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REPORT BY THE  
**Comptroller General**  
OF THE UNITED STATES

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## **Federal Work Force Planning: Time For Renewed Emphasis**

The size and cost of the Government--5 million civilian and military employees costing \$120 billion a year--is an issue that requires the Congress and the executive branch to give more attention to the methods and procedures used to determine and manage human resource needs. However, these work force planning activities generally have a low priority.

Rising personnel costs and increasing competition for limited funds make it essential that work force requirements and personnel management decisions be based on appropriate and credible work force planning systems and procedures. GAO recommends that the Office of Management and Budget and the Office of Personnel Management establish a Federal policy and standards for work force planning and encourage Federal agencies to make work force planning an integral part of their overall management planning systems. GAO recommends also that a special work force planning improvement project, insulated from the traditional barriers to the development and use of sound work force planning procedures, be developed and tested in several Federal facilities to demonstrate feasibility and benefits.



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The Honorable Abraham A. Ribicoff  
Chairman, Committee on Governmental  
Affairs  
United States Senate

The Honorable James M. Hanley  
Chairman, Committee on Post Office  
and Civil Service  
House of Representatives

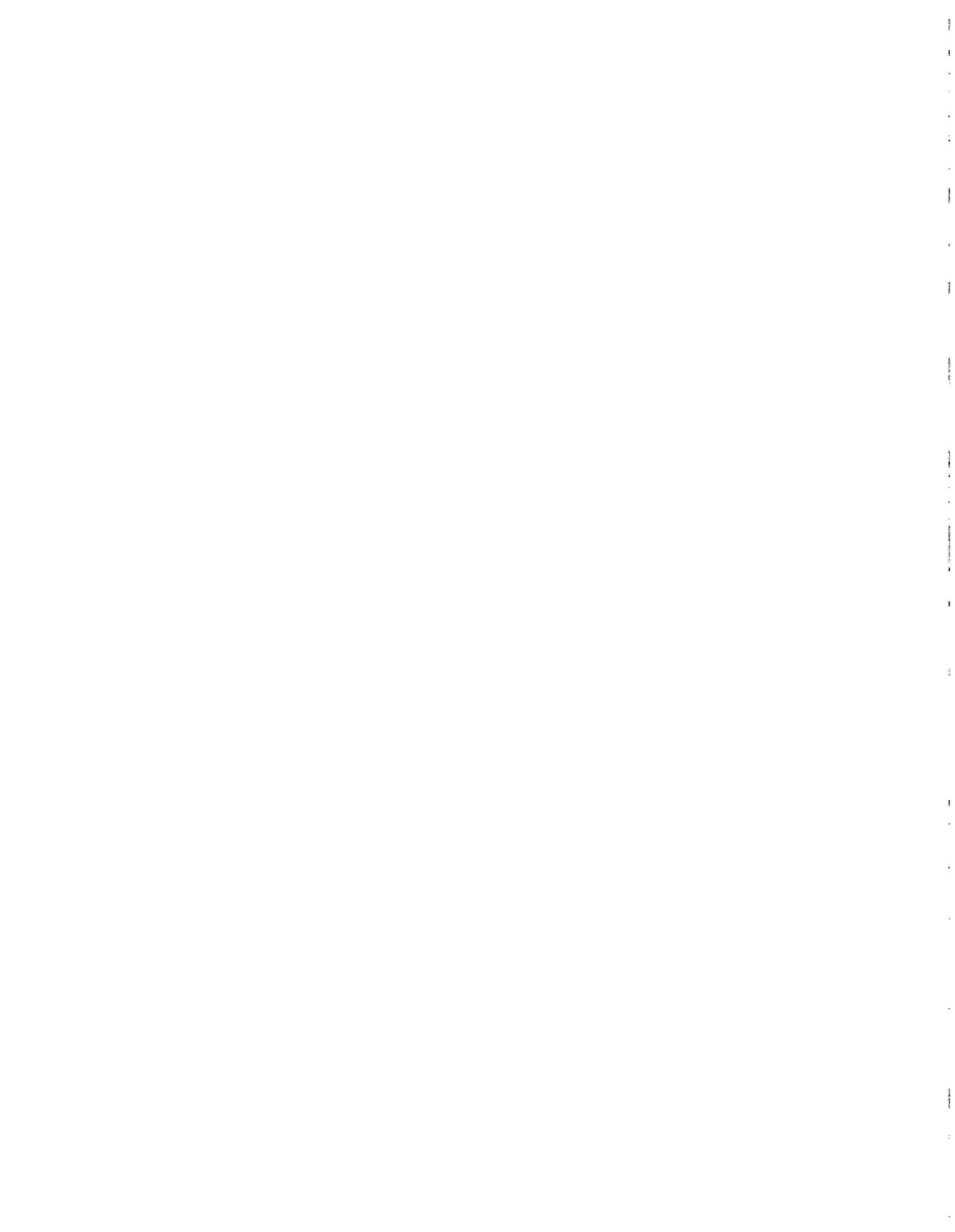
This report identifies some of the primary factors that tend to inhibit the development and use of sound work force planning procedures and techniques by the Federal departments and agencies. It is primarily based on the numerous reports we have issued on work force planning and related topics over the past several years and on our recent interviews with knowledgeable agency managers and officials. It also identifies several research efforts and recent proposals that need special management attention to improve the level and quality of work force planning.

Without the use of appropriate human resource planning procedures, management decisions regarding the size, composition, allocation, and development of an agency's work force are suspect, open to challenge, and can result in arbitrary and subjective resource actions, which may have negative effects on Federal programs and services.

We are sending copies of this report to the Director, Office of Management and Budget; the Deputy Director, Office of Personnel Management; and the Chairmen, House Committees on Government Operations and Appropriations and Senate Committee on Appropriations. We are also sending copies to all Federal departments and agencies.

A handwritten signature in black ink, appearing to read "Luther A. Atwater".

Comptroller General  
of the United States



COMPTROLLER GENERAL'S REPORT  
TO THE COMMITTEE ON GOVERN-  
MENTAL AFFAIRS, UNITED STATES  
SENATE, AND THE COMMITTEE ON  
POST OFFICE AND CIVIL SERVICE  
HOUSE OF REPRESENTATIVES

FEDERAL WORK FORCE PLANNING:  
TIME FOR RENEWED EMPHASIS

D I G E S T

How does the Federal Government know its work force is of the proper size and composition for the various programs and services it provides? What type of planning is being done to insure that the work force is appropriate for the workload of the Government?

Work force planning encompasses those management activities which determine an agency's work force requirements and staffing needs. Its primary purpose is to provide management with sound data to make informed work force requirements and staffing management decisions and to provide the basis for the development and justification of an agency's personnel budget. (See p. 2.)

GAO found that lack of central leadership and guidance has led Federal managers to downgrade the importance of this essential management tool.

WHY IS WORK FORCE  
PLANNING NECESSARY?

Work force requirements and staffing management decisions and budget submissions need credible and reliable data to justify and approve agency personnel requests. Personnel decisions and justifications made without credible work force planning data are suspect, open to challenge, and subject to arbitrary and subjective actions. Staffing imbalances, poor development and utilization of personnel resources, questionable program effectiveness, and increased costs for the agency also may result.

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However, Federal departments and agencies appear to pay very little attention to the methods and procedures used to determine their work force requirements or the staffing workload. In fact, most departments and agencies do not have a comprehensive work force planning system or suitable methodology to make these determinations with assured accuracy and credibility.

Although some agencies have made considerable progress in developing and trying to use good procedures and techniques, most agency efforts are limited in scope and value to management. The limited efforts that are pursued are primarily for generating work force and related statistics for the budget review process. This data generally has little or no value after this use.

#### BARRIERS TO EFFECTIVE WORK FORCE PLANNING

There are many reasons why sound work force planning procedures and techniques have not been extensively used by Federal agencies to determine work force requirements and staffing needs.

One of the strongest and most consistent reasons agencies do not use work force planning procedures is that the budget development and review process does not give appropriate consideration to the nature and extent of justification used in the personnel portions of agency budgets. Many agency officials believe that this circumstance has a strong causal relationship to many of the other reasons commonly cited for the limited attention to work force planning.

In addition, there is the general view that there is limited leadership provided by the Office of Management and Budget (OMB) and the Office of Personnel Management (OPM),

which results in low priority attention given to work force planning by most agency management.

The absence of comprehensive policy, regulations, and standards governing or guiding agencies on work force planning contributes to management's limited commitment. Other factors inhibiting the development and use of comprehensive work force planning follow:

- The apparent confusion regarding the definition, scope and components of work force planning, and the sequence and cycle of planning tasks.
- Personnel constraints, such as personnel ceilings, average grade controls, and hiring and promotion freezes.
- The slow progress in developing work and productivity measurement systems.
- The unclear cost-benefit relationship with the development and use of a total work force planning capability.
- The limited extent to which most agencies have developed integrated management information systems and have close operating relationships between principal management groups.

GAO believes these obstacles can be overcome with appropriate management and congressional attention.

#### GAO REPORTS CONFIRM PROBLEMS

Over the past several years, GAO has examined many aspects of work force planning, including work load forecasting, the use of work measurement procedures, the development and use of work and staffing standards, projection of work force requirements, and

oversight and direction provided by executive and agency management. GAO's reports have disclosed a variety of problems, many of them occurring in several agencies. Among the most common problems has been the limited guidance and direction provided by agency management and the resulting variations and inconsistencies in methods and procedures between and within agencies.

In followup inquiries on 17 of its reports addressing aspects of work force planning, GAO found that many of the problems identified earlier still exist. These include:

- Limited or no guidance from agency leadership on the development and use of work measurement systems and procedures.
- Procedural problems in existing work measurement systems.
- Slow and limited development and use of work force requirements determination systems, including limited review and evaluation efforts.
- Limited and inappropriate resources assigned to the task.
- Incomplete planning and limited criteria contributing to the inefficient and ineffective assignment and use of personnel.
- Arbitrary budget decisions and overly restrictive personnel constraints, such as across-the-board cuts and personnel ceilings, have had negative effects on staffing management.

OTHER AGENCIES HAVE  
ALSO IDENTIFIED PROBLEMS

Several research efforts over the last few years have discussed the poor state of work force planning in the Federal Government.



All generally agree in their findings and emphasize the need for top management to establish Federal policy and standards for agencies to follow.

The Civil Service Commission examined the possibility of establishing Federal work force planning policy and standards and proposed such a policy statement in 1974. Although agencies had some reservations, primarily associated with uncertain cost factors, they generally agreed on the value of a comprehensive policy and the benefits of a minimum level of uniformity in the way agencies perform their work force planning. However, the Commission decided to delay issuing the policy statement and proceeded to address some of the "how to" technology for staffing needs planning.

In 1976, a Commission-sponsored task group was established to evaluate the work force planning applications of the Federal Personnel Management Information System. The group concluded there was a need to clarify the issue of work force planning in the Federal Government, develop uniform procedures and techniques, and establish a clearing-house and training capability for work force planning in the Commission.

In 1977 the Federal Personnel Management Project, one of the President's primary efforts toward reorganization and management improvement, addressed problems associated with work force planning. The Project's report recommended that Federal agencies establish a work force planning capability and that OMB and OPM have key management responsibilities in guiding and monitoring agency actions. The report also recommended that work force planning data should be used in work force management and budget decisions. No action was taken on these recommendations.

## RECENT INITIATIVES

Recently there has been a renewed interest in work force planning. On June 11, 1980, the Executive Director of the President's Management Improvement Council suggested that OPM conduct a work force planning demonstration project under title VI of the Civil Service Reform Act. The Deputy Director, OPM, has also been coordinating the development of a management improvement initiative tentatively identified as the work force planning and the budget process proposal. At present, the proposal is only at the very preliminary discussion stages within OPM.

## CONCLUSIONS

The increasing emphasis on controlling Government costs and balancing the Federal budget will require the Congress and the administration to make tough decisions concerning efficiency of the Federal bureaucracy and program effectiveness. The development and application of a work force planning policy and a framework of acceptable planning procedures and techniques is a logical and appropriate course of action and will help to bring about a new level of understanding, appreciation, and foundation for the way Federal departments and agencies determine and manage their work forces.

A sound and comprehensive work force planning capability must be developed and demonstrated before the Congress and the executive leadership is willing to rely more heavily on agency systems for determining and controlling agencies' work forces. The present limited capability of most Federal agencies to provide sound information on their work force needs does not help the administration or the Congress make resource decisions and thus can negatively affect individual programs and activities.

RECOMMENDATIONS TO THE  
DIRECTORS, OMB AND OPM

The Director, OMB, and the Director, OPM, should develop a Federal work force planning policy and a framework of procedures and techniques for departments and agencies to use for determining their work force requirements and staffing needs. Specifically, this policy and procedures package should

- clarify the meaning and scope of work force planning and provide descriptions of total planning systems by identifying the respective components and the basic sequence and cycle of planning tasks;
- designate the methods, procedures, and techniques that can be used in work force requirements determination and staffing needs analysis; and
- establish the respective roles and responsibilities of both Offices for work force planning.

GAO further recommends that a work force planning pilot project based on the proposed policy and procedures be conducted at several Federal agencies. The project should be insulated from the traditional impediments to work force planning, such as the use of personnel ceilings, average grade controls, hiring and promotion freezes, and across-the-board budget adjustments. GAO believes this project could be pursued under title VI of the Civil Service Reform Act of 1978 or Office of Management and Budget Circular A-117, Management Improvement and the Use of Evaluation in the Executive Branch. In either case, both Offices would be required to work together to insure a successful project.

MATTERS FOR CONSIDERATION BY THE  
HOUSE COMMITTEE ON POST OFFICE  
AND CIVIL SERVICE AND THE SENATE  
COMMITTEE ON GOVERNMENTAL AFFAIRS

In view of the significance of work force planning and the responsibility of the Congress in work force decisions, GAO believes they should play an important oversight role in any work force planning improvement project the executive branch may propose in response to this report. GAO believes a special oversight responsibility should be established in the appropriate subcommittees to monitor the administration's efforts to improve agencies' work force planning capabilities and should request status reports on the proposed project during normal oversight hearings and reviews.

COMMENTS FROM OMB AND OPM

Both OMB and OPM agree with the basic message of the report and recognize the importance of sound work force planning. (See pp. 44, 51, and 53.)

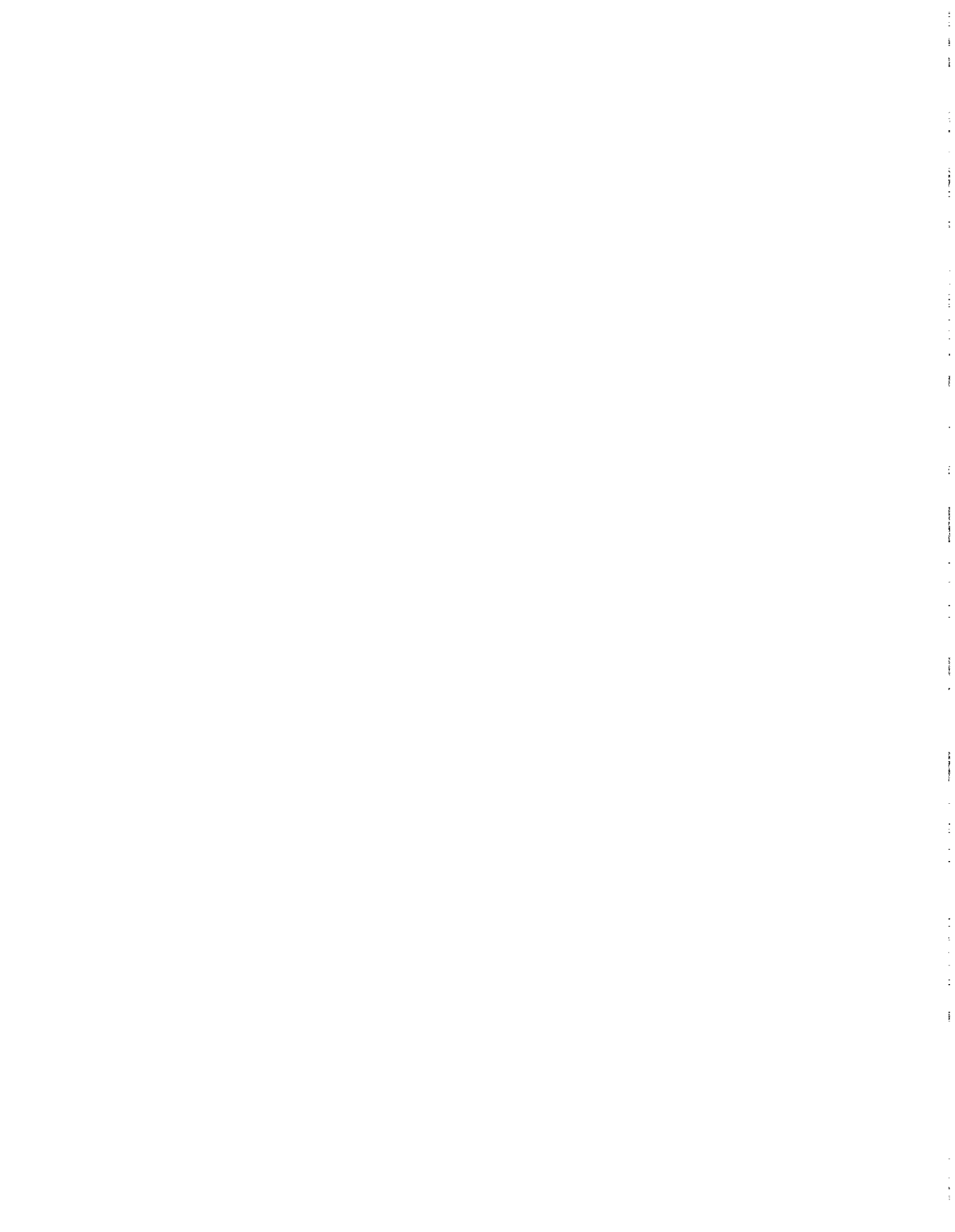
OPM stated that the proposed project will require a major investment in resources and will involve both OMB and OPM. GAO believes this action is a logical first step toward creating a new level of concern and commitment to credible work force planning in the Government. OPM also expressed doubt that title VI of the Civil Service Reform Act of 1978 would be the proper basis for the proposed project. GAO offered what it considered to be possible approaches for the project but defers to OPM's judgment on what is the best vehicle to use. (See pp. 44 and 51.)

OMB expressed a preference that a work force planning policy and procedures package be developed after a demonstration project.

GAO does not disagree with OMB's rationale but believes an operating policy position and a framework of the basic procedures have to be developed to provide direction for the project. Based on project experience and management judgment, policy and procedures can be refined into a workable work force planning package for consideration by the administration and the Congress. (See pp. 44 and 53.)

Both OMB and OPM related that the development of the full-time equivalent ceiling system will require a better linkage of budgeting and staffing decisions. While GAO agrees this may be a positive step toward greater accountability over direct Federal employee usage, it defers judgment on the extent to which the new ceiling system will encourage higher quality work force planning. (See pp. 45, 51, and 53.)

OPM's and OMB's comments are included as appendixes III and IV. (See pp. 51 and 53.)



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ABBREVIATIONS

CSC	Civil Service Commission
DOD	Department of Defense
GAO	General Accounting Office
OMB	Office of Management and Budget
OPM	Office of Personnel Management
OSD	Office of the Secretary of Defense
PMP	Personnel Management Planning



## GLOSSARY

Budget submissions	The documents showing the resources requested for the budget period and the supporting justification for the purpose and amount of resources requested.
Budget review process	The phases of review an agency's budget submission must go through. It begins with the internal assessment through the levels of agency management, adjustments by the Office of Management and Budget and the President, then review and funding of the President's total budget by the Congress.
Engineered standard	A work or staffing standard that is developed by the use of accepted industrial engineering techniques and developed by trained analysts. These techniques include time studies, work sampling, standard data, and predetermined time systems. An engineered standard is the "should take time to perform a task or operation."
Nonengineered standard	A standard that is developed with the use of historical data or based on technical estimates. These standards are less expensive to develop and more judgmental.
Organization work force planning (organization manpower planning)	While there is no commonly accepted definition for work force planning, it can be described as the performance of those planning tasks to determine (1) the manpower requirements of an organization, including organizational and position structure, and (2) the number and type of personnel actions, that is, the personnel management workload, to obtain, develop, and maintain the needed work force. In concept,

these tasks are performed in a highly systematic and largely sequential and cyclical manner that improves the responsiveness and validity of reactions to budget adjustments and other constraints. The primary objectives are to (1) provide management with quality assurance that there is an efficient and effective balance between an agency's workload and its work force and (2) provide a sound basis for justifying resource demands in the budgeting process.

- Work force requirements    The determination of the aggregate number and type of manpower skills needed to perform the work of an organization. Requirements are developed through the application of work or staffing standards and agency workload forecasts.
- Work force utilization    The manner in which an organization uses its personnel to efficiently and effectively perform its identified work.
- Organization management    Those tasks involved with the assessment of the organizational structure of the agency in view of the work to be done.
- Position management    Those tasks to determine and maintain the appropriate type and mix of positions needed to perform the work of the organization. It is involved with the organization of work and the assignment of duties and responsibilities among positions. It is generally viewed as the personnel management function performed after the work force requirements phase of work force planning. It translates the aggregate work force requirements into positions and is the basis from which the staffing needs planning phase of work force planning begins.

Workload	The amount of work imposed upon or assumed by a person or organization to be disposed of in a given amount of time. It is the total number of work units for a specified period.
Workload forecast	A projection of the type and number of work units or workload necessary to achieve a desired objective during a designated period of time.
Work measurement	The application of a number of accepted techniques to collect and analyze data on staff time or costs and the work performed to identify a relationship which can be used for work force planning, productivity assessment, budget justifications, performance evaluation, cost control, and other assessments.
Work standard (staffing standard)	An expression of time required for a qualified worker to accomplish a defined amount of work under normal conditions. It is used as a factor to convert workload to an estimate of staff time required.
Personnel data inventory system	A manual or automated repository of various types of personnel and related data which can provide a comprehensive picture of an organization's current work force. It is one of the major data sources for the staffing needs planning phase of work force planning.
Productivity	The efficiency and effective use of an organization's resources to produce goods or services, expressed as the ratio of output to input for a particular activity.
Performance measurement	The use of measurement techniques to develop data showing the planned and actual work performance of an individual or group, and whether the techniques are efficiently and effectively accomplished.

Staffing needs planning  
(personnel management  
planning)

Those tasks performed to determine the number and type of personnel actions needed to fill and maintain the work force requirements of the organization during the budget or program period.

## CHAPTER 1

### INTRODUCTION

The size, composition, and cost of the Federal work force have become important issues over the past several years. Federal departments and agencies now employ a direct civilian and military work force of about 5 million with an annual cost of \$120 billion. The hidden or indirect work force, essentially resulting from contract services, grant programs, and credit assistance, is estimated to be another 3 million, whose cost is not readily identifiable.

Despite the importance of this resource to the Government and its high cost, most departments and agencies do not follow a comprehensive or systematic approach to determine their work force requirements and staffing needs. Some agencies have developed and attempted to use, to varying degrees, appropriate and valid work force planning procedures; however, most agencies' efforts are limited in scope and value to human resources management. The limited planning efforts that are pursued are essentially in response to certain informational needs in the budget review process.

Work force requirements and staffing management decisions, including budget development and justification, made without credible work force planning data are suspect, open to challenge, and can result in arbitrary and subjective resource actions. The primary purpose of good work force planning is to address this problem and permit agency management to efficiently and effectively manage their resources based on information from appropriate and valid systems and procedures.

Departments and agencies need to develop and use sound work force planning procedures and techniques that provide valid, quality data for determining work force requirements and the staffing needs workload. Sound work force planning should provide management with quality assurance that the work force is the proper size, has the composition, and is properly distributed for the workload of the organization.

Among the factors inhibiting the development and use of sound work force planning procedures are the budget development and review process and the use of various personnel constraints. Because of their negative impact on good management procedures, we believe each area warrants serious evaluation.

We also believe that a primary factor affecting the outcome of this issue is the extent to which the Congress and the executive branch leadership is willing to rely on agency work force management decisions based on data generated from sound work force planning procedures and techniques. With the increasing emphasis on controlling costs and balancing the Federal budget, the Congress and the administration will have to make tough decisions concerning the efficiency of the Federal bureaucracy and program effectiveness. Before Federal leaders are willing to consider this major change, a sound and convincing alternative must be presented to them. We also believe some changes in the budget review process and the use of personnel constraints will be necessary.

Such changes will not be made easily or without convincing evidence that a better alternative for improved efficiency and effectiveness of the work force is available. We therefore feel that a major effort should be pursued to develop and demonstrate this alternative.

#### WHAT IS ORGANIZATIONAL WORK FORCE PLANNING?

Although there is no commonly accepted definition of "work force planning," it is generally used to categorize a broad range of data-gathering and analytical tasks necessary for (1) determining the quantity and type of skills needed to do the required work of the organization and (2) identifying the volume and type of personnel management actions needed during the budget or program period to obtain, develop, and maintain the work force that will do the work. These two broad subdivisions of organization work force planning are referred to as the work force requirements determination phase and the staffing needs planning phase.

In terms of overall methodology and the normal sequence of planning tasks, the work force requirements phase of work force planning is generally performed first. This work involves organizing and projecting an agency's workload, developing work standards for projecting work force requirements, and designing the organization and position structure. Using the requirements and position structure information as inputs, staffing needs planning essentially determines the personnel management outputs needed to achieve the desired work force characteristics during the program period.

The principle activities of the two phases of work force planning follow.

1. Work force requirements determination includes:
  - Identifying and clarifying the organization's mission, programs, and objectives.
  - Identifying the various types of tasks to be performed and the work units to be produced.
  - Projecting the workload of the organization for the program or budget period.
  - Developing work and staffing standards to project the aggregate work force requirements.
  - Developing and using work and productivity measures to gauge the appropriateness of the work force size and mix.
  - Developing the organization and position structure.
2. Staffing needs planning includes:
  - Assessing the current work force characteristics, including employee qualifications, experience, assignments, training, and age, and assessing turnover data and performance and productivity data. This involves developing a personnel data repository and analysis system, which serves as a major data source for the staffing needs planning activities.
  - Identifying the differences between the current work force characteristics and the position and organizational structures requirements.
  - Determining the recruiting and training workloads of an organization and the volume of internal movement, that is, promotions, transfers, and separations, and developing career progression tracks and criteria for work force mix decisions, that is, full-time versus part-time work, in-house versus contract work, and alternative action plans reflecting work force mix combinations.

Both phases of work force planning are made up of a variety of tasks generally performed in a very systematic and largely sequential manner. In theory and in practice, these two phases should interact to form a continuous, coherent

organization work force planning process. This requires close communication and common data base links between line management and staff groups within an organization. The principal staff groups having important roles in work force planning include organization management and planning, program management, budget and accounting, work measurement and analysis staffs, and personnel management.

Although work force planning tasks need to be performed in concert with the major management groups of an organization, the primary responsibility for the work force requirements phase is line management. The staffing needs planning determination phase is the primary responsibility of the organization's personnel management group.

#### OBJECTIVES, SCOPE, AND METHODOLOGY

This report is the result of a study to identify some of the primary factors that hinder departments and agencies in developing and following sound work force planning procedures. It also identifies some of our prior reports addressing aspects of work force planning that would further communicate the nature and extent of problems agencies and departments face.

We conducted interviews with Federal officials and with managers of several agencies in the Washington, D.C., area to obtain their views and perceptions on work force planning. (See app. II.) We made followup inquiries on 17 of our reports addressing work force planning and related work force management issues. Reports of other agencies and various documents on work force planning were also identified and considered in this effort.



## CHAPTER 2

### BARRIERS TO WORK FORCE PLANNING

Many reasons are commonly cited why most Federal agencies have not made significant progress in developing a systematic work force planning capability and in using it as a sound resource management planning tool. Many of these reasons have been identified and reported by us and by various groups over the past several years.

We conducted interviews with a cross section of Federal officials and managers from several agencies to obtain their views on the problems associated with developing and using sound work force planning procedures.

Some barriers which were among those more commonly expressed to us during our interviews follow:

- The budget review process does not usually give any more consideration to budget submissions supported by work force planning procedures than those without sound justifications for resources. Because of resource limitations, OMB budget examiners are concerned primarily with the aggregate composition of the major budget changes or new program areas. Resource limitations and tight time constraints also affect the level of review by congressional staff members involved in budget review activity. As a result, many times decisions are not based on substantive planning data justifying human resource needs.
- Work force planning does not have a commonly accepted definition.
- The scope and components of work force planning are not clearly understood.
- The use of employment constraints, such as personnel ceilings, average grade controls, and hiring and promotion freezes, tend to negate the benefits of good work force planning.
- Limited emphasis and leadership from OMB and the Office of Personnel Management (OPM). There are no requirements for agencies to have a systematic work force planning capability. There is no comprehensive Federal work force planning policy or established procedures for agencies to follow.

--Top agency management is reluctant to allocate the time or resources to develop a quality work force planning capability for agencies largely because of the limited emphasis by executive leadership and the limited impact it has had in the budget review process. Also, agency top leadership--political appointees whose tenure is generally about 2 years--is reluctant to allocate resources to major management improvement projects, the benefits of which will not be identified until after their tenure.

--The cost-benefit considerations of allocating more resources to an organized and systematic approach to work force planning are not clear. It is difficult to clearly show a positive cost benefit. Resources have not been allocated to developing cost information on the elements of work force planning.

--Since most agencies do not have integrated, common data base management systems, they are faced with the need to develop this structure before they can develop and integrate a sound work force planning capability. There is the need to bring together the basic management components of program managers, budget and accounting, organization and management, and personnel which largely operate independently of each other, even when they are organizationally under the same departmental leadership.

--Many managers have developed strong reservations about anything involving work measurement or productivity data. Views are commonly expressed that many agency efforts to develop work measurement data have resulted in very little, if any, benefit to improving the management of the agency.

LITTLE ATTENTION GIVEN TO WORK  
FORCE PLANNING DURING BUDGET REVIEW

According to most of the officials and managers we interviewed, one of the major inhibitors to progress in work force planning is the budget review process. They generally claim the budget process does not or more approximately cannot give extensive consideration to the nature or extent of support used to justify human resource needs of an agency. Agencies without work force planning systems would then tend to fare just as well as those that attempt to follow credible systems and use them to justify their budget submissions.

In fact, the volume of budget review work restricts the level of detail OMB examiners can be concerned with. An OMB official said that OMB examiners had to be primarily concerned with major program changes and major adjustments to resources from prior years' activities, as well as several specific concerns required in law, such as affirmative action efforts. In addition, we were told that, although a large portion of OMB's resources are applied to budget review tasks, its resources are limited and are thinly spread over all departments and agencies.

Our interviews also disclosed that, because of the perceived limited influence of sound work force planning in the budget review process and the use of arbitrary employment constraints, agency management is not overly concerned with providing substantive work force justifications. This circumstance was viewed as having a strong casual relationship to many of the other reasons commonly cited for the limited attention to work force planning.

#### NO DEFINITION FOR WORK FORCE PLANNING

Officials and managers we interviewed agreed that, although most agency managers have their own views on what work force planning is and how and to what extent to pursue it, there are considerable variations in the scope and methods they follow. This situation leads to confusion about the topic, contributes to breakdowns in communication, and causes a lack of emphasis.

Most of those we interviewed felt that officially clarifying work force planning for agencies is the very least executive leadership can do to create a higher level of concern about the purpose and potential value of sound work force planning.

#### EMPLOYMENT CONSTRAINTS AFFECT WORK FORCE PLANNING

Personnel ceilings, average grade controls, hiring and promotion freezes, and across-the-board cuts are among the most commonly cited problems affecting the development and use of good work force planning procedures, although they are not unique to work force planning. Most are viewed as very subjective or arbitrary actions. With these constraints in force, they literally stop or detour agencies' staffing actions and, among other things, tend to force imbalances between the in-house and contracted work force.

All managers and officials we talked with were in general agreement that these constraints were obstacles to good personnel management. They believed that overly restrictive constraints and arbitrary personnel limitations promoted as sound management were counterproductive and stifled management's initiative to develop a work force planning capability.

#### NEED FOR INTEGRATING WORK FORCE PLANNING WITH OTHER MANAGEMENT SYSTEMS

Because work force planning provides the foundation for work force requirements and staffing management decisions, it needs to be an integral part of management planning and decisionmaking systems. Organization management and planning, budget and accounting, personnel, and program management should form the hub of this integration.

Managers we interviewed felt that most departments and agencies had not developed the degree of integration or the level of interaction between management groups needed for effective work force planning. According to some managers, in many organizations there is little communication between some of the key management groups. This situation diminishes the potential development or use of the work force planning capability. Managers' overall view was that, because of these problems, an organization's overall management planning and decisionmaking capability is diminished and the benefits of an integrated work force planning system are neither understood nor appreciated. Most managers agreed that the Government should be advocating a movement toward a quality management approach to justify and distribute staff resources.

#### LIMITED PROGRESS IN DEVELOPING WORK MEASUREMENT AND PRODUCTIVITY ANALYSIS CAPABILITY IN ALL DEPARTMENTS AND AGENCIES

Work measurement capability is an important element of the work force requirements phase of work force planning. Agency progress in developing productivity and work measurement systems has been slow, and no comprehensive effort has been made, in recent years, to assess the actual status of agencies' progress. Most of the agency representatives said that managers had little enthusiasm for involving themselves in work measurement and work force analysis activities. Several managers we interviewed said that OPM's Work Force Effectiveness and Development Group was making progress in this area.

## LIMITED LEADERSHIP IN WORK FORCE PLANNING

Most managers and agency representatives felt strongly that agency work force planning methods and techniques receive little attention. Some agencies, however, have made greater strides than others in developing systematic approaches to work force requirements and staffing needs planning. Although they have their problems, the military departments and agencies are generally considered to have moved further along on work force requirements than most of the civilian agencies.

Managers believe top Federal executives, who are generally short-term political appointees, are not concerned with management planning systems and are reluctant to spend appropriate resources to improve agencies' capability in this area. Top executives are primarily concerned with agency program results rather than potential long-range management improvements, such as resource planning systems, which may not produce results during their tenure. Managers view the continuity and commitment of top agency management support over several years as essential for any sustained development and progress in agency work force planning.

Strong views were also expressed that much of agency management's lack of attention to work force planning is largely the result of OMB's and OPM's limited leadership and direction. Without a focal point for this topic advocating and providing overall guidance, limited progress can be assured.

### CHAPTER 3

#### AGENCIES NEED STRONGER LEADERSHIP FROM OMB AND OPM

The primary mission of OMB and OPM is to provide leadership and to offer appropriate guidance and direction on the variety of management functions departments and agencies must perform. Both agencies recognize the purpose of work force planning and know that it involves a complex set of multidisciplined tasks and procedures requiring the special attention of agency management. OMB and OPM have not, however, provided agency management with any comprehensive or specific guidance to establish and follow a certain level of work force planning. OMB and OPM officials believe that appropriate guidance has been provided in various formats and that agencies are responsible for developing their own work force planning systems.

Despite the view of OMB and OPM officials, the problem of leadership and direction from the central management agencies is consistently expressed as a major factor inhibiting the development and use of sound work force planning capabilities in Federal agencies. Our reports, other agencies' reports, and various management improvement proposals have emphasized this situation and have expressed the need for stronger leadership and more direction.

Recent interviews we conducted with agency officials and managers also conveyed that there is a lack of leadership on this issue and that much more could be done. Most felt that OMB and OPM are responsible for creating the proper atmosphere for progress in this area. Most also agreed that, due to the fundamental nature of work force planning, there should be a considerable degree of uniformity in the way agencies perform their work force planning tasks and that this can only be achieved from a strong leadership position taken by OMB and OPM, including uniform definitions, operating procedures, and system components.

#### OMB GUIDANCE TO AGENCIES

OMB is responsible for assisting the President in providing management policy leadership and assistance to departments and agencies. This includes such areas as planning and information systems development which have primary objectives of improving the efficiency and effectiveness of the Government.

OMB has, over the years, issued bulletins and circulars to provide management guidance to departments and agencies. These bulletins and circulars convey information on various management and budgeting activities with which agencies are concerned.

OMB officials state that several circulars convey the need and responsibility of agencies to develop and use sound management procedures and practices for improving and maintaining the efficiency and effectiveness of their operations and supporting their budget submissions. Circulars A-64; A-11; and A-117, a new circular, provide some of this guidance. Following are selected excerpts from these circulars which one could draw guidance on work force planning.

1. Circular No. A-64, Position Management Systems and Employment Ceilings. According to this circular, recently updated on July 30, 1980, its purpose was to provide (1) guidelines for effective position management activities and (2) information on the concepts and procedures to be followed with regard to employment ceilings, which will be calculated in terms of full-time equivalent employment beginning in fiscal year 1982. The circular states that:

"\* \* \* position management is the structuring of positions, functions, and organizations in a manner that optimizes efficiency, productivity, and organizational effectiveness. The position management program should be designed to assure efficient distribution of staff resources and to aid in identifying, preventing and eliminating unnecessary organizational fragmentation; excessive layering; excessive use of deputies and assistants; improper design of jobs; outmoded work methods; and inappropriate span of control. \* \* \*"

\* \* \* \* \*

"\* \* \* The requirements for the authorized position structure should be determined through the use of such tools as work measurement, productivity analysis, and personnel and workload forecasts, consistent with budget determinations. An adequate position authorization and employment control system should provide control over full-time permanent employment as well as over total employment. Such a system should also provide a means of determining the relative cost of contract versus Government

performance of commercial or industrial activities. Before an in-house activity is reviewed under OMB Circular No. A-76, current organization, staffing, and work methods should be evaluated to determine the most efficient means of Government performance \* \* \* ."

2. Circular No. A-11, Preparation and Submission of Budget Estimates. This circular, issued annually, is the primary guidance for agencies in making their budget requests. It states, in part, that:

"Work measurement, unit costs and productivity indexes should be used to the maximum extent possible in justifying staffing requirements.

"Properly developed work measurement procedures should be used to produce estimates of the staff hours per unit of workload. \* \* \*  
If an agency does not have a work measurement system that provides this type of information, statistical techniques based on historical employment input and work input may be used, while an appropriate system is under development."

According to the circular, OMB will also assist agencies in establishing or improving their work measurement and productivity analysis systems. OPM's Work Force Effectiveness and Development Group is also providing work measurement and productivity analysis assistance to agencies.

3. Circular No. A-117, Management Improvement and the Use of Evaluation in the Executive Branch (Supercedes A-44 and A-113). This circular, dated March 23, 1979, is designed to provide guidance to agency management on efficiency and effectiveness improvement initiatives. It defines management improvement initiatives as "any action taken to improve the quality and timeliness of program performance, increase productivity, control costs, or mitigate adverse aspects of agency operations." It states that:

"Each agency will assess the efficiency and effectiveness of their programs and seek improvement on a continuing basis so management will reflect the most progressive practices of both public and business management, and result in improved service to the public. The agencies selection of improvement projects should be based on appropriate evaluation techniques."



The circular also states that OMB is responsible for:

- Identifying areas where significant management improvements can be achieved and taking steps necessary to accomplish those improvements.
- Assessing the effectiveness of agency improvements and evaluation activities.
- Disseminating information on successful improvement initiatives.
- Promoting the development and use of valid performance measures.
- Conducting or sponsoring a limited number of improvement projects which will generally be of Presidential interest.

Most agency managers we interviewed believed that these circulars have limited impact on promoting and encouraging the development and use of sound work force planning systems. They believed also that a special commitment to comprehensive work force planning is needed.

#### OPM INVOLVEMENT IN WORK FORCE PLANNING

Neither OPM nor its predecessor, the Civil Service Commission (CSC), has issued any policy statements, regulations, or directives addressing a comprehensive work force planning system for agencies to follow.

However, OPM and CSC have addressed, to varying degrees, aspects of work force planning, primarily from a total Federal work force perspective. The New Hire Estimates Survey used until fiscal year 1980 and its replacement system aggregate historical hiring data, current assessments, and on-board strength to provide basic information to monitor changes in the configuration of the Federal work force. The Work Force Effectiveness and Development Group is also contributing to the further development of measurement systems with emphasis on the generation of productivity data to assist management. We have recently been advised that this Group plans to address additional aspects of work force planning through its research and measurement programs, as well as in its efforts to distribute information on good management practices. These various activities are important sub-elements that can lead to a comprehensive work force planning capability in

the Government. These activities reflect a basic agreement with our thinking and can provide the basis for a more comprehensive initiative.

CSC-PROPOSED FEDERAL WORK FORCE  
PLANNING POLICY AND MINIMUM STANDARDS

On September 25, 1974, CSC sent to agencies, for comments, a draft policy and minimum requirements for work force planning. This effort was the result of several years of work by CSC's Bureau of Policies and Standards. In its transmittal Bulletin 250-4, CSC stated:

"We have developed this statement in response to the widely recognized need for the Government to give current expression to the importance of and necessity for effective manpower planning systems as a part of existing agency management systems.

"\* \* \* The policy statement recognizes and supports these management systems. It requires agencies to develop and install an agency-wide manpower requirements planning system to mesh with the organizations operational and financial management planning systems."

CSC stated it wanted the advice and comments of agency management. It was especially concerned about definitions of terms, scope and clarity of the policy statement, and the various elements or components of the planning system. CSC also told agency managers that it had considered ways to assist agencies in implementing this policy, including

- training courses in manpower requirements planning and training modules;
- guidelines for implementing the systems;
- research in new methods;
- technical assistance to agencies; and
- information clearinghouse on work force requirements planning.

Section V of the draft policy letter, entitled "Statement of Policy," stated that:

"It is the Commission's policy that:

"1. All Commission and agency personnel management officials recognize the work force estimating aspects of organization manpower planning as the direct responsibility of agency line management; that

"2. Such Commission and agency officials provide full assistance and support to management and to management staff in the performance of their work force estimating responsibilities under the policies and requirements of the President, the Congress, and agency top management; that

"3. Commission and agency personnel officials establish the manpower requirements planning phase of organization manpower planning as an essential responsibility of agency personnel management at all levels; and

"4. Agency directors of personnel take immediate action to develop and install agency-wide manpower requirements planning systems \* \* \* ."

Although OPM did not keep a file on the proposed policy, an OPM official, who was involved in the project, said that agency reactions were generally favorable. The concept, definitions, and approach were found to be acceptable to most respondents. Most also agreed that the issuance of the policy would require agencies to do more planning than they were then doing and that, to do this level of planning, more resources and technical ability would be required. CSC therefore concluded that issuance of the policy at that time would not be a sound move. It decided to delay policy issuance and to develop some of the "how to" technology.

In 1977, it issued a handbook entitled "Planning Your Staffing Needs, a Handbook for Personnel Workers." The handbook, to be used as an optional guide for personnel management offices, provided a concise description of work force planning and made distinction between work force requirements and staffing needs planning; it explained technical methods for projecting staff turnover and computer methods for analyzing turnover, advancement, and hiring needs.

Subsequent to the issuance of this handbook, neither CSC nor OPM has shown special interest in comprehensive work force planning policy or standards.

CSC EFFORTS TO DEVELOP THE FEDERAL  
PERSONNEL MANAGEMENT INFORMATION SYSTEM

As part of the continuing efforts to make progress on the Federal Personnel Management Information System, CSC established several task groups in 1974 to examine elements of the system. Task group V was responsible for addressing work force planning with regard to information requirements of the system. It was to examine CSC goals and objectives for developing manpower planning capability in agencies and in CSC, assess the feasibility of the system's providing assistance in manpower planning, and identify manpower planning activities.

The group recognized the problems with definitions and semantics and applied the labels "manpower requirements planning" for the requirements phase and "personnel management planning" (PMP) for the staffing needs planning phase, citing that a number of experts in the area have been using these descriptions. With this separation, the group made it clear that its major concern was personnel management planning.

As a result of the group's research, it found that CSC had no official goals or objectives for developing work force planning capability in the agencies or in CSC. However, during its work, the group discovered CSC's effort to issue a draft policy on manpower planning for agency comment. (See p. 14.) In view of the short time frame for its effort, the group did not have enough time to consider policy application.

On October 21, 1974, task group V provided its report to the Director, Bureau of Management Information Systems, CSC. It recommended that CSC

- develop standard methods and programs for aggregating PMP data from the Federal Personnel Management Information System's data base;
- develop computer models to deal with standard types of PMP problems;
- act as a clearinghouse for all PMP efforts and ideas;

- develop a PMP consulting capability which would be offered to all executive agencies;
- develop a standard PMP system which would insure that an organization's PMP problems are identified, brought to the attention of line managers, subjected to positive action, and tracked to solution; and
- develop and offer to all executive agencies training in PMP.

Although many of these recommendations were similar to the contents of the draft policy statement circulated on September 25, 1974, no specific actions were taken.

Followup report issued 2 years later

Two years later, in 1976, CSC asked that the manpower planning applications of the Federal Personnel Management Information System be reevaluated. In January 1977 a new report was submitted to CSC which covered much of the information contained in the prior report and related additional information on the broader issue of work force planning, including leadership responsibilities of OMB and CSC.

Regarding OMB and CSC activity on the topic of work force planning, the report stated:

"\* \* \* OMB and CSC are currently giving no more than lip service to the need for work force planning. Neither agency is willing to take on the responsibility of establishing common manpower engineering techniques that would support manpower standards. The reluctance stems from a belief that it does not have the legal charter. CSC should make an investigation into this area to see what would be involved if they were to accept responsibility for these tasks."

The report recommended that CSC take several actions, including

- defining manpower planning;
- eliminating manpower needs planning for the Federal Personnel Management Information System;

- exploring with selected agencies their procedures for developing requirements standards (for the civilian personnel function); and
- making contacts with all executive agencies to discuss their manpower needs planning activities to determine agencies' needs in manpower planning, developing the planning tools and promoting them, serving as a clearinghouse, developing an approach that insures the use of the planning tools, and providing the necessary training in manpower needs planning.

1976 INTERAGENCY ADVISORY GROUP ANNUAL  
REPORT RECOGNIZED WORK FORCE PLANNING

In its 1976 annual report, the Interagency Advisory Group gave recognition to the importance of work force planning. The report revalidated and referenced the finding of the 1968 Interagency Advisory Group Workshop on Manpower Planning. That workshop concluded that:

"\* \* \* there is an urgent need for more definitive CSC leadership in the field of work force planning \* \* \*. Delays in establishing a manpower planning function can only invite disaster in the competitive jungle of tomorrow's labor market \* \* \*. As a matter of priority, the CSC should enunciate a work force planning policy \* \* \*."

FEDERAL PERSONNEL MANAGEMENT PROJECT  
ADDRESSED WORK FORCE PLANNING

In 1977 the President established the Federal Personnel Management Project as one of his key efforts toward Federal reorganization and management changes. The project report, issued December 1977, addressed work force planning, along with most of the other important management issues, and made a concise presentation on some of the major problems agencies face in developing and using a work force planning system as an important resource management tool. It also provided many suggestions and recommendations to address some of these problems and improve the overall status of work force planning in the Government.

According to the report, agencies have no specific requirements for developing and using work force planning systems, and no incentive exists for them to do so. As a result, most agencies do not follow any specific work force

planning method in determining their manpower needs. Agency estimates are largely adjustments to prior years' budgets that the agencies believe will be appropriate for subsequent review stages. For agencies that have developed systematic approaches to justifying manpower requests, the data is frequently not considered or has little influence in budgets supported by such systems.

Also, the report mentioned other constraints on work force planning. The report stated:

"\* \* \* Furthermore, OMB-levied constraints such as position ceilings, hiring freezes and average grade controls tend to be imposed without reference to either work force planning or other justifications that may be in the budget \* \* \*. Constraints and other arbitrary resource reductions reduced the agencies ability to plan with any assurance or to apply the plan. They lead to the great budget game of inflating requests in anticipation of cuts and cutting requests in expectation of inflation."

Recommendation No. 38 of the Federal Personnel Management Project Final Staff Report addressed the topic of work force planning. The report recommended that

- the Government establish a work force planning capability;
- each agency develop a system that supports and is integrated with the budget process;
- OMB develop criteria for work force planning systems and oversee and accept work force planning and related productivity data as the basis for budget decisions;
- OPM be responsible for followup staffing needs planning; and
- Federal leadership rely on work force planning, the budget process, and positive position management in place of position ceilings and other similar constraints to control costs.

The report also stated that carrying out this broad recommendation would require a Presidential Executive order, OMB's issuing broad guidance to agencies and internal instructions to agency budget examiners, and OPM's issuing instructions on staffing needs planning.

Since the project report's issuance, no action has been taken on this recommendation.

PRESIDENT'S MANAGEMENT IMPROVEMENT  
COUNCIL PROPOSES WORK FORCE  
PLANNING DEMONSTRATION PROJECT

On June 11, 1980, the Executive Director of the President's Management Improvement Council suggested to OPM that a work force planning demonstration project be planned and initiated under title VI of the Civil Service Reform Act. In his memorandum to the Deputy Director, OPM, the Executive Director stated:

"There is, in my opinion, an acute need for Federal departments and agencies to develop much more effective agency-wide manpower planning. \* \* \* Manpower planning needs to be carefully linked to changes in agency programs and to shifts in workload and workload patterns. The faster manpower changes can be made to anticipate or react to change the better."

According to the memorandum, the objectives of the project would be to

--develop in one or more agencies a manpower strategy and policy \* \* \*.

--develop an agency manpower plan--a separate plan tied to program needs, and separately reviewed and approved as a condition precedent to the budget process. \* \* \* This would show in a single document the total manpower needs of the agency, and their relationship to program requirements. It would give agency leadership, OMB and Congress a clear view of manpower needs and how they will be met. It would permit assessment of where trade-offs should be considered (e.g. in-house vs. contract), anticipated gaps, shortages, or surpluses of manpower, and the total manpower costs of carrying out the agency's role. This plan would be subjected to regular justification and explanation in OMB and Congress, but it raises the justification process to an 'executive' level, rather than a detailed line item basis. A



means would have to be provided for changing the plan to reflect changing circumstances such as new program legislation.

"--seek the authorization of new manpower control authority for the agency head--the intent of the project would be to require the agency head to develop a complete manpower strategy and plan, justify it, and then live with it, making whatever decisions or changes are necessary to do so. This means getting control over detailed manpower actions back from OMB and Congress. It is assumed that special authority or waivers of statutory constraints on manpower deployment and movement would be required \* \* \*.

"--subordinate manpower plans--agency heads would make sub-allocations of manpower to principal line and staff offices and hold these office heads accountable for implementation."

According to an OPM official, the proposed project is, among others, under consideration for implementation under title VI of the Civil Service Reform Act.

OPM is considering a work force  
planning and budget process initiative

Subsequent to the receipt of the work force planning proposal from the President's Management Improvement Council on June 11, 1980, the Deputy Director, OPM, has been coordinating the development of a management improvement initiative tentatively identified as the work force planning and budget process proposal. This initiative is at the very preliminary discussion stages within OPM.

## CHAPTER 4

### REPORTS ON ASPECTS OF WORK FORCE PLANNING

We have addressed a number of aspects of work force planning over the past several years and have pointed out a number of problems faced by many Federal departments and agencies. Most of our reports, however, have addressed the aspects of the work force requirements phase of work force planning, and most have been the result of our reviews of military departments and agencies. Despite the amount of attention we paid to the work force requirements phase, a major conclusion in most of our reports was the need for top management to be more concerned with the way work force planning was done and the need for improved control and guidance for the operating groups within agencies. (For a list of reports addressing work force planning, see app. I.)

We made followup inquiries on 17 of our reports that represented a cross section of the type of problems identified in work force planning. Our followups and our discussions with agency officials generally disclosed that many of the problems we identified still persist and confirmed the perceptions and problems cited by agency officials.

Following are summaries of the report findings; recommendations; and agency actions, if any, as a result of the recommendations.

"Substantial Staff and Cost Reductions  
Possible to Military Telecommunications  
Centers Through Use of Uniform Staffing  
Standards" (LCD 74-120, Jan. 7, 1975)

We found that the Office of the Secretary of Defense (OSD) had not issued specific guidance for staffing of Department of Defense (DOD) telecommunications centers. We therefore recommended that the Secretary of Defense, or his designee,

- develop uniform DOD telecommunications center staff standards;
- update the standards, as necessary, to encompass evolving telecommunications automation advances; and
- insure that staffing levels are consistent with the standards.

On October 15, 1975, DOD issued Instruction 4605.3, "Uniform Staffing Standard for Manual Telecommunications Centers," which was designed to provide specific guidance to military departments and agencies in making staffing decisions at telecommunications centers.

During our recent inquiries, DOD said it was reissuing the instruction to provide guidance to manual and semiautomatic telecommunications centers. Also, over the past 5 years, the number of personnel at telecommunications centers has been reduced from more than 19,000 in 1975 to less than 12,000 in 1980. This reduction was not attributed solely to the use of uniform staffing standards. Consolidation and automation and lease versus own decisions also contributed to these reductions. DOD did not monitor compliance with the instructions.

"Suggested Improvement in Staffing and Organization of Top Management Headquarters in the Department of Defense"  
(FPCD-76-35, Apr. 20, 1976)

We found opportunities for improving several areas of manpower management, including

- possibilities for consolidations and/or cutbacks in staffing;
- changes in accounting for headquarters personnel;
- changes in manpower management procedures and organizational structure;
- decisionmaking procedures at the OSD level; and
- the impacts of external information demands and changing workloads.

We made several broad recommendations to the Secretary of Defense, most of which were agreed with in principle; however, limited action was taken. The Secretary of Defense disagreed with our recommendation to implement a system to account for headquarters personnel on the basis of the type of work performed. Such a system would improve the identification and accountability of headquarters personnel regardless of the organizational components or location.

"Improvements Needed in Defense  
Efforts To Use Work Measurement"  
(LCD-76-401, Aug. 31, 1976)

We found that the military services were spending 4,483 staff years on applying work measurement procedures at a cost of \$58 million; however, they were not receiving enough management attention to realize their fullest potential for managing manpower. Because of the lack of central direction from the OSD level, each department operated largely independent of the other and, consequently, did not benefit from sharing individual problems and experiences.

We recommended that the Secretary of Defense insure strong leadership, direction, and control over work measurement activities within DOD so that the work measurement skills could be applied to service areas having the greatest potential benefit. We further recommended that, in so doing, the Secretary of Defense

- establish a reporting system for periodically measuring and evaluating the contributions of work measurement to DOD's objective of obtaining best resource allocation;
- monitor and review each service's actions with respect to the number of personnel assigned to work measurement to insure that adequate attention is given to the program;
- encourage the service secretaries to realine the functions of work measurement to insure its maximum independence; and
- survey the services' activities to identify those areas, such as below-depot maintenance operations, where it is cost beneficial to develop labor standards.

During our recent inquiries, OSD said it was developing overall guidance on work methods and measurement for all DOD components. This guidance will establish a DOD policy and prescribe procedures for the application of work measurement. DOD officials expect the policy and procedures statement to be issued during fiscal year 1981.

"Determining Requirements For Aircraft Maintenance Personnel Could Be Improved--Peacetime And Wartime"  
(LCD-77-421, May 20, 1977)

We found that the military services could reduce peacetime maintenance personnel costs by millions of dollars by improving their systems to determine peacetime and wartime requirements and by making greater use of Reserve personnel to meet certain wartime maintenance workloads.

We recommended that the Secretary of Defense direct the service Secretaries to:

- Improve the manpower requirements determination process by (1) insisting upon evaluation of the critical assumptions concerning the use of forces and their impact on below-depot aircraft maintenance manpower and (2) modifying manpower determination systems to include current, accurate, and reliable manpower determination factors and maintenance data.
- Develop alternatives for greater use of Reserves while determining the most cost effective and appropriate mix of the Forces (Active and Reserve) to meet the below-depot-level maintenance personnel requirements.

We were later told that several actions had been taken to address these concerns. Force sizing and structuring guidance was provided to the military departments on March 11, 1977. This guidance also contained direction to the services for adopting staffing standards to cover as many positions as possible. The standards are to include a quantifiable relationship between workload measures and man-hours. DOD said that using Reserve Forces to augment Active Forces was a key part of its policy and that it continued to seek opportunities for making greater use of the Reserve Forces.

"Personnel Ceilings--A Barrier to Effective Manpower Management"  
(FPCD-76-88, June 2, 1977)

We reported that personnel ceilings were, at best, an inferior substitute for effective manpower management. We stated that ceilings had many negative effects on agencies, including

- reducing services to the public and to agencies,
- deferring or canceling essential work and creating backlogs,
- creating work force imbalances, and
- increasing overtime costs and contract services.

We concluded that aggressive action should be taken to improve manpower management in Federal agencies and that a test should be conducted to rely on the budget process and the quality of manpower requirements estimates.

We recommended that the Director, OMB:

- Establish a task force at the earliest practicable time to develop criteria and action plans for a controlled and rigorous demonstration of the feasibility and general applicability of the budget process as a control over total manpower resources, including direct employment. The demonstration project should be undertaken simultaneously in several agencies with different types of operations.
- Consult and coordinate closely with congressional committees involved to invite their support of this project and furnish the committees with periodic reports on the progress of the demonstration effort.

On November 8, 1976, the then-Director, OMB, responded to our request for comments on the report by reiterating the OMB position that:

"\* \* \* employment ceilings exist to constrain increases, primarily because of the proper concern of the President, many members of Congress, and the public in the number of employees on the Federal payroll, regardless of any other considerations. Without ceilings, there would be no effective control over these numbers, as employment probably would increase at a faster pace than is now the case \* \* \*."

In March 1980 an OMB official said that the OMB position had not changed. OMB will continue to use personnel ceilings to control the size of the Federal work force.

In recognition of the need for improving personnel management and in keeping with the President's desire to provide more opportunities for part-time employees, OMB made a test of full-time equivalent controls at the Veterans Administration, Federal Trade Commission, Export-Import Bank, General Services Administration, and Environmental Protection Agency.

An OMB official emphasized, however, that this test and planned adoption of full-time equivalent in fiscal year 1982 were in no way related to the our report. OMB has not been responsive to our recommendations because the administration favors personnel ceilings to control the size of the Federal work force.

"The Work Measurement System of the Department of Housing and Urban Development Has Potential But Needs Further Work to Increase Its Reliability"  
(FPCD-77-53, June 15, 1977)

We found that, although the Department was making progress in developing its work measurement system, it needed to make improvements in several areas.

We cited several weaknesses in the Department's work measurement standards, such as:

- Methods studies on how to work efficiently and to eliminate nonessential and duplicative operations were not a part of standards development; hence, standards incorporated whatever inefficiencies existed in the way work was done.
- The questionnaire interview procedures resulted in data that varied widely, making it virtually impossible to develop valid standards from such data.
- Tasks for some standards were not sufficiently defined. This resulted in large task times and greater margins of error in the data.
- Data was discarded and personal judgments were used to develop some standards, making them subjective estimates rather than true work measurement standards.
- Program managers were involved in setting some of their own standards and therefore the standards may have been set too high.

- Documentation was not available to support some standards, particularly the reasons why data was adjusted.
- Sample offices from which some standards were developed are probably not representative of the Department as a whole.
- No formalized procedure exists for insuring that standards are reviewed and updated when organizational or procedural changes are made to improve efficiency. Without this procedure, standards may soon be outdated.

We recommended that the Secretary of Housing and Urban Development take a number of actions to improve work measurement activities in support of manpower requirements. We recommended also that a comprehensive improvement plan be included in the Department's next budget submission, along with a progress statement on the problems identified in our report.

The Department acknowledged many of the problems and told us that certain corrective actions were in process. During our recent inquiry, it said that it was making progress on its work measurement capability and that it had

- instituted a task force to determine specific steps to improve the work measurement system,
- improved the work sampling techniques to insure randomness of samples,
- instituted an annual plan to review standards, and
- conducted 5 courses and trained about 100 individuals in work measurement techniques.

"Development and Use of Military Services Staffing Standards: More Direction, Emphasis, and Consistency Needed" (FPCD-77-72, Oct. 18, 1977)

We found that the military departments, except for the Air Force, had been slow in developing and using credible staffing standards. We believed that it would take years before any meaningful progress would be made and that this situation was largely due to the absence of effective guidance, uniform definitions, and little attention given to this activity by DOD top management.



We recommended that the Secretary of Defense require the services to develop and use staffing standards to a greater extent in determining staffing requirements and that he implement this recommendation by

- establishing a comprehensive staffing standards program that would delineate the basic assumptions, definitions, and methods to be used;
- establishing realistic goals for increased coverage of functions and personnel by staffing standards and periodically monitoring progress in achieving the goals;
- insuring that the services assign high priority in providing the proper number, quality, and training of personnel assigned to staffing standards development;
- directing the services to use civilians instead of enlisted personnel for developing staffing standards, unless a specific need for military personnel can be justified; and
- requiring that the services' justification for support personnel requests specify those positions supported by staffing standards.

OSD acknowledged our findings and said it was aware of the need for providing more direction and emphasis on manpower requirements determination. During our recent inquiry we were advised that limited progress had been made in this area due to the priority attention being given to mobilization planning and the continued limited attention being given to this topic by OMB.

"Uniform Accounting and Workload  
Measurement Systems Needed for Department of Defense Medical Facilities"  
(FGMSD-77-8, Jan. 8, 1978)

We found that deficiencies in the military departments' budgeting, accounting, and workload measurement systems resulted in DOD's having inadequate information to manage its military health care resources effectively. Over 9 million active and retired military personnel and their dependents and survivors are eligible to receive health care and services through a worldwide system of about 180 hospitals and 160 ships for which DOD spent about \$5.3 billion in fiscal 1976.

Also the military departments did not have uniform procedures for preparing budget estimates, accounting for and reporting operating costs, and measuring the workload of medical facilities. Lacking comparable cost accounting and workload information, DOD has been unable to make meaningful interservice comparisons or to evaluate the efficiency of the military services' medical departments.

We recommended that the Secretary of Defense

- initiate uniform procedures for accumulating and reporting military services' medical facility costs, which are to be included in DOD's operations and maintenance budget submissions,
- develop and issue uniform staff criteria for military health care facilities,
- require that responsible DOD managers (1) analyze uniform financial and workload information when it is developed and reported and (2) take the necessary actions to allocate medical resources efficiently, and
- require that internal auditors participate in developing uniform cost and workload systems for military medical facilities to insure that sufficient internal controls are included in the systems.

DOD generally concurred in our recommendations made in the report; it said it was taking certain actions in response to our recommendations. During our recent inquiry, DOD advised that it had developed and published a uniform chart of accounts for fixed medical and dental facilities, and this would permit improved management decisionmaking regarding costs, workload, and staffing of these facilities. Also the Office of the Assistant Secretary of Defense (Health Affairs) is now developing guidance for uniform staffing criteria for health care facilities.

"Personnel Restrictions and Cutbacks  
in Executive Agencies: Need for  
Caution" (FPCD-77-85, Feb. 9, 1978)

We reported that, in recent years, much emphasis had been placed on reducing the total number of employees in the executive branch. For the Government to be effective, its programs and activities must be effectively implemented. Sound implementation can be weakened by too many employees, resulting in costly nonproductivity, or by too few, resulting in an unmanageable workload.

In the past several years, we have issued many reports illustrating the problems caused by insufficient staff. The problems, affecting a broad range of Government programs, include work backlogs; ineffective implementation of legislative mandates; excessive use of overtime and consultants; and, in several cases, criminal abuses.

Staff shortages are sometimes the result of agency mismanagement. When program priorities have not been effectively set, the total number of employees may be adequate but certain programs may have too few employees while others have too many. Some programs, however, are inadequately staffed for reasons over which the agency has little or no control. For example, insufficient funds can prevent an agency from hiring the employees it needs; personnel ceilings can have a similar restrictive effect. Once the Congress is assured that an agency is balancing its personnel resources as effectively as possible, it can then evaluate each agency's specific staffing needs and avoid across-the-board cutbacks which do not take those needs into account.

We concluded that mechanisms for controlling resources are needed. However, any approach which involves controlling only one element of the total resources, such as personnel, runs the risk of distorting overall management decisions. Management and balancing of personnel needs are the focus of this report; however, other elements--such as travel, equipment, workspace, and supplies--must also be carefully analyzed to achieve an effective balance. In any of these areas, unbalanced allocation of resources, whether the cause be inadequate internal management or external constraints, can result in failing to carry out the necessary programs.

We recommended that the Congress carefully assess the impact of personnel ceilings and cutbacks, to avoid personnel reductions at the expense of effectively administered programs.

"Management and Use of Army Enlisted Personnel--What Needs To Be Done?"  
(FPCD-78-6, Feb. 16, 1978)

We found that improvements were needed in the Army's system for managing and using its enlisted personnel as effectively and efficiently as practicable. As a result of our findings, we recommended several improvement actions for the Army, including

- designating a central authority responsible for developing and enforcing policies and regulations and developing instructions on the distribution, assignment, and use of enlisted personnel;
- improving the personnel reporting system to provide appropriate data on personnel experience, proficiency, and other data valuable to management for realistic assessment of readiness; and
- directing the audit, inspection, and other evaluative activities to intensify its review and reporting on the effectiveness of enlisted personnel management and use to continue the identification of areas where improvements can be made.

OSD and the Army acknowledged our findings and generally concurred in our recommendations. We were told that several efforts were being taken to address some of the problems we cited. During our recent inquiry, we were advised they were making continued progress in improving the management and use of enlisted personnel.

"Estimates of Federal Employees  
Available Time for Work Distort  
Work Force Requirements"  
(FPCD-78-21, Mar. 6, 1978)

We found that the size of the Federal work force is based partly on the time workers are available to perform their primary duties after deducting time for absences, such as leave and training. Due to the lack of overall guidance, agencies do not account for the same kinds of absences and do not use current and reliable data to estimate availability. As a result, personnel requirements may be overstated, understated, or improperly distributed.

Manpower requirements are clearly dependent on the accuracy and credibility of workload estimates and estimated work force availability. Errors in estimating work force availability can have a major effect on the number and costs of personnel. For example, an error of 1 day a month in the estimated availability for Federal civilian workers would create an annual estimating error of about 114,500 staff-years and could cost about \$1.7 billion. We found that estimates of availability vary and that agencies, in determining staff needs, are not accounting for absences consistently. Of the eight agencies we examined, six accounted for annual leave on the basis of leave used and the

other two accounted for it on the basis of leave earned. The latter method tends to understate availability and overstate requirements because Federal employees use only about 93 percent of their accrued leave. For example, if the leave-earned basis were used for one-fourth of all Federal employees, the result would be an overstatement of manpower requirements by about 3,700 staff-years and about \$54 million annually.

We recommended that, to improve estimates of staffing needs, OMB provide agencies with guidance on

- identifying the kinds of absences to consider in estimating staff availability;
- validating or adjusting their estimates annually;
- documenting and retaining their estimates as part of their justification for staff needs; and
- recognizing differences in staff availability by organization, location, or function.

OMB officials said that they would consider our recommendations, but they did not wish to comment on them pending further study.

In December 1979 we issued a report to the Secretary of Defense entitled "Estimates of Available Hours for Military Personnel in Wartime District Force Requirements and Planning" (FPCD-80-6, Dec. 11, 1979). In that report we evaluated policies of the services to determine whether each of the services had an effective and up-to-date basis for planning, allocating, and using its manpower resources and whether OSD had the tools necessary to monitor and evaluate the service programs.

"Naval Shipyards--Better Definition  
of Mobilization Requirements and  
Improved Peacetime Operations Are  
Needed" (LCD-77-450, Mar. 31, 1978)

We found that the size of the shipyard complex had evolved without adequate consideration of mobilization requirements and that shipyard operations could be improved through better management of shipyard labor and material resources. We found also that, although the Navy had not routinely made such predictions, it assumed that wartime workloads were greater than those of peacetime. To determine the validity of this assumption, the Navy should have

- quantified expected mobilization requirements,
- defined expected work to be done at each level of maintenance and at private or naval shipyards,
- determined the amount of work which can be done at allied facilities, and
- determined the effect of peacetime productivity levels on shipyard capacity and capability needs.

These efforts would be needed to be sure that shipyard modernization funds are optimally spent to support mobilization needs.

Also the Navy's work force management system needed:

- An effective work measurement system, including work methods and labor standards, to plan for, measure, and control shipyard labor resources. The system, although in effect since 1951, is not fully used.
- Effective management systems for analyzing variances from labor and material standards and for taking corrective action as appropriate. Its management information systems do not produce reliable data for decisionmaking.

Concerning work measurement capability, we recommended that the Secretary of the Navy

- provide greater management support and reinforcement of work measurement concepts and principles at shipyards,
- critically examine the workloads at each shipyard to determine the work on which labor standards' development and maintenance efforts should be concentrated,
- require system discipline and integrity to overcome existing inadequacies and errors in present standardized management information systems, and
- closely monitor the above actions and establish a realistic target date for estimating labor requirements based on labor standards rather than on historical data.

OSD and the Secretary of the Navy acknowledged the problems we identified and said they were planning corrective measures. During our recent inquiry, the Navy told us of its progress in using labor standards and work schedules.

"OMB Needs To Intensify Its  
Work Measurement Effort"  
(FPCD-78-63, July 4, 1978)

We found that, although OMB encouraged agencies to use work measurement procedures to help justify their budget submission, several agencies OMB identified as having good zero-based budget submissions in fiscal year 1979 did not use work measurement systems to determine and justify their manpower requirements and were not planning to develop such systems. However, the general attitude among the agencies we visited was that the use of work measurement system to support staffing requirements is not mandatory; the agencies have not received any specific guidance from OMB identifying those areas which are susceptible to work measurement. Since they do not believe that it would be cost effective to establish work measurement systems, they generally do not have any immediate plans to develop such systems.

To improve agency work force planning and development of work measurement systems, where feasible, we recommended that the Director, OMB,

- identify areas where work measurement systems are applicable and cost effective and enforce their use,
- clearly specify the functions or elements of agency responsibilities where use of work measurement systems to support staffing requirements is optional,
- provide agencies with assistance in developing work measurement systems and enforce their use as planning tools, and
- monitor the reliability of agency work measurement systems.

During our recent inquiry, an OMB official said that zero-base budgeting emphasizes productivity and work measurement activities and that guidance was being developed on the use of work measurements to assist agencies in their zero-base budget submissions. Also OMB was concerned about the lack of consistency, uniformity, and definitions agencies

were using. To address this situation, OMB plans to periodically distribute management memoranda on some of these problems.

"Using Civilian Personnel for  
Military Administrative and Support  
Positions--Can More Be Done?"  
(FPCD-78-69, Sept. 26, 1978)

We reported that, although DOD and the military services had converted many military positions to civilian positions over several years, there remains considerable opportunity for additional conversions. Opinions differ, however, as to the extent to which this should be done. While it has been DOD's policy to use civilian personnel in positions which do not require military personnel, we concluded that a new civilianization program should be initiated. If the yearend civilian personnel ceiling set by the Congress is a constraint to this effort, DOD should request the Congress to adjust authorizations to accommodate the increase in the number of civilian personnel and the decrease in the number of military personnel.

OSD thought it would not be wise to undertake a large program to replace military personnel with civilian personnel since a program to replace large numbers of military personnel would exacerbate the shortage of trained military manpower for the early days of a war. Also OSD felt that, if it tried to institute such a program, it would neither receive nor be able to keep additional civilian spaces.

During our recent inquiry, OSD said it had asked the services to find ways to reduce support costs through civilianization. But it feels the services have done as much as they can, given OMB and congressional constraints on the number of civilian spaces the services may have.

"Federal Agencies Should Use  
Good Measures of Performance  
To Hold Managers Accountable"  
(FPCD-78-26, Nov. 22, 1978)

We reported that a major difficulty holding managers accountable for the efficient use of people and other resources is the lack of reliable data on performance. OMB Circular A-11 suggests that agencies establish systems to assess performance and project needs and to justify staffing requirements in developing their budgets. The circular encourages the use, where feasible, of unit costs, workload



indicators, work measurement, and productivity indexes. Other OMB circulars encourage the use of these systems for management reviews and improvements.

Most agencies, however, do not fully employ these management tools for budget or management reviews. Also integration of agency budgeting, accounting, and reporting systems can provide comparative data to assist managers in monitoring and controlling agency performance and developing needs for staff resources. Since the agencies' systems are not fully integrated, it is difficult to relate actual performance to what was budgeted or to determine the efficiency with which objectives were met. Although better data will make it possible to improve evaluations of operations and managerial effectiveness, institutional barriers must also be overcome. Some of the more commonly cited barriers include the arbitrary personnel ceiling process, which replaces managers' judgment in regulating work force size, and managers' perceptions that penalties, rather than rewards, tend to result from more efficient performance.

We recommended that the Chairman, CSC, and his successor, the Director, OPM, implement the Civil Service Reform Act of 1978 by preparing guidance for the agencies to measure managers' and other employees' performances with objective quantified data. Inasmuch as the development of performance measurement systems is vital to this purpose, the guidance should stress

- the minimum data needed for appraisals,
- the costs of collecting this data by various methods of differing reliability and benefit,
- the need to avoid duplication or contradiction of parts of other systems, and
- the assurance of privacy in collecting data on individuals.

We recommended also that the Director, OMB, revise Circular A-11 to place greater insistence on the use of unit costs, workload measures, and productivity standards for staff requests.

In response to our recommendation, an OMB official stated that OMB Circular A-11 had been revised to provide greater use of unit costs, workload measures, and productivity standards for staff requests. The revisions, however,

have not changed the discretionary nature of using measures and standards. There is no mandatory requirement. Also OMB had initiated a project to develop measures of output per dollar spent, output per man-hour, and performance in terms of output.

"DOD Total Force Management--Fact or Rhetoric?" (FPCD-78-82, Jan. 24, 1979)

We determined that the present total force policy was vague and incomplete--that is, it was generally concerned with only segments of DOD's total manpower resources. Consequently, the services developed independent policies and management systems with different manpower and cost elements. This limits DOD managers' ability to make informed decisions.

DOD managers should seek the most cost-effective mix of available people--active and reserve military, civilians, and contractors--consistent with DOD requirements. Total force management resulting from a well-defined policy should make this objective attainable.

We recommended that the Secretary of Defense take the lead to develop, with the services, a comprehensive total force policy which includes all manpower resources. The policy should define:

- The objectives of total force management in determining the most cost-effective force consistent with military requirements and resource constraints.
- The manpower elements of the total force--that is, active and reserve military, civilian, and contractor--and their respective peacetime and wartime roles.
- Manpower systems that provide for integrated management and concurrent consideration of all manpower resources.
- The contributions of host nations' manpower in determining U.S. manpower requirements.

The Secretary should also prescribe guidance to help the services manage the total force and to determine the DOD work force composition while allowing the services the needed flexibility. This guidance should at least cover the following areas.

- The services need to provide a balance between determining manpower requirements and the ability to acquire the desired mix.
- Factors influencing short- and long-term manpower requirements, supplemented by recognition of external constraints which may preclude optimum total force solutions in annual program planning guidance.
- Methods for determining manpower requirements.
- Cost elements to be used in figuring manpower.
- The need for cost-benefit analyses in examining the manpower mix alternative.
- Measures of improved capability over the current force and methods of effecting that capability.
- Clarification of criteria used to decide between performing in-house or contracting out for products and services.

We were later told by DOD that we had identified a major area of continuing concern and that OSD and the services were trying to improve the management of both military and civilian manpower, including the integration of manpower and personnel management within the services.

"Improvements Needed in Army's  
Determination of Manpower Re-  
quirements for Support and  
Administrative Functions"  
(FPCD-79-32, May 21, 1979)

We found that Army survey teams determined manpower needs for support and administrative functions, but they did not provide the Army with information needed to

- support its manpower budget to OMB and the Congress,
- allocate authorized manpower spaces to installations and work centers, and
- assess manpower use.

We recommended that the Secretary of Defense identify the type of information the Army needed to prepare and support its manpower budget and require Army headquarters to

use personnel experienced in budgeting, manpower workload planning and control, data processing, and work measurement to design a manpower management system with the following characteristics:

- An organization structure that combines manpower-related responsibilities and staffing into one organization at all levels.
- A method for determining manpower needs based on work measurement where it is feasible and cost effective and uses onsite reviews only to review methods, procedures, and organizational efficiency in connection with the development and validation of staffing standards.
- A management information system which uses a common data base for work center needs, garrison costs, budget requests, allocations, and evaluations of manpower use. The system should integrate accounting, manpower reporting, and staffing standards information.
- A determination of the spaces needed to implement the system and an allocation of these manpower resources to the program.

In response to our recommendations and during our recent inquiry, the Army generally concurred in our recommendations. In January 1979 the Army started a project, entitled "Functional Army Manpower Evaluation," to improve manpower requirements determination. This project, along with the Army manpower management system, will address major issues, such as

- improved requirements determination,
- a management information system that integrates cost and manpower and personnel data,
- effective force and/or space management,
- an organization for manpower management, and
- professional training and development for manpower managers.

According to Army representatives, the project will put manpower requirements determinations and the budget on the

same basis by (1) developing standard work measurement techniques and (2) establishing teams to collect data and to develop application techniques.

In addition, the Army recently contracted with a management consulting firm to review the Army's accounting and management structure and to report on the ways to blend the accounting structure to manpower requirements and the budget. The Army will also integrate performance standards into the redesigned accounting, budget, and manpower requirements system. The Functional Army Manpower Evaluation test is the pilot project for the integrated accounting, standards, and performance measurement system.

## CHAPTER 5

### CONCLUSIONS AND RECOMMENDATIONS

#### CONCLUSIONS

The methods and procedures used by Federal agencies to determine work force requirements and the staffing workload should be very important aspects of manpower and personnel management. The level of attention given to these activities, however, has been limited, and the Congress and the administration need to take a renewed interest in them. In view of the size and cost of the Federal work force, this type of planning is too important to be ignored.

We recognize that current efforts to develop and use sound work force planning procedures regularly confront obstacles that weaken or nullify their impact on manpower management. We believe, however, that these factors are not insurmountable and that sound work force planning should be pursued with the objective of convincing Federal leadership that sound management approaches are available to accurately determine the proper size, composition, and appropriate placement of the work force. We strongly believe that the Congress and administration leadership should strive for a high-quality work force planning capability in each Federal department and agency and eliminate arbitrary and overly restrictive constraints.

The development and application of a Federal work force planning policy and a framework of preferred methods and procedures are logical first steps toward a higher quality work force planning. Furthermore, it will display a commitment on the part of the executive branch to a major change in the way the work force is determined and managed. The increasing emphasis to control costs and balance the Federal budget will require the administration and the Congress to make these types of decisions concerning the efficiency of the Federal work force and program effectiveness. Ultimately success will require the understanding and willingness of the Congress and the administration to support this management improvement initiative and, in turn, give proper credit to manpower management decisions that are made on the basis of data generated from sound work force planning procedures.

The recent work force planning proposal of the Executive Director of the President's Management Improvement Council,

the current and planned initiatives of the Work Force Effectiveness and Development Group in OPM, and the most recent OPM consideration of a work force planning and budget initiative are very encouraging developments. These developments can provide the basis for a more comprehensive work force planning initiative.

#### RECOMMENDATIONS TO THE DIRECTORS, OMB AND OPM

We recommend that the Director, OMB, and the Director, OPM, jointly develop a Federal work force planning policy and designate the appropriate methods and procedures for departments and agencies to follow. This policy should provide agency management with the flexibility to select those procedures that best fit the agencies' needs; but it should provide reasonable criteria for assisting agencies in their selections. Specifically, the policy should

- clarify the meaning and scope of work force planning and provide descriptions of total planning systems, by identifying the respective components and the basic sequence and cycle of planning tasks, and
- designate the methods, procedures, and techniques that can be used in manpower requirements determination and staff needs analysis.

The policy should also establish the respective responsibilities of the OMB and OPM Directors and establish work force planning as a primary basis for manpower and personnel management decisions in the Government.

To carry forward this foundation, we further recommend that a special Federal management improvement project, based on the proposed policy and procedures, be designed and implemented at selected Federal facilities. The project should be insulated from the traditional impediments to work force planning, such as the use of personnel ceilings, average grade controls, hiring and promotion freezes, and across-the-board budget adjustments. It should have its objectives clearly established, have an evaluation plan, and be properly funded and staffed. It should designate milestones for the various phases of the project from design through full implementation. The Congress should be kept informed of the project's progress and development. It should also be permitted to run several years to display startup experience, procedural adjustments, and the full use of the planning capability for at least two budget periods. The project should be closely monitored and activities should be documented for the preparation of a special report to the Congress and the

President. The report should request their support and endorsement that sound work force planning systems be implemented in all Federal agencies and that they provide the basis for determining agency work force requirements and staffing needs workload.

Such a project could be pursued under title VI of the Civil Service Reform Act of 1978 or OMB Circular A-117, Management Improvement and the Use of Evaluation in the Executive Branch. In either case, both OMB and OPM should work together to insure a successful project.

MATTERS FOR CONSIDERATION BY THE  
HOUSE COMMITTEE ON POST OFFICE  
AND CIVIL SERVICE AND THE SENATE  
COMMITTEE ON GOVERNMENTAL AFFAIRS

Because of the importance of work force planning and the responsibility of the Congress in resource decisions, we believe the Congress should play an important oversight role in any work force planning improvement project the executive branch may propose in response to this report. We believe a special oversight responsibility should be established in the appropriate subcommittees to monitor the administration's efforts to improve the work force planning capability in the Government, and these subcommittees should request the administration to provide status reports on the proposed project during their normal oversight hearings and reviews.

COMMENTS FROM OMB AND OPM

Both OMB and OPM agree with the basic message of the report and recognize the importance of sound work force planning. (See pp. viii, 51, and 53.)

OPM stated that the project envisioned would require a major investment in resources and would involve both OMB and OPM. We agree that additional resources will be needed but believe the long-term benefits from improved work force planning will more than offset the costs. OPM expressed doubt that title VI of the Civil Service Reform Act of 1978 would be the proper basis for the proposed project. We offered what we considered to be possible approaches for the project but defer to OPM's judgment on what is the best vehicle to use. (See pp. viii, and 51.)

OMB expressed a preference that a work force planning policy and procedures package be developed after a demonstration project. We do not disagree with OMB's rationale



but believe an operating policy position and a framework of the basic procedures have to be developed to provide direction for the project. Based on project experience and management judgment, the policy and procedures can be refined into a workable work force planning package for consideration by the administration and the Congress. (See pp. viii and 53.)

Both OMB and OPM related that the development of the full-time equivalent ceiling system will require the better linkage of budgeting and staffing decisions. While we agree this may be a positive step toward greater accountability over direct Federal employee usage, we defer judgment on the extent to which the new ceiling system will encourage higher quality work force planning. (See pp. ix, 51, and 53.)

OMB's and OPM's comments are included as appendixes III and IV. (See pp. 51 and 53.)

GAO REPORTS ADDRESSING WORK FORCE PLANNING1975 REPORTS

"Substantial Staff and Cost Reductions Possible at Military Telecommunications Centers Through Use of Uniform Staffing Standards" (LCD-74-120, Jan. 7, 1975)

"Development of Field Grade Officer Requirements by the Military Services" (FPCD-75-137, Mar. 25, 1975)

"Navy Aircraft Overhaul Depots Could Be More Productive" (LCD-75-432, Dec. 28, 1975)

1976 REPORTS

"Suggested Improvements in Staffing and Organization of Management Headquarters in the Department of Defense (FPCD-76-35, Apr. 20, 1976)

"Major Cost Savings Can Be Achieved by Increasing Productivity in Real Property Management" (LCD-76-320, Aug. 19, 1976)

"Improvements Needed in Defense's Efforts to Use Work Measurement" (LCD-76-401, Aug. 31, 1976)

"Need for Improved Headquarters Personnel Accounting--Navy Pacific Fleet" (FPCD-76-93, Nov. 17, 1976)

1977 REPORTS

"Changes in Navy Ship Overhaul Practices Could Improve Fleet Capability and Crew Effectiveness" (FPCD-77-76, Apr. 8, 1977)

"Determining Requirements for Aircraft Maintenance Personnel Could Be Improved--Peacetime and Wartime" (LCD-77-421, May 20, 1977)

"Personnel Ceilings--A Barrier to Effective Manpower Management" (FPCD-76-88, June 2, 1977)

"Government Printing Office Production and Management Control--Improvement Opportunities" (LCD-77-410, June 4, 1977)

"The Work Measurement System of the Department of Housing and Urban Development Has Potential But Needs Further Work To Increase its Reliability" (FPCD-77-53, June 15, 1977)

"Department of Housing and Urban Development Could Be Streamlined" (FPCD-77-56, June 16, 1977)

"Standardized Federal Regions: Little Effect on Agency Management of Personnel" (FPCD-77-39, Aug. 17, 1977)

"Development and Use of Military Services Staffing Standards: More Direction, Emphasis and Consistency Needed" (FPCD-77-72, Oct. 18, 1977)

"Mail Processing Productivity Measurement System is Inadequate" (GGD-77-83, Oct. 27, 1977)

#### 1978 REPORTS

"Uniform Accounting and Workload Measurement Systems Needed For Department of Defense Medical Facilities" (FGMSD-77-8, Jan. 17, 1978)

"Personnel Restrictions and Cutbacks in Executive Agencies: Need for Caution" (FPCD-77-85, Feb. 9, 1978)

"U.S. Army in Europe's Work Measurement Systems for Real Property Maintenance" (LCD-78-312, Feb. 16, 1978)

"Management and Use of Army Enlisted Personnel--What Needs to be Done?" (FPCD-78-6, Feb. 16, 1978)

"Estimates of Federal Employees Available for Work Distort Work Force Requirements" (FPCD-78-21, Mar. 6, 1978)

"Achieving Needed Organizational Change: A Customs Service Dilemma" (FPCD-78-29, Mar. 30, 1978)

"Naval Shipyards--Better Definition of Mobilization Requirements and Improved Peacetime Operations Are Needed" (LCD-77-450, Mar. 31, 1978)

"Department of Housing and Urban Development Reorganization Plan, Some Accomplishments But More Needed" (FPCD-78-33, Apr. 10, 1978)

"Quality of Government-wide Classification and Position Management Practices" (FPCD-78-41, Apr. 26, 1978)

"Defense Use of Military Personnel In Industrial Facilities--Largely Unnecessary and Very Expensive" (FPCD-79-10, May 1, 1979)

- "Improved Productivity in Real Property Maintenance Would Save Money for Certain Agencies" (LCD-77-343, May 2, 1978)
- "Improving Federal Agency Efficiency Through the Use of Productivity Data in the Budget Process" (FGMSD-78-33, May 10, 1978)
- "Establishment of Interagency Pools of Clerical Personnel to Meet Short Term Needs of Federal Agencies for Clerical Help" (FPCD-78-62, July 13, 1978)
- "OMB Needs To Intensify Its Work Measurement Effort" (FPCD-78-63, July 24, 1978)
- "Continuous Management Attention Needed for Army To Improve Combat Unit Personnel Requirements" (FPCD-78-61, Sept. 5, 1978)
- "Army Can Improve Peacetime Use of Deployable Enlisted Personnel" (FPCD-78-66, Sept. 7, 1978)
- "Using Civilian Personnel For Military Administrative and Support Positions--Can More Be Done?" (FPCD-78-69, Sept. 26, 1978)
- "Federal Agencies Should Use Good Measures of Performance to Hold Managers Accountable" (FPCD-78-26, Nov. 22, 1978)

#### 1979 REPORTS

- "DOD Total Force Management--Fact or Rhetoric?" (FPCD-78-82, Jan. 24, 1979)
- "The District of Columbia Government Should Determine Its Work Force Needs" (FPCD-79-21, Apr. 4, 1979)
- "Improvements Needed in Army's Determination of Manpower Requirements for Support and Administration Functions" (FPCD-79-32, May 21, 1979)
- "Inadequate Methods Used To Account for Personnel In DOD's Transportation Function" (FPCD-79-38, May 25, 1979)
- "The Air Force Can Reduce Its Stated Requirements for Strategic Airlift Crews" (LCD-79-411, Sept. 19, 1979)
- "Lack of Control and Feedback Hinders Army Manpower Management Improvements" (FPCD-80-9, Oct. 31, 1979)

"Estimated Personnel Needs of the Agricultural Stabilization and Conservation Service--Are They Reliable?" (FPCD-80-5, Nov. 26, 1979)

1980 REPORTS

"Development of a National Productivity Clearinghouse" (FGMSD-79-4, Jan. 28, 1980)

"Handbook for Government Work Force Requirements...a Guide and Checklist For Forecasting How Many Workers Government Agencies Need" (FPCD-80-36, Jan. 28, 1980)

"The Navy's Shore Requirements, Standards, and Manpower Planning System (Shorstamps)--Does The Navy Really Want It?" (FPCD-80-29, Feb. 7, 1980)

"Improving the Productivity of Federal Payment Centers Could Save Millions" (FGMSD-80-13, Feb. 12, 1980)

"Opportunities for Streamlining Federal Field Structures--An Issue Needing Top Management Attention and Support" (FPCD-80-4, Aug. 5, 1980)

FEDERAL DEPARTMENTS AND AGENCIES CONTACTED

During preliminary inquiries on work force planning, we contacted various knowledgeable officials and program managers in the following departments and agencies.

## DEPARTMENT OF THE TREASURY:

Office of the Assistant Secretary (Administration)  
Internal Revenue Service  
Bureau of Engraving and Printing

## DOD:

Office of Assistant Secretary (Manpower, Reserve  
Affairs and Logistics)  
Department of the Air Force (Deputy Chief of Staff,  
Manpower and Personnel)  
Department of the Navy (U.S. Marine Corps) Deputy  
Chief of Staff for Manpower

## DEPARTMENT OF AGRICULTURE:

Farmers Home Administration  
Agricultural Stabilization and Conservation  
Service

## GENERAL SERVICES ADMINISTRATION:

Office of Controller - Director for Administration

## NATIONAL LABOR RELATIONS BOARD:

Division of Administration

## DEPARTMENT OF TRANSPORTATION:

Federal Aviation Administration, Air Facilities  
Service

## ENVIRONMENTAL PROTECTION AGENCY:

Office of Assistant Administrator for Planning and  
Management



United States  
**Office of  
 Personnel Management**

Washington, D.C. 20415

**OCT 14 1980**

In Reply, Refer To:

Your Reference:

Mr. H. L. Krieger, Director  
 Federal Personnel and Compensation Division  
 General Accounting Office  
 Washington, D.C. 20548

Dear Mr. Krieger:

Thank you for the opportunity to review the draft report, **Work Force Planning: A Time for Renewed Emphasis**. The changes made in response to our informal comments on an earlier draft have increased the usefulness of the report. We are pleased to see more emphasis on the budget review process and the importance of integrated management functions as well as the added references to OPM activities currently underway.

The report focuses mainly on the lack of attention given work force planning and recommends that the Office of Management and Budget (OMB) and the Office of Personnel Management (OPM) jointly develop a comprehensive, integrated policy on both work force requirements and staffing needs planning. It further recommends that this comprehensive set of policies and procedures be pilot-tested under congressional review at selected Federal facilities which would be insulated from traditional administrative controls for purposes of this test. On completion a final report would be made to the President and the Congress on the application of comprehensive human resource planning systems throughout the Federal Government.

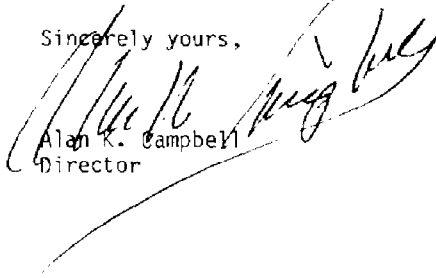
The project you envision will require a major investment of resources at several levels, not only by OPM but by OMB, whose views will be of critical importance in any decision to go forward with the recommendations of your report. At this point it does not appear that the recommended demonstration project is of the type contemplated by Title VI of the Civil Service Reform Act of 1978 since a waiver of the title 5 statute is not required.

We note that your recommendations concerning work force requirements planning are aimed at goals similar to those of the new full-time equivalent (FTE) ceiling system which is scheduled for Governmentwide adoption next fiscal year. Under FTE the size of the work force is controlled on the basis of hours worked during the year rather than end-of-year strength. Like funding

levels, the hourly ceilings are developed on the basis of workload needs, thus necessitating more precise agency workload measurement systems and greater accountability in allocating staffing resources. Work year and dollar expenditures for various activities can be more easily related under FTE thereby yielding a more accurate picture of the personnel resources each manager is using to accomplish objectives. Thus, by its very nature, FTE will require management to more closely link decisions on planning, budget and staffing levels.

Our comments on specific items in the draft report are enclosed.

Sincerely yours,



Alan K. Campbell  
Director

Enclosure

[See GAO note below.]

GAO note: The enclosure is not included in this report.





EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

OCT 21 1980

Mr. H. L. Krieger  
Director  
Federal Personnel and  
Compensation Division  
U.S. General Accounting Office  
Washington, D. C. 20548

Dear Mr. Krieger:

We appreciate the opportunity to comment formally on your draft report entitled "Federal Work Force Planning: Time for Renewed Emphasis." Our staff welcomes some of the changes made in response to their informal comments on an earlier draft. Particularly, they are glad to see the addition of their suggestion for a pilot project in work force planning.

It should be emphasized, however, that our intention in suggesting the project was to help provide a basis for subsequent specific action. We believe that the pilot project must precede development of any policy statement. Thus, we would urge that GAO's recommendation for OMB and OPM to jointly develop policy, procedures, and techniques make clear that this would follow and depend upon the outcome of the pilot project to test the application and potential benefits of work force planning. I should add that the timing and extent of such a project would be influenced by the availability of OPM and OMB resources. We will need to explore the possibilities with OPM officials.

We cannot let pass the reported interview assertions that the budget process "...does not usually give any more consideration to budget submissions supported by work force planning procedures than (to) those without sound justifications for resources." We do not dispute the fact that some Federal managers may say they believe this to be the case, but neither do we agree. In general, poor substantiation of the need for resources leads to program reductions, while well-substantiated justification generally results in more favorable consideration, whether by use of work force planning or other substantive data. Incidentally, we believe that the new full-time equivalent (FTE) ceiling system will require more closely integrated decisions on budgeting and staffing levels, and that this should help achieve some of the goals put forth in your report.

Staff comments are enclosed on a few specific items in the draft report.

Sincerely,

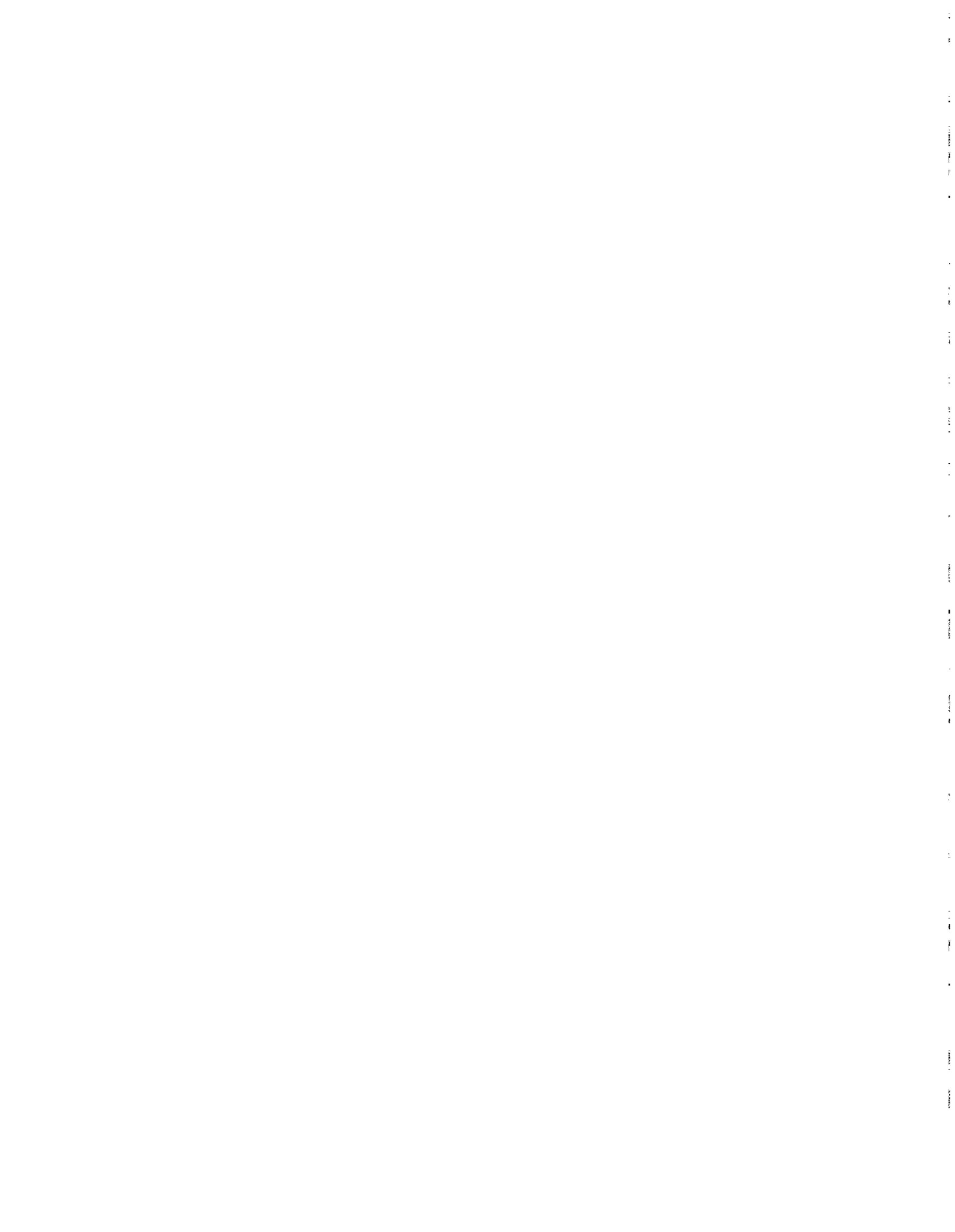
W. Harrison Wellford  
Executive Associate Director  
for Reorganization and Management

Enclosure

GAO note: The enclosure is not included in this report.

(961099)





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