



Department of Energy

Revised
**FIVE-YEAR
WORKFORCE
RESTRUCTURING
PLAN**

January 2002

U.S. DEPARTMENT OF ENERGY
REVISED 5-YEAR WORKFORCE RESTRUCTURING PLAN
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BACKGROUND

The Office of Management and Budget (OMB) Bulletin 01-07, *Workforce Planning and Restructuring*, dated May 8, 2001, provided instructions to Federal agencies on implementing the President's initiative relative to restructuring their workforces and streamlining their organizations. The first requirement of the Bulletin was to develop and submit a workforce analysis to OMB in early Summer 2001. The second requirement was to develop and submit in early September an agency-specific workforce restructuring plan in the context of the FY 2003 budget request and annual performance plan. The Department of Energy (DOE) Workforce Analysis information submitted to OMB in July 2001 provided the baseline information for development of the Department's 5-Year Workforce Restructuring Plan (Plan), which identifies those initiatives, changes and strategies planned by DOE to reduce the number of managers, to reduce organizational layers, to reduce the time it takes to make decisions, to increase the span of control, to redirect positions to the "front lines," and other actions to improve workforce efficiency, effectiveness, and/or service delivery. In December, OMB asked the Department to submit further information by January 31, 2002.

Many of the initiatives included in our September 10th Plan need to be accelerated and/or jump-started to achieve near-term results. To underscore that urgency, in December, Deputy Secretary Francis S. Blake established the Department of Energy Management Council, which meets monthly with the primary purpose of driving implementation of the President's Management Reform Agenda, including Human Capital initiatives. The Council draws its membership from the leadership of DOE's major programs and activities and serves as an executive-level instrument for change. Human Capital initiatives involving workforce restructuring have been prominent agenda items at both the December and January meetings.

In addition, on January 9, 2002, Deputy Secretary Blake issued a memorandum, "Accelerating Workforce Restructuring Actions," which reemphasized the importance of supporting the President's Management Agenda as the cornerstone for improving the management and performance of the Federal Government, with a particular emphasis on the strategic management of Human Capital.

Since the original Plan was submitted, the Department has taken significant actions to strengthen its Human Capital strategy and to improve the Department's workforce restructuring efforts. This revised DOE Plan provides information that OMB requested in the following four sections:

- Section 1: Identifying and Addressing Skills Gaps
- Section 2: Delayering
- Section 3: Eliminating Headquarters and Field Redundancies
- Section 4: Integrating HR into Budget and Strategic Plans

SECTION 1: IDENTIFYING AND ADDRESSING SKILLS GAPS

Organization Plans

Individual DOE organizations have been tasked by the Deputy Secretary to develop specific information, including:

- C Identification of current or projected skills mix problems (shortages, gaps, imbalances, demographics issues, etc.) in mission-critical occupational areas and/or positions
- C What has been done or planned, including time-frames and next steps to address these problems
- C What can or needs to be done to help remove or minimize barriers that impede resolution of skills mix problems

Departmental organizations have submitted their plans in response to this request and those plans are currently under review to assure, among other things, that they meet the Deputy Secretary's requirement that they reflect measurable and identifiable goals. Plans that do not meet that standard are being reworked. Some illustrative examples are:

- C To broaden leadership competencies and to ensure that executives have both Headquarters and field experience, the Office of the Assistant Secretary for Environmental Management (EM) is currently implementing field rotations, including permanent reassignments, for approximately one-third of its 70 Senior Executives.
- C The Office of Science (SC) will broaden the use of flexible hiring practices such as recruiting bonuses (6 in the last year) and appointment of individuals to excepted service positions (11 in the past year) to speed hiring and retain the best talent.
- C In recognition of its high average age, and in an effort to build a "pipeline" of talent for the future, the Office of the Assistant Secretary for Fossil Energy will implement a Career Intern Program by May of this year to actively recruit for entry level minority students and women in key technical and professional occupations.

Addressing Skills Gaps in Contract Management

The original DOE Plan (Section 4-7, pp. 48-53), catalogued a series of actions to continue and reinforce DOE's extensive efforts to improve contract management. The effort is multi-faceted, ranging from process re-engineering to an overhaul of the Department's major site and facility management contracts. Of key importance to this Workforce Restructuring Plan are those efforts relating to training our workforce in contract administration. As reconstituted, the Department's actions for addressing these goals are:

- C To implement a comprehensive Acquisition Career Development Program for procurement and related (financial assistance, property management) acquisition personnel, with a focus on leadership development, succession planning, and skill gap closure. Performance measures for procurement professionals (at least 85% certified) and project managers professional development will be established in FY 2002 and FY 2003.
- C To implement an Acquisition Intern Program as a subset of a more comprehensive Departmental Human Capital Improvement Plan initiative to establish a DOE-wide intern program that enhances expertise and professional capability on the front lines of DOE's workforce in FY 2002 and FY 2003.

Addressing Skills Gaps in Project Management

The original DOE Plan (Section 4-6, pp. 44-47), established goals to be responsive to external criticism that DOE's lack of a career development program for its Federal program and project managers led to poor project execution. As a result, The Office of Management, Budget and Evaluation/Chief Financial Officer is designing and implementing a Project Management Career Development Program (PMCDP) for DOE Federal project managers. The goal of this two-year developmental program is to create a mechanism by which DOE will develop a cadre of trained and certified project managers who have the capability to successfully deliver projects on time, within budget, and meeting all technical requirements. The specific elements of the Program are as follows:

- C FY 2001 program development funding in the amount of \$1.4 million was appropriated for the PMCDP, and funding in the amount of \$1.2 million was provided for FY 2002. Development of the PMCDP commenced in January 2001 and will continue through December 2002, with the first project managers enrolled and trained in January 2003.
- C This program will include formal certification of all DOE project managers into one of four levels of project management capability beginning in January 2003. The levels of certification will correlate to project manager positions for projects of different sizes and complexity. The certification program will comprise extensive training and experience requirements and will likely require both external and internal certification.
- C Measures will be developed in FY 2003 and beyond to gauge the success of the Department's Project Management Program, offer awards and retention bonuses to top performers, and review alternative staffing alignment options including greater use of inter-disciplinary project management teams and the detailing of seasoned project managers across field elements.

Other Department-wide Initiatives to Resolve Skills Mix Issues

The Department's original 5-Year Workforce Restructuring Plan identified an ambitious series of short-term FY 2002 workforce restructuring actions generated at the Department's July 2001 Human Capital Summit to improve Human Capital Management. Several of the major actions that have been

completed support the Department's efforts to identify and resolve skills mix issues:

- C Developed and issued a detailed Human Capital Flexibilities Guide to help DOE managers better utilize available personnel flexibilities and tools to attract and retain high-quality employees, highlight best practices and solutions for unique issues and provide new information about emerging programs and authorities. Additionally, the Department issues periodic Bulletins to ensure that DOE managers take advantage of revised or new personnel policies. (See <http://www.ma.doe.gov/pol/adflex.pdf> and <http://www.ma.doe.gov/pol/hcssbul.html>, respectively, on the DOE web site.)
- C Expanded the use of automated Human Resources systems to allow job applicants to apply on-line, and to identify top candidates in approximately one-half the time of manual systems; and to provide more on-line learning for DOE employees.
- C DOE is expanding cost-effective, targeted DOE Leadership Development Programs to groom high-potential employees for SES and other leadership positions in the Department by implementing complex-wide programs for Mentoring, SES Candidate Development, and technical and professional intern hiring and development. All of these new leadership development programs focus on identification of high potential applicants/employees and providing them with "real world" training and other support needed to build their future leadership skills.

SECTION 2: DELAYERING

Individual DOE organizations have also been tasked by the Deputy Secretary to develop specific delayering plans including:

- C What the organization has done or plans to do to decrease organizational layering and/or increase spans of control, including streamlining and reducing redundancies in Headquarters/field staffs, roles and responsibilities
- C What steps have been taken or are planned in terms of streamlining decision-making processes within the organization, including reducing the number of reviewers in concurrence/approval chains in Headquarters and/or field offices

Departmental organizations have submitted their plans in response to this request, and those plans are currently under review to assure, among other things, that they meet the Deputy Secretary's requirement that they reflect measurable and identifiable accomplishments. Plans that do not meet that standard are being reworked. Some illustrative examples are:

- C To reduce redundancies in Headquarters/field staff roles and responsibilities, the National Nuclear Security Administration (NNSA) is addressing this issue by adopting clarifying guidelines for activities that will be performed by Headquarters and field elements (federal and contractor). The

basic principle is that Headquarters provides strategic direction, including policies and planning, and field elements oversee, manage, and execute programs. NNSA will further clarify Headquarters, field, and contractor roles and responsibilities consistent with the President's reform initiatives. Headquarters staffing will be reduced based on the narrowing of assigned tasks, and the federal field structure will be streamlined following the redefinition of the relationship between federal and contractor employees. NNSA began implementing this plan in FY 2002 and anticipates that staffing realignments will be implemented over the next five years.

- C EM plans to delay Headquarters by May of 2002 to improve performance accountability and increase efficiency in the utilization of its human resources. The current supervisor-to-employee ratio of 1:5 will rise to 1:14 and consolidation of some EM offices are planned by the end of this Fiscal Year.
- C SC plans to remove one organizational layer between Headquarters and its contractors to speed and clarify decision-making and to move SC's "front line" – the SC Headquarters program managers – closer to the contractors who perform the government's business. Changes will be effected as early as the beginning of FY 2003.

SECTION 3: ELIMINATING HEADQUARTERS AND FIELD REDUNDANCIES

Another of the workforce restructuring goals established in the Deputy Secretary's January 9th memorandum is to clarify that the roles and responsibilities of Headquarters are policy and program oversight, and move functions not aligned with those roles or responsibilities to appropriate field organizations.

- C DOE will issue a revised Headquarters/field roles and responsibilities policy statement by July 2002, and identify functions/positions to be moved by November 2002. Functions and positions will be migrated during FY 2003 to FY 2005.

In the same memorandum, the Deputy Secretary established a related goal to further consolidate/centralize administrative and business services of Headquarters and field organizations.

- To assist with this goal, the Department has asked the U.S. Office of Personnel Management (OPM) to undertake a review of the Department's administrative service functions, including those performed by and for the NNSA. The OPM study will take into account ongoing Departmental efforts to re-examine DOE Headquarters/field roles, reporting relationships, organizational structures and lines of authority. To enhance efficiency, the study will also focus on identifying opportunities for streamlining and automating administrative systems, functions and work processes that support the accomplishment of DOE's critical missions. The OPM study is currently scheduled to begin in February with completion expected by the end of June.

- C In further support of this goal, DOE Headquarters information technology support activities will be consolidated within the Office of the Chief Information Officer by November 2002.

SECTION 4: INTEGRATING HR INTO BUDGET AND STRATEGIC PLANS

The Department of Energy has recognized the importance of integrating critical human resources initiatives into its Budget, its Strategic Plan, its Performance Plans, and its Performance and Accountability Reports, all of which include targets to improve Human Capital Management. Specifically:

- C Budget: The DOE FY 2003 Congressional Budget includes FY 2002 Targets to improve human capital management by initiating comprehensive human resources strategies that will:
 - C Streamline the DOE hiring process through process reengineering, automated recruitment, and other means that reduce the time it takes to fill jobs by at least 20% at DOE Headquarters;
 - C Increase employee access to mission-related training by at least 30% through “on-line” and other technology-assisted learning capabilities;
 - C Achieve cost savings and reduce traditional manually-generated personnel and training paper records by at least 20% utilizing the DOE Corporate Human Resource Information System (CHRIS);
 - C Address skills gaps and aging workforce challenges by hiring at least 15% of new administrative, technical and professional employees at entry levels; and
 - C Reduce managerial layering and shift staffing resources to front line, mission critical positions consistent with Administration guidelines.
 - C Implement a complex-wide Planning, Programming, and Budgeting System (PPBS) to improve the decision making process for planning and budget development in FY 2002. By bridging the planning and budget development by a “programming” phase, the organizations will be better equipped to establish clear workforce and budgeting needs.

The DOE FY 2003 Congressional Budget also includes FY 2003 Targets to improve human capital management by initiating comprehensive human resources strategies that will:

- C Cascade a new, mission-driven performance management system down to all GS-15 and below managers and supervisors (based upon a recently implemented new system for DOE executives);
 - C Initiate implementation of a workforce planning methodology that identifies critical skills for key scientific and technical positions;
 - C Integrate expanded use of hiring incentives and flexibilities with budget and performance plans;
 - C Ensure Departmental leadership succession by developing a cross-cutting succession planning process within DOE for mission critical occupations; and
 - C Continue to reduce managerial layering and shift staffing resources to front line, mission critical positions consistent with Administration guidelines.
- C Strategic Plan: The Department of Energy’s most recent Strategic Plan includes an objective to improve DOE human resources management by aligning programs pertaining to human resources to DOE’s mission and integrating human resources management into DOE’s system for planning,

budgeting, and program evaluation.

- C Performance Plans and Performance and Accountability Reports: The DOE FY 2002 and FY 2003 Performance Plans and the DOE FY 2002 and FY 2003 Performance and Accountability Reports all include targets to improve Departmental Human Capital Management by initiating comprehensive human resources strategies to achieve the targets listed above in the DOE FY 2003 Congressional Budget.

CONCLUSION

This revised Workforce Restructuring Plan demonstrates that the Department of Energy has undertaken significant actions in each of the OMB Passback comment areas. Taken together, these actions should move DOE “out of the red” and reinforce the Department’s goal to improve mission delivery by fostering accountability, reducing unnecessary layers of management, streamlining operations and decision-making, and moving resources to front line activities.