substantive consultation or decision-making. Some USPSCs feel very keenly that they are members of a caste system -- and low-ranking members, at that. It is observed that even the perception that work is valued differently according to employment categories can inhibit the development of a participatory, self-actualizing work environment that the Agency is now trying to establish worldwide, and it is in the interests of USAID to establish firm guidance on the treatment of all categories of employees.

2. Strategic Planning and Resource Allocation

Although USPSCs are admittedly an important technical resource within the Agency, their use is not quantified, tracked or systematically controlled. Only last year the Agency began to collect data worldwide on the numbers of contractors, other types of employees, and the types of work they were performing. Previously, the actual composition of the Mission's total workforce was unknown to senior Agency managers. M/HR/WPRS has begun to request and collect information from the field. For the first time, planners have basic data about the numbers and types of non-direct hire staff employed by the Agency. While this tool must be further refined, it is an important and significant step forward.

The current uneven manner in which USPSCs are recruited and the wide variation in the means utilized to identify potential contractors are additional causes for concern. As the USPSC recruitment and administration of contracts is handled at a local level, little information - either about the programmatic needs of the Missions or about the contractors themselves and their work performance - is available to planners at the present time. In the Workforce Management section of this report, it is recommended that a USPSC data base be established to make this type of information widely available. This data base would be a valuable tool for identifying candidates for PSC positions. Advertisement of PSC positions through the AIDNET or on the INTERNET could be institutionalized. It is absolutely essential that planners have increased access to information about this large and important segment of the workforce.

To control the expense associated with internationally-recruited, long-term USPSCs, the Workforce Planning section of this report contains several recommendations. The following initiatives are proposed:

<u>As part of the position validation exercise, require managers to certify that a U.S. citizen must fill specific positions for policy reasons or that only a U.S. national can provide the knowledge, skills and abilities (KSAs) required.</u> Require managers to review USPSC/USDH positions when they become vacant and to justify all future acquisitions of costly USPSC or USDH services on a case-by-case basis. The following key provisions should be included as a part of the policy:

a) If policy constraints dictate that a U.S. citizen must be employed in a specific position, a Mission should attempt to recruit locally for the skills required. Assignment of a USDH or acquisition of an internationally recruited USPSC would only be arranged if the local pool of available U.S. citizens failed to yield qualified candidates acceptable to the Mission.

b) If no compelling policy rationale for the use of a U.S. citizen exists, then it

should be assumed that the position can be filled by a foreign service national. If a diligent recruitment effort shows that the requisite skills are not available within the local FSN or USPSC market, the Mission should then be able to verify and certify that the national manpower base does not allow the position to be filled locally.

Establish a skills bank which would capture USPSC skills and experience data. This data base would capture KSA and work experience information on USPSCs and would make this information available on a worldwide basis to enhance recruitment efforts.

3. Motivation and Performance

Individuals enter into contract arrangements for many different reasons. Their motives range from a simple desire to live and work overseas to the desire for excitement and for a challenging and exciting professional opportunity. Although USAID is increasingly concerned with understanding USPSC morale issues and with developing strategies to address these concerns, many managers still focus their attention primarily on the concerns of the foreign national workforce.

There are differences between categories of employees and not all personnel processes and procedures apply across the board. For example, contractors are not eligible for incentive awards, and they are not eligible for promotion. Although the Agency is still far from establishing a unified personnel system, it is critical that it work towards standardizing personnel procedures, compensation and benefits in order to minimize perceived inequities, enhance individual productivity, and support the formation of teams.

USPSCs and direct hires frequently see each other in very different lights. The perception of many USDHs is that USPSCs receive higher compensations, enjoy greater mobility, are free from assignment system constraints, and are eligible for more rapid salary increases. As a result, the "conventional wisdom" in many missions is that USPSCs enjoy many advantages over their direct hire colleagues.

On the other hand, USPSCs have very little job security. They point out that direct hires have real job security and career prospects; receive retirement benefits; are eligible for awards and merit increases; receive annual performance evaluations, promotions, and training; have access to credit unions, group health and life insurance; and enjoy the rewards of a sophisticated assignment rotation system. USPSCs have access to none of these support systems and benefits.

Inequities exist, and the larger the disparities between groups, the larger the potential impact on morale and productivity. The following recommendations have been

developed by the team to address performance and productivity issues:

Utilize the new evaluation system and AEP form for all categories of employee, including USPSCs. It is anticipated that this requirement and the involvement of the Appraisal Committees in supervisor/employee relationships will enhance communications and understanding between PSCs and their supervisors.

Limit the use of personal services contracts for OE-funded positions and convert all internationally-recruited USPSCs to temporary, 5-year limited direct hire appointments. Locally recruited U.S. citizens would continue to be employed as PSCs. Implementation of this proposal would provide the most effective means of standardizing compensation and benefits among differing categories of employees.

Revise the recruitment policy to allow missions to put forth candidates for consideration for filling specific positions and accommodate the specific needs of individual missions wherever possible. Task Washington with identifying, hiring, assigning and placing the required employees at post within a reasonable timeframe -- for example, within a 4-month period.

Improve the quality of PSC scopes of work and provide additional training to supervisors to improve their handling of job descriptions and other work definitions and position classification-related issues.

4. Workforce Development

Career development and professional growth are not issues that apply to USPSCs in a traditional sense. Although the specific USPSC skills and/or services are normally required for a limited time period, the Agency must ensure the uniformity and quality of these services. It is, therefore, suggested that some training and attention to the professional growth and development of USPSCs is appropriate.

Reengineering and reinvention demand that the Agency foster the development of its human resources. USPSCs form a large part of USAID's overseas workforce. The principles which drive USAID to become a learning organization also demand the recognition of the career aspirations and professional desires of USPSCs. The Agency can encourage and support individual USPSC development in a number of different ways. For instance, an individual training and learning plan can serve as a positive evaluation factor and can strengthen an individual's application for other USAID positions. Given that different positions -- or contracts -- are available to this segment of the workforce, a candidate's qualifications for employment should include their stage of professional development.

The career aspirations of contractors are largely an individual concern. Individuals are expected to manage job searches and training on their own. Career progression and promotion, as in the case of Civil Service direct hires and Foreign Service nationals, is a matter of applying for -- and being selected to fill -- progressively more responsible and higher-graded positions. It would be in the best interests of the USG, however, to make appropriate career development-related tools available to USPSCs. It is not suggested that such services be provided directly. However, the establishment of a working environment that provides information and resources to assist individuals in such endeavors is strongly supported.

The following report recommendations address the career development-related aspects of USPSC employment with the Agency:

Ensure that USPSCs are credentialed in the same manner as USDH and FSN employees to standardize the skills and levels of individual accomplishments in specific technical categories. Credentials would assist managers in assessing the suitability of individuals for specific work.

Establish a data pool or communications network to allow USPSCs to network and to advertise available USPSC positions. Such a data base would also allow individuals to conduct job searches of available USAID contract positions. The interests of the Agency are served through greater dissemination of information about the establishment of positions and specific requirements.

Make training modules and basic Agency-specific courses available to USPSCs, as to all other categories of the core workforce. USPSCs must be provided certain training in order to protect the interests of the Agency. For example, the information systems roll-out and other reengineering training, the project implementation course, and procurement integrity and conflict of interest training should be readily accessible to USPSCs working in Washington and overseas.

5. Communication of Policies and Management of the USPSC Workforce

The Agency must firmly establish that USPSCs are partners in the business of development and must be treated as such in the workplace.

USPSCs and FSNPSCs share many of the same problems and concerns. For example, while USPSC employment terms and conditions are based upon personnel policies and the benefits allowed USDH employees, actual policy is set by M/OP and contractors are administered by, and answerable to, contracting officers. Contracting Officers are not personnel officers and contract administration is not necessarily a discipline that is well adapted to personnel administration.

The Rockefeller Amendment has engendered much discussion among the foreign affairs agencies. The provisions of the Amendment, in short, provide for the preferential hiring of expatriate American citizens at local compensation levels (provided the hourly rate is no lower than minimum wage). Currently, the amendment applies only to FSN direct hire positions, and as the Agency is pursuing a policy of converting FSNDH positions to FSNPSC positions, the amendment should have minimal impact on USAID missions. However, State anticipates that future revisions to the Rockefeller Amendment will extend its applicability to FSNPSC positions as well. Should this happen, the impact is unclear. Though the policy discussed with State would require that American citizens be given hiring preference, any candidate for employment would have to be fully qualified for any positions for which they apply and are considered.

It is, therefore, not apparent that the Rockefeller Amendment would have a serious impact in most instances on USAID positions, or that the effect of the Amendment would be negative. Where a position is advertised locally, applications from qualified U.S. citizens in addition to those from foreign nationals could be welcomed by Agency managers. Since the objective is to obtain the required services in the most reasonable manner possible, a fully qualified, locally-hired USPSC could certainly be an asset to post operations with little cost impact, particularly if minimum wage rates are the basic compensation levels contemplated in most circumstances.

Provide guidance to posts on the impact of the Rockefeller Amendment and the full ramifications of its provisions.

III. The Expanded Workforce

The HRBAA concentrated its efforts on the core workforce of the Agency. These are the individuals who undertake the basic work of the Government and who are responsible for its programs overseas. There are, however, other personnel utilized to accomplish work. This section of the HRBAA report discusses the range of human resources available to USAID in managing the development assistance program.

Due to the many different available contractual and employment processes that are available, no listing of employment categories and employment types in the Agency can be considered definitive. The universe of individuals who are ultimately employed using appropriated funds obligated by USAID is acknowledged to be larger than those types listed in this report. For example, the institutional contractors and grantees that implement USAID-funded development programs are not discussed.

This section of the report deals with the expanded workforce. The HRBAA team has recommended the establishment of a comprehensive data base to capture information regarding all of the skills and capabilities available to Agency managers. Managers must also be made fully aware of the limitations on the use of these personnel. All mechanisms have limitations on their authorities and the kinds of work they can engage in that are inherent in their employment status. Agency policies and regulatory restrictions must be adhered to and used to guide Agency managers in the assignment of duties and responsibilities. These restrictions and limitations on types of individuals must be included in any effort to catalog and retain a skills inventory. The specific recommendation in the Workforce Planning section of this report is:

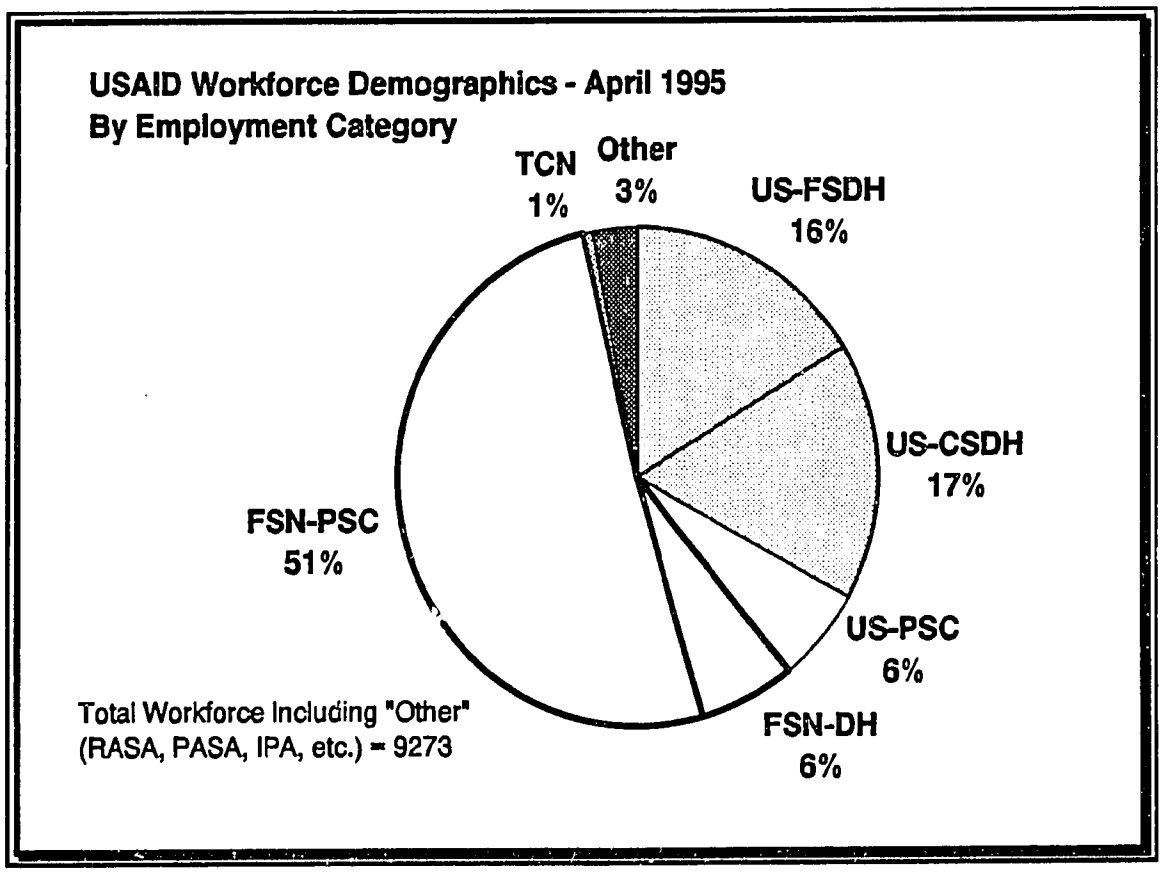
Establish a comprehensive data base and improve information about employees' skills and abilities, to include FS working family members.

In addition, the Recruitment and Staffing Strategy section of the report discusses the need to ensure that all USAID managers are aware of the different types of personnel that are potentially available to accomplish work. In order to manage resources effectively, mission and office directors must be fully aware of the array of staffing options. The recommendation states:

Make routine the "best practice" of considering all available non-traditional assignment options for placing qualified staff.

Overseas, the mix of employee, contract, and other non-direct hire staff varies from country to country. Many local factors -- such as the availability of commercial services, OE funds, FTE, and educated and experienced local job applicants -- contribute to the

unique "personnel profile" of each USAID field unit.



The "Other" category shown in the above graph is the primary subject of this discussion.

The mix of skills USAID requires to accomplish programmatic goals are widely varied, and many employment mechanisms are being used to satisfy these requirements. The Agency now employs individuals within the expanded workforce under many different conditions and for many different purposes. Today, the USAID staff in a "typical" mission is a widely varying mixture of employment categories.

A. EMPLOYMENT MECHANISMS

1. PASA and RSSA

Participating Agency Service Agreements (PASAs) and Resource Support Service Agreements (RSSAs) are agreements between USG agencies that form the basis for detailing personnel. Individuals under PASAs are detailed to the Agency to work on

project-specific tasks and are generally assigned overseas. Individuals under RSSAs are identical except this work is not specific to a project and usually involves support services to the Agency. As a result, they are normally assigned to offices in Washington. USAID obtains the services of both USDH and contract staff through these agreements under authorities granted in Section 621(a) of the Foreign Assistance Act.

Direct hire PASA and RSSA employees count against the FTE of their parent agency and remain on their rolls. Given the FTE limitations imposed on all agencies, the agreements to detail direct hire employees will become increasingly rare. If requested by USAID, OMB will transfer FTE from USAID to the participating agency. However, as a rule, this option is not encouraged, and managers will have to provide a very strong justification for approval. The cost for these employees may be charged to OE accounts, although they are generally program funded. Allowances are generally provided directly to PASA employees, as in the case of post housing and dependent education allowances, and the parent agency is reimbursed the cost of salaries, benefits, and a percentage of total agreement costs -- sometimes even including USAID-funded travel and housing costs -- as overhead. The overhead costs tend to make these arrangements very expensive to the Agency.

PASAs or RSSAs may not be used to obtain commercially available services. If the required services are not primarily governmental in nature and are not uniquely available from another federal agency, the services should be procured from private sector sources. Individuals furnished USAID by another agency must be excess to the providing agency's needs. The employment of contractors, by participating agencies, solely to service USAID requirements is prohibited.

In the past PASAs and RSSAs have been both direct hire and contract employees of their parent agency. While contract staff may be detailed to USAID, it is Agency policy that these agreements be used primarily to obtain the services of direct hire employees. USAID officials may not participate in any way in selecting individuals for participation in RSSA or PASA arrangements.

These agreements can be an appropriate means of obtaining specific, specialized technical expertise which exists solely or principally in the public sector. When PASAs and RSSAs are direct hire employees of their parent agency, they may perform all the work normally performed by a USDH employee in USAID.

Because of the high overhead costs associated with PASA and RSSA arrangements, direct details of other agency personnel should be used whenever possible, as discussed in the following section.

2. DETAILS-IN FROM OTHER AGENCIES

USAID also obtains the services of USDH employees from other agencies under details. The agreements governing the detail of individuals to USAID are generally OE-funded. Those detailed to USAID are treated like direct hire employees of the Agency. While very similar to PASA and RSSA arrangements, reimbursement to the parent agency is less costly. The parent agency is reimbursed only for the cost of salary and benefits, and it is Agency policy that there not be additional charges for overhead. In comparison, agreements for PASAs and RSSAs include salary, benefits and other administrative support costs; USAID-funded costs are included in the total, and an overhead is paid on the total amount.

The detail-in is an advantageous and cost-effective means of acquiring U.S. Government services, and this mechanism is preferred to PASA and RSSA arrangements when specialized direct hire services are sought.

3. IPA

The Intergovernmental Personnel Act (IPA) of 1970 provides for the detail to USAID of individuals from state and local governments, universities, and private voluntary organizations. Individuals under an IPA agreement may be assigned to USAID under an appointment or by detail. IPA agreements may be program or OE funded, depending on the specific nature of the position duties and responsibilities. Individuals appointed to USAID count against FTE ceilings, and those under detail do not. IPA assignments are initiated by USAID bureaus and offices, approved by the AA/M, and negotiated by M/HR.

Appointments should be utilized when the supervision of USAID employees and the performance of line management and inherently governmental services are required. IPA appointments should only be used when established direct hire positions cannot be filled by career employees.

While individuals employed by participating organizations may be detailed to USAID, these individuals remain employees of their parent organization. Technical specialists on detail may be assigned responsibilities which are consistent with the purpose of the agreement and with reference to the restrictions cited above.

Individuals working under an IPA appointment or who are detailed to USAID are directly supervised by USAID officers. Individuals on IPA assignments, including JCC members, may not serve more than two consecutive two-year tours. After four years a break in service is required, and they may not continue to serve with USAID under another IPA assignment without working for at least one year in their parent

organization. Details to USAID are based upon foreign service assignment policies and are negotiated biannually with the parent organization.

Agreement provisions governing performance evaluations and awards are established when the IPA agreement is negotiated and normally provide that annual performance evaluations will be prepared at the request of the parent organization. In general, individuals serving on detail and under appointments are eligible for cash awards. However, only individuals serving under an appointment are eligible for honor awards.

4. JCC

Joint Career Corps (JCCs) are a type of IPA and specifically are agreements with institutions of higher learning to make university employees available to USAID for assignment overseas for specific periods. By agreement with the union, JCC members may return periodically to USAID during their career. JCC members can be either OE or program-funded. Conditions and restrictions on the appropriate use of these assignments are contained in the preceding section.

Members of the corps are expected to maintain their academic standing and credentials with the university which employs them, and they are expected to return to their employer at the end of the agreement period having gained appropriate experience in international development and after having provided USAID with needed specialized skills and knowledge.

5. TAACS

Technical Advisors in AIDS, Child Survival, and Population (TAACS) are program-funded technical specialists who may be assigned direct hire duties and responsibilities, subject to the restrictions cited in the USAID appropriations act. Congress specifically authorized the use of funds for TAACS programs in the 1987 appropriation act and has renewed this authority every year since. The act authorizes the acquisition of personal services from other agencies, local governments, universities and PVOs for program activities. An employer/employee relationship is established with USAID managers, and except as noted below, TAACS may perform inherently governmental functions -- those functions normally reserved for direct hire employees of the Agency.

TAACS that are direct-hire employees of another federal agency count against their parent agency's FTE. TAACS from universities or state and local governments do not encumber any FTE. Non-direct hire USG employees who are TAACS are treated in a manner similar to IPAs or PSCs. They may not supervise USDH employees, for example. Moreover, conflict of interest concerns dictate that they will not have access to cost analysis and financial information that may benefit or give unfair advantage to their

parent organizations.

6. OTHER CATEGORIES OF EMPLOYEES

USAID utilizes several hiring programs to augment traditional recruitment efforts.

a. The Presidential Management Intern program is one such initiative. The PMI is a civil service program run by OPM, which allows talented young professionals to work in USAID. The PMI participants are given two-year career conditional appointments and are placed in a variety of offices and work situations in USAID Washington. After successful completion of the two years, PMIs become permanent employees of USAID.

b. Another program which, inter alia, is intended to promote diversity within the Agency is the Intern Investment Program. This is a new structured summer program that allows the Agency to identify candidates for the foreign service International Development Intern program. Both of these programs utilize civil service appointment authorities, and the participants are employees of the Agency and count against Agency FTE. There is, therefore, no restriction in the manner in which these individuals can be tasked.

c. The Agency has participated in the Cooperative Education Program (Co-op) for several years. This is a work/study program in which participants attend school or college and work part-time in USAID. After graduating and successfully fulfilling work requirements, participants may be given permanent civil service appointments. Co-op participants are employees of USAID and count against Agency FTE.

d. Many USAID missions have engaged the services of "interns" from various universities for specific timeframes. These interns normally work within USAID missions, under the direction of USAID employees, receive a stipend, and are employed under a personal services contract. The interns bring perspectives and knowledge to the Agency which is, in many instances, state-of-the-art and diverse.

B. NONPERSONAL SERVICES RESOURCES

1. INSTITUTIONAL SERVICES

Support contracts exist in many bureaus and are designed to provide essential support for program activities. These are institutional contracts that provide USAID offices with contractor personnel who "advise and assist" in preparing, for example, project papers

and internal reports and who arrange conferences and also can provide secretarial and other administrative support. These contracts are normally program funded. Also, through the use of cooperative agreements and institutional contracts, USAID obtains the services of institutions to seek out eligible candidates for fellows programs and to identify placements for them. Individuals performing work under these arrangements are not employees of the Agency. They remain employed by their parent organizations, and they may not be tasked by Agency managers like USAID employees.

Where it is necessary and prudent to acquire nonpersonal services, the following restrictions must be observed.

- contract employees may not have access to proprietary or confidential personnel information or any other fiduciary or procurement-related information that would be protected under Procurement Integrity or Organizational Conflict of Interest rules;

- nonpersonal services contract staff may not be directly supervised by direct hire employees;

- physical separation of workspace between employees and contractor staff must be established, to the extent feasible; and

- the contract will not provide for the performance of any inherently governmental functions:

  (1) the contractor will not exercise substantial discretion in applying authority or use substantial discretion in applying government authority for the government;

  (2) the contractor will not be involved in monetary transactions and entitlement, such as tax collection and revenue disbursement, control of treasury accounts, or the administration of public trust.

2. FELLOWS PROGRAMS

Fellowship programs are intended to provide individuals with practical work experience in the area of economic and humanitarian assistance for the purpose of fostering a pool of experts devoted to international development assistance. USAID benefits from these programs through the research, technical advice, and intellectual stimulus provided by the fellows. In addition, Agency employees are exposed to highly specialized skills and knowledges represented by the fellows.

Recipients of USAID assistance for fellowship programs should be established institutions which have goals and purposes associated with support of fellowship programs and which are independent of USAID goals and purposes. Institutions should not establish fellowship programs or seek out individuals in response to stated requests for specific skills or experience.

Fellows are provided under institutional contracts or cooperative agreements, and as such, are not employees of the Agency. These institutions are responsible for maintaining the fellowship programs, identifying appropriate individuals, and finding placements for them. USAID managers are expected to define the specific purposes of fellowship programs to justify their approval. All programs should have purposes which are specific to the fellow, to USAID, and to the parent organization. These purposes must be defined and identified to justify the placement of all fellows.

a) Fellows:

- may not directly supervise USAID employees;
- may receive guidance, counsel and procedural advice from USAID employees but may not be directly supervised by, nor enjoy an employer/employee relationship with, a USAID employee;
- may not officially represent the USG;
- may not be used to accomplish the inherently governmental work of the Agency;
- may not have access to proprietary or confidential personnel information or any other fiduciary or procurement-related information that would be protected under Procurement Integrity or Organizational Conflict of Interest rules;
- may not encumber direct hire positions; and
- may not exceed two years work within the program.

b) Senior and mid-career fellows (individuals who are not undertaking advanced studies, but who normally are employees or staff within their parent organization) are subject to the above guidance, and in addition:

- must be regular employees of the sponsoring organization and not hired as contract or temporary staff for the purpose of supplying USAID with

personnel; to meet this criteria they must have been employed by their parent institution prior to receiving a fellowship;

- may not be utilized to mentor other fellows;
- may not be utilized to supervise other fellows;

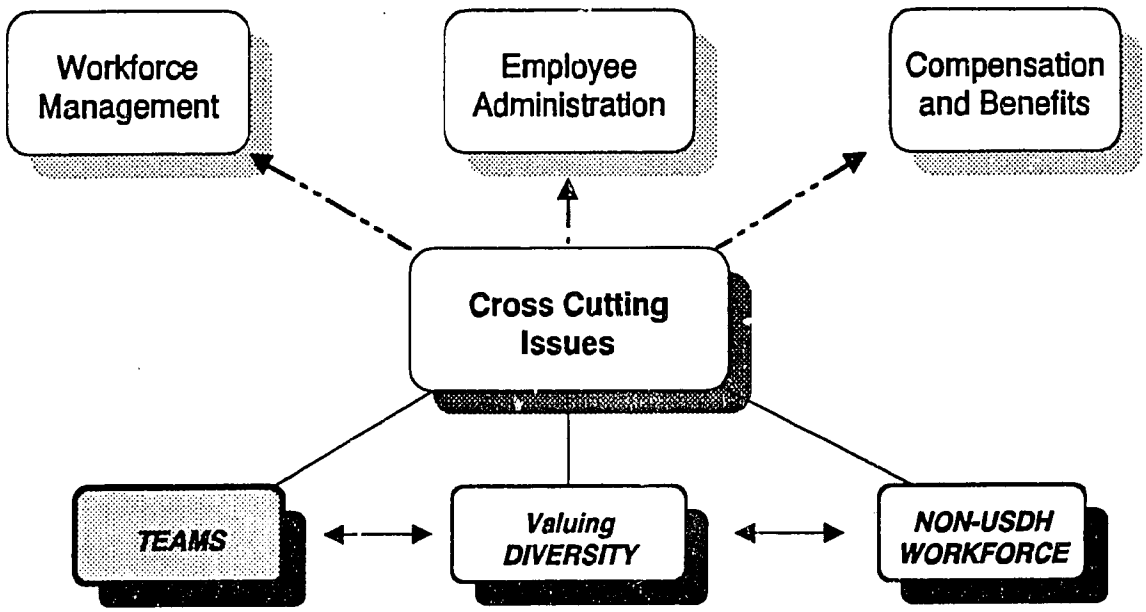
SUMMARY COMMENT

The expanded USAID workforce is a rich mosaic of skills, experiences, and employment types. This diverse wealth of human resources allows the Agency to be a leader in the area of international development, and USAID's technical strength is largely derived directly from the many mechanisms available to managers that can be used to acquire specialized technical expertise for development purposes. The challenge facing Agency mangers is, in part, how to fully exploit the opportunities available for tapping these rich resources, while working within the parameters of federal service and upholding the laws, regulations and policies of the U.S. government.

This is reflected in the need to also observe guidance on the use of funds. In separating the program and operating expense (OE) appropriations, it was the intent of Congress that USAID observe specific limitations on both development programs and the cost of running those programs. As the Agency's OE budget is provided to fund the cost of doing business, care must be taken to ensure that routine Agency business is not funded from accounts appropriated for development programs.

The task facing USAID managers is not an easy one, and the potential pitfalls and dangers -- such as funds utilization -- are many. But the preceding discussion of employment types and support contract mechanisms shows that many very effective tools are available to accomplish Agency program objectives.

USAID: Beyond Teamwork to Teams



Overview

This section of the HRBAA Report describes changes needed in human resource (HR) processes to strengthen the role of teams in the Agency's work. The changes are aimed at responding to concerns and needs identified by the HR primary customers -- Agency employees and managers. The section explains the rationale for team-based work in the reinvented Agency. The section includes a set of assumptions underpinning the HRBAA analysis including key differences between teams and teamwork. Practical Issues about using teams raised by human resource customers in numerous discussions and survey work over the last six months are detailed. The issues are in the five HR areas seen as most important to effective teams: workforce planning and organization, employee placement, evaluation, training and incentives. The team considered these as it reviewed the individual human resource processes. To be helpful to HR customers, the practical issues are treated in a key question and answer format. The answers represent the views of the HRBAA.

This paper then summarizes HRBAA team recommendations in those five areas as they affect teams in the reinvented Agency. More extensive discussion of those recommendations is contained in the sections of the report that deal directly with the subject process, e.g. performance evaluation. The section concludes with a set of key challenges to Agency success in fostering the growth of effective teams.

What is the rationale for teams?

> *Teams -- real teams, not just groups that management calls "teams" -- should be the basic unit of performance for most organizations, regardless of size. In any situation requiring the real-time combination of multiple skills, experiences, and judgments, a team inevitably gets better results than a collection of individuals operating within confined job roles and responsibilities.*
>
> From The Wisdom of Teams

USAID teams are groups of individuals coming together through consensus on a common approach to achieve agreed-to objectives or results. Typically, team members bring specific skills needed to achieve a result, or represent an interest central to that achievement. Teams function in a collaborative and supportive fashion, drawing on the strengths of individual members. They work best when these individual strengths are combined into a congregation of interested parties working more effectively because they have agreed to this union or because they understand that together each achieves more.

USAID adopted four core values to guide future agency program operations and related aspects of its mission. The four values -- customer focus, managing for results, empowerment and accountability, and teamwork -- are interdependent. Each can benefit significantly from teams for its effective expression. The HRBAA recommends the addition of a fifth core value -- valuing diversity. Valuing diversity, in the HRBAA team's judgment, is increasingly a business imperative for USAID. That is, for the Agency to succeed in achieving its strategic objectives through teams, it needs the diverse perspectives and experiences that give powerful teams the creative basis for action. Moreover, diversity applies to the entire core workforce, not just certain segments of it. The effectiveness of teams in USAID will depend upon a diverse core workforce. This perspective is developed extensively elsewhere in the Report (Chapter VI).

The recently completed reorganization of the Agency was built around the concept of teamwork, which provides an important mechanism for integration and participation. By enabling the various specialties within a mission or within a USAID/W office to work together, and by supporting field and central expertise working together, the Agency will be better able to identify and agree upon its objectives. The Agency will be able to stretch limited resources and bring maximum expertise to bear on problems, and respond more rapidly and effectively to changed circumstances. The operations reengineering business area analysis of last December concluded that for the Agency to succeed in achieving its goals, it needed to depend heavily on teams. The

Operations BAA understood that USAID had already a significant amount of teamwork as a key operating style. In that BAA's judgment, the challenge for the Agency was to move its major activities beyond teamwork to being accomplished, predominately, in and through teams.

The final report of the Operations BAA spoke to the composition and accountability of teams. Specifically:

1. The composition of USAID teams should allow maximum flexibility in order to meet varying requirements over the life of the strategic objectives and strategic support objectives. Composition may vary over time in both size and scope.

2. Operations teams generally will include two groups, a core group and an extended group.

   a. The core group will be those who are important to achieving the objective or smaller set of results, and who can legally and ethically play a determinant role in defining contractual requirements.

   b. The extended group comprises the core plus others who are important to managing for results, but who should not be directly involved in defining specific procurement actions. In this way, a variety of players (customer, partners and other stakeholders, etc.) can participate in the achieving process without violating procurement and other regulations.

3. Team members need not be resident within the mission or office responsible for the objective, but rather could participate as "virtual" members through electronic means. Work may be done entirely by e-mail, document transfer, or other means which may not require direct face to face contact.

4. Commitment of an individual's time to a team is by that individual's parent organization in response to a request by the team leader.

5. Coordination among tasks is accomplished by the team as a whole under the leadership of the team manager. The team managers are accountable for the performance of the team and must manage the team to best achieve results.

6. Decisions about the mix of authorities delegated to teams and individual team members will take into account the experience and expertise represented on the team and Agency regulations about delegation of

authority.

7. The overall goal for most work units in the Agency is to develop self-directing teams. Highly successful teams will benefit from managers who can operate as leaders as well as managers. Leaders need not make all the decisions and work assignments but rather inspire trust in people by acting in concert with the team's purpose and the team, promoting constructive conflict and resolution, and constantly challenging the team to sharpen its common purpose, goals and approach.

The HRBAA believes that teams, as described by the Operations BAA, have relevance in other Agency settings.

What HRBAA assumptions were made in supporting teams?

The HRBAA agreed on a set of key assumptions that underpin its analysis and recommendations for change in the human resource processes as they affect teams. First, the team identified key distinctions between teams and teamwork:

- While teamwork encourages joint action, teams are predicated on it.
- While teamwork is limited by the individual's goal alignment with his/her permanent organizational home, teams depend upon primary alignment of member goals and incentives with those of the team.
- While rewards occasionally accrue to USAID staff contributing to joint outcomes, successful teams require that group rewards and individual rewards in a group context become prominent for steering staff behavior.
- Teams have authority to act; teamwork does not.

With the desired characteristics of teams clear, the HRBAA identified seven factors which need to be considered in supporting teams in the reinvented USAID.

- A variety of work arrangements will exist in a reinvented Agency. They will range from traditionally supervised work units, to line organizations with sub-groups arranged permanently as teams, to semi-autonomous project teams, to self-directed project teams.
- The nature of USAID's program operations and its related work processes require the creation and support of strong teams which operate, over time, more at the semi-autonomous and self-directed end of the range described above. Some Agency work processes, however, may not lend themselves to

this approach.

- Commitment to the four core values in a reinvented USAID requires substantial team-based work and should be the key reference point for making most management decisions -- not just in program operations but elsewhere in the Agency.

- The nature of the work processes should drive organizational design. USAID operates, programmatically, in complex development settings subject to significant change in key independent variables affecting success. In other Agency contexts, Agency work often is less affected by such complexity in independent variables. Not all work needs self-directed work teams.

- Teams, as defined above, are not considered a permanent organizational element of the Agency. They are designed as flexible instruments, easily formed and dissolved, as the nature of significant work products requires.

- All human resource processes in USAID should facilitate the utilization of teams as an effective tool for executing work.

- Managers will have the necessary tools and be accountable for using teams effectively in executing the agency's objectives. Sufficient training and understanding of manager and employee roles in supporting teams will occur.

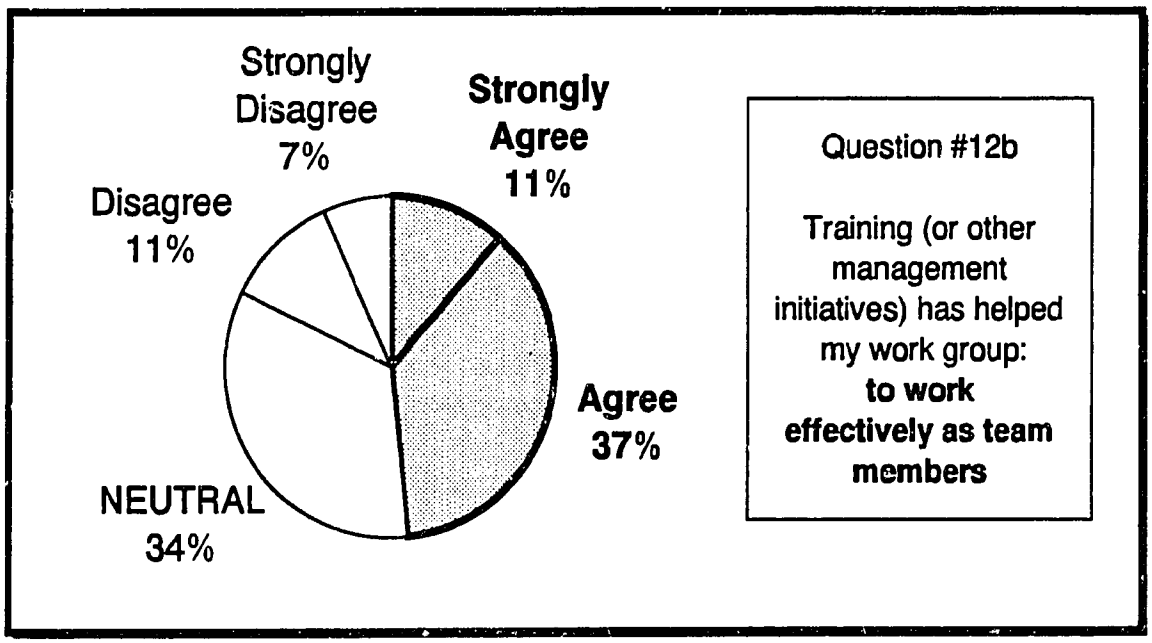
What practical issues have HR customers raised about teams?

Responses to the Administrator's recent request for AID/W and mission "mini-retreat" assessments of key reinvention concerns stressed team issues. How will teams work? How will team members be evaluated and rewarded? How will decisions be made in teams? Some answers are needed now. Some must be tentative because of the limited experience base. Some answers will evolve, necessarily, from learning to work with teams in various USAID contexts.

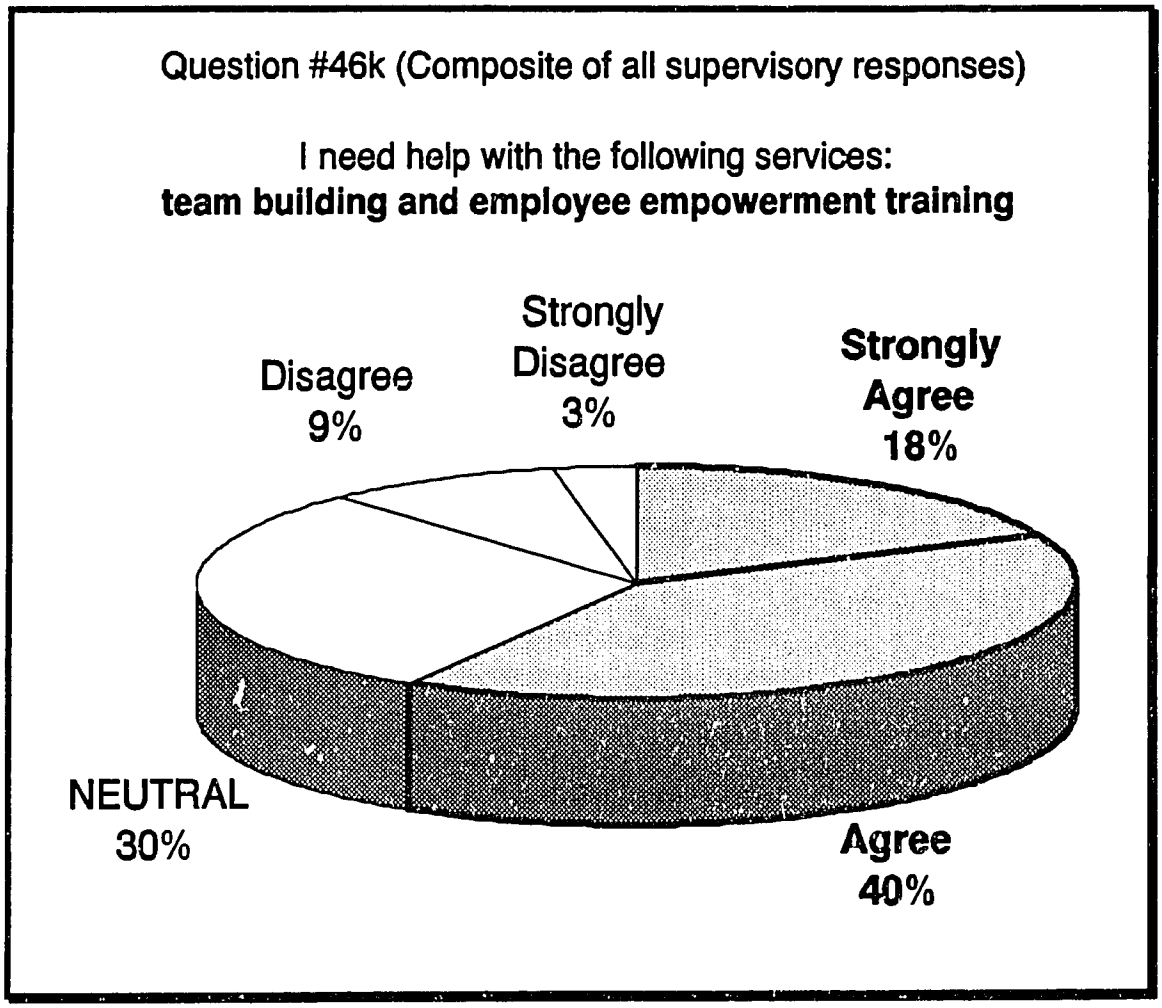
The Agency is committed to taking full advantage of the "wisdom of teams", but the road traveled to get there will be full of twists and turns. The country experimental labs (CEL) are struggling with the team concept and its effective implementation in specific operational settings. Recent feedback from the CELs and other missions express enthusiasm and anxiety about working in teams. A certain amount of confusion and ambiguity about teams is inevitable. The Agency must recognize that, for some time, considerable flexibility will be needed in the approaches and tactics for implementing effective teams.

The HRBAA team worldwide survey of core workforce, completed in April, highlighted similar concerns about teams:

When asked if training was helpful in working in teams, 20% of those who responded said they "don't know or not applicable" to question #12b. That 20% is not included in the following chart, which only represents the 2035 respondents who ranked the question from strongly agree to strongly disagree.



Supervisors are clearly challenged by the commitment to building teams. When asked about the need for working in teams, 58 percent wanted help, as shown in the next graph.



Following are survey comments from Question #46l, in which USDH Supervisors were asked to identify services they need help with

Most of the consultants Agency hires in the area tend to be theoretical and have had no real experience. Too much emphasis on employee empowerment and too less on responsibility.

Most of what I know has been learned from bitter experience, and I have found general USAID policies, procedures and training of little use in building and maintaining an effective team.

The procedures we must follow create problems, not the people attempting to assist with personnel issues. Conflicting objectives also make it impossible to be solely results-oriented. Information PLUS local decision-making is key!

Re-engineering and rightsizing all have come together. How can one deal with a change of this magnitude and also be efficient.

This agency is wasting too damned much time in these self-examinations and team building programs. People can learn from periodic quality presentations on the subject--but do not need to waste so many valuable days on these issues.

Standards on how a team should operate will be helpful in supporting the BPR of USAID.

Team building and emphasis on teamwork is critical to success and the well being of any organization that is going through restructuring and change...This has been and is an organization of very "sensitive" individuals who resist change/professional responsibility.

Crisp executive-level decision making will suffice in lieu of teams of management analysts and consultants for resolving issues around organizational planning, streamlining, employee empowerment, etc.

What are answers to key questions about teams raised by HR customers?

While most of the Agency's human resource areas analyzed by the HRBAA have implications for teams, five areas appeared especially important to HR customers. They are: workforce management and organization, employee placement, training and development, incentives, and performance evaluation. Questions posed and HRBAA answers follow:

1. WORKFORCE MANAGEMENT AND ORGANIZATION

Q When is a team a team; how is it different from teamwork?

A There is no simple answer. Some characteristics of effective teams are: clear focus on a stated objective and related outcomes, measures for judging progress and success, committed members with skills sufficient to execute the effort, sufficient independent authority to act and acknowledged accountability. Often, a team is formally constituted in terms of these elements. To the extent these elements are present, the prospect for a powerful team and success increases. To the extent they are not, you have less than a team. You have, at best, teamwork.

Q **Does all USAID work get done only through teams?**

A The nature of the work should drive organizational design in the Agency. USAID operates, programmatically, in complex development settings subject to significant change in key independent variables affecting success. Here, effective teams are critical to achieving significant results. Those teams will consist of core teams of USAID staff and extended teams of USAID partners, stakeholders and customers. See the revised Achieving directive for details.

In some other Agency contexts, the work often is less affected by such complexity in independent variables. Teams may be less critical, although still important. Not all work requires teams.

Q **What types of teams are possible?**

A A variety of work arrangements will exist in the reinvented USAID. They will range from traditionally supervised work units, to work groups with elements arranged formally as teams, to time-limited semi-autonomous teams organized around concrete objectives and outcomes, to self-directed teams organized around concrete objectives and outcomes. An example would be a team organized to achieve an Agency strategic objective (SO).

Q **Can teams be time-limited or permanent organizations?**

A Teams are, typically, time-limited organizations. The advantage of temporary status is the ease afforded in coming into existence, adapting resources to changed circumstances and dissolving when the objectives/tasks for which the team was created are completed.

Teams as permanent organizations require the formal trappings of other organizational structures, e.g. organization and function orders, position descriptions, and inclusion in staffing patterns. Once established, a formal process exists for changing the structure. As such they lose the capacity to assemble easily, operate effectively, and dissolve when no longer need.

Teams can be formally designated groups of workers arranged around a set of functions/tasks within an office or division. They have a team leader who coordinates work activity and assigns work. Members often have generic position descriptions and the work is often similar in nature for team members. For rating purposes, the official supervisor is above the team. S/he may be the deputy office director or division director. Such teams operate indefinitely, and can increase creativity and productivity. These teams are best seen as work groups. They lack the authority and potential effectiveness envisioned in time-

limited teams organized around objectives.

Q How does a team and its members get authority?

A Authority is expressed, generally, in two ways: individually in authorities possessed by team members (e.g. contracting officers) and in terms of the specific management arrangement (e.g. degree of self-direction, budget authority delegated to the team) with the line manager to whom the team reports (e.g. a mission director).

Q How do teams form and dissolve in a traditional organization hierarchy?

A In program operations, teams come into existence around the creation and execution of strategic objectives (SO). One or more teams, consisting of core and extended team members, conceive, develop, implement, and monitor the work necessary to achieve the SO. In other Agency settings, similar teams will form. Key to their success is focus around a specific set of targeted outcomes, commitment to them, a set of necessary skills to execute them, and sufficient independent authority to make the decisions needed to be successful. Members join and/or are assigned on the basis of roles needed by the team. When the objectives for which the team was assembled are either met or abandoned, the team is dissolved. Members move onto other tasks based on responsibilities in their base organizational positions.

For activities outside program operations in the Agency, the same dynamic should occur. This assumes that the teams are organized around objectives and outcomes and have the other characteristics of effective teams described above. For organizations which have teams as a permanent feature, standing Agency rules of organizational change would apply.

Q How will teams relate to traditional line organizations in the agency?

A Time-limited teams will report in traditional line organizations at an appropriate organizational point while they exist. Permanent teams as parts of organizations report, typically, to the lowest part of the formal structure, e.g. branch if the organization has established them, or division within an office.

Q Will we need more multiple skill sets in staff to support teams?

A Probably. The HRBAA team envisions an Agency future which cannot afford the constraints in the present backstop system to achieving the needed flexibility in matching talent with work -- especially in teams.

Q How will teams be established?

A They will typically flow from preliminary work within a line organization on objectives The operating unit (OU), e g selects a strategic objective core team That team establishes, under the direction of the operating unit an extended SO team That team includes USAID staff as well as partners, stakeholders and customers This is critical given the values of customer focus, teamwork and participation It may begin with designation of a team leader, or just a tasking of staff to get it underway Team leadership may be defined at a later point in time See the Achieving directive for program operations for additional guidance

2. EMPLOYEE PLACEMENT

Q How will roles in teams be determined?

A Teams will define needed roles to be filled and negotiate (perhaps through the team leader) with sources of expertise (e.g a Global center for technical expertise), a role is a set of skills and expertise needed for a specified time and level of effort by the team,

Q How will teams recruit members from the core workforce to fill specific roles?

A In a variety of ways Increasingly, the team will rely on automated human resource data bases which spell out in detailed terms knowledge, skills, abilities and experiences of core workforce staff

Q What will the role of the team leader be?

A It is expected that coordination among tasks is accomplished by the team as a whole under the leadership of the team leader or manager. The team leaders are accountable for the performance of the team and must manage the team to best achieve results Decision making is expected to be collaborative but not necessarily consensual, the manager being the final arbiter of decisions

Highly successful teams will benefit from managers who can operate as leaders as well as managers Leaders need not make all the decisions and work assignments but rather inspire trust in people by acting in concert with the team's purpose and the team, promoting constructive conflict and resolution, and constantly challenging the team to sharpen its common purpose, goals and

approach

Q What will the role of a typical team member be relative to the team leader?

A It will be specific to one or more functions needed to achieve the targeted results Technical, procurement, legal and financial officers will work as members of these teams, and will convey their respective authorities to the team by virtue of their membership Decisions about the mix of authorities delegated to teams and individual team members will take into account the experience and expertise represented on the team and Agency regulations about delegation of authority The intent is to give the team the necessary authorities for it to fulfill its responsibility to achieve the results

Q How will assignment to a team role occur?

A Core workforce get assigned to a team role when the team specifies a role that needs to be filled, the relevant skills associated with the role, and time involved The assignment to the role is negotiated, generally, between the team leader and the supervisor of the prospective team member The team member will be consulted

Role assignment means commitment to and accountability for success of the team's efforts Assignment means inclusion, within the member's annual evaluation form (AEF) work objectives, of language appropriate to the degree of commitment and accountability to specific teams

Q How is assignment to a team role different from assignment to a position?

A Assignment to a team role occurs outside the formal assignment process which assigns staff to positions in the Agency. The former is meant to be more fluid, worked out between operating staff, focused on work to be accomplished within a rating period, and dissolved when appropriate The latter involves a more elaborate process aimed at addressing a more permanent organizational need, most often involves competition, formal rules and more time to execute.

Q What does it mean to be assigned to a team role?

A Assigned means that the role in the team's work is significant enough to warrant, at least,

- agreement between the supervisor of the individual and the team on the extent of the individual's effort,

- commitment by the team to provide input to the individual's annual rating

Where significant time commitment is involved e g 90 person-days or more, individual work objectives specific to the team should be added to the individual's AEF

From a team management perspective, the team may record as members individuals who spend less time but are necessary for achievement of results.

Q **What does it mean to be a virtual team member?**

A Simply that the method of participation in the role on the team is more through electronic media than by being physically present through, e g extended TDYs.

Q **How do non-USAID staff get assigned to team roles?**

A Through agreement between the team and appropriate representatives of the organization from which the team member would come Care should be taken in role definition and adding specific members to consider fiduciary and conflict-of-interest concerns The operations BAA model for core and extended teams has merit See the pertinent Administrative Directives on this topic for additional guidance

Q **How do staff move from one team role assignment to another?**

A When the assignment to a team role is completed the arrangement ends When another assignment to a team role is agreed upon, it is up to the supervisor of the individual in his/her base position of record and the individual to balance the competing work demands posed by the teams' needs The supervisor works out a new agreement with the team representative It is expected that at any one point in time, most individuals supporting teams will be supporting multiple teams

Q **How do teams, once created, deal with turnover and changing membership?**

A It is up to the team The team should be sensitive in its recruiting to rely on the line organization and supervisor of the potential team member as a principal point of contact and authority for filling the needed role

Q **What happens when teams dissolve?**

211

A From a human resource perspective, it is important that provisions be made for assuring input to USAID team member ratings as appropriate That responsibility is shared by the supervisory rating official, the team (through the team leader) and the team member Where substantial time is spent on one team by a core workforce employee, the base organization should do appropriate forward planning to reintegrate the individual back into the base organization

3. TRAINING/DEVELOPMENT

Q What training will be available to help staff participate fully and effectively in teams?

A The Agency should fund essential training needed to nurture and sustain work in teams in the Agency -- in creating them, in evaluating them, in working within them, managing within them, in leading them, and in taking full advantage of information technology as an enabler of work in teams. An ambitious effort is underway now to help all staff take full advantage of a set of new management systems coming on line October 1, 1995

Much practical learning, however, will not come from training The learning will come from trial and error as teams evolve in the reinvented USAID. This is the experience of the Country Experimental Labs This is consistent with the principles of a learning organization and practical Agency resource constraints

Q How will participation on teams affect future career paths in the Agency?

A A major implication is the need for core workforce staff to develop primary and secondary skill sets For example, contracting officers should have more executive officer skills

4. INCENTIVES

Q On what basis will teams get rewarded?

A Teams should get rewarded on the basis of performance determined, primarily, through the annual results review and resource request (R quad) process New management systems will support sounder performance judgments by line managers and teams on managing for results

Q How will teams be rewarded for performance?

A By the creation of a set of monetary and non-monetary awards that recognize achievement in teams The rewards should be based on demonstrated performance determined during the R quad process The Agency should enable and encourage line managers in all parts of the Agency to initiate their own unit level awards to do the same thing Rewards accruing to teams should be shared within teams In general, they should be enabled to make their own internal distribution decisions Non-US government team members would be eligible only for non-monetary awards

Q **How will individuals in teams best get rewarded?**

A Individual USAID staff team members get rewarded through outcomes associated with their performance cycle and annual ratings These include monetary and non-monetary awards They also may benefit from team-based awards that flow through the annual R quad process Non-US government team members would be eligible only for non-monetary awards

Q **What changes in promotion precepts are needed to support teams?**

A Precepts which value demonstrated ability to lead teams and to support teams from management positions in the line organization Precepts which value demonstrated ability to gain solid participation from stakeholders and customers, often through teams

5. PERFORMANCE EVALUATION

Q **What does "manage for results" mean?**

A "Manage for results" means Agency work groups, at any level, have clear objectives and targets, collect adequate information to judge progress, adjust strategies and tactics accordingly, and over time achieve the objective.

Managing for <u>significant</u> results is also important USAID is fully committed to becoming a "learning organization" that "manages for results " In reaching high to achieve a significant result, we will also occasionally fall short, and must learn from this experience Individual managers or teams, then, should not necessarily be penalized for failing to achieve some specific results, but should be evaluated on how well they "manage for results" in all their programs

If "managing for results" means that every individual is specifically responsible

only for achieving expected results -- and rewarded or sanctioned accordingly -- there is a danger that staff will pursue risk averse strategies aimed at relatively trivial results that are within their direct control.

Q What does "manageable interest" mean for a team?

A The scope of USAID's manageable interest is the extent to which an operating unit believes it can materially affect a selected development result using its own human, financial, and other resources. All strategic objectives (SOs) should be within USAID's manageable interest. For operating units that have other than development results as targets, the same logic applies. Teams are a temporary operating unit in this context.

Q What does "managing for results" mean in a team context in USAID?

A In reaching high to achieve a significant result, teams will also occasionally fall short, and must learn from this experience. Individual managers, then, should not necessarily be penalized for failing to achieve some specific results, but should be evaluated on how well they "manage for results" in all their programs: whether they have clear objectives and targets, collect adequate information to judge progress, adjust strategies and tactics accordingly, and over time make a significant difference.

Q How does "managing for results" get translated practically into the new employee evaluation program (EEP) for USAID team members?

A Individual work objectives in the annual evaluation form (AEF) should be developed by the individual and supervisor with team involvement appropriate to the degree of time committed by the individual to the team. Where substantial time is committed those work objectives need to comprehend specific team objectives. Where an individual supports multiple teams, the work objectives will probably not be tailored to specific team objectives. Appraisal Committee approval of the work objectives validates the existence of language which is consistent with the desired results orientation for the work unit.

Team members should expect that some work objectives included in the annual evaluation form may get modified during rating cycles. Individual team members, supervisors and team leaders will need to keep on top of this for purposes of the employee evaluation program.

Q What does accountability mean for a team?

A Accountability -- means that the team is accountable for results within its

manageable interest Manageable interest varies In terms of sustainable development affecting the Agency's ultimate customer the manageable interest is limited Results that are within our "manageable interest" cannot necessarily be guaranteed by our intervention alone, but can be substantially influenced by our efforts In other Agency contexts the manageable interest is much larger, e g the timely delivery of accurate financial information for managers and teams

Q **What does accountability mean for a team member?**

A Individual team member accountability is expressed in elements of his/her Annual Evaluation Form (AEF) The work objectives, in particular, should express appropriately the scope of the team member's expected contribution and performance measures determining success Depending on the degree of time committed to a particular team, work objectives may be more or less specific in their definition of individual team-related outcomes

Accountability is also tied to particular specific authorities that team members have by virtue of their base position, e g contracting officers

Q **How are team members evaluated?**

A Individual evaluation of work in teams by core USAID workforce members is based on the content of the AEF

Q **What impact will work in teams have on classification of positions -- on the distribution of authority and related classification values?**

A Temporary teams should have little impact on the classification of most individuals who work within them Their graded function is defined in their base position in the Agency Much of their authority in teams will stem from their base position, e g a contract officer Additional authority will be specific to authority given to the team by the line organization to which it reports Temporary teams only have roles filled by members Temporary teams do not have formally established positions within the Agency's staffing pattern and table of organization

The individuals who might be affected from a classification perspective by virtue of work in teams are those who are assigned full-time to teams for at least a year Employees who are dedicated to teams for this length of time should have position descriptions that are directly related to their duties and responsibilities on teams

Members of permanent teams will have their positions defined in terms of the value of work done in their teams. Why? Because the team replaces the traditional organization which had its work expressed and valued in a set of position descriptions

Q **What precisely does accountability mean in the evaluation process for team members?**

A Accountability means that within the authority possessed by the team member and expressed in the AEF in terms of work objectives, the team member accepts responsibility for his/her performance

Q **Can teams succeed and team member(s) fail, and vice versa?**

A Yes Teams may achieve the targeted results, and succeed in achieving results. Teams may not achieve the targeted results but succeed in managing for results

Team members may be on teams which succeed in managing for results, and succeed individually in achieving their work objectives with regard to support for a specific team Team members may be on teams which don't succeed in managing for results and yet succeed in fulfilling their commitment to the team

Q **How does 360 degree evaluation play out within teams?**

A The requirement and its practice will support teams It is expected that this process will provide leverage for teams in knowing that small contributions by many staff, especially support staff, who contribute to multiple teams during a rating cycle will be factored into overall ratings Where roles filled by team members are substantial enough to warrant work objectives specific to the team, the leverage is more significant The team should contribute to the determination of the team member's objectives, may approve them, and will be part of the rating process for the team member

Q **To what extent and how will non-USAID employees who are team members be evaluated?**

A This will be determined by agreement between the team and the organization from whom the team member is drawn.

Q **What if core workforce team members don't perform?**

A This should be an unusual situation If it involves a core workforce member, counselling by the team, perhaps through the leader, would be expected. Discussion with the rating supervisor may be appropriate If serious and not improved, the team can end the support by the member This would be worked out with the base work unit from which the member was assigned to the team role

Q **Where non-direct core workforce hires are team leaders, how will performance evaluation be handled?**

A For FSN team leaders their role will be expressed in their annual work plans For FSNPSCs team leaders with scopes of work and for USPSC team leaders, their work will be evaluated in terms of the scope of work

What recommendations in the HRBAA report most affect teams?

The HRBAA developed a number of recommendations which, indirectly or directly, aim at supporting teams in the reinvented Agency The ones listed below are more fully discussed elsewhere in the paper (see referenced section)

a. Workforce planning

1 Establish a USAID Workforce Planning Committee to fully identify programmatic initiatives and needs on a periodic, continuing basis (III A).

- by having systematic five-year staff resource forecasts on an annual basis generated from program/budget reviews, which impact downstream staff availability for teams

2 Reduce the number of distinct personnel backstops now utilized to define employees' technical specialties and provide opportunity for all employees to develop qualifications and credentials in multiple occupations (III B)

- over time would increase the mobility of talent and specialties available to teams

3 Establish a comprehensive database and improve information about employees' skills and abilities, to include FS working family members (III A).

- by making available to teams more comprehensive and timely information

about the skill sets in the core workforce that can be tapped when needed.

4. Identify and recognize differing levels of skills and experience through credentialing and warranting programs for all occupational categories (III A)

   - by providing greater definition of the competency level for members of the core workforce in selected skill areas needed by teams

5. Sharply reduce the need to utilize the personal services contract for OE-funded workforce requirements and obtain the technical services of internationally recruited U S citizens through limited, non-career, direct-hire appointments (III A)

   - by making available the same skill sets drawn from USPSC's but with a wider authority base and commitment to the Agency implied in a limited appointment of staff for a fixed number of years

6. Verify and certify the need for USDH employees in specific positions overseas; develop staffing strategies to maximize the use of FSNs (III A)

   - widens flexibility of talent pool to support teams on a cost-effective basis.

7. Recruit technical specialists as direct-hires, using non-career temporary appointments under a flexible timeframe to enable the Agency to respond readily to staffing needs (III A)

   - delivers staff capacity with needed skill sets on a more timely basis for teams

8. Hire candidates within eight weeks of selection through the use of the new, streamlined security clearance requirements (III A)

   - speeds delivery of staff with needed skill sets to teams

b. Employee placement

1. Propose that tour lengths for technical and management positions for SMG (SFS) and Foreign Service (FS) be lengthened. Under normal conditions a tour length should be from 48 to 60 months, with no less than 36 months, while allowing for flexibility to meet personal and family needs (IV A)

   - aims at strengthening continuity and experience in SO and result package teams

2. Create an inventory of work history, experience and significant skills and abilities on every employee. Data would be used to match against vacant positions, and/or to make team assignments (IV A)

- facilitates the matching of needed and available talent in the core workforce by teams

3. Provide managers with better information to make sound decisions and match employee skills to meet needs of teams, while making the process more transparent (IV A)

- facilitates the formal assignment process and aid matching of needed and available talent in the core workforce by teams

4. Formalize and expand the existing pilot program to enhance civil service career opportunities by establishing a cadre of employees available for overseas assignment (III B)

- increases the talent pool available on a flexible basis to teams

5. Advertise AID/W civil service position vacancies overseas so that FS officers can apply and be considered to fill positions temporarily during three-year rotation assignments (III B)

- increases the talent pool available on a flexible basis to teams

6. Make routine the "best practice" of considering all available non-traditional assignment options for placing qualified staff (III A)

- expands staff talent pool available on a timely basis to teams

7. Provide managers with better information to make sound decisions, match employee skills to meet needs of teams, while making the process more transparent (IV A)

- aids the expeditious staffing of teams

c. Training/development

1. Provide training to supervisory personnel in defining human resources requirements and provide quality assurance so that position descriptions and PSC scopes of work accurately reflect real duties and responsibilities (III A).

- sharpens effectiveness of recruiting and staffing strategies for satisfying team needs

2. Encourage employees to develop qualifications in multiple skills categories (III A)

   - widens the skill pool from which teams can draw needed talent.

3. Broaden possibilities for excursion tours and non-traditional assignments and details outside the Agency, in the private sector or in other federal agencies (IV A)

   - increases depth of professional staff development, deepens talent pool for teams

4. Guidance should be provided to managers to assist in the acquisition of institution-building skills -- those skills required for building capacities and capabilities within USAID (III A2)

   - helps manager/team leaders define skill requirements needed in future time frames

5. Provide training and other assistance to managers, supervisors and employees in the roles and responsibilities associated with effective teams (VII)

   - facilitates the needed cultural change in the Agency.

d. Incentives (V A):

1. Create a set of awards tied to organizational and team performance on a fiscal year basis

   - reinforces effective team performance tied to program outcomes

2. Create a category of off-cycle non-monetary individual, team and unit awards aimed at internal and external customer satisfaction

   - reinforces customer focus and managing for results in teams.

3. Treat teams as organization units for purposes of nominating various members for off-cycle awards

   - empowers teams

4. Assure work-unit assessment of performance cycle awards.

   - assures corporate review of team performance.

5. Increase senior management influence in aligning organizational objectives with performance cycle awards.

   - empowers managers to recognize top flight performance in teams.

6. Push down and simplify review and approval rules for many off-cycle awards.

   - empowers teams where they have a significant role in awards.

d. Performance evaluation (IV B):

1. Extend the new evaluation system to the entire core workforce:

   - enhances commitment of team members by having one evaluation framework.

2. Have Bureau AA or DAA rate mission directors:

   - clarifies the accountability chain in performance terms for USAID core teams.

3. Create a mechanism for missions which implements effectively the intended role of the appraisal committee in the new evaluation system:

   - makes consistent the evaluation framework for teams and members; assures greater fairness.

4. Include within the work objectives, team objectives that affect individual ratings.

   - assures greater stake in and commitment to team success.

5. Guidance given to the selection boards at the end of the evaluation cycle, precepts, and other annual guidance related to evaluations should be transparent and widely communicated at the beginning of the cycle:

   - increases predictability factor for standards against which team members will be judged.

6. Increase the use of challenging work objectives in the evaluation system by

changing the role of work objectives included in AEFs:

- encourages risk-taking by team members in development of challenging work objectives.

What challenges will need to be met in taking full advantage of teams in the reinvented Agency?

The key challenges:

- The ability of managers -- especially senior managers -- to walk the talk of culture change needed for effective teams to do most of the Agency's work. They need to set the stage, to delegate authority within a framework of manageable risk; to persist in expecting management for results, and to serve as personal role models.

- Agency delivery of needed training and other assistance to managers and supervisors as they make, for many, a difficult transition. This support for organizational learning needs to be extensive and persistent -- over a number of years.

- Preventing the present prism of the classification process for human resources (with its dependence upon a traditional pyramidal organizational hierarchy for establishing position value) from limiting the development of creative, powerful teams in USAID.

- Viewing diversity as a business imperative for success in executing the Agency's work overseas and in the U.S. Successful USAID teams will depend upon a rich diversity of experiences and perspectives that contribute to their creativity, to their "wisdom"and to their effectiveness.

What information technology will support teams?

Support for teams will primarily be accomplished through the availability of the on-line electronic skills data base. Managers desiring to form teams for results packages, strategic objectives, special projects, etc., will be able to search the skills data base for employees whose skills match those required for team. A list of possible team members with matching skills will be displayed to the manager with information on contacting the individuals (i.e. telephone number, fax number, address, etc.). The manager will then conduct a manual process of negotiating with the employees and their supervisors to determine which ones would be appropriate and have the flexibility to be on the team.

Once agreement has been reached between the manager, the employee, and employee's supervisor, the manager will record the employee as being a member of the team. This information will be included in the employee's 'resume' for future use in the assignment and promotion processes.

CHAPTER VII
The Human Resources' Transition

TABLE OF CONTENTS

A. Part I - Transition and Implementation

1. HR Transition Manager
2. Training and Other Assistance to Managers
3. Improve Customer Service in the Office of HR
4. Prepare New Policies and Procedures
5. Communicate with Internal Customers
6. Design, Build and Test HR Information Systems
7. Convert from the Old System to the New System
8. Continuous Learning

B. Part 2 - Transition: Long-term Recommendations

The Human Resources' Transition

Introduction

The HRBAA Report describes recommended changes to the current Human Resource function and processes which support the Agency's new business systems. While much of the report addresses specific information technology needs and reengineered HR systems, it also describes the likely impacts of HR recommendations on all employees faced with implementing the new business processes.

How do we get from here to there? A number of transition steps are needed to take advantage of the HRBAA report. Part 1 of this section addresses the immediate next steps that should be taken to ensure change is effected throughout the Agency. The second part consists of recommendations developed by the team which constitute longer-term recommendations for USAID. These are human resources reengineering initiatives that cannot -- because of current practical, fiscal or political constraints -- be adopted at the present time, but which the HRBAA team believes are important and should be implemented as circumstances permit.

Part I - Transition
Transition and Implementation

The HRBAA report identified three major areas which were necessary to transition USAID effectively to the new human resources system.

1. Building the HR information systems and creating policies and procedures for the new HR management systems and ;

2. Managing the culture change to ensure that it supports the HR principles and practices of the new USAID.

3. Strengthening the level of service quality within the Office of Human Resources.

The **first** area involves the next phase of creating new management systems for the HR Business Area. It is called the Business System Design (BSD) phase. It includes writing necessary policies and procedures which flow in part from the recommendations contained in this report. It includes building the technology systems to streamline the HR processes. These are addressed more fully under transition

actions #4 and #6 below.

The **second** area constitutes one of the more crucial components in transitioning USAID to a new way of doing business. It focuses on the cultural and management shifts needed by Agency employees to change the way they do things. Understanding these changes and working through the transition period are critical if the Agency is to successfully reinvent itself. The changes addressed are not just "nice to have". They stem from a necessity to do HR business in a "new way".

The changes from the Agency's current reinvention efforts impact how we work with each other and our partners, utilization of different and better information systems, new structures (e.g. a team approach which may impact organizational design in some situations), and reduced levels of overhead to carry out the Agency's business once the new systems are operational.

The HRBAA concluded that a **third** transition area needed particular attention. That is the review of the current service quality within the Office of Human Resources to ensure OHR staff be capable of meeting Agency customer needs. When comparing the results of the HRBAA Personnel Services Customer Survey to the Office of Personnel Management's (OPM) national survey, USAID internal customers rank personnel services below the national average in nearly every question category. Therefore, we must look for ways to change these statistics and to improve the delivery of services, which should include the review of the current HR organization. These three challenges -- revised HR policies and procedures combined with new technology systems, the transition to a new Agency culture, and a strengthened, professional HR organization are interconnected in their impact on a successfully reengineered human resources system.

Transition Actions

The leadership and focus of the human resources system must fully support and compliment all BAAs and the changing USAID. The following briefly describes recommended transition actions. A more detailed action plan with estimated timeframes and lead responsibilities will be developed and published following meetings and feedback on the HRBAA report from the Agency at large. The plan will be completed in collaboration with key HR and Agency personnel.

1. **The Deputy Assistant Administrator for the Office of Human Resources must ensure the non-technology recommendations approved in this report are implemented within a systematic and timely manner. This should be accomplished by appointing an HR "Transition Manager."**

The HR Transition Manager would work in concert and collaboration with already existing Agency structures, such as the Transition Steering Group, the Quality Council Steering Groups for Communications and Customer Service, and the Roll-Out Training Team. While culture change was addressed in earlier BAAs, the HRBAA concludes we need more Agency emphasis and resources devoted to the cultural shift which incorporates diversity as a fifth core value.

The HR Transition Manager would be responsible for overseeing reinvention issues related specifically to human resources needs, changes and impacts during the Agency's business transition. Also required is a systematic integration with work of the HR-Business System Design (BSD) team. Appointment of a Transition Manager should not lessen the accountability and ownership in the HR line organizations, but rather provide for coordination with the Agency's existing transition structures.

Particular emphasis and initial tasks of the Transition Manager should focus on training and preparation of senior managers to help them understand the psychology of change so they can assist their organizations and people with the transformation. It is also imperative during this next stage that we ensure integration of cultural transition tools such as training and communication on valuing and managing diversity and its application to teams and empowerment.

In addition, numerous non-technology related recommendations from the HRBAA report must be implemented. The HR Business System Design (BSD) team, which begins its work in September, will take the information engineering (IE) technology recommendations from the HRBAA report and develop the computer systems; however, other non IE recommendations which focus on important reengineering processes must also be implemented to ensure a truly reengineered HR function.

It is envisioned that an HR Transition Manager will be responsible for seeing that the changes go smoothly and for coordinating and piloting select non-technology recommendations with specified missions and AID/W offices. He/she will also provide ongoing Agency communications worldwide, and provide monitoring and reporting to the Administrator, senior officials, the Agency Transition Steering Group, and others on the progress and impacts of the new management systems as they relate to human resources.

It is further recommended that an expert consultant, experienced in both transitioning and reengineering human resources functions, facilitate and work with the HR Transition Manager to train senior managers and implement necessary transition actions.

2. **Provide training and other assistance to managers, supervisors and employees in the roles and responsibilities associated with effective teams.**

The need for this investment is manifestly expressed in the data from the customer survey done in the early Spring. The findings are discussed extensively in the chapter on teams. All groups of employees stressed the need for training in these roles and responsibilities. They viewed the training as a necessary condition of successful reinvention.

3. **Improve Customer Service in the Office of Human Resources.**

It is imperative that the Office of HR work towards a higher level of professionalism and cultural change which puts all HR customers "first" and which addresses the overall HR services provided to the Agency. One of the primary concerns identified by all employee categories in the recent HRBAA customer survey was the delivery of quality service in a timely manner.

As a result of the survey, the HRBAA team identified a professional skill set which should be present in key positions in the Office of Human Resources -- in both quality and depth. These skills should largely be present in the managers of the organization, i.e. from the director and deputy down through the division level. They are needed to help shape the organization and help lead the required transition changes.

The skill set includes:

- professional human resources expertise;
- personnel management experience in organizations with an international presence (preferably governmental);
- personnel management experience in an organization with extensive field units;
- personnel management experience in highly automated personnel environments.

Other needed characteristics include:

- commitment to a minimum five year assignment (tour) in the position;
- commitment to the Agency mission;
- commitment to the Agency core values and their effective practice.

For all HR staff, an integral part of customer service delivery must be an HR-

client/customer partnership based on open collaborative communication. . Emphasis should be placed on developing customer standards, as well as incorporating customer service as a strategic objective. HR staff must become customer focused and acquire knowledge and expertise in agency programs to better service managers and employees.

There must also be systematic customer feedback to measure results of a changing HR culture which focuses on customer service. This could be accomplished with the annual HR customer survey, also discussed under recommendations in the Customer Focus section of this report, as well as under transition items #5 and #8.

HR staff must acknowledge that the Agency's worldwide missions and various bureaus will be at different stages of evolution in USAID's reinvention process, especially regarding delegations and capabilities. One example is the changing role of HR in conjunction with the revised roles of the bureau's administrative management staffs. Flexibility and a close working relationship will be required to accommodate difference stages in business practices. Restructuring HR into teams that are arranged around specific organizations is one alternative. Another is that all staffers be assigned to service specific organizations, possibly even sitting physically within some of the supported organizations they serve. It is important that HR staffers visit the missions and field units to gain a better understanding of the complexities of these organizations. Overall, the cultural change and the service delivered is more important and has a more significant impact on how business will be accomplished than the structure design itself.

Information technology will result in the streamlining of paperwork and other functional processes, dramatically altering the way work is performed in OHR. The HR line management will need to look at the organizational structure and staffing levels in light of these changes and make necessary adjustments.

4. Prepare new policies and procedures.

New HR policies and procedures must be prepared for the reengineered HR system in concert with the Agency's new Automated Directives System. This includes identifying pertinent HR policies, essential procedures, and supplementary references. These three categories of information will be incorporated into the newly designated 400 series for Personnel policy.

During the BSD phase, a task group will be charged with coordinating and writing policies which articulates more clearly user-friendly guidance to an empowered

259

workforce. The final product will be available worldwide for easy electronic search and text retrieval of any HR policy, procedural guidance, or supplementary reference material.

This process will require much collaboration and cooperation with other BAAs as well as mission and Bureau personnel and other foreign affairs agencies. The new HR policies and procedures will incorporate guidelines which speak to the entire Agency workforce, including FSNs and USPSCs.

5. Communicate with Internal Customers

Just as the HRBAA Customer Survey was electronically distributed worldwide in April 1995, the final HRBAA report will also be disseminated to USAID staff. Dissemination will be followed by briefings for Agency management and staff. Several Bureaus have already requested focused discussions to allow for more detailed overviews and to provide feedback on potential bureau-specific implications. Focused discussion workshops will be arranged as requests are received.

Other briefing material will be developed for use by the BAA training roll-out staff and others for workshops and regional conferences and training of mission staffs. The electronic HRBAA mailbox will be maintained during the BSD phase to provide for continued open feedback from any interested person in the Agency. Ongoing communications on the status of the HRBAA recommendations and HR reforms will be a priority. Information will be disseminated via the electronic bulletin board, as well as through news articles in the Agency's reinvention bulletin, "On Track".

Finally, communications and feedback to internal HR customers and the Administrator must become a systematic business practice accomplished through an annual customer survey, with measurements, benchmarking and reporting against the best HR practices.

6. Design, build, and test HR Information Systems.

A major component of the HRBAA study was to identify Agency-wide information technology needs that will improve HR functions and services. Beginning in September, the Business System Design (BSD) phase will begin designing, building, and testing a nearly "paperless" HR system capable of interfacing with the Operations, AWACS, A&A, and Budget systems. This assumes, of course, the continued availability of necessary resources.

The payroll function was not included in the analysis completed by the HRBAA since a separate Payroll BAA was in progress. However, the HR system directly impacts the Agency's payroll function and relies on it for its personnel payroll and benefits data. It is essential that during the BSD phase open communication, collaboration and systems design provide for a full integration of these two functions.

It is envisioned that upon completion employees will be able to access and update much of their personal data, such as address, emergency locator information, skills resume, etc. Managers, supervisors and other Agency officials will have easy access to Agency HR information depicted both graphically and statistically. Query tools will also be available for generating reports demanding specific information field requirements. The skills inventory and accompanying automated tools will allow for querying specific skill requirements when forming teams. Underwriting all of the above will be safeguards to ensure Privacy Act requirements are met.

7. Convert from the old system to the new system.

Concurrent with prototyping and piloting the new HR management system, the BSD will define the requirements for an agency-wide training plan to assist with the transition to a technology based system. Problems or issues which surfaced during the piloting phase will be addressed, with appropriate modifications made.

A conversion plan must be developed to determine appropriate strategy. Data from the Agency's direct hire system, RAMPS, will be converted. New data on skills inventory and pertinent HR data from missions will also be loaded and tested. There are numerous interim steps and procedures which must be addressed in the conversion plan.

Another requirement involves establishing ongoing communications, reporting, and review of selected missions, AID/W offices and the Office of Human Resources. The impact review includes analysis of data, consolidation of findings and preparation of documentation to include in the final BSD report. In addition, data gathered will be used to modify and fine tune for the initial HR system roll-out.

8. Implement a process to ensure HR continuous learning in appropriate organizations.

To ensure the Agency continues to move towards improved customer service in the delivery of HR services and its use of technology, it is recommended that a

number of measures be implemented.

a. Create an information "hot line" -- both telephone and an electronic mailbox -- to gather suggestions for HR computer system improvements. Continue to use the HR mailbox for comments on other non-technology related HR systems design.

b. Survey Agency personnel on an annual basis to measure their satisfaction with the new HR procedures and new management system. It is suggested that the recent HRBAA survey be slightly modified to incorporate questions related to improvements over the previous 12 month period. Survey results will be analyzed and data findings will be reported back to all employees.

c. Continue to benchmark HR systems against other government agencies, as well as private corporations who are ranked as the best in HR services.

d. As each new system is being put into place, hold an immediate evaluation, analyze the results, and prepare changes for the next sequence of like events.

Part II - Transition
Longer-term Recommendations

The HRBAA report reflects six months of research, analysis, and benchmarking. The following recommendations represent reengineering changes which the Agency can not immediately adopt. However, the HRBAA team feels strongly that they have merit and should be forcefully pursued. Some cannot be implemented due to the current fiscal and political climate we now face. Some are dependent upon other key recommendations which will take time to implement and would only be effective if preceded by these other changes. Still other recommendations require fundamental shifts in resources or major legislative support.

Recommendations

1. **Adopt a single unified personnel system in USAID to replace the existing Civil Service and Foreign Service systems.**

   As stated in the HRBAA report overview section, the proposed unified personnel system for the Agency is considered a superior solution to many of the basic problems facing the Agency in the area of human resources management. The adoption of a single unified personnel system would address, at a stroke, many of the issues which the team attempted to address with multiple recommendations aimed at incremental improvement. Changes in policies and procedures recommended by the team should support and strengthen any initiative to consolidate the different personnel systems within USAID.

   During the course of its work, the team discussed the approach of other USG agencies in maintaining overseas operations. While most of the foreign affairs family of agencies have adopted similar methodologies, there are exceptions that are noteworthy. The Central Intelligence Agency, for example, has not established a separate foreign service. It utilizes Title V authorities and provides various compensation incentives to its civil service employees for overseas work assignments. The Department of Defense maintains large numbers of civil service employees overseas, and it has adopted a similar approach, albeit one with fewer incentives.

   Overall, the team saw much merit in the proposal to establish a single system, and it recommends the Agency continue to study, design, and ultimately adopt a unified system through major legislative change.

2. **Move all employees' salaries out of the central account and make compensation a part of the field mission or Washington office OE budget; provide incentives for containing costs.**

It is proposed that the salary cost of employees (direct and non-direct hire paid through OE funds) be included in the budgets of missions and Washington offices. A portion of OE cost savings could be passed back to the organizational unit as an incentive. The basic assumption is that line managers are in the best position to deploy limited OE resources against program support needs. The expectation is that line manager responsibility for the underlying cost of core workforce components will result in managers more often making cost savings decisions when executing Agency work. For example, it is envisioned that the elimination of a USDH position might save an office several thousand dollars, and a percentage -- e.g., ten per cent -- of the savings could be retained by the office for training, procurement, or other uses. Similarly, an office that reclassified a number of positions and realized grade reductions as a result could be allowed a like incentive. Consistent with the ongoing efforts to empower our employees and to make them accountable, the cost of operations should be assigned at the lowest possible levels throughout the organization.

Key dependent assumptions for this recommendation include: reasonable controllability of costs by managers, availability of timely management information, incentives for the prudent use of Agency funds, and a non-crisis financial environment. Key risks include the prospect that some managers may overspend and that the Agency may have less flexibility to move OE funds where needed in an often dynamic resource environment.

This recommendation is intended to support the HRBAA long-term recommendation to delegate substantial classification authority to Agency managers. It adds both empowerment and accountability to Agency managers. Unless there is sufficient budget discipline for managers accompanying the greater classification authority, the tendency will be to use classification authority as a "free good." Therefore, it is necessary to provide a cost center based budget for all managers to whom classification authority is delegated.

Recommendations to improve USAID operations from earlier studies have noted that many foreign service positions, for example, are graded at a level that would be difficult to justify. Managers in some instances have advised that a high grade level is necessary to attract fully qualified foreign service bidders during the assignment process. This is not a reasonable rationale for allocating scarce and costly human resources. USDH positions overseas are

not systematically reviewed and reclassified, and as a result, a great many positions bear "historic" grade levels that do not reflect the general downsizing of our overseas missions. In sum, there currently is little motivation for managers to limit "grade creep."

Another practice that appears to be widespread overseas is the establishment of internationally-recruited USPSC positions when powerful arguments can be made for recruiting FSN staff; this appears to be especially true of those positions that are intended to be filled through local recruitment. Where the funds exist, there is no incentive for not spending them. Indeed, the overseas culture demands that funds be spent. Savings are many times considered to be a liability. There is often an assumption that, "If you did not spend it, you don't really need it." Fund allocation is not an exact science, and it tends to be based, in part, on historic evidence. Future funding levels are determined, again, in part, on what was spent the year before. Therefore, there is an imperative to spend, rather than save.

This proposal will only yield savings if meaningful incentives are built into the procedure. It must clearly be established that it is in each USAID manager's best interest to utilize limited resources in the most efficient and effective manner possible.

A pilot project to test this approach is suggested. The HRBAA supports the selection of a geographic bureau for the pilot, and a bureau-wide test of the budget allocation and management system which would involve all Washington offices and field missions within the region.

3. Broaden the flexibility for managers to allocate operating expense funds across spending categories.

This recommendation is intended to support both the delegation of substantial classification authority to Agency managers and to the greater utilization of FSN components of the core workforce. Give managers flexibility to reprogram OE funds from salary to the non-salary expense category; and within the non-salary category, across object classes such as travel and contracts. The premise is that line managers are in the best position to balance staff costs and, for example, staff's need to travel to oversee program activity. They should be empowered to do so. An accompanying principle is that they be held accountable for what costs they can control.

4. Delegate authority for position classification to the Office Director level

or to that level where budget authority exists.

It is recommended that delegation of authority for position classification be given to managers at the Office Director level or whichever level has budget authority. The manager would have the authority to establish position descriptions within the limits imposed by the FTE and budget constraints. Cost control has become a major consideration in executing funds. If the objective is reducing OE costs, managers should be rewarded for achieving stated fiscal objectives. In this budget climate, managers will need to define positions within the context of available resources. Managers must assume ownership of choices they make. Managerial effectiveness in exercising appropriate fiscal responsibility will be a major performance factor.

5. **Decentralize some authority to budget for and to spend training funds to the line managers.**

This proposal is intended to support reengineering recommendations aimed at strengthening the Agency as a learning organization. The purpose is allow/expect line managers to have a greater stake in decisions affecting the development of core workforce staff. They should develop and justify most training needed to execute their program management responsibilities. The proposal is independent of the broader decentralization of operating expense authority recommended above.

Some Agency training will need to be designed and delivered by the Agency's training organization and therefore be budgeted centrally. However, the presumption should be that for most training, line managers should have the opportunity to source their needs from either in-house or out-house capacity as they see fit, with the exception of Agency mandated training.

6. **The HRBAA proposes that the Agency take steps to enhance delegations to FSNs, within prudent limits.**

The delegation of additional responsibilities to FSN employees is seen as a prudent, cost effective initiative that would serve the best interests of the USG. However, before further delegation can be accomplished, safeguards must be in place to ensure that the liability of the Agency is limited to the maximum extent.

The possibilities for expanding the scope of existing FSN authorities and responsibilities include:

(1) Project and Program Functions:

Mission Directors should be given the authority to delegate the specific authorities listed below to qualified FSN employees on a case-by-case basis: The authority to approve those documents that are not "first line" commitment or policy setting documents.

The Mission Director or his U.S. representative, should retain authority for signing PILs that establish policy or that commit funds, but a fully qualified FSN could be delegated responsibility for signing PIOs and routine PILs. Foreign Service Nationals can also be better utilized in developing programmatic initiatives and, where appropriate, in discussions with host country governments, NGOs, PVOs, other stakeholders, and the beneficiaries -- the Agency's ultimate customer. No USAID employee knows the operating environment, the host government and potential pitfalls inherent in our programs better than the FSNs working for us in their native country. Many of our FSNs are loyal and committed employees who would fiercely defend and protect the interests of the USG. We need to do a better job of identifying and utilizing these individuals.

(2) Financial:

Currently, FSNs who occupy senior positions in USAID Controller Offices are under the supervision of U.S. citizen Controllers. There is no statutory prohibition which requires that Controllers, Certifying Officers, or Disbursing Officers be U.S. citizens. Especially in those missions where USAID may have only one U.S. citizen Certifying Officer (U.S. Controller), Agency policy and procedures should permit the delegation of routine and less sensitive certification authority for payments to senior FSNs.

(3) Executive and Contracting Officer Functions:

An FSN cannot perform the full scope of duties and responsibilities of an Executive Officer because of several limitations in the FAM and the AIDAR which prevent delegation of certain responsibilities to non-U.S. Citizens, particularly those responsibilities involving procurement and final disposition and real property. There is also a restriction against "representation of the U.S. Government" by non U.S. citizens. The restrictions on delegations of greater functions and responsibilities to FSNs are regulatory and administrative, not statutory, and can be changed by USAID alone in most cases.

Experienced FSNs should be delegated Accountable Property Officer responsibilities.

Based upon the FSN's successful completion of a procurement certification process and the Mission's documentation of its "need," OP delegate warrant authority of up to $25,000 to appropriately trained and screened FSNs.

The warrant amount should be reviewed periodically and should be subject to increases or decreases based on demonstrated ability. Procurement delegations of this nature are currently being recommended by many of the CELs.

A major concern in authorizing such delegations is what recourse the U.S. Government has if an FSN diverts procurement funds for personal gain. Although technically the U.S. Government could make recovery through salary deductions or other administrative offsets, the offsetting value of either an FSN's salary or benefits is negligible when compared to the possibility of embezzlement or misappropriation. While FSNs are subject to U.S. laws just as U.S. employees are subject to local laws, in practical terms the USG rarely initiates recovery action in foreign countries because of the cost and difficulties involved in doing so. The possibility of bonding employees has been discussed, and it should be fully explored. Bonding could offer an effective method of minimizing the USG's liability while at the same time maximizing its use of the FSN workforce. Warrant bonds could be set at a quarterly rather than a total annual procurement level and the quality of internal controls such as overseas police checks could be strengthened to prevent the likelihood of malfeasance.

7. **It is recommended that the majority of personal services contractors in the Agency be converted to direct hire status.**

A conversion of USPSC and FSNPSC employees to direct hire status would regularize the Agency's employment practices and eliminate many of the problems surrounding how different categories of employees are utilized, compensated, and administered worldwide. Although in the case of FSNs a conversion would not eliminate all the constraints to further delegation of authority, it would eliminate virtually all other perceived inequities between the direct hires and personal services contractors.

In those instances where the PSC may be the most appropriate employment mechanism, however, such a conversion would not be feasible or desirable -- where program funding is required or where employment is actually temporary in nature. Furthermore, in making this recommendation it is recognized there are practical difficulties entailed in obtaining OMB and Congressional concurrence to establish some 5500 new positions within USAID at a time in which deep FTE cuts have been legislated and even more draconian reductions

are being proposed throughout Government.

Moreover, as many USPSC and FSNPSC positions are currently program funded, it is recognized such a conversion would require the active support of Congress in transferring funds for salaries between appropriations; that is, from the program to the operating expense account. However, a conversion would not incur additional spending as the overall program and OE budget total would remain unchanged. In other words, the transfer of funds would be a zero-based option. The recommendation would transfer resources to the Agency's salary accounts, and USAID would continue to rightsize and reduce spending levels in an uninterrupted manner -- despite the increase in FTE.

8. Obtain U.S. Office of Personnel Management demonstration project status to implement Broad-banding for USAID Civil Service positions.

One of the major difficulties the Agency faces is the maintenance of two separate and distinct personnel systems for USDH employees. Broad-banding would be a positive step toward the ultimate goal of a unified personnel system. Broad-banding allows more flexibility in hiring, pay adjustments, and mobility of employees. Banding would be helpful in easing the inequity found in the frequent pay disparity between FS and CS employees performing the same duties. Another advantage is the simplification of the classification process. Managers could, at their discretion, pay employees within a band without having to re-classify positions each time a change occurs. The project could initially be tested in one bureau and, if viable, could be expanded to cover the rest of the CS work force.

CHAPTER VIII
The Human Resources Information Model

TABLE OF CONTENTS

1. Introduction

2. BAA Objectives, HR Vision, and Scope

3. Producing the Human Resources Model

4. Automated Support Design Areas

5. Sequencing of Design Areas, Development Paths, Development Schedule, and Transition

The Human Resources Information Model

1. Introduction

The United States Agency for International Development (USAID) is engaged in a multi-year effort to re-examine its budget, management practices, and basic mission with an emphasis on re-engineering its information management practices and systems. In 1992, the Agency performed a Strategic Information Systems Plan by the Office of Information Resources Management (FA/IRM). This study, conducted using the techniques of Information Engineering (IE), identified eight Functional Areas (Business Areas) into which all of the Agency's work falls. One of the functional areas, Human Resources is the subject of this Business Area Analysis (BAA). In the ISP, Human Resources (a.k.a. Workforce Management) is the "Management of the human resources needed to perform work. This includes all human resources, regardless of employment status -- it is not limited to direct hire employees."

The Human Resources BAA was the fifth project performed out of the ISP report, preceded by the Procurement, Budget, and Operations BAAs and the AWACS project. The analysis of the Human Resources Business Area lasted approximately six months, and was conducted by a team consisting of technical and management staff from throughout the agency. The BAA team was comprised of USAID staff with a broad range of field and USAID/W experience. The BAA was guided by a reference group of senior managers from all bureaus. The BAA further supplemented this experience by interviewing numerous HR and mission personnel during the course of the analysis. The objectives and scope of the effort, defined in the next section, focus on gathering information requirements exclusive to Human Resources, policies and procedures, roles and responsibilities, and the re-engineering of workflows creating a much more efficient and effective USAID.

2. BAA Objectives, HR Vision, and Scope

a. Objectives of the BAA

The purpose and objectives of the Human Resources BAA was similar to the Operations BAA in that it intended to take as much a policy and procedure perspective as an information requirements and systems perspective. As a result, the project drew techniques from both *Business Area Analysis* and *Business Re-engineering*. The reasoning behind this approach follows that the activities of Human Resources cross or interface with many functional boundaries and provide both inputs and rely on outputs from all areas within the Agency. The flow of work performed moves between Human Resources and Budget, Procurement, Financial Management, Operations, etc. Analysis of these workflows played a major role in this BAA because the objective

was not only to improve the quality of information but also to re-engineer work performed. The goal was a more efficient and effective execution of Human Resources functions through a shift to improving Workforce Management, Employee Administration, and Compensation and Benefits processes. The objectives were achieved through developing a full understanding of the Human Resources area through modeling the information and activities contained within it. Once an understanding was established, the re-engineering effort analyzed how that work was performed, by whom, and with what responsibility. Specific objectives included the following:

- Identification of specific information needs and activities for the Human Resources area.
- Capturing the business rules, roles, responsibilities, and suggestions relevant to the Human Resources area as input to new policies and procedures.
- Collecting and analyzing relevant quantitative data as a basis for distribution analysis and application design or package evaluation.
- Re-engineering workflow for greater effectiveness and more emphasis on improving through a shift to improving Workforce Management, Employee Administration, and Compensation and Benefits processes.
- Providing a platform to launch a more detailed analysis on the business area in preparation for supporting business systems design.
- Identifying and prioritizing natural business systems which may eventually become systems design areas to support the needs of the Human Resources area.

Within these objectives, the BAA framed its analysis with the following vision:

Philosophy and environment:

- A mission and vision that focuses on customers.
- Innovation and risk taking are encouraged.
- The work climate is open, participatory, and creative.
- Employees understand mission and goals.
- A spirit of cooperation and team work exists.

Strategic planning:

- USAID does effective strategic workforce planning.
- HR consequences are integrated into all aspects of planning, decision-making, and implementation processes.

Motivation and performance:

- Agency employees perceive as equitable: performance evaluations; career opportunities; and compensation and rewards.
- Individuals are held to high standards tied to agency results.

- Both tangible and intangible rewards/incentives are the result of quality performance.
- Reward systems support individual and team performance.

Workforce development:

- Diversity of the work force is recognized as essential to organizational success.
- Employee development through learning and career growth opportunities is customary.
- Work is designed to offer broad opportunities.
- Employees participate in designing work processes.

Communications:

- Human resources information flows smoothly throughout the organization at all levels.
- Staff get timely human resources information needed to do work.
- Mechanisms exist and are routinely used to tap employee knowledge, assess customer satisfaction, and feed back into continuous improvement initiatives.
- Employees participate in HR planning and decision processes.
- Labor and management cooperate to improve the organization.

Work design:

- Responsibilities and duties are broad and flexible.
- Work design systems can accommodate individual and team efforts.
- Work emphasis is on achieving quality results.
- Assignments are challenging and encourage growth.

HR systems administration:

- HR systems directly support agency's mission.
- HR systems promote high ethical standards and ensure fairness and equity.
- HR systems are customer oriented and meet the needs of employees and managers.
- HR procedures and processes are simple, understandable, flexible, and fully automated.
- Data is entered into the automated system directly by the employees and supervisors it affects to maximize employee responsibility for and ownership of data.
- Authority for managing human resources is delegated to managers along with strong accountability standards for results.
- Employees participate in simplifying work processes.

b. Scope of the BAA

The scope of this BAA can be interpreted both functionally and technically. From a functional perspective, the BAA team will analyze the activities of the major functions within Human Resources to the lowest level of meaningful work. These functions involve Workforce Management, Employee Administration, and Compensation and Benefits. The Human Resources BAA covered all of the activities up to the interfaces between other BAAs, but will only examine functions clearly outside of Human Resources to the extent that they are impacted by our needs or provide input to our activities. From a technical perspective, the BAA employed techniques from *Business Area Analysis* and *Business Re-engineering*.

3. Production the Human Resources Model

The "Human Resources Model" is a compilation of several diagrams and textual definitions which together describe the following aspects of the business area:

- activities and dependencies between them;
- data and its relationships to other data;
- the interaction between the activities and data;
- the flow of work across functions or organizational units; and
- the distribution of activities and information across the enterprise.

The model was developed through a combination of facilitated sessions and interviews. Producing the business area model comprised many tasks focusing on the information requirements of the business area, the activities performed within that business area, the dependency between activities, Benchmarking, and RAEW (Responsibility, Authority, Expertise, Work).

The IE models can be found in Volume II of this report.

a. Activity Analysis

Activity analysis is performed to gain an understanding of the business area's processes and activities. The techniques used to capture this understanding are the activity decomposition diagram and the activity dependency diagram.

The activity decomposition diagram is the logical breakdown of business activities from functions to processes and ultimately to elementary processes. A function is a collection of business processes which together act to further the goals of the Agency. Functions are composed of processes that can be characterized by inputs and outputs, with discrete executions each of which can be counted. Processes further break down into other processes until the lowest level of meaningful work is reached. This level is

the elementary process level and it is the point at which any further decomposition of the process would not be separable from how the process is performed. The key to successful decomposition diagramming is concentrating on "what" the business does separate from "how" it is done. This distinction may make readers of the diagram confused because separating what an activity does from how it is performed is not consistent with the way most people relate to their work.

The diagram created by the Human Resources BAA begins with three major functions. These functions are WORKFORCE MANAGEMENT, EMPLOYEE ADMINISTRATION, and COMPENSATION AND BENEFITS. The next level contains the aggregate functions making up the higher level function. These functions are then further broken down into processes. These processes model the activities the BAA team identified as necessary for workforce planning, workforce development, classification, policy, workforce diversification, promotion, employee placement, separation, evaluation, employee relations, compensation, and benefits.

Activity dependency diagramming is an excellent confirmation technique to check the stability of the activity decomposition diagram and to analyze the dependency relationship between the execution of one process and how that affects the execution of another. In theory, collections of processes from the same parent have an interdependent relationship. This diagramming technique confirms that the process in fact belong together and have business purpose.

b. Entity Analysis

While activity analysis examines what the organization does, entity analysis captures the information requirements that play an integral role in the activities and processes which are performed within HR. "Entity" is the term used to define *a fundamental thing of relevance about which an organization keeps information*. Entity types are collections of similar entities. For example, USAID has employees, therefore, an example of a collection of these similar entities would be EMPLOYEE. Entity types can be persons, places, things, events, or concepts as long as the organization has specific information needs pertaining to them. Entity types have unique characteristics that identify and are associated with them. These characteristics are called attribute types, and collectively they describe the entity type.

During entity analysis, entity types are collected in a model called the entity relationship diagram (ERD) which depicts the entity types and their relationships with each other. These relationships describe the business rules pertaining to the association between one entity type and another. The major focuses of the diagram are the entity types PERSON and ORGANIZATION.

c. Interaction Analysis

Activities and data do not exist independently within an organization. Business processes create information that is used or read during other processes. Some processes update information while still others delete information from the origination. The create (C), read (R), update (U), and delete (D) characteristics of data actions are captured in a process/entity type matrix referred to as a CRUD matrix. This interaction analysis technique confirms the correctness of the project team models as well as helps define the "natural" business systems which may support HR. A "natural" business system is the combination of similar information, and the processes which act upon that information, which can be easily transferred to an automated system.

d. RAEW Analysis

Responsibility, authority, expertise, and work (RAEW) analysis is intended to clarify the roles organizations and/or specific individuals play in the execution of a business activity within USAID. The purpose of RAEW is to identify and document these roles, identify anomalies (such as an individual with responsibility and not authority, or work without expertise), and to identify requirements for new job descriptions. The team performed the analysis with two goals in mind. The first goal was to provide direct input to the policies and procedures effort that will be revised following approval of the final report. The second was to stress and confirm the need for empowerment throughout the agency to streamline efforts and reduce layers of bureaucracy. Examination of the RAEW performed by the team shows that in the re-engineered HR systems significantly more responsibility and authority will be delegated to both the lower levels within the organization.

e. Distribution Analysis

Distribution analysis identifies and describes where in USAID processes are performed, and indicates where actions on entity types occur. The objective of the analysis is to group physically distinct locations which perform similar processes together as a location type, e.g., missions. Although locations are physically distinct, similar processes may occur at more than one location. Entity actions include creation of the information, updating, reading and deleting the information. By implication, entity types must reside or be available where they are acted upon. Distribution analysis provides a bridge between conceptual analysis and the physical organization. Such an understanding of the distribution of processes and data has been valuable in identifying where activities should be placed physically throughout the organization. The team analyzed where data is found and where activities occur in USAID. The result of this analysis was an identification of inefficiencies in certain areas and recommendations for new processes occurring at different physical locations to streamline HR operations. Since USAID is a widely dispersed organization, the team recommended that activities performed, and data creation/utilization should reside as close as possible to where the actual work of development occurs. Review of the

matrices produced by the Human Resources BAA shows a shift of many processes and entity types to the field through either missions or offices. The results of the analysis will also be used in the design stage to define the systems architecture for the human resources area, which will include client-server or distributed applications and data stores. The systems architecture definition of a single point of entry for data creation is supported by our distribution analysis.

An effort was made to keep processes from happening at more than two similar physical locations in order to place processes in their truly proper place. It is important to remember while reviewing this analysis, that although information is created and maintained in a location type, it will still be available agency-wide.

f. Benchmarking

As a logical extension of the Information Gathering activities, the team sought outside organizations from both the government arena and the business world for the purposes of evaluating how they perform certain activities and how USAID can benefit from their knowledge and experience. The team met with these organizations in a series of workshop sessions and interviews focusing on the task and techniques used by that organization to improve in a specified area. The team met with representatives from OPM, FCS, FAS, Peace Corps, USIA, State, and Xerox. Areas of interest included:

- Workforce Management
- Employee Performance Evaluation
- Career Development/Training
- Personnel Operation (Staffing, benefits administration, etc.)
- Personnel Records Management (paper and electronic)
- Employee and Labor Relations
- Teamwork
- Empowerment

4. Automated Support Design Areas

Although building a computer system is generally not the primary goal in re-engineering, there was another side to our BAA which dictated that the automated support requirements for the re-engineered processes be defined. The BAA team analyzed collections of closely related processes, entity types, relationships and attributes which could be supported by one or more business information systems to be designed together. These collections of closely related objects are called natural design areas. Design areas define the scope for an application(s). The process/entity type matrix created during interaction analysis was clustered to illustrate affinities between objects. The purpose of grouping entities and processes into clusters is to define units that can be designed and implemented as a whole, with minimal impact on other such units. Design areas should be small enough to allow evolutionary,

incremental development. If the areas are too large and complex, both costs and the risk of failure rise.

Using the clustering approach, the BAA team came to the conclusion that the HR business area logically divided into three distinct natural design areas:

Employee Administration; and
Workforce Management
Compensation and Benefits

5. Sequencing of Design Areas, Development Paths, Development Schedule, and Transition

a. Sequencing of Design Areas

Once the design areas were identified, they were prioritized. When prioritizing design areas, a number of different approaches can be used. The most common and desirable approach used in this situation is order of dependence. Implementation constraints result from dependencies of one object on another. Logically, an entity type cannot be read or updated before it is created. Therefore, those processes that create the data that other processes require should be designed and implemented first. There is a dependence of one design area on another.

Reality dictates that this approach is not always followed due to resource constraints, data transition complexity, and roll-out issues. Political influences also must be considered when prioritizing and scheduling design/implementation efforts. In other cases, the scope of a particular design area is so well defined and non-interdependent on other design areas or systems, that its design and implementation can occur at any point within the development schedule.

Interfaces -

The entity types, processes, relationships, and business rules interface with, impact and rely on information from other systems such as procurement, AWACS, Operations, and budget. The BAA has identified the interfaces between the HR systems and these other systems design efforts.

b. Development Schedule

(1) Employee Administration

Description. This design area is the core of the agency's Human Resources operations. Within it, the processes which deal directly with the Agency's employees are

accomplished. Employees are hired (recruitment), assigned, promoted, evaluated, separated, and disciplined. The resulting system from this design area can be viewed as the day to day dealings with individual employees and as a successor to the RAMPS database. This design area captures the core information on which the other design areas are dependent, with PERSON, POSITION, and ORGANIZATION as the key entity types.

The complexity of this design area comes in the myriad of procedures and rules required to accomplish the processes and the requirement to share data with other corporate systems. We are assuming minimal analysis capability; the system being primarily a transaction based application with some reporting capabilities.

In its analysis, the BAA found that the USIA SWAPS system performs several of the processes included within this design area. The BAA team analyzed this system to validate the processes, information requirements, and technical environment. Although the processes and information requirements were a close match to the Employee Administration design area, the technical environment was incompatible. However, the analysis provided an opportunity to benchmark an external system and further validate USAID's requirements. The documentation and models from the SWAPS system will provide invaluable assistance in the development of the USAID HR systems.

Dependencies. The Employee Administration system ultimately will share data with the HR Workforce Management and Compensation and Benefits systems, the budget formulation system, Operations Results Tracking and Planning and Implementation systems, Procurement (A&A), the new Payroll system, and will provide input to the accounting system (AWACS). The Employee Administration system creates or updates instances of EMPLOYEE (as a sub-type of PERSON). As the creator of this entity type which the Workforce Management and Compensation and benefits systems are dependent, Employee Administration should be the first design area.

Resource Requirements. Based on the definition above, we believe this system represents a moderately complex level development effort, critically important to the reinvention of USAID. The design of the system will start in August with a detail validation of processes and information. The schedule has been estimated for a completion of system testing by the end of September, 1996.

Our best estimate of the resource requirements are contained in the tables at the end of this chapter. From the user side, we would expect to involve two program staff, ideally those already familiar with the work of the BAA, on a nearly full-time basis for the analysis and design, and lesser involvement during the construction period. It should be noted that this effort will also require the periodic involvement of a larger group of users, serving as a reference group to review the work of the system team. In addition, an overall project management team is assumed, which will split time

between this and the other HR systems.

Scheduling Considerations. Like many of the NMS systems already under construction, this automated system is not essential to effecting the changes that would constitute a truly "reinvented" USAID. What is essential is the conceptual design and implementation, on an agency-wide basis, of the underlying principles and procedures. If these are implemented, we can continue to collect the data on a manual basis without seriously undermining the reform effort. However, given that this HR system is critical to supporting other NMS systems and is a critical factor in Agency morale, we believe this system should be the first HR design area to be constructed.

(2) Workforce Management:

Description. The Workforce Management design area provides for the management view of the HR function. Within it, the processes which affect Agency wide personnel are accomplished including planning for the workforce, developing the workforce including training, position management, HR policy development and promulgation, and workforce diversity. The resulting system provides the long range, macro view of the Agency workforce and is a key component of Agency planning and budgeting. Components of this area provide a successor to the MSPS system. Key information requirements (entity types) of this area are PERSON, ORGANIZATION, and QUALIFICATION.

The complexity of this design area comes in the requirements for analysis capabilities and the need to share data with other corporate systems. We are assuming a more robust analysis capability; the system being primarily geared towards prediction of future trends and requirements.

Dependencies. The Workforce Management system will share data with the HR Employee Administration and Compensation and Benefits systems, the budget formulation system, Operations Results Tracking and Planning and Implementation systems, Procurement (A&A), the new Payroll system, and will provide input to the accounting system (AWACS). The Workforce Management system creates or updates instances of ORGANIZATION, POSITION, and QUALIFICATION. It is dependent upon the Employee Administration in that it receives information about an EMPLOYEE from that system. As such, the Workforce Management system should follow Employee Administration in the sequence of systems design and construction phases.

Resource Requirements. Based on the definition above, we believe this system represents a moderately complex level development effort, critically important to the reinvention of USAID. The design of the system will start in November with a detail validation of processes and information. The schedule has been estimated for a completion of system testing by the end of September, 1996.

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Our best estimate of the resource requirements are contained in the tables at the end of this chapter. From the user side, we would expect to involve two program staff, ideally those already familiar with the work of the BAA, on a nearly full-time basis for the analysis and design, and lesser involvement during the construction period. It should be noted that this effort will also require the periodic involvement of a larger group of users, serving as a reference group to review the work of the system team. In addition, an overall project management team is assumed, which will split time between this and the other HR systems.

Scheduling Considerations. This system, while not essential to effecting the changes constituting a "reinvented" USAID, is a critical element in planning human resource requirements for the Agency and providing a critical information input into other NMS systems, especially Operations. Due to its dependency on the Employee Administration system, Workforce Management should follow in the sequence of design and construction.

(3) Compensation and Benefits

Description. This design area provides a key link up with the new Payroll system. Within it, the processes which deal directly with the Agency's employees compensation and benefits are addressed. Pay increases, awards, and allowances are determined; health insurance, life insurance, retirement benefits, and workman's compensation are recorded; and USAID processes supporting emergency visitation, medical evacuation, and evacuation are managed This design area captures information upon which the new Payroll system is dependent, with EMPLOYEE and BENEFIT as the key entity types.

As in the Employee Administration system, the complexity of this design area comes in the myriad of procedures and rules required to accomplish the processes and the requirement to share data with other corporate systems. We are assuming minimal analysis capability; the system being primarily a transaction based application with some reporting capabilities.

Dependencies. The Compensation and Benefits system ultimately will primarily share data with the HR Workforce Management and Compensation and Benefits systems as well as the new Payroll system. As a system dependent upon the existence of an EMPLOYEE created by the Employee Administration system, the Compensation and Benefits system should follow Employee Administration.

Resource Requirements. Based on the definition above, we believe this system represents a minimally complex level development effort. The design of the system will start in November with a detail validation of processes and information. The schedule has been estimated for a completion of system testing by the end of September, 1996.

Our best estimate of the resource requirements are contained in the tables at the end of this chapter. From the user side, we would expect to involve two program staff, ideally those already familiar with the work of the BAA, on a nearly full-time basis for the analysis and design, and lesser involvement during the construction period. It should be noted that this effort will also require the periodic involvement of a larger group of users, serving as a reference group to review the work of the system team. In addition, an overall project management team is assumed, which will split time between this and the other HR systems.

Scheduling Considerations. This system is dependent upon the Employee Administration system and has dependent to it, the new Payroll system. As such, it should follow Employee Administration and be integrated with the new Payroll system.

(4) Project Management/HR Policy Development

Description. Control of the three design areas and the policies development group will require an over-arching project management structure. Personnel in this structure will serve both project management functions as well as play an active role in the design of the systems.

Resource Requirements. Based on the discussion of the systems above and on the personnel requirements for a policies development group, our estimate of the resource requirements are contained in the table at the end of this chapter.

c. Critical Success Factors for Development

The schedule for these design areas is highly dependent on the following critical success factors:

(1) Decisions on Design Issues

Much of what the BAA (and its re-engineering effort) is proposing will be the subject of controversy within the Agency. Fortunately, many of the most sensitive issues do not directly impact the design of the support systems. However, if the Agency is to timely develop these systems, it will be critical that key decisions are made promptly, and do not become bogged down in debate in the pursuit of consensus.

(2) Availability of Technical Staff

The skills required to successfully complete this task represent state-of-the-art capabilities, which are in great demand in the industry. IRM will need to work closely with its contractors to ensure that the right numbers of highly skilled people are available on a timely basis.

HR Business Systems Design Staffing Levels
(in FTE)

	Aug-95	Sep-95	Oct-95	Nov-95	Dec-95	Jan-96	Feb-96	Mar-96	Apr-96	May-96	Jun-96	Jul-96	Aug-96	Sep-96
Project Management														
Project Manager (HR)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00						
IRM Coordinator (IRM)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Lead Facilitator (Contractor)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Data Coordination (IRM)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.50	0.50	0.50	0.50
Data Modeler (Contractor)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.50	0.50	0.50	0.50
System Coordination (Contractor)				0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Policy/Procedures														
Team Member (HR)	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Employee Administration														
Team Member (HR)	1.00	1.50	2.00	2.00	2.00	2.00	2.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00
Programmer (Contractor)		1.50	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	2.00	2.00	2.00
Team Facilitator (Contractor)														
(Position filled by Project Lead Facilitator)														
Workforce Planning														
Team Member (HR)		1.00	2.00	2.00	2.00	2.00	2.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00
Programmer (Contractor)				1.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Team Facilitator (Contractor)				1.00	1.00	1.00	1.00	1.00	1.00					
Compensation and Benefits														
Team Member (HR)		1.00	2.00	2.00	2.00	2.00	2.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00
Programmer (Contractor)				1.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Team Facilitator (Contractor)				1.00	1.00	1.00	1.00	1.00	1.00					
USIA Support		1.00	2.00	2.00	2.00	2.00	2.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00
Total FTE	8.00	13.00	18.00	22.50	24.50	24.50	24.50	23.50	18.50	16.50	15.50	14.50	14.50	14.50