Larry E. Holloway
[redacted]

December 18,1998

Mr. Lawrence Brown
Contracting Officer's
Technical Representative
Purchase Order HNE-0-00-98-00217-00
U.S. Agency for International Development
M/HR/PPIM, Room 2.09-046
RRB
Washington, DC 20523-2900

Dear Mr. Brown:

Enclosed in duplicate is our report on the study of Position Management conducted in USAID during the period of October-November 1998. We have also provided a computer disc as requested.

Please review and provide any comments or observations to the undersigned. Please feel free to call us at home or E-Mail your thoughts to Mr. Meoli during the Holidays. After the Holidays, we'll be both at home and in Washington, as usual.

We have enclosed a proposed briefing for presentation to the AMS or DAA groups you previously mentioned and will be available to conduct those briefings when you feel they are appropriate.

We appreciate the support you provided and the information you gathered for us. It would have been a most difficult task without your help in giving us entree to the DAA's and AMS people we interviewed, and the many reports and policies you provided.

Sincerely,

Larry E. Holloway
Contractor

Angelo A. Meoli
Consultant

POSITION MANAGEMENT PROGRAM REVIEW

L. Holloway/A. Meoli

November 1998

FOREWARD

POSITION MANAGEMENT PRINCIPLES

Position management in the Federal sector is defined as the structuring of positions and organizations in a manner that optimizes economy, productivity, and organizational effectiveness. The purpose of position management programs is broader in their objective of guiding the organization and management of work so that resulting positions, structures and resource allocations result in effective mission accomplishment at the most efficient cost.

Effective position management:

--Enhances organizational communications and decision-making by defining authority and responsibility and ensuring that organization structures support the smooth flow of information throughout the organization.

--Controls cost by identifying areas to reduce overhead (e.g., supervisory and staff positions) and duplication of effort (i.e., fragmentation of higher level, grade-controlling duties).

--Serves as a foundation for effective human resource planning by establishing the current and visualizing future organizational structures upon which recruitment targets and training program requirements can be based.

Managers and supervisors at all levels are responsible for ensuring that position management criteria are considered when establishing and filling positions, planning reorganizations, or considering the undertaking of new programs. The ultimate responsibility for position management rests with the line supervisor who assigns work and determines the position structure of his/her organization.

Program staffs are available to provide assistance and advice to supervisors and managers in carrying out their position management responsibilities. They include:

--The Human Resources staff provides advice and assistance on position design and structure, position classification (M/HR/POD), and position management (M/HR/PPIM).

--The Budget (M/B) and Finance (M/FM) staffs are responsible for advising, assisting, and providing information in the areas of funding, accounting, budget planning, and financial performance and forecasting related to resource management.

--The Policy and Planning (M/HR/PPIM) staff provides advice and assistance in organization planning and structure and functional responsibility.

The Team recommends that oversight for the USAID Position Management Program be provided by the Agency Management Council. Primary staff responsibility should rest with HR/PPIM in that position structure and assignment of duties and responsibilities are key elements in effective position management.

USAID POSITION MANAGEMENT STUDY

SEPTEMBER 28, 1998, TO NOVEMBER 30, 1998

LARRY E. HOLLOWAY, CONTRACTOR

ANGELO A. MEOLI, CONSULTANT

PURCHASE ORDER NUMBER HNE-0-00-98-00217-00

EXECUTIVE SUMMARY

BACKGROUND

The United States Agency for International Development (USAID) Office of Human Resources (HR) requested that a study be conducted of the understanding and practice of position/human resource allocation and management at its Washington Headquarters offices. The changing missions and culture of the Agency, as well as its emerging awareness of the requirement to rightsize the Agency into the next century, prompted this study. The transition from a federation of independent program bureaus to corporate planning and decision-making processes involves a change in the way the Agency accomplishes its strategic planning and resource management.

As the Agency culture changes, dramatic change will be required of Agency managers and the way they conduct business. This will require intense training for all levels of management, not only in the business concepts but particularly how to lead the culture change throughout the workforce.

PURPOSE

The purpose of the study was to conduct a Position Management Review of the agency's Washington DC offices and to provide recommendations for a Position Management Plan. This plan will provide USAID management with a tool that will enable AID to guide the organization and management of work so that the resulting positions, structures, and resource management processes result in a positive mission outcome at a reasonable cost. This study specifically examines the Washington offices of USAID as they prepare to transition from their quasi-autonomy in budgeting and staffing to a corporate environment.

SCOPE

The scope of the review was to only include the Central Offices located in Washington, DC. Information was gathered concerning overseas operations so that the study Team could better grasp the culture of the organization and the relationships between the field offices and the central group.

SOURCES OF INFORMATION

A comprehensive review of USAID policies, directives, statistical reports, Staffing Pattern Reports, and previously conducted studies was completed. A review of best practices concerning position/workforce management in the public sector was conducted along with an analysis of previously conducted studies

completed by the Agency. Also, there were over 30 structured interviews conducted with Deputy Assistant Administrators (DAA), Office Directors, Administrative Management Staff (AMS), Budget, Financial Management, Management Planning, and HR officials.

OUTCOMES

This review will provide USAID with the tools to develop an effective and efficient process for the management of its human resources. This will include: recruitment planning, adjustments to the workforce, labor cost management, and an administrative process to implement the above.

SUMMARY OF FINDINGS

The study concluded with the overall finding that the USAID fiscal situation requires control of labor cost escalation. The Strategic Plan must address resource rightsizing in terms of corporate program goals, and the strategic direction needs to link people requirements to program direction. There are several initiatives underway which reflect good resource management. However, they are individual initiatives, usually program or bureau focused, and need a corporate linkage in order to leverage broader Agency focus on how it uses its limited resources.

Within the context of its varied and far-reaching mission, the Agency has developed a strong management posture. It is the Team's opinion that USAID managers are dedicated and committed to achieving the goals of the Agency and making a positive contribution to the national interests of the United States.

The managers interviewed revealed strong leadership skills and technical expertise in their respective areas of responsibility. Several indicated a desire for a more corporate focus in order to better meet the challenges of expanding programs.

The weakness detected by the Team is simply that there is not a vehicle to fulfill the call for a corporate focus. The individual functional processes are in place. They simply need to be integrated and inculcated into the Agency management culture.

However, the culture of the Agency is in transition, and such initiatives as the establishment of the Agency Management Council and the decision process for the Senior Management Group, as well as the informal brown bag sessions, demonstrate a move toward more participative management. This is a positive direction which will set the scene for a potentially successful Position Management Program.

USAID MISSION

The USAID mission is to support the people of developing and transitional countries in their efforts to achieve enduring economic and social progress and to participate more fully in resolving the problems of their countries and the world. This mission takes various forms based on the stage of transition or development in which the individual countries find themselves. USAID works in countries which lack the technical skills or resources necessary to achieving their development goals. In countries committed to the establishment and maintenance of regional peace USAID programs typically enhance the country's capacity to collaborate on goals of mutual interest. In still other countries USAID focuses on building the human and institutional capacities needed to implement major reforms or to restore fundamental social, institutional and physical infrastructure needed in post-conflict situations. USAID also responds to natural disasters in these countries and addresses developmental problems such as slowing the transmission of infectious diseases, reducing the threat of climate change, stabilizing world population and enhancing food security and regional trade and investment.

This mission statement reflects the complex, far-reaching, and evolving requirements of the Agency. This is reflected in the diverse workforce of the Agency; it further demonstrates the need for an effective position management element in the overall resource management program.

CURRENT SITUATION

The following is the Team's review, assessment and suggestions/recommendations on programs, policies, and/or actions recently completed or currently underway.

USAID MANAGEMENT INPUT

Over thirty management officials and USAID staff members involved in developing, executing and monitoring the various programs at staff office and bureau level were interviewed. The purpose of the interviews was to obtain information on the status of position management in USAID Washington bureaus in terms of management policies and practices. The interviews were designed to also gain an understanding of management expectations in terms of an Agency-wide plan for managing its human resources and streamlining its structure and management processes.

Interviewees included DAAs, AMSs of several bureaus, Office Directors and Deputy Directors, and policy staff members from HR, Budget, Financial Management, and Management Planning. Those we interviewed are listed at Enclosure 1. A summary of their remarks is at Enclosure 2.

The Team presented its preliminary findings to the Assistant Administrator, Management Bureau and received input from him regarding its tentative findings and recommendations.

Those we interviewed discussed position/resource management in their respective organizations and responded to our inquiry as to their expectations of an Agency-wide effort to manage resources centrally. Generally, management officials interviewed indicated that it is their practice to organize around current skills possessed by the existing workforce. This sometimes results in mismatches between program requirements for new or different skills and existing staff skills. This often results in skill gaps; interdisciplinary staffing across program/office lines is limited. Workforce planning is inconsistent and narrowly focused on individual program requirements.

USAID STRATEGIC PLAN

The USAID Strategic Plan was issued in September, 1997. It is a document of 50 pages which covers the Agency's important goals covering sustainable development in the countries it supports. In many cases the plan covers goals that stretch over a ten year time-frame. This is necessary, in most cases, due to the length of time required to improve health, agriculture, education and governmental programs and processes.

There are several concerns with the plan when from a human resource standpoint: (1) There is not a linkage with the desired outcomes of the plan and the subject of human resources. As programs mature, there are normally adjustments required to the skills needed to successfully accomplish the mission goals. (2) There is a lack of clear priorities as to what needs to be accomplished sequentially or systematically for a successful outcome. (3) There is no measure of follow-through by the Bureaus. This would be difficult to do with the plan in its present state since there are no defined priorities or sequences.

The Team recommends that the Plan be revised, to include the points made above.

USAID POSITION CEILING MANAGEMENT

The Position Ceiling Management Program describes the ceiling allocation process and defines the associated terms. In practice, this is more a ceiling allocation/control program; it is not linked to position or resource management as envisioned by this study or addressed in USAID ADS Chapter 102 which deals with organization and position management issues and policies. The revised policy document which was just issued does not address the budget implications of ceiling management; nor does it call for an analysis of the impact of ceiling increases or

reductions. In addition, it sets forth a process which addresses only the short-term and begs the question in terms of long-range program and human resource skill requirements.

The Team recommends that the ceiling allocation process be integrated with workforce planning and linked to the position management and organization planning programs.

USAID POSITION MANAGEMENT PROGRAM

Automated Directive System (ADS) Chapter 102, Agency Organization, establishes policies for USAID organization structure and for establishing, changing, and abolishing USAID units, as well as the administrative functions of organization planning such as organization nomenclature, coding systems, etc. The policy document provides rather detailed guidance regarding reorganizations and position and organization structure. It also designates offices of primary responsibility for various aspects of the organization planning process.

It is the Team's assessment that this is good basic guidance and a solid base on which to strengthen the resource management process. However, there are some weak areas in the process which need to be addressed in order to develop a central focus on people resource management. The organization/ reorganization process detailed in ADS Chapter 102 has no direct interface with the Agency Operating Expense budget and is silent on the labor cost implications of organizational proposals and changes. It describes the responsibilities of the Office of Budget in establishing position and employment levels. However, it does not formally require review of organization/ reorganization proposals by the Office of Budget, nor is there any cost analysis of reorganization proposals.

A good Position Management Program can have very positive outcomes for an organization. It provides a strategic tool for addressing key skills needed for new or changing programs. Proper position staffing structure establishes a baseline for ongoing and future workforce planning, recruitment and adjustment. Good position management also serves as a basis for controlling personnel costs and serves as a baseline for rightsizing efforts. Position management is the vital link between organizational planning and budget and ceiling allocation.

When position management is out of control, or is not practiced, labor costs tend to escalate and skill gaps and imbalances occur. Mission accomplishment is impeded. Without a

process for proper position management, redundant staffing and layering can creep into management structures; poor organization planning and design is evidenced.

It is recommended that USAID establish and charter a corporate body, similar to the Agency Management Council (using the decision process for the Senior Management Group), to: review/make recommendations on resource allocations; review and make recommendations on workforce adjustments, organization/ reorganization proposals, and Agency staffing; and review Agency hiring plans against the Strategic Plan and goals. The Team also recommends that ADS Chapter 102 be incorporated into an overall position management plan as it contains basic guidance. A proposed model is at Enclosure 3.

WORKFORCE PLANNING TASK FORCE REPORT TO THE STEERING GROUP

This report was issued in November of 1997. It was the product of an intensive effort to define what USAID needed to do to improve its workforce planning so that it could maintain a leadership role in bilateral assistance programs.

The Report made four broad recommendations: (1) Establish an Agency group to review and establish Human Resource priorities. The current ad hoc, employee driven approaches do not address Agency-level needs. (2) Realign the workforce. There are layers of duplication. Washington Headquarters staff continues to grow at the expense of the field and program delivery. (3) Improve workforce flexibility. There needs to be more movement between the Civil Service (CS) and Foreign Service (FS) systems. The FS system needs to be streamlined and a skills inventory bank needs to be established. (4) Improve the competency of the staff. Training should no longer be considered a discretionary item and funding should be increased. Promotions and incentives should be afforded to those who perform well and serve in hard-to-fill positions. There has been movement on the above recommendations with the most noteworthy being the establishment of the Management Council. The Council's efforts have led to the identification of the need to recruit 50 interns and 20 mid-level personnel from external sources to fill the gaps made by erratic recruiting and attrition.

The Team believes that the Agency Management Council is a positive first step to improve workforce planning and utilization in USAID. Their efforts need to continue and possibly expanded in the future. In the meantime, the remaining recommendations in this report should be further refined and implemented. There are other efforts underway to improve workforce planning. They should be melded into the overall approach envisioned in this report.

YEAR 2000 STAFFING TARGETS FOR WASHINGTON OFFICES

The Agency has rightsizing targets for Washington Headquarters bureaus for FY-2000. This effort has been the focus of study groups as well as individual Bureau staffs. However, there is no coordinated Agency-wide plan that defines program goals and specific staffing targets as well as guidance for accomplishing program reductions to achieve the lower targets. It is almost too late to develop an effective plan to achieve the Washington reductions with a minimum of turmoil. Planning is essential when preparing to downsize. The target reductions should be agreed to as soon as possible so that higher long-term labor costs do not result. Ineffective strategic and workforce planning can result in skill imbalances.

The Team recommends that USAID management review the process summarized below from the proposed FY99 FS Recruitment Plan as a model for setting staffing targets for the CS workforce.

PROPOSED FY99 FOREIGN SERVICE RECRUITMENT PLAN

This plan is dated September 30, 1998. The plan is a thorough analysis of the FS workforce, to include: hiring and separations, grade and salary comparisons, numbers of personnel at different levels, analysis of different backstops and hiring recommendations, average age and service, retirement eligibility by fiscal year through 2002, projected attrition by various types of appointments, and discussions and recommendations for recruitment. This Plan is thorough and appears to be a useful tool for the overall management of the FS workforce. Also, it appears that this information is in the HR database.

The Team recommends that a similar analysis for the remainder of the workforce be conducted and the results presented to an Agency Management Council type group for consideration and action that addresses the remainder of the USAID workforce.

STAFFING STRUCTURE

The staffing structure within the individual organizations needs streamlining. A review of 23 positions at the bureau staff/division level reveals what appears to be layering resulting from redundant assignment of program responsibility. The creation of deputies depicts layering in staffing levels. This not only impacts the grade structure, which drives labor costs to high levels, it also adds layers in the management process which may be unnecessary. The assignment of both FS and CS employees to Washington organizations often leads to redundant work/responsibility assignments.

An analysis of the average grade profile for the CS workforce (GS-1 through GS-15) indicates an increase from 10.12 in September 1992 to 11.69 in September 1998. The increase

results from a reduction in the number of positions at the lower grades (GS-1 through GS-11). The total decreased from 1503 in 1992 to 1054 in 1998; however, the total number of high grade positions was not dramatically reduced. This leads to the conclusion that in the downsizing that occurred lower level positions were eliminated while higher level positions were retained. The result is an escalation of labor costs despite the reduction in the size of the workforce; this reflects a lack of labor cost management and a need to control the escalating costs.

The Team recommends that USAID management consider integrating the FS and CS workforce as outlined in the Workforce Planning Task Force Report. As a minimum, an equivalency mechanism should be developed so that like responsibilities and duties are treated equally regardless of classification systems.

STAFFING PROCESS

An examination of the mission and functions of the Washington bureaus reveals that, while they each have specific region and country program responsibilities, there appear to be redundancies in terms of functions requiring identical or similar skills. Because the budget and ceiling allocation process is not truly a corporate one, each organization builds its program around the skills possessed by its current staff, or initially looks externally to staff new or changing requirements. This could result in an overage in skills in one program area while another may need those very skills. There is no integration process for assessing the Agency-wide skills posture.

The Team recommends that USAID consider developing and maintaining an Agency-wide skills inventory for use by all organizations in workforce planning and adjustment activities.

BUDGET PROCESS

The current process for allocation of USDH positions to the bureaus and offices deals with only the number of positions distributed; it does not address labor costs per se. Consequently, when USAID a manager wants to reorganize, the only barrier may be whether there are enough manpower ceiling allocations to cover the proposal. If there are increased labor costs due to grade escalation, they are transparent to the operating manager. Thus, the labor cost escalation that USAID is experiencing is not a factor in any human resource decision. As a by-product, the Agency has had to diminish its training expenditures and external hiring to cover escalating labor costs.

The Team recommends that a ceiling be placed on high grade (GS-14/15, FS-02/01) positions; that managers become aware of labor cost impacts; and that organization change proposals be "cost neutral." A cost analysis model is at Enclosure 4. A model for Human Resources Analysis is at Enclosure 5.

BARRIERS TO EFFECTIVE POSITION MANAGEMENT IN USAID

In order to focus reader interest, a User's Guide has been developed to briefly describe the barriers and solutions found in the previous narrative presentations.

BARRIER	POTENTIAL SOLUTION
1. There is no integrated, Agency-focused, process for workforce planning. Individual programs such as Position Ceiling Management, Organization Planning, Position Management, and Recruitment Planning are executed as stand-alone management processes.	1. Integrate budget development, organization planning/ management, ceiling allocation, workforce planning and resource management into an agency-focused process. Convene a working group to review existing position management related programs and develop an umbrella program which integrates the various management processes.
2. The current USAID Strategic Plan is outdated. Neither does it provide a method of measuring program accomplishment, nor does it address the human resource element which is vital to program accomplishment, particularly in a resource constrained environment.	2. Revise the Strategic Plan to include rightsizing in terms of priorities and human resource requirements, such as new skill requirements, retraining the existing workforce, and workforce adjustment/realignment. Provide a metric by which to assess follow-through by individual bureaus and program offices. Develop an Agency hiring plan which reflects the goals set in the Strategic Plan.
3. Current planning is mission-focused, with little apparent concern for direct hire labor costs.	3. Clarify the Agency strategic direction to link people requirements to program direction. Include labor cost analysis in budget development, ceiling allocation, organization planning and program development process.

BARRIERS TO EFFECTIVE POSITION MANAGEMENT IN USAID (CONT.)

4. The USAID organization/ position structure reflects layering, redundant staffing and the resulting grade/cost escalation.	4. Review all high grade and executive level positions with the aim of streamlining the management levels and layers of review. Establish high grade staffing targets (GS-14 and GS-15 and equivalent FS positions).
5. There is no comprehensive, ongoing training program designed to provide managers, supervisors and staff specialists with the basics resource management responsibility and accountability. This is sometimes due to a constrained training budget.	5. Establish a training program to provide Agency managers and staff specialists with resource management skills needed in the resource environment the Agency faces as it approaches FY2000. Incorporate position management in the management training curriculum planned for delivery in early CY99; ensure that all current supervisors and managers receive the training within the calendar year. Fence the training budget to prevent arbitrary cuts.
6. There is no systematic corporate level review of Agency programs to ensure optimum allocation and utilization of available resources. Individual bureaus have processes in place to various degrees; however, they are generally bureau-focused and do not consider broader program goals and objectives.	6. Establish and charter a corporate body, similar to the Agency Management Council to: review/make recommendations on resource allocations; review/make recommendations on workforce adjustments, organization/ reorganization proposals, and Agency staffing; and review Agency hiring plans against the Strategic Plan and goals.
7. Workforce planning is inconsistent and often parochial. This is the result of the reluctance to use a broad interdisciplinary approach across program lines to staffing or to the lack of information on available skills in the workforce.	7. Establish and maintain a USAID skills database to be used in the development of the Strategic Plan as well as the annual hiring plan and for balancing skills requirements against those available in the entire workforce.

SUMMARY OF RECOMMENDATIONS

This Section summarizes the recommendations resulting from this study as a means of facilitating the development of an action plan to implement them. The Team suggests that a corporate body such as the Agency Management Council review these recommendations and oversee their implementation.

A. USAID STRATEGIC PLAN

Revise the USAID Strategic Plan to include: prioritization of the desired outcomes; identification of human resource requirements; and a metric for assessing follow-through by individual bureaus and program offices.

B. USAID POSITION CEILING MANAGEMENT

Integrate the ceiling allocation system into workforce planning and link it with position management and organization planning.

C. USAID POSITION MANAGEMENT PROGRAM

Incorporate ADS Chapter 102 into an overall position management plan. Establish a corporate body, similar to the Agency Management Council, to: review/make recommendations on resource allocations; review and make recommendations on workforce adjustments, organization/ reorganization proposals, and Agency staffing; and review Agency hiring plans against the Strategic Plan and goals.

D. WORKFORCE PLANNING

Task the corporate body established to oversee position management and organization planning, to provide oversight to the Agency-wide workforce planning/hiring efforts and reinforce the participative approach to resource management envisioned in this report.

E. YEAR 2000 STAFFING TARGETS FOR WASHINGTON OFFICES

Review the process used in the proposed FY99 Foreign Service Recruitment Plan as a model for setting staffing targets for the CS workforce.

F. PROPOSED FY99 FOREIGN SERVICE RECRUITMENT PLAN

Adopt a similar analysis for the remainder of the workforce and present that to an Agency Management Council type group for consideration and action that addresses the remainder of the USAID workforce.

SUMMARY OF RECOMMENDATIONS (CONT.)

G. STAFFING STRUCTURE

Consider integrating the FS and CS workforce as outlined in the Workforce Planning Task Force Report. As a minimum, develop an equivalency mechanism to ensure equal pay for the same or like work or responsibility regardless of classification systems.

H. STAFFING PROCESS

Consider creating a skills database designed to permit assessing the USAID-wide skills posture when program staffing needs are being developed.

I. BUDGET PROCESS

Place a ceiling on high grade (GS-14/15, FS-02/01) positions; make managers aware of their respective organization's labor costs; and require that organization change proposals be "cost neutral."

LIST OF INTERVIEWEES

Terrence Brown	AA/M
Leonard Rogers	DAA/BHR
Barbara Turner	DAA/BGP
Carol Peasly	DAA/AFR
Ann Van Dusen	DAA/ANE
Linda Lion	DAA/HR
Richard Nygard	DAA/M
Dirk Dijkerman	DAA/PPC
Pat Ramsey	GC
Sophia Riehl	AMS/BHR
Barbara Rogers	AMS/BGP
Carla Royalty	AMS/LAC
Roberta Gray	AMS/ANE
Betty Ryner	AMS/AFR
Robert Ward	AMS/M
Doug Brandi	M/HR/PPIM
Colleen Allen	M/MPI
Lorraine Morton	M/MPI
Jim Painter	M/B
Pamela Callen	M/B
Marcus Rarick	M/B
Mary Ann Conboy	M/HR/LERPM
John Martin	M/HR/POD
Lawrence Brown	M/HR/PPIM
Tim Winchell	M/HR/POD
Tim Beaty	M/HR/PPIM
Gloria Steele	ENI/OMI
Jessalyn Pendarvis	EOP/OD
Tony Cully	M/FM
Sandy Owens	M/FM
Richard Silc	M/FM
Cathy Smith	M/HR/LS

Enclosure 1

KEY POINTS FROM INTERVIEWS

- Agency organizes to fit people rather than what the strategic plan is.
- ADS 102 prescribes position management principles.
- MPI does not do position management but believes HR should.
- Cost is not a consideration in reviewing reorganization packages.
- Budget is not involved in the reorganization review.
- Reorganizations are done for the wrong reasons.
- Manage to budget should be a consideration.
- A work group is developing a model for overseas and Washington, DC.
- Controls should be in HR for position ceiling management.
- Everything to do with reorganizations is ad hoc.
- There are groups working on leveling the playing field. Right now, the squeaking wheel gets the grease.
- Mismatches between new programs/people on hand.
- People get "Deleted" in the Information system.
- There are some people who need to have work, but because they are the in "Deleted" category, they have little to do.
- There is a subcommittee working on rightsizing the DC workforce.
- Workforce planning has failed due to lack of consistency.
- Hiring in fits and starts has caused great gaps in the workforce.
- Many mission directors have come through the IDI program. It needs to be institutionalized.
- Management Council only looks at whether to hire from the outside.
- HR doesn't have the authority to say no to upgrades.
- Maybe give grade points to each Bureau and have them manage to that target.
- Right now there is little training and recruiting.
- Need to control positions in order to control payroll costs.
- There are only 12 or 15 "D" positions and HR does not fill a position until the D's are considered.
- Need to look at FS process for filling positions to see if there is any potential for improving the CS process.
- HR is trying to cut out the middleman (AMSs) in dealing with bureaus.
- HR predicts lack of grade control is costing the agency IOM in extra payroll costs.
- Task Forces have been used to staff high priority, new missions (Congo/Nigeria) in the past and they worked.

Enclosure 2

- Overseas has better IT capabilities than most of DC.
- No incentive to manage to budget and there is no IT system to back it up.
- There was consideration several years ago to look at unifying the FS and CS systems.
- The Senior Management Group (SMG) looks at FS staffing.
- Need to look at pay-banding, other flexibilities.
- Retraining not happening for all levels, looking at senior management development first.
- There is not a clear sense of priorities for the workforce.
- Strategic Plan not linked to the workforce.
- Management of the Central group has allowed too much independence of action in the Bureaus and what their priorities are.
- Emergency staffing is met through non-direct hires.
- Management Council is trying to do some leveling.
- Can retrain people in other bureaus for new missions, but there's no way to get to them.
- Could use an automated database to identify agency assets.
- Contingent workforce gives, flexiblities, but does require constant retraining due to turnover.
- Strategic Plan does not address staffing.
- Washington may need a major reorganization, due to some small bureaus/offices that could be merged with larger ones.
- NMS has some good elements but not in personnel management.
- Need a skills bank.
- Communications a problem between bureaus due to the autonomy of each Bureau and a poor it system.
- Agency keeps getting budget increases, but staffing levels continue to get cut.
- Management Council has helped alleviate, somewhat, the turf battles over staffing.
- Have used term appointments, but many times the term appointee wants regular status and management works hard to get it.
- Some programs in health, democracy and the environment are long-term in nature, thus, short-term appointments do not work well.
- If the Management Council's role can be expanded there may be a way to level the human asset distribution.
- Could use more STs; OPM reduces SES allocations one for one.
- Inconsistent use of team leaders in the agency has caused some protocol problems when assigning office-space.
  Every bureau has instituted the team concept and there are some bureaus that are doing it in only part of their organization.

Enclosure 2

MODEL FOR POSITION MANAGEMENT PROGRAM

Position management is an ongoing management responsibility for structuring positions and organizations in a manner that optimizes economy, productivity, and organizational effectiveness. To achieve the greatest utilization from a Position Management Program the following model is recommended.

PROGRAM RESPONSIBILITIES

Position Management Officer (PMO) who is responsible for the USAID-wide Position Management Program. The PMO delegates to bureaus and offices position management authority for matters within their organizations.

Bureau/Office Directors are responsible for:

(1) Ensuring that the position management criteria (see guidelines below) are met when establishing and filling positions, planning reorganizations, or conducting alternative work production studies.

(2) Certifying that the proposed action is appropriate and in accordance with the position management principles issued by the Agency and consistent with the ceiling allocation issued to the bureau/office.

(3) Including a position management measurement in their and their subordinate managers' and supervisors' performance plans. Establishment of a separate objective solely for position management is not required.

The Director of Human Resources is responsible for:

(1) Ensuring that human resource advisors are trained and available to assist managers in resolving position management issues.

(2) Ensuring that position classification actions are *consistent* with the criteria contained in position classification standards and job grading standards issued by the Office of Personnel Management (OPM) and with sound position management practices.

(3) In conjunction with the position classification process, conducting position management reviews as deemed necessary, and providing advice to the PMO on critical position management issues.

(4) Maintaining and providing data on the following normative data indicators:

(a) Supervisory to non-supervisory ratios
(b) Full performance to developmental level positions
(c) Professional to technical position
(d) Professional and technical positions to clerical
(e) Nonessential positions and supervisory layers.

(5) Conducting a Position Management Review of the effectiveness of the Position Management Program as well as the quantitative trends of the organization.

The Director, Office of Budget is responsible for advising, assisting, and providing information in the areas of funding, , budget planning, and forecasting related to the Position Management Program.

The Financial Management Officer is responsible for advising, assisting, and providing information in the areas of accounting, and financial performance related to the Position Management Program.

GUIDELINES

- **All work performed is essential.**
  - The work contributes to accomplishment of activity objectives.
  - The current and projected workload supports establishing or continuing the position.
  - Duplication or overlap with other organizational segments is required by operational needs.

- **The organizational structure reflects a reasonable balance between efficiency and effectiveness.**
  - The work cannot be shifted elsewhere without impairing essential functions, or performed more economically or effectively by introducing a labor-saving device.
  - If the mission is expanding, staff is not being added too far in advance of the time when workload becomes actual.
  - Deputy positions exist only when the supervisor's workload is too great for one person, or because the supervisor is frequently away for extended periods and authority to make major decisions cannot reasonably be delegated.
  - Support and service segments are not unduly large in relation to mission program segments.

GUIDELINES (CONT.)

- Staffing levels are determined based on average rather than peak workload. The use of temporary, part-time, or intermittent employees, and the extension of hours for regular employees, is reserved for peak periods.

- **The structure is sound from a human resources management viewpoint.**

  - Duty assignments result in classifications which allow timely and suitable staffing from the labor market.
  - Higher-grade duties are concentrated in the smallest possible numbers of positions.
  - The position is operationally critical because it requires unique skills or combinations of skills. which would create significant recruitment problems.
  - The position is consistent with the NRL affirmative action
  - The position is consistent with NRL career management plans.
  - The number of trainee and junior positions is determined after considering the need for full performance level personnel and availability of required training.
  - Duties evaluated at a lower grade-level than the grade of the position have been removed from the position and assigned to lower-graded positions.
  - Normally, at least 25% of the duties of a position are at a grade level equal to the grade of the position.
  - "Special Assistant" and "Deputy" functions are assigned to existing line organization positions rather than consolidated into additional staff positions. The creation of new staff positions and staff organizations is avoided.

- **The organizational structure enhances communication, decision-making, and responsiveness.**

  - The structure is uncomplicated considering the operations involved. Closely related work is physically as well as organizationally co-located in order that it can be more easily coordinated.
  - The structure is flexible enough to accommodate foreseeable workload fluctuations, and includes plans for shifting employees to other areas during peak or slack periods.

MODEL FOR POSITION MANAGEMENT PROGRAM (CONT.)

GUIDELINES (CONT.)

- The organization is not unduly layered. Supervisory positions should have the broadest possible span of control consistent with control of the organization. Second-level supervisory positions should supervise the largest possible number of subordinate organizational segments consistent with mission accomplishment.

- Authority for operational decision-making is suitably delegated when, for example:
    - There is little need for uniformity or for coordination among organizational segments.
    - The types of decisions are less significant.
    - Decisions can be based on rules or policy.
    - The employees involved are believed capable of making sound decisions.
    - Quick decisions must be made.

- **Positions and organizational structure are sound from a motivational viewpoint.**

    - Positions provide reasonable opportunities for job satisfaction in terms of achievement, growth, decision-making, responsibility, and related aspects of job enrichment.
    - Attention is given to career progression and promotion potential in positions. The organization provides a reasonable opportunity for advancement to higher-level work.

COST ANALYSIS MODEL FOR REORGANIZATION PROPOSALS

1. Reorganization proposals should contain a cost analysis which supports the recommended realignment and the resulting workforce adjustment. The analysis should show cost increases and decreases for the recommended reorganization over a 5-year period.

2. Labor costs reflected in the analysis should include the following elements.

- Personnel costs/savings
  - Salaries and benefits
    - Basic salary
    - Benefit percentages
    - costs/savings accrued from deleted positions
  - Other personnel-related costs
    - Training/retraining
    - Severance pay

Training costs are those associated with re-training employees for alternative jobs, to operate new equipment, or to perform different functions. Severance pay is provided to employees involuntarily terminated from Federal employment.

3. Facilities costs/savings should be reflected in this analysis. Include costs associated with modifying current space, modifying/constructing proposed facilities and moving to new space.

4. Include equipment costs for additional mission equipment and office automation/communications equipment, including personal computers, communication lines, computer terminals, and facsimile machines.

5. Include miscellaneous costs/savings not addressed above.

HUMAN RESOURCES ANALYSIS MODEL FOR REORGANIZATION PROPOSALS

Managers must involve the Human Resources Office (HR) in reorganization planning from its outset. This analysis will assist HR advisors in planning staffing actions such as recruitment, outplacement, and retraining. It should include the following elements.

- **Human resource impact statement**

This statement summarizes the changes in the personnel staffing structure, skill impacts, proposed grade structure, and potential impacts on minorities, women, disabled employees, and other individuals.

HR will assist in conducting the personnel assessment and in the development of a strategy for dealing with anticipated impacts. Expected turnover should be taken into consideration in this assessment.

The Office of Equal Opportunity will conduct EEO assessment to determine if there will be an adverse impact on minorities, women, disabled, persons 40 or more years old, and other protected groups.

- **Work environment assessment**

This assessment describes the impact of new equipment, new processes, new work areas, and/or new organization structures on employees' work environment and performance.

- **Implementation planning and preparation**

To minimize employee disruption and adverse action and to preclude skill imbalances at the outset, HR should identify vacancies into which qualified, affected employees could be placed. Hiring into the impacted organization should be limited until clear needs are identified.

Position descriptions should be reviewed to ensure they are current and employees are properly assigned. Position classification actions should be completed before the reorganization is implemented.

Performance plans must be finalized and provided to each employee at the beginning of the new operation. Job requirements should be discussed with each employee before or within no more than two weeks following implementation.

Enclosure 6

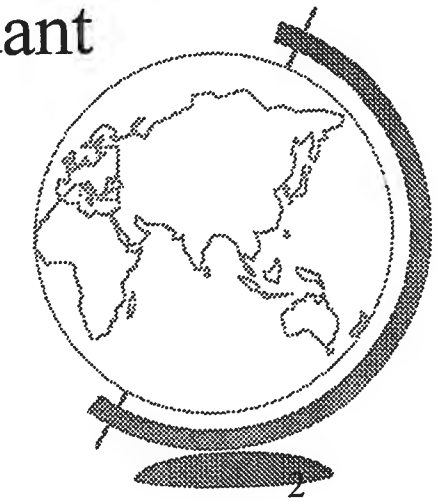
POSITION MANAGEMENT PROGRAM BRIEFING

Purpose

- Develop tool for effective/efficient Human Resource Management
  - Recruitment planning
  - Workforce adjustment
  - Labor cost control
  - Administrative process

Background

- External Study Team Findings
  - No Agency-focused workforce planning
  - USAID Strategic Plan outdated
  - Current planning mission-focused w/no concern for labor costs
  - Organization structure layered/redundant

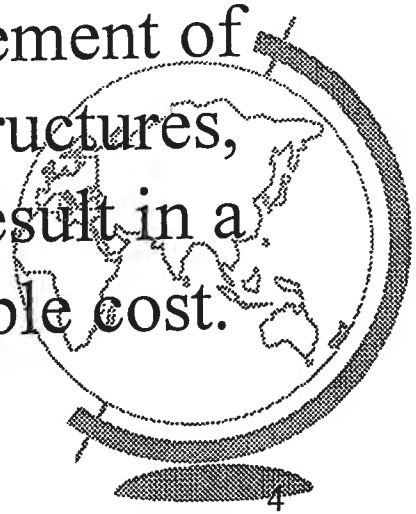


Background

- External Study Team Findings (cont.)
  - No position management training
  - No corporate level integration of resource utilization
  - Workforce planning inconsistent and parochial

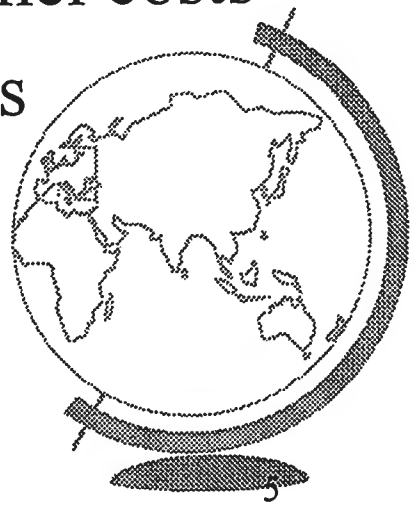
Position Management

- Definition
  - Structuring of positions in a manner that optimizes economy, productivity, and organizational effectiveness.
- Purpose
  - To guide the organization and management of work so that the resulting positions, structures, and resource management processes result in a positive mission outcome at a reasonable cost.



Position Management

- Positive Outcomes
  - Provides strategic tool for addressing key skills needed for new/changing programs
    - Establishes a baseline for workforce planning/recruitment/adjustment
  - Provides a basis for controlling personnel costs
  - Provides baseline for rightsizing efforts
  - Links organizational planning with budget/ceiling allocation



Position Managemnt

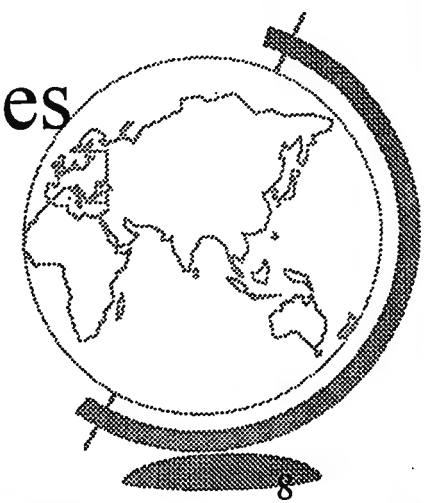
- Negative Impact
  - Escalating labor costs
  - Skills gaps/imbalances
    - Impedes mission accomplishment
  - Redundant staffing/layering
  - Poor organization planning/design

Program Responsibilities

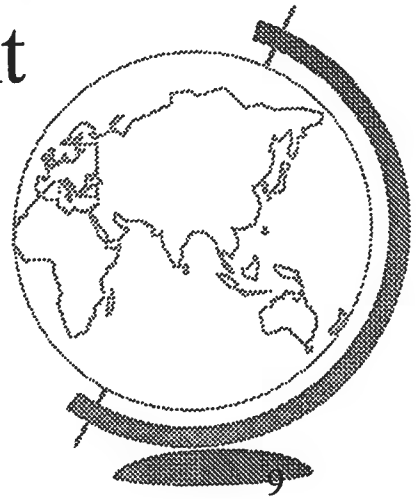
- Task Corporate-level body to:
  - Review/make recommendations on resource allocations
  - Review/make recommendations on organization (new structure/realignment/ reorganization) proposals
  - Review Agency hiring plan against Strategic Plan and program goals

Guidelines

- All work performed is essential
- Organizational structure is balance between efficiency and effectiveness
- Structure is sound in human resources context



Guidelines (Cont.)

- Organizational structure enhances communication, decision-making and responsiveness

- Positions and organizational structure are sound from a motivational viewpoint