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Organizational Excellence

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COE can help Your Agency

Analyze Activities
Eliminate Activities
Restructure and Merge Activities
Improve Organizational Efficiency and Effectiveness
Develop a Plan to Implement the FY2018 President's Budget
Develop a Long-term Workforce Reduction Plan
Improve Performance, Increase Accountability, and Reduce Cost
Develop a Plan to Maximize Employee Performance
Implement Cross-Agency Reforms

Aligning an Efficient and Effective Workforce with Organizational Reform

Meeting the Requirements of OMB Memorandum M-17-22

February 2018

Aligning an Efficient and Effective Workforce with Organizational Reform

The federal workforce is the primary resource for how work gets done, decisions get made, and values are upheld. It is therefore obvious that maintaining a high performing workforce with the right skills and in the right quantities to execute the mission is critical. Don't assume reductions will solve all your problems. What is most likely necessary is workforce realignment rather than just a reduction.

This document outlines an approach to assessing and aligning an agency's workforce as required by OMB Memorandum M-17-22 dated April 12, 2017. These requirements include:

- Aligning the federal workforce to meet the needs of today and the future.

- Removing barriers that hinder front-line employees from delivering results

- Prepare a long-term plan to reduce the size of the federal workforce

- Maximize employee performance and improve accountability

- Train and support managers and HR staff

High Level Approach for Aligning Your Workforce

Prior to making any changes to the agency workforce, decisions must be made regarding the programmatic changes based on the approved reform plan and other initiatives. These plans will serve as the foundation for workforce (or any other resource) changes necessary over a given period.

The workforce size and skills must be balanced with the reform milestones and changes to programs, processes, technology, workload, budget, etc. Any valid workforce planning action cannot be successfully completed until you know what your reform plan is. However, you should make sure you have a complete "as-is" profile of the workforce now. Don't waste time or money conducting "to-be" planning until you are confident in what reform actions the agency will actually take. And it is critical to maintain needed staff that are highly skilled, expert, and are aligned with efficiency, effectiveness, and accountability for programs that will be improved.

While early outs or attrition are elements of an overall strategy for reduction, using them alone could result in having unskilled, unprepared, or an incomplete workforce. By just using these actions, the control is in the hands of employees only and not the organization. Also, employee transitions could be misaligned with the timing of the reform actions or phases. Be wise, use multiple tools in your tool box to ensure a fully functional workforce that is aligned with the newly reformed organization, desired culture, skill level requirements, and workload.

The approach to planning workforce realignment should include:

Analysis and Preparation

1. Creating an **"as-is" workforce profile** – numbers, skill sets and levels, location, years of service, cost, occupations, age, attrition, contractor usage, etc.

2. Completing and obtained **approvals** on the agency reform plan.

3. Fully understanding the Administration's **FY19 budget priorities** and proposals.

Tools in Your Workforce Alignment Toolbox

- Skill gap analysis and closure

- Retraining and reassignment

- Performance-based promotions, change, rewards, and terminations

- Hiring for new or increased skills

- A combination of eliminating skills no longer needed and hiring for newly required skills

- Offering people other positions, even if lower grade

- Helping employees to transition to other agency opportunities

- Succession planning

- Span of control alignment

- Early retirement

- Managed attrition

- Reductions in force

4. Fully understanding how the agency intends to transition to **shared services**. This may require a shift from operational to more strategic in-house resources.

5. Understanding OMB's intention for consolidating **cross-agency programs**.

6. Understanding plans for **Administration changes** such as reduced reporting requirements, regulatory eliminations, etc.
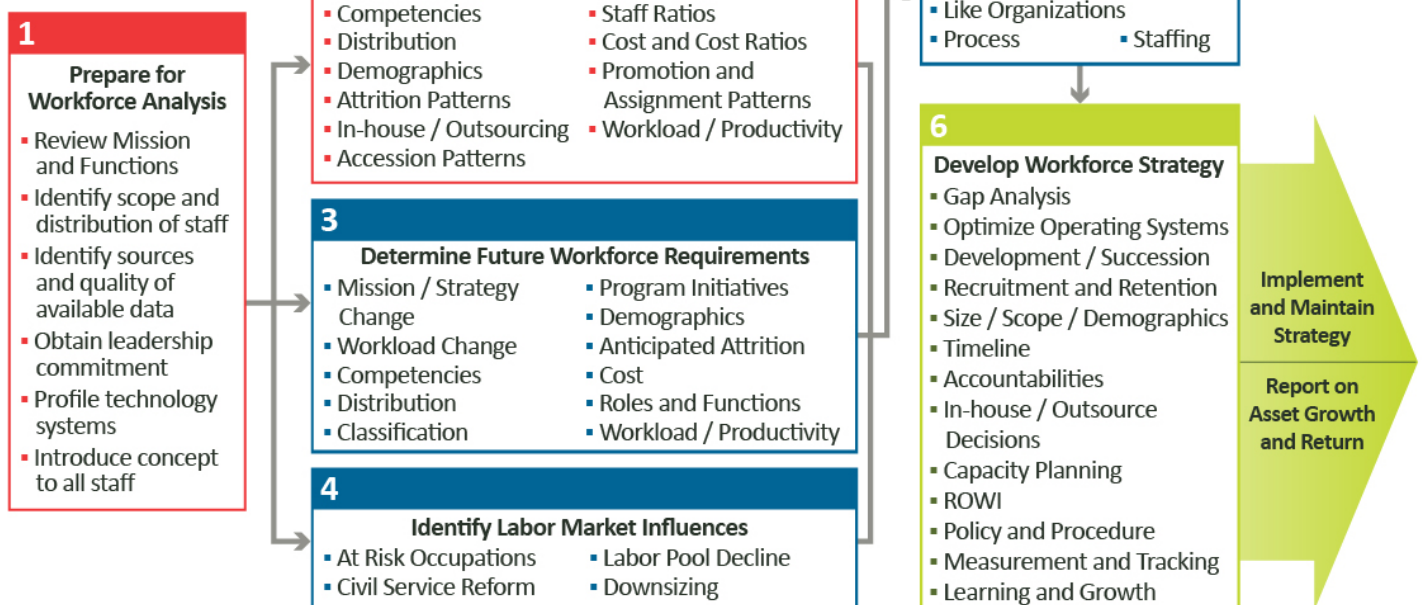
Develop Workforce Alignment Model

7. Based on 1–6 above, conduct **"to-be" workforce planning** to determine the skills and skill-levels required, numbers, performance and workload, geographic locations, budgets, hiring authorities, etc.

8. Developing the appropriate **organizational structure** that is efficient and not overly layered. Identify the appropriate span of control.

9. Identifying facility and other **physical resource requirements**.

10. Applying planning against **budget** and other organizational realities.

11. Making decisions on **staff vs. contractor** supported activity or support that is to be provided from or to other agencies.

12. Applying a **timeline** and develop milestones for workforce shifts consistent with the reform plan.

13. Identifying and **work though barriers** such as collective bargaining agreements, geographic or market labor pool scarcity, etc. Assess risk and identify mitigation strategies.

14. Determining the best **strategy for rightsizing** the workforce through reductions, transfers, increases, shifts, outsourcing, retraining, etc.

Some Things that Cause Workforce Disruption

- Reengineered work processes
- New technology applied to work processes
- Eliminating, reducing, or expanding programs
- Adding new programs
- Legislative or policy mandates
- Employees confident in their job prospect who stay or leave early
- Employees fear of change
- Poor or changing leaders and managers
- Workload changes (increase or decrease)
- Customer experiences

Workforce Planning Process

1 — Prepare for Workforce Analysis
- Review Mission and Functions
- Identify scope and distribution of staff
- Identify sources and quality of available data
- Obtain leadership commitment
- Profile technology systems
- Introduce concept to all staff

2 — Profile Existing Workforce
- Competencies
- Distribution
- Demographics
- Attrition Patterns
- In-house / Outsourcing
- Accession Patterns
- Staff Ratios
- Cost and Cost Ratios
- Promotion and Assignment Patterns
- Workload / Productivity

3 — Determine Future Workforce Requirements
- Mission / Strategy Change
- Workload Change
- Competencies
- Distribution
- Classification
- Program Initiatives
- Demographics
- Anticipated Attrition
- Cost
- Roles and Functions
- Workload / Productivity

4 — Identify Labor Market Influences
- At Risk Occupations
- Civil Service Reform
- Labor Pool Decline
- Downsizing

5 — Benchmarking
- Like Organizations
- Process
- Staffing

6 — Develop Workforce Strategy
- Gap Analysis
- Optimize Operating Systems
- Development / Succession
- Recruitment and Retention
- Size / Scope / Demographics
- Timeline
- Accountabilities
- In-house / Outsource Decisions
- Capacity Planning
- ROWI
- Policy and Procedure
- Measurement and Tracking
- Learning and Growth

Implement and Maintain Strategy

Report on Asset Growth and Return

15. Use this as an opportunity to identify and **close skill gaps** and remove human capital from the GAO high risk list. Also review data capacity and **build analytic capability** to profile and forecast workforce needs and maintain performance strength levels.

16. Balancing the **back-office support** staff with the front-line staff and programmatic needs (facilities, human resources, IT, finance, etc.).

Execute Workforce Realignment

17. **Execute the realignment plan** as scheduled and report progress and results.

18. **Developing and implementing** necessary position descriptions, training programs, and performance outcome requirements for leaders, managers and staff.

19. Developing and implementing **performance and quality assurance** measures.

20. Developing and implementing a **change management** plan.

21. Developing and implementing a **performance management** system consistent with the reform objectives.

Potential Program Action	Workforce Alignment Strategies							
	Staff Reduction	Skills Development/Retraining	Staff Shifts	Staff Increase	Staff Reductions/Hiring	Staff Transfers	Outsourcing	Span of Control Change
Program Elimination	✓							✓
Program Revision	✓	✓	✓	✓	✓	✓	✓	✓
Program Process Improvement	✓	✓		✓	✓	✓	✓	✓
New Program Addition		✓	✓	✓	✓	✓	✓	✓
Cross-Agency Program Change	✓		✓		✓	✓	✓	✓
Administrative Changes	✓	✓		✓	✓	✓	✓	✓

Removing Barriers

There can be many unintended barriers to getting work done and meeting mission requirements. Employees themselves will be good at identifying them. Some barriers may be:

- Overly burdensome or contradictory legislative policy or regulatory requirements.

- Excessive reporting, decision making, and approvals.

- Excessive workload or inability to support surge requirements.

- Excessive meetings and/or too many attendees.

- Poorly designed technology for users or functional requirements.

- Slow or poor procurement actions and decisions.
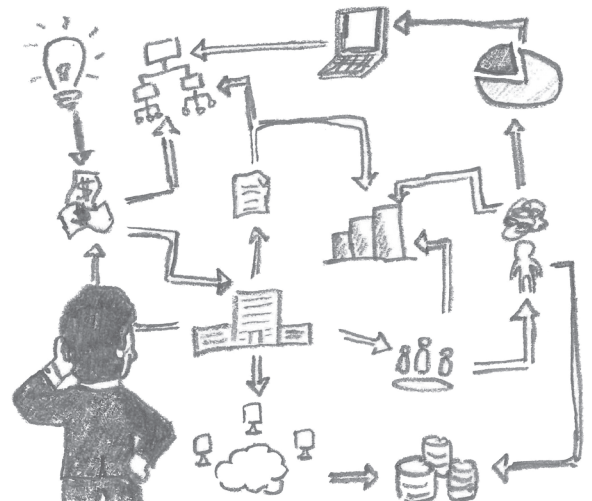
Removing Barriers (continued)

- Process inefficiencies.

- Collective bargaining agreement requirements.

- Geographic or market labor pool scarcity.

- Hand offs to others who don't have the same sense of urgency or importance, or have significant workload themselves.

- Unskilled or unproductive staff.

- Slow hiring process.

- And much more.

Barrier removal should be a specific part of the agency's reform plan and identified before any workforce action is taken. At a high-level, ineffective or outdated regulations, policy, and legislation can and should be reviewed and removed or adjusted as appropriate, but may take time and require the highest level of government leadership to act. Other barrier removal actions can be "baked-in" to the reform or taken by agency leadership.

Often time barriers just build up and become "the way we do things." Agency staff can be used to identify many of these day-to-day barriers and reduce the complexities of how work is accomplished, creating even more efficiency and effectiveness.

Addressing Accountability

M-17-22 specifically addresses the need to make government employees more accountable. Some think of accountability as taking responsibility for actions. It is often considered negatively as owning an improper action or behavior. While accountability does have the assumption of responsibility, it is broader than that and more positive. It is simply – see it, own it, solve it do it[2]. When you see a task, action problem, change, or issue to be addressed, you take it on without request or directive. It even includes fixing an ineffective or dysfunctional organization.

Infusing accountability into an organization means:

- Having clear mission outcomes and performance requirements

- Establishing standards of performance

- Hiring for accountability attributes in people

- Staff holding each other accountable for performance

- Leaders and managers holding staff accountable for performance immediately without buildup. Giving feedback early and often – positive and constructive. Remember to really develop leaders and managers, don't just train them.

- Removing or minimizing barriers to accountability and performance. Not holding a person accountable for things they cannot control, yet helping to create an environment in which they can be in control of their performance.

In transforming agencies for efficiency and effectiveness, accountability needs to be a central theme in the change process and involve people at all levels.

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[2] A concept first promulgated by Roger Connors, Tom smith, and Craig Hickman in The OZ Principle, 1994.

Change Management

Some believe that having an established change management program is a waste of time and money, until they see the impact of not doing it. By not addressing change an agency runs the risk of reduced moral and performance, having inconsistent skill sets, and the inability to acquire timely resources.

As you plan your reform implementation:

- Conduct listening tours and "field trips" to see work in action and identify improvement opportunities.

- Communicating often to those impacted by the change.

- Be transparent and honest in how reform will impact staff members.

- Always state the "why" of change – even if some do not agree.

- Involve staff in the change process with their contributions, ideas, participation on working groups, etc.

- Align all work resources.

- Make hard decisions and take action swiftly.

- Be fair, equitable, and respectful to all.

- Prepare people for new job requirements or other impacts on their employment.
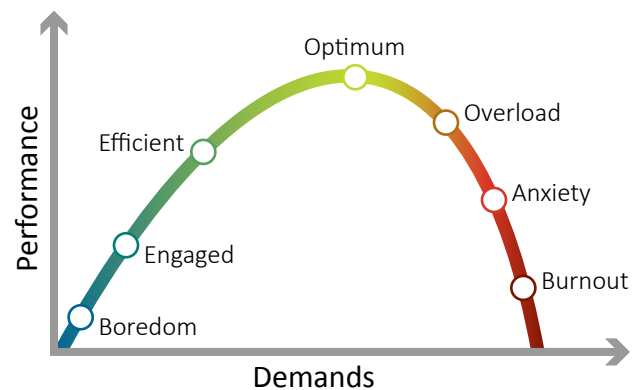
Improving and Maximizing Performance

Performance is identified both on an organizational and employee level. On an employee level, we usually think of it has how to demonstrate and rate employees' performance at the end of a defined period. It usually includes defining performance requirements (and/or competencies), rating the employee, and then providing some type of reward or remedial action.

Performance is actually the sum total of how a position and expected outputs and outcomes are defined. It is the efficiency and effectiveness with which work is accomplishment and the fulfillment of an obligation measured against standards of accuracy, completeness, quality, cost, and speed. Maximizing performance involves all HR life-cycle elements including, the hiring process, position descriptions, performance management systems, accountabilities, employee development, reward and recognition, and transition; all under an umbrella of fairness and equity. Performance can be hindered by workplace barriers, culture, lack of an accountability system, poor leaders or managers, inefficient work processes, aggressive workloads, unclear direction, or a staff members self-orientation.

While these things help define and contribute, the reality is performance primarily comes from having strong and capable managers and leaders, and employees who are skilled and self-motivated to perform. A strong performance management system works to maximize these things.

Designing and developing a formal performance management system is only as good as its implementation and how it is supported by other factors. To maximize performance an agency needs to have:

- Clearly defined mission outcomes.

- Clearly defined performance standards and output and outcome requirements for each job function.

- Clearly defined roles and responsibilities.

- The appropriate resources to get the job done—tools, staff, funding, technology, facilities, etc.

- A strong and consistent culture of performance, and accountability, and service to America. A culture that self-regulates performance and also respects employees for their contribution and performance is critical.

- Barriers to performance removed, yet with the right level of checks and balances.

- Leaders and managers well developed and held accountable for executing against organizational and role requirements, mission, results, and efficiency and effectiveness.

- A predictable workload or the ability to decline or surge when necessary.

- Managers who have the flexibility to get the job done and the authority to modifying process, resources, and skills.

- The ability to act quickly with appropriate interventions with fairness and equity toward staff members who are not performing to requirements.

- The ability to hire quickly and replace staff without gaps in service and with the necessary overlap to prepare and train people appropriately.

- A fair and equitable performance management approach that accurately profiles performance, provides feedback, and provides reward and remediation. The key is to have a system that is implemented appropriately by leaders and managers. The design is easy, implementation less so.

Use these things as a guide to assess your organization, prepare it, and be a high performing organization. No organization is perfect, but the difference between a high performing and low performing organization can be seen a mile away.

Are You
Ready to Align
Your Workforce?

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