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United States Department of State
and the Broadcasting Board of Governors
Office of Inspector General

Strategic Management of Human Capital and Workforce Planning Initiatives at the Broadcasting Board of Governors

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SUMMARY

The President's Management Agenda (PMA) requires all federal agencies to prepare comprehensive plans to remove management layers; attract a high-quality, diverse workforce; and link workforce needs directly to the achievement of strategic objectives. PMA guidance calls for the creation of a results-oriented, performance-based culture in which agencies recruit, train, and retain the right people with the right skills to ensure success. Under PMA, the Office of Management and Budget (OMB), Office of Personnel Management (OPM), and General Accounting Office (GAO) have prepared consolidated guidance, Human Capital Standards of Success, to help agencies develop these plans.

PMA underscores the need for agencies to link their human capital planning efforts clearly and directly with their strategic and program plans developed under the Government Performance and Results Act (GPRRA).¹ In response, the Broadcasting Board of Governors' International Broadcasting Bureau (BBG/IBB) prepared both workforce restructuring plans and an outline for a human capital plan, but these plans do not encompass all BBG/IBB staff nor meet the criteria set forth in the consolidated guidance. Moreover, the plans do not fully comply with OMB standards requiring agencies to link program goals with performance measures and results.

The agency uses its annual language service review to systematically evaluate performance, results, and service priorities as well as align organizational endeavors. However, the lack of a detailed human capital plan makes it difficult to measure how effectively the agency can validate its workforce planning and restructuring efforts.

The Office of Inspector General (OIG) reviewed BBG/IBB's workforce restructuring and human capital plans to determine whether BBG/IBB was facing challenges in complying with the PMA goals and OMB standards. OIG found that BBG/IBB was facing major human capital challenges in striving to meet the PMA. For example, the agency told OIG that after a series of nine staffing reductions between 1994 and 2000, it was challenged to meet its mission while assuming the legal, security, procurement, training, personnel, and other administrative functions

¹ Pub. L. No. 103-62 (1993).

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it inherited when it became an independent entity in 1999. According to a July 2001 report to OMB by the chief of staff, the agency lacked expertise in administration, management, and budgeting, which adversely affected the support its managers needed to make day-to-day administrative and programmatic decisions.² During this review, agency managers told OIG that many staff members needed training to adapt to changing broadcasting skill sets in order to respond more effectively to immediate and emerging broadcast demands.

BBG/IBB employees are closer to retirement, more male, higher graded, better paid, and have fewer years of service when compared with other federal employees. According to BBG/IBB workforce plans, by 2007 up to 83 percent of current managers and supervisors and 67 percent of other current staff will be eligible for retirement. Additionally, given standard attrition rate projections, up to an additional 24 percent of staff not eligible for retirement may also depart over the next few years. By contrast, only 35 percent of the federal workforce will be eligible to retire during the same period.

BBG/IBB has made progress in diversifying its workforce through recruitment, training, and other initiatives, although racial and ethnic inequalities persist. OIG found, however, that BBG/IBB did not provide specific plans for establishing a more diverse workforce.

From its own assessment, BBG/IBB faces significant human capital challenges, such as an aging workforce, succession planning, and adapting to changes in technology indicative of trends throughout the federal workforce. A human capital crisis, as described by GAO, may be imminent.³ As the administration places greater importance on linking strategic goals, performance management, budget allocation, and results under OMB's new Performance Assessment Rating Tool (PART)⁴ process, BBG/IBB needs to make improvements in its workforce planning effort or risk a diminished ability to compete for resources in a tight fiscal environment.

² BBG/IBB Workforce Restructuring Plan for 2003-2007 (September 24, 2001) and the Broadcasting Board of Governors, Workforce Analysis (July 3, 2001).

³ *High Risk: An Update, Strategic Human Capital Management: A Government-wide High Risk Area* (GAO-01-263, Jan. 1, 2001), pp. 71-96.

⁴ See Appendix A for a description of PART.

PURPOSE AND SCOPE

OIG performed a review of the BBG/IBB workforce restructuring and human capital plans. OIG's objective was to determine whether the agency was facing challenges in complying with the human capital management goals in PMA and standards in GPRA; OMB directives, plans, policies, procedures, and performance assessment tools; and OPM guidelines for workforce planning and GAO consolidated guidance. In the Foreign Relations Authorization Act, Fiscal Year 2003,⁵ BBG was directed to report on its efforts to diversify its workforce as part of its long-term planning, and OIG reviewed these efforts. OIG also reviewed how BBG/IBB was working to remedy past problems in property management and acquisitions and procurement.⁶

OIG performed this review between June 2002 and March 2003 in accordance with generally accepted government auditing standards. OIG interviewed and met with officials from BBG, including the BBG executive director and general counsel;⁷ and IBB's Offices of Administration, Contracts, Personnel, Civil Rights, Performance Review, and Engineering and Technical Services; and the Voice of America (VOA) language services. OIG also met with BBG grantees, Radio Free Europe/Radio Liberty (RFE/RL), and Radio Free Asia. Although OIG reviewed official Board minutes and met with Board staff, it did not meet with Board members. OIG was not able to meet with the chief financial officer, despite having three confirmed appointments.

OIG interviewed officials and subject-area experts at OMB, OFPP, OPM, GAO, and the Foreign Service Institute. OIG also reviewed and analyzed BBG/IBB and Radio Marti/TV Marti workforce analysis and restructuring plans and personnel enhancement proposals; draft strategic plans; personnel and staffing records; human capital and workforce planning guidance; training budgets; and IBB-generated guidance pertaining to acquisition workforce management, personnel management, and performance appraisals. In addition, OIG reviewed pertinent congressional testimony and legislative records. Finally, OIG met with private-

⁵ Pub. L. No. 107-228, Sec. 506 (2002).

⁶ See *Review of the Broadcasting Board of Governors' Controls on Domestic Personal Property* (IBO-A-02-03, Sept. 2002); *Review of the Effectiveness and Implementation of the Office of Cuba Broadcasting's New Program Initiatives* (IBO-A-03-01, Jan. 2003).

⁷ OIG met with the BBG executive director and general counsel at the exit conference.

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sector experts who are working with federal agencies to help them meet the Executive Branch Management Scorecard agenda for human capital plans and performance management issues in the federal workforce.⁸

OIG's Office of International Broadcasting Oversight, with assistance from the Office of Audits, Procurement, Property and Administrative Support Division, performed this review. Major contributors to this report were Louis A. McCall, acting assistant inspector general; Lenora R. Fuller, audit manager; Susan Adams, senior auditor; and Robert Raynor, management analyst.

⁸ Experts include the American Society of Training and Development, the Council for Excellence in Government, the National Association of Public Administration, the President's Council on Integrity and Effectiveness, and AVUE, a private sector entity that markets successfully to the federal government.

BACKGROUND

GPRA requires agencies to prepare strategic plans, goals, and objectives that must include descriptions of the operational processes, skills, and human resources required to meet those goals and objectives. The administration's chief management priority is to link performance goals with agency budgets, use performance information in setting program priorities, allocate resources, and adopt new approaches to improve management and program performance. To reinforce GPRA implementation and to support the goal of making government more results-oriented, PMA was launched in August 2001.

To respond to the PMA, OMB directed all agencies to prepare plans to streamline their organizations, remove management layers, and determine workforce needs.⁹ OMB deployed an Executive Branch Management Scorecard to measure how departments and agencies were executing their management initiatives, using a simple "traffic light" grading system: green for success, yellow for mixed results, and red for unsatisfactory. OPM developed the criteria for evaluating the workforce planning effort.¹⁰ Under PMA, OMB, OPM, and GAO prepared consolidated guidance to help agencies develop and implement these plans.

Federal workforce planning, according to OPM, details the strategic, structured, systematic, and continuous actions that must be taken by agencies to allocate resources; align the organization; and recruit, train, and retain the right people in the most effective method possible to achieve success. It also requires each agency to have a diverse, results-oriented workforce; an effective performance management system in place; and an environment that supports inclusiveness and is responsive to the needs of all employees of all backgrounds. Agencies need to recruit, hire, develop, and retain employees with strategic competencies in mission-critical occupations. Leaders project high standards and values and motivate staff in a culture where high performance and continuous professional development are rewarded. GAO uses the term human capital to define workforce planning, but it also means the people, whose value can be enhanced through investment so that the performance capacity of an organization increases.¹¹

⁹ OMB Bulletin 01-07, Workforce Planning and Restructuring (May 8, 2001).

¹⁰ See Appendix B, OPM's Federal Workforce Planning Model Steps.

¹¹ See Appendix C for GAO's Human Capital Principles, Appendix D for a summary of OMB's Standards for Success, and Appendix E for OPM's 5-Step Workforce Planning Model.

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BBG/IBB has undertaken a program to improve workforce planning, linking human resources with the organizational mission and goals within the framework of the management scorecard. The outline for its human capital management plan provided for the implementation of a new automated personnel tracking system, a new performance appraisal system for managers and supervisors, and expansion of its mentoring and developmental training programs. A training needs survey was done, and an advisory group was put in place to help develop training priorities. BBG/IBB is instituting new testing procedures for foreign language broadcaster applicants in coordination with OPM. There are also plans to formalize evaluation criteria for job applicants to ensure fairness in the selection and hiring process. In addition, as part of its strategic restructuring efforts, BBG/IBB is working with OPM to devise tests to capture the changes in skills now required of international broadcasters.

Further, the Office of Performance Review is conducting annual program reviews for each language service during which analysis, critiques, and recommendations on the language competency and presentation style of the broadcasters is provided. Attendance at EEO training classes for managers and supervisors is mandated and being enforced. BBG/IBB also has established an awards program to recognize and reward staff for their contributions.

RESULTS OF REVIEW

In response to GPRA and PMA, BBG/IBB has developed workforce restructuring plans and a human capital program designed to establish a results-oriented, performance-based culture; implement best practices; and encourage the use of performance measures to achieve a more efficient, effective workforce to help the agency achieve its strategic goals and objectives and meet congressional mandates. As part of this effort, IBB has created a new awards program, increased budgetary support for training, expanded developmental assignments, established training needs assessment and annual process review, implemented an automated personnel management system, and mandated training for managers and supervisors. Annual performance evaluations have also been implemented for managers and supervisors and are planned for staff.

The agency has undertaken a program to improve workforce planning, linking human resources with the organizational mission and goals within the framework of the Executive Branch Management Scorecard. At present, BBG/IBB faces numerous challenges to effectively restructuring its workforce. The outline for a human capital plan is a major step in the right direction, but more work remains to be done to pass the management scorecard. For example, the atmosphere is strained by the agency's loss of the largest gender bias class action lawsuit in the history of the U.S. government, and discrimination complaints continue amid reports of a hostile work environment.¹²

In light of the March 2000 settlement of a 1974-84 class action lawsuit, the agency needs to promote an all-inclusive working environment.¹³ According to one recent internal survey on workforce diversity, both the staff and managers that participated acknowledged that racial and ethnic inequalities persist with regard to hiring and promotions and that managers, supervisors, and staff practice preferential treatment.¹⁴ In addition, an internal management study called for greater

¹² BBG/IBB Office of Civil Rights, *Annual Federal Equal Employment Opportunity Statistical Report of Discrimination Complaints, October 2000-September 2001* (Mar. 22, 2002).

¹³ The liability period was Oct. 8, 1974, -Nov. 16, 1984, 15 years before BBG became an independent federal agency. (*Carolee Brady Hartman, et al., Plaintiff, vs. Madeleine K. Albright, Secretary of State and Mark B. Nathanson, BBG Chairman*).

¹⁴ *BBG/IBB Organizational Diversity Assessment*. DTG Associates surveyed over 200, or 11 percent, of BBG/IBB staff only; grantees were not included. Report results were issued in January 2002, according to the Office of Civil Rights.

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accountability and transparency in decisionmaking at all levels, greater promotion of diversity, improved communications with staff, and elimination of bias in agency operations.

The agency responded to the study findings and has undertaken several initiatives to eliminate discriminatory behavior, including the enforcement of mandatory equal employment opportunity (EEO) and workforce diversity training classes for supervisors and managers, establishment of an alternative dispute resolution program, creation of the Diversity Leadership Council, and promulgation of a formal sexual harassment policy.

The agency also faces a challenge in putting a workforce plan in place that ensures that the acquisition staff possess the experience, training, professional skills, and competencies to perform its work, as required by the Office of Federal Procurement Policy (OFPP) Act, the Clinger-Cohen Act, and OFPP policy letters.¹⁵ IBB and OFPP guidance as well as the Clinger-Cohen Act set minimum training requirements and professional standards for all categories of acquisition staff; however, OIG found that more than 75 percent of the agency's acquisition employees have not met the minimum standards to perform this work.

In a recent report to Congress, GAO observed that civilian agencies should implement policies and procedures to ensure more effective management and training of the acquisition workforce in accordance with acquisition reforms passed by Congress that establish education, qualifications, and training requirements.¹⁶ To its credit, as a result of this and related OIG reviews, IBB was undertaking steps to improve the training and performance standards for all staff, including persons responsible for acquisition and procurement.¹⁷

OIG received written comments from BBG/IBB on July 3, 2003.¹⁸ BBG concurred, in principle, with the recommendations in the report; however, the agency did not agree with a part of recommendation three, which required providing OIG with a special report on workforce diversity for the next four years. (The BBG/IBB comments are reprinted in Appendix G.)

¹⁵ OFPP Act (Pub. L. No. 93-400); Clinger-Cohen Act of 1996 (Pub. L. No. 104-106, Div. D); OFPP Policy Letters 92-3 and 97-01.

¹⁶ *Acquisition Workforce: Agencies Need to Better Define and Track the Training of Their Employees* (GAO-02-737, July 29, 2002).

¹⁷ *Review of the Broadcasting Board of Governors' Monitoring of Contractor Performance* (AUD/PPA-03-21, Mar. 2003).

¹⁸ See Appendix G for agency comments.

FINDINGS

MAJOR MANAGEMENT CHALLENGES IDENTIFIED

OIG has identified a number of management challenges facing BBG/IBB. From its own assessment, BBG/IBB faces significant human capital challenges, such as an aging workforce, succession planning, and adapting to changes in technology. These challenges are indicative of trends throughout the federal workforce. A human capital crisis appears imminent for the agency.

BBG/IBB officials told OIG that as the agency transitioned to become an independent entity in October 1999, it was challenged to assume the legal, security, procurement, training, administrative, personnel, and other service functions needed to meet its mission. Agency officials also admitted that it would take time to respond to new or emerging broadcast demands. Additionally, some managers said that the agency is often challenged in meeting its mission because it lacks the resources, including sufficient staffs that possess the right mix of skills.

In a July 2001 report to OMB on workforce restructuring, the chief of staff said that the agency lacked the expertise in administration, management, and budgeting to provide the support managers needed to make day-to-day administrative and programmatic decisions. Agency officials also told OIG that workforce restructuring plans were not required until OMB's bulletin of May 2001. This OMB requirement, according to a senior BBG/IBB official, presented the opportunity for administrators to take a hard look at the issue for the first time. A senior IBB official told OIG that significant efforts went into workforce planning during the consolidation of international broadcasting operations. BBG/IBB had to accommodate reductions-in-force (RIF), buyouts, shifting language priorities and surge requirements, which made planning for staff reductions the norm at BBG/IBB.

As noted previously, the agency has the potential to face significant losses over the next few years, with up to 83 percent of current managers and supervisors and 67 percent of other current staff eligible for retirement. Additionally, given standard attrition rate projections, up to an additional 24 percent of staff not eligible

for retirement may also depart over the next few years. Agency officials added, that BBG/IBB has and will continue to benefit from the type of workforce planning now mandated by OMB; however, the agency has no further plans to streamline or remove management layers in light of past reductions.

IBB officials told OIG that RIFs could have a destabilizing effect on the organization's highly dedicated and specialized staff. Moreover, because of federal regulations regarding the conduct of RIFs, newer, talented staff hired by the agency before the 1999 reorganization lacked tenure and were often dismissed in RIFs because of lack of seniority, or they voluntarily departed, thus leaving a skills gap.

Barriers to Restructuring the Workforce

BBG/IBB uses a variety of mechanisms to carry out its mission, but numerous barriers exist to restructuring the workforce effectively. For example, a former chief of staff noted in the agency's preliminary workforce analysis report to OMB that resource constraints have restricted staff access to training, managerial skills are largely lacking, and there is a resistance by some staff to changing broadcast formats. One agency official reported to OMB that, without training and additional staff, the transition to digital multimedia formats is burdensome, and efforts are often resisted.

BBG/IBB officials reported that in light of these events, along with changes in broadcast language priorities and diversification in the media environment from shortwave radio to television and Internet production, they face formidable challenges in meeting these emerging requirements as well as implementing training, recruitment, and retention strategies. Officials also told OIG that the agency is constrained by rigid and time-consuming federal hiring practices, which make hiring staff with the right skill mix and firing staff with dated skills a difficult proposition.

The Human Capital Implementation Framework

OMB, OPM, and GAO collaborated to establish a comprehensive framework for implementing strategic human capital initiatives. OIG found that IBB's workforce plans did not meet these standards. The plans, for example, did not meet the criteria specified by OMB to link strategic plans, organizational alignment, and core business practices. BBG/IBB has not provided to OIG or the Board detailed information about leadership and succession planning, recruitment, professional development, and workforce diversity strategies for mission accomplishment as required by OMB.

OIG found that OPM and OMB provided very specific criteria and guidance for the preparation of the workforce restructuring and human capital plans. Additionally, OMB provided guidance on workforce plans and restructuring to the agencies preparing their FY 2003 budget submission and annual performance plans. Moreover, OPM developed a human capital scorecard to be used specifically in combination with OMB's Human Capital Standards for Success to help agencies achieve green status on the management scorecard.¹⁹ Key dimensions to be reported on include strategic alignment, strategic competencies, leadership, performance culture, and professional development. OIG determined that BBG/IBB largely failed to follow this specific guidance when it prepared its workforce restructuring and human capital plans.

OPM's Workforce Planning Model

OPM also prepared and disseminated to agencies the Federal Workforce Planning Model, which was based upon GPRA requirements for preparing five-year strategic plans and setting strategic direction. However, BBG/IBB's workforce restructuring and human capital plans only partially addressed these dimensions. BBG officials told OIG that they also relied on the checklist developed by GAO for human capital planning, which mirrors most of the criteria and standards set by OMB and OPM.²⁰ However, OIG found that when BBG/IBB prepared its workforce restructuring and human capital plans, it only partially followed OPM's Human Capital Scorecard and did not fully address strategic planning, organizational alignment, core business practices, leadership and succession planning, and recruitment and professional development strategies for mission accomplishment. In light of the agency's past discrimination problems, it needs to address the performance culture and ensure accountability and fairness in the workplace, as set forth in the GAO criteria.

Partial Implementation of the Human Capital Plan

Although BBG/IBB's human capital plan outline is fairly comprehensive, how far-reaching its impact across the agency will be remains unclear. At the time of this review, IBB administrators admitted that their human capital plan was only fully implemented in the management directorate, which constitutes only eight percent of the agency's workforce. OIG found that the agency had issued a strate-

¹⁹ The Human Capital Scorecard: Dimensions of Human Capital, (Dec. 2001).

²⁰ *Human Capital: A Self-Assessment Checklist for Agency Leaders* (GAO/OCC-00-14G, Version I, Sept. 2000).

gic plan, but it did not reflect the workforce restructuring and human capital plans as required by OMB.

For example, the OMB, OPM and GAO guidance provided standards to agencies to prepare a detailed human capital framework to help them measure the effectiveness and validity of their workforce planning and restructuring efforts. The consolidated guidance directs agencies to conduct a skills inventory of staff and determine where deficiencies exist in mission-critical occupations. BBG/IBB has identified the critical skills vital to the accomplishment of the agency's mission. There is no clear evidence, however, that the agency's human capital plan is directly integrated with its strategic, budget, and annual work plans as required by GPRA.

BBG/IBB has developed a performance appraisal system that links the mission of the organization with employee performance, but it lacks clear and explicit alignment of the agency's commitment to the human capital plan in performance agreements between the executive director and the Board. BBG/IBB acknowledges that it needs to do a better job of ensuring that appraisals are completed in a timely manner, and it is taking steps to do so.

According to its workforce plan, BBG/IBB reported that it has not had a formal Senior Executive Service (SES) development program; thus, OIG was not clear about what steps BBG/IBB would be taking to ensure the reasonable continuity of leadership through succession planning. BBG/IBB identified the need for more intense and higher level management and leadership training but has yet to define the roles, responsibilities, and core competencies for its leaders.

The consolidated guidance requires agencies to prepare an explicit strategy to promote teamwork and clearly communicate a shared vision of the mission and new performance management system. Yet there is no evidence of a communication strategy to do so at BBG/IBB, nor is there evidence that the human capital objectives are aligned with BBG's core business practices.

According to BBG/IBB's workforce restructuring plan, the agency promotes the use of individual development plans (IDP), but the director of personnel told OIG that his office was not responsible for such plans. It was the responsibility of unit heads. OIG found, for example, that the Office of Procurement had prepared IDPs. BBG/IBB reported that it plans to recruit, train, and retain the right people with the right skill mix to accomplish the agency's mission, but it has not provided specific details with regard to performance measures, goals, and indicators.

The annual language service review sets programming priorities, but there was no specific reference to it in the workforce restructuring and human capital plans. OMB's PART process encourages agencies to put mechanisms in place, such as performance evaluations and annual ratings, to show that senior managers and supervisors are held accountable for creating high-performing organizations. However, there is no evidence that BBG/IBB's performance management system fully reflects the critical success factors identified in OPM's human capital assessment and accountability framework. Based on OMB and GAO guidance, the lack of alignment, integration, and coordination of these critical elements, undercuts the agency's attempts at implementing a cohesive workforce restructuring and human capital program and inhibits efforts to establish a results-oriented, performance-based culture to meet the PMA.

Efforts To Achieve a Diversified Workforce

The Foreign Relations Authorization Act, Fiscal Year 2003, directs BBG/IBB to report on its efforts to achieve a diversified workforce. However, OIG found that BBG/IBB has not articulated the long-term plans, including performance indicators and measures, it needs to achieve a diversified workforce. This is a concern in light of past complaints and legal settlements over race and gender discrimination. At the beginning of OIG's review, the Office of Personnel knew of no supervisors and managers who were admonished for failure to attend mandatory EEO training for management and staff, which helps to train staff about the importance of gender, ethnic, and cultural diversity in the workforce. According to BBG's executive director, the agency has renewed its efforts to ensure that management and staff attend mandatory EEO training. In addition, until recently, the SES corps at BBG/IBB did not reflect the agency's diverse population. The BBG Chairman is ultimately responsible for ensuring that the work environment is free from all forms of discrimination and has renewed his commitment to ensuring that this is accomplished.²¹

BBG/IBB has identified workforce diversity as a goal in its workforce plan as required by OMB and OPM and has reported accomplishments to Congress in accordance with the Foreign Relations Authorization Act, Fiscal Year 2003. According to an internal management study, reluctance by BBG/IBB senior managers to confront issues of fairness, accountability, and workforce diversity led to tensions and caused mistrust among employees in the past.²² Some agency managers

²¹ IBB memo, Office of Civil Rights Sexual Harassment Policy (Nov. 22, 1999).

²² IBB Management Partners, *Management Development and Support Group at the International Broadcasting Bureau*, Report to Senior Management (Jan. 2001).

expressed concern to OIG about the potential for more lawsuits because of the dual system of career advancement and limited opportunities for promotion in the language broadcast services.

The agency has not yet detailed the performance measures, recruitment targets, or retention strategy to be used to achieve greater workforce diversity, although recruitment and retention are two pillars of its human capital program. BBG/IBB does report that it has made significant progress in diversifying its workforce through recruitment, training, and other workforce diversification initiatives. For example, the agency reported that from March 2000 to December 2002, it increased the number of female and minority GS-13 and above employees by five percent. The agency has said in its strategic plan that diversity is a key value of the organization.

OIG determined that BBG/IBB's recruitment budget for FY 2002 was \$103,043, less than one-fourth of one percent of its Management Directorate budget of almost 46 million dollars in FY 2002. Forty-four percent of this amount (\$45,597) was allocated for the recruitment of women and minorities. Of this amount, the Office of Civil Rights received \$30,000 to recruit staff. According to the BBG executive director, virtually all of the job fairs attended by BBG officials were related to the recruitment of women and minorities. These included conferences by the National Urban League, National Association of Black Journalists, Blacks in Government, the National Council of La Raza, and the U.S. Hispanic Leadership Conference. The agency also posted job announcements on the web sites of the National Association of Hispanic Journalists, the Asian-American Journalists Association, and the Native-American Journalist Association.²³ In light of the potential human capital crisis if high retirement and attrition of managers and staff occurs, OIG is concerned that sufficient resources are not currently allocated to support the agency's recruitment program in order to meet future needs.

BBG/IBB's Acquisition Workforce and Federal Standards

OIG also found that more than three-fourths of the staff currently in possession of warrants to negotiate, administer, and oversee contracts fail to meet the agency's own minimum as well as governmentwide professional standards. OIG further determined that the chief procurement officer could not determine how

²³ *Annual Federal Equal Employment Opportunity Statistical Report of Discrimination Complaints October 2000 - September 2001.*

many employees hold contracting administration authority outside of headquarters. Workforce plans failed to fully address the need for ensuring that the acquisition workforce was adequately trained to meet the professional standards in place at the agency and mandated by the OFPP Act, OFPP directives, and the Clinger-Cohen Act. OIG's review showed that the agency was taking corrective actions to ensure that procurement and acquisition staffs meet governmentwide standards.

Human Capital Planning and Strategic Goals

According to GAO and OPM, effective human capital management requires the sustained commitment and attention of senior leaders and managers.²⁴ OIG determined that the Board was briefed on the agency's human capital program, but that no explicit statement of commitment to comprehensive and complete agency-wide implementation was issued — although leadership support is considered vital to the success of workforce planning and restructuring efforts. OIG also determined that neither the VOA director nor any of the program managers and language service directors, apart from those in the management directorate, were informed about most of the agency's human capital plan. This is contrary to OPM workforce planning guidance. The human capital plan did not provide details on how or when a skills inventory of the staff would be conducted, as required by GAO and OPM, nor did it provide performance measures for determining and measuring staff competencies, as recommended by OMB. Not having a skills inventory or measures for evaluating staff competencies makes it difficult for BBG/IBB to determine whether desired competency levels are being met.

OIG found that the human capital plan failed to address language proficiency requirements for current foreign language broadcasters. In recent testimony, GAO reported that foreign language skills are vital to support public diplomacy programs in a time of increasing globalization and a changing security environment; however, agencies must now contend with an aging core of language staff and shortfalls in language skills that can impair the agency's performance.²⁵ According to the BBG executive director, however, efforts are being made as part of BBG/IBB's workforce restructuring efforts, to devise tests in conjunction with OPM to capture changes in skills now required of international broadcasters.

²⁴ *Self-Assessment Checklist* (GAO/OCG-00-14G, Vol. I, Sept. 2000) and *Seven Keys to Evaluating Federal Workforce Planning* (OPM, Dec. 2001).

²⁵ *Foreign Languages: Workforce Planning Could Help Address Staffing and Proficiency Shortfalls* (GAO-02-514T, Mar. 12, 2002).

In summary, OIG found that the workforce restructuring identified in IBB's human capital plan is a step in the right direction, but more work remains to be done to pass the management scorecard. The agency's workforce planning and restructuring has only partially addressed major elements of the OMB, GAO, and OPM criteria. OIG believes that in order to be fully effective, human capital planning must be directly linked with the agency's strategic goals. It must be comprehensive and address the core competencies of mission-critical staff. It must also be well aligned with the organization's structure and implemented in a consistent, cohesive manner throughout the BBG/IBB community.

HOW BBG/IBB EFFORTS ALIGN WITH OPM'S KEYS TO EVALUATING WORKFORCE PLANNING

The keys refer to seven elements of federal workforce planning and restructuring set forth by OPM as a guide for all agencies. (See Appendix B.) The workforce planning process should be an integrated planning effort representing interests throughout an agency. Workforce planning and restructuring decisions should be strategic in nature, data driven, measurable, and supported by top management. Specific strategies must address planning, performance management, recruitment, hiring, training, and professional development needs. The plans should identify the core competencies and provide remedies for any skill gaps. Strategies should be continuously monitored and updated. OIG found that BBG/IBB did not specifically incorporate several of the seven key elements in its workforce planning effort.

Linking Workforce Plans to the Strategic Plan

One element missing from the BBG/IBB workforce restructuring and human capital plans is that they are not specifically integrated with the agency's annual language service review, which supports its mission, sets program priorities, and guides long-term planning. According to OMB, the vital link that integrates strategic goals, program plans, and workforce restructuring in the balanced management scorecard is missing. IBB administrators told OIG that human capital planning thus far had been implemented only in the management directorate, which constitutes 156 staff out of a workforce of 1,915 in September 2000, or little more than eight percent of the agency. Although managers and supervisors throughout the management directorate had been briefed on the management scorecard and balanced measures, it remained unclear how extensive the effects of the BBG/IBB plans would be.

Monitoring and Revising the Plans and Strategies

Officials from IBB's management directorate told OIG that they were committed to continually monitoring and improving their workforce restructuring and human capital planning efforts to meet the objectives of OMB's management scorecard. They hoped that these efforts would eventually include the entire IBB organization

Recommendation 1: The Broadcasting Board of Governors should ensure that the International Broadcasting Bureau fully implements its workforce restructuring and human capital plans in accordance with the Office of Personnel Management's Federal Workforce Planning Model and the Office of Management and Budget's Human Capital Standards for Success.

BBG concurred with this recommendation.

Workforce Demographics

Compiling Indicators of Workforce Demographics

As of September 30, 2000, BBG's workforce plan listed 1,915 permanent, full-time government and temporary employees, excluding the broadcast grantees, RFE/RL and Radio Free Asia. (See Table 1.)

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Table 1. BBG/IBB Workforce by Office September 2000

BBG/IBB Unit	Number Total Staff	Percent	
		Male	Female
Broadcasting Board of Governors	25	56	44
IBB Direction	12	42	58
Administration	41	44	56
Contracts	17	47	53
Engineering	184	87	13
Financial Management Office	29	38	62
Policy	7	71	29
External Affairs	15	27	73
Office of Cuba Broadcasting	159	70	30
Office of Civil Rights	8	37	63
Personnel	41	22	78
Program Review	6	67	33
Security	15	60	40
WORLDNET	182	64	36
Voice of America	1104	67	33
Business Development	1		100
Computing Services	42	60	40
Affiliate Relations	27	37	63
	1,915	65	35

Source: BBG/IBB Agency Direction Staffing Pattern (May 2001) and Permanent Workforce Statistics (Sept. 30, 2000).

BBG/IBB employees are more male, higher graded, better paid, and have fewer years of service when compared with other federal employees. As of December 1999, the average length of service for BBG/IBB employees was 15.5 years, compared with the federal average of 17.1 years. As of September 30, 2000, the BBG/IBB workforce included 280 supervisors; the ratio of employees to supervisors was 7.8 to 1.

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As of September 2000, the average grade of a BBG/IBB employee was GS-12, compared with the federal average of GS-10. Additionally, BBG/IBB employees were paid an average of \$64,406, approximately \$1,161 more than the average federal employee's salary of \$63,245²⁶ in FY 2000. BBG/IBB had a higher ratio of male employees when compared with the U.S. government average, 65 percent versus 55 percent. Of the FY 2000 BBG/IBB workforce, which was 65 percent male and 35 percent female, 30 percent of the females were at or above the GS-13 level. In addition, 24 percent of the SES positions were female, and 88 percent were white. Of the FY 2000 workforce, minorities accounted for almost seven percent of the SES level.

When compared with the rest of the federal workforce, the average BBG/IBB employee was older, almost 50 years compared to 46.3 years in the federal workforce. (See Table 2.) By 2007, up to 67 percent of the staff will be eligible for retirement, and 83 percent of the current BBG/IBB supervisors will be eligible for retirement by 2006, compared with only 35 percent of the federal workforce. GAO describes the overall federal situation as a crisis and profound management challenge.²⁷ The agency reported that as of September 2000, almost seven percent of BBG/IBB's permanent SES were minorities, compared with 14 percent across the government.

Table 2. How BBG/IBB Workforce Compared With the Federal Civilian Workforce

Category	Workforce	
	BBG/IBB 2000	Federal Civilian
Minority SES	6% ^a	14%
Female SES	24% ^b	25%
Employment by gender		
Male	65%	55%
Female	35%	45%
Retirement Eligibility	67%	35%
Average Age	50 years	46.3 years

Note: Percentages are rounded.

^a As of June 2003, the agency had two minorities in its SES, which represents 13 percent; however, at the time of the workforce analysis, only one was a permanent member of the SES.

^b As of July 2003, the agency reported that women represent 38 percent of its SES pool.

Source: *The Fact Book, 2001 Ed., Federal Civilian Workforce Statistics* (OPM, July 2001), and BBG/IBB Workforce Restructuring Plan (Sept. 2001).

²⁶ Average adjusted basic salary and full time employment by pay system for the District of Columbia as of March 31, 2000.

²⁷ *High Risk Series: An Update*, pp. 71-60.

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According to the BBG/IBB Workforce Restructuring Plan, by FY 2007, about 83 percent of all current IBB supervisors would be eligible for retirement. Of these, 27 percent are expected to retire. By FY 2006, at least 67 percent of the staff could retire from the agency. In addition, up to 24 percent might also separate from the agency. Thus, the potential exists for a destabilizing loss of mid- and senior-level management and staff. IBB officials told OIG that substantial reductions in staffing levels in response to the past consolidation of international broadcasting have already had a destabilizing effect on the organization's ability to meet its mission. Moreover, because of federal regulations regarding the conduct of RIFs, newer, talented staff hired by the agency before the 1999 reorganization lacked tenure and were often dismissed in RIFs because of lack of seniority, or they voluntarily departed. BBG officials also reported that the nine RIFs, ending in FY 2000, had undermined efforts to recruit and maintain a highly skilled and diverse workforce. BBG officials told OIG that highly talented, skilled individuals relatively new to the organization and to government service were most vulnerable. They also said that those not forced out during layoffs often chose to leave, owing to continued uncertainties about the agency's future.

At the beginning of this review, OIG found that the Office of Personnel knew of no staff that was admonished for failure to attend mandatory training sessions offered in workforce diversity or sexual harassment; individual units had varying levels of participation. The BBG executive director told OIG that the agency now enforces its requirement that supervisors and managers attend mandatory workforce diversity and sexual harassment classes. OIG noted that officials with RFE/RL have required bi-annual training for all managers and staff on sexual harassment and diversity issues. OIG also noted with concern some evidence that the director of Civil Rights had not been given the opportunity to brief the Board formally and routinely regarding issues related to the possibility of discriminatory practices within the agency, particularly among the non-English-speaking language services. BBG's Executive Director said that the Director of Civil Rights prepared a written report for the Board each month.

Recommendation 2: The Broadcasting Board of Governors should ensure that the International Broadcasting Bureau meets the Office of Management and Budget's Human Capital Standards of Success with regard to workforce diversity plans. This can be accomplished by putting procedures in place to ensure that workforce diversity objectives are included in the bureau's workforce restructuring and human capital plans.

BBG concurred with this recommendation.

Recommendation 3: The Broadcasting Board of Governors should ensure that the International Broadcasting Bureau provides annual reports to the Office of the Inspector General through FY 2007 on the reasonable and valid measures it is taking to improve workforce diversity based upon the data it receives from agency-wide surveys of the work environment.

BBG concurred with this recommendation but disagreed with the requirement to submit a special annual report on workforce diversity to OIG.

Improving Workforce Diversity Planning

The Foreign Relations Authorization Act, Fiscal Year 2003,²⁸ directed BBG to report on its efforts to diversify its workforce. The agency and its predecessor, the United States Information Agency, had been the subject of a highly publicized sexual discrimination complaint. There were also complaints and reports of fostering a hostile work environment, yet OIG noted that supervisors and managers generally did not attend mandatory workforce diversity classes until recently. This is troubling in light of past and persistent complaints as well as costly legal settlements over race, age, and gender discrimination.

At the beginning of OIG's review, BBG/IBB made EEO training mandatory for management and staff, but according to the Office of Civil Rights, this policy was not uniformly enforced. Mandatory attendance at this training is now enforced for supervisors and managers, and the BBG executive director has restated his pledge to make the value of workforce diversity a priority. The agency's strategic plan identifies this as a key value. In addition, the VOA Chairman renewed policy statements pledging a firm commitment to EEO and the prevention of sexual harassment. This is helpful as it provides staff with information on the importance of gender, ethnic, and cultural diversity in the workforce.

In July 2001, almost 11 percent of a cross section of BBG/IBB managers and staff participated in an agency-wide survey on the diversity climate in their workplace. Survey results showed that participants perceive there are problems and many opportunities for improvement. For example, 88 percent of staff respondents reported that racial and cultural differences influence behaviors within their organization. In response to the query "Do you feel that our agency understands

²⁸ Pub.L. 107-228.

and values diversity?” 44 percent of respondents answered “Yes,” 40 percent responded “No,” and 16 percent responded “Yes and No.” Of the 40 percent who responded “No” and 16 percent who responded “Yes and No,” 79 percent indicated a “sense of intolerance to those who are different.”

Of the managers who participated in the survey, 50 percent said they believe the agency understands and values diversity; however, 78 percent of them acknowledged that the lack of understanding different cultures is an obstacle to working with those who are different from them. Additionally, 62 percent of the managers as well as 88 percent of the nonmanagers said that racial and cultural differences influence behaviors within the organization.

The consensus of the staff (82 percent) and managers (85 percent) surveyed was that mandatory diversity training would improve the diversity climate at BBG/IBB. With regard to the language services, 55 percent of the staff surveyed indicated, but only 16 percent of the managers surveyed agreed, that the English-language broadcasters receive preferential treatment. By contrast, several IBB officials reported in an internal management study that the agency would benefit from implementing a plan that would promote an all-inclusive work environment and an institution free of bias.²⁹

OIG noted that the agency has established a Diversity Leadership Council to assess progress and recommend methods to improve the management of diversity issues in the workforce. To help the agency further achieve a more diversified workforce, the IBB Office of Civil Rights advised OIG that it had encouraged BBG to increase the area of targeted recruitment, expand training opportunities, incorporate diversity into the agency’s succession and workforce planning objectives, and factor support for workforce diversity into the annual performance appraisals of all supervisors and managers.

Workforce Planning

Determining Future Staffing Needs

According to BBG/IBB’s workforce plan, the agency has identified several critical areas requiring attention. Both changes in technology and program delivery methods are exacerbated by projected staff losses. BBG/IBB’s greatest concerns emphasized the need for management and leadership training, succession plans for

²⁹ IBB Management Partners Report to Senior Management (Jan. 2001).

the Foreign Service officer positions at transmitter stations, Internet development, multimedia skills, emerging technology, professional skills training, and continuing education programs. In addition to the need for strong journalistic skills, workforce planners reported a need for staff experts in radio and television writing and broadcasting as well as marketing and promoting radio, television, and Internet products.

Through their workforce analysis, BBG/IBB planners identified the need to improve training, management and leadership development, recruitment, retention, and the professional skill base of staff in order to respond to shifts in priorities. However, the agency has not prepared a listing of core competencies for various skill categories. The agency has not demonstrated that the new performance appraisal system for staff, including SES and senior managers, clearly reflects the agency's commitment to a new performance management system. OIG noted, for example, that there are no accountability measures for SES staff that demonstrate the new emphasis on linking the achievement of strategic goals to human capital initiatives. There were also no clear indications that the agency had identified the specific core competencies needed to support its goals and service delivery strategies, nor had it reflected these in position descriptions for staff or managers.

Analyzing Projected Staffing Gaps

At the time of OIG's review, funds for training represented less than one percent of IBB's annual operations budget. This compares with the government average of two percent and the best-performing agencies' level of six percent.³⁰ The agency is attempting to find creative, cost-effective ways to offer more training and professional development opportunities for all staff through its Training and Development Division and Advisory, Referral, and Counseling Service with assistance from the Small Agency Council Training program. New courses recently offered to staff emphasize customer satisfaction, enhanced oral and written communication skills, broadcast interviewing, supervision, management and leadership development, performance management, discipline, labor relations, conflict resolution, team building, and coaching, skills.

The director of personnel told OIG that IDP's are generally not prepared for staff, except in the Office of Contracts. As recently as 2002, over 62 percent of BBG/IBB staff had not received annual performance appraisals evaluating their

³⁰ American Society on Training and Development, *Training in the Federal Workplace*, Conference on Excellence in Government, Washington, D.C., July 2002.

skills and ability to achieve the agency's mission.³¹ A skills inventory had not been conducted to assess the current level of staff talents and abilities with those needed for the present or future. Generally, updated core competencies had not been identified for the various professions, nor had position descriptions been updated to reflect the new management agenda. At the start of OIG's review, there were no uniform mandatory training requirements for staff and management across the agency, although individual offices had established their own standards. Additionally, mandatory EEO training courses for managers and supervisors were not well attended and not given high priority, according to the Office of Civil Rights. Managers and supervisors in the IBB management directorate, however, are now required to attend EEO training and receive training in evaluating performance and giving feedback.

Developing Strategies to Address Staffing Gaps

BBG/IBB administrators had not put in place action plans to execute the human capital planning strategy. They had not established detailed plans for performance management, identified responsible parties, nor set target dates for accomplishing workforce restructuring. The agency had identified the specific training needed by the SES and senior management staff, but whether it would be adequately funded was still to be determined. According to officials in the Training and Development Division at the beginning of this review, IBB was considering participation in the government's electronic learning initiative, which is part of the PMA. Officials told OIG that they consider the recruitment and retention of a highly trained workforce some of their management priorities.

Keeping Staff Apprised of the Workforce Plans

OIG found that the overall goals of the human capital plan have been communicated only to managers and staff in the IBB management directorate. This practice is not consistent with OPM and GAO guidance for federal workforce planning. Parts of the plan, including the new performance appraisal system, have been communicated to management and union representation.

³¹ In 5 CFR 430.206, OPM Performance Management, agencies are urged to designate an official appraisal period, generally 12 months, during which performance is to be monitored and for which a rating of record is to be prepared.

Federal Professional Standards for Acquisition and Procurement Staff

The federal standard is for procurement and acquisition workforce staff to receive a minimum of 40 hours of continuing education units annually as well as periodic tests of their knowledge of the fundamentals of federal contract law and contract administration to be considered proficient, according to officials at OMB, OFPP, and GAO. IDP's are generally not prepared or followed for most BBG/IBB acquisition and procurement staff, although this is also a federal requirement.

OIG's analysis of the Office of Contracts' training budgets for FYs 2000-02 disclosed that 76 percent of warranted contracting officers in the organization (71 of 94) had not received procurement training in the last two years as required by the agency's own procurement policies and OFFP and the General Services Administration (GSA).³² OIG was not able to determine whether procurement officials overseas and in the Office of Cuba Broadcasting had received sufficient training in federal acquisition law and procurement standards, policies, and procedures. OIG found that classes were offered in management and simplified acquisitions, but also noted that the Office of Contracts had not updated records to reflect the training that the staff had received before the current warrants were issued.

Although OIG has previously reported on failures in property management and other aspects of acquisition and procurement management problems at BBG/IBB,³³ it found no evidence of professional development plans in place for property and facility managers or the logistics and supply staff that, according to GSA, are part of the acquisition workforce. Generally, BBG/IBB has prepared core competencies for contracting officers, but it has not strictly enforced requirements to implement them for the various skill levels.

Fostering a Well-Trained Acquisition Workforce

The OFPP Act and its 1996 amendments are designed to foster and promote a well-trained and adequate acquisition workforce. Additionally, the Clinger-Cohen Act requires agencies to establish education, training, and experience requirements and ensure uniform policies and workforce qualification standards, and OFPP Policy Letters 92-3 and 97-1 set forth core competencies for the acquisition workforce. OIG has no assurance, however, that the majority of staff is meeting

³² See Appendix F for prescribed training.

³³ *Review of Monitoring Contractor Performance for the Broadcasting Board of Governors* (AUD/PPA-02-21, Mar. 2003); IBO-A-03-01 (Jan. 2003).

the professional certification requirements, nor that they are registered on GSA's Acquisition Career Management Information System, as required. These deficiencies may place the agency at risk of inadequate monitoring, potential cost overruns, late deliveries, and poor contractor performance. The agency has active contracts currently valued at around \$219 million. This includes contracts totaling \$50 million awarded in FY 2002.

The Clinger-Cohen Act also requires civilian agencies to collect standardized information on their acquisition workforce. In addition, OFPP Policy Letter 97-01 requires executive agencies to establish core training, continuing education requirements, and competency standards for the acquisition workforce. However, OIG found that the senior procurement executive had no records to determine the number of agency staff responsible for administering and monitoring contracts, including contract and procurement specialists and other positions in which significant acquisition-related functions are performed as required. Also, there was no system in place to test the competency and skill levels of procurement and acquisition staff.

Measuring the Effectiveness of Training

OIG found no specific performance measures in place to gauge the effectiveness of training classes currently offered for acquisition and procurement staff despite OFPP Policy Letter 92-3, which requires the establishment of core competencies and specific training requirements for all acquisition workforce members, including contracting and purchasing officers, authorized representatives of the contracting officer (AR/CO) and contracting officer technical representatives (COTR). Generally, core competencies had been identified, but not required, for staff serving in various capacities, including property managers and logistics and supply staff.

At the beginning of OIG's review, the Office of Contracts did not have a system to track the training of each employee, which would ensure compliance with BBG/IBB's own internal procurement policies and procedures. OIG found the lack of mandatory acquisition and procurement training for managers and supervisors equally troubling. OIG also determined that the agency's workforce plans lacked sufficient detail regarding core training, competency requirements, and professional development for its acquisition workforce. According to the senior procurement executive, corrective actions are under way to ensure that the agency improves its level of compliance with federal procurement policies and procedures.

Improving the Identification of Acquisition Staff

At the time of OIG's review, the Office of Contracts said it had 31 contract specialists. However, OIG found that warrants were issued for 94 staff throughout the agency. In accordance with GSA policies and descriptions of the federal acquisition workforce, the size of the acquisition workforce is in all likelihood greater than the 94 employees given contracting warrants. For example, OIG found evidence that, in addition to these 94 warranted officers, electronic engineers, program managers, administrative officers, and a radio editor exercise contracting authority. OIG's findings were similar to GAO's determination in July 2002 that civilian agencies need to improve the identification of all acquisition-related positions and ensure that these staff receive professional development opportunities.

OIG found a significant number of staff outside the Office of Contracts involved with various aspects of acquisition, logistics, property management, and administrative operations — all considered part of the acquisition workforce by GSA. These staff, however, lacked the critical training and professional certification required by the Federal Acquisition Regulations and GSA's Acquisition Workforce Tracking System.

OIG also determined that the Office of Contracts does not know the actual number of contracting officer representatives and COTRs at work in the agency. OIG was told that they are referred to as AR/COs. An AR/CO is designated for each contract and serves as technical representative for the contract. The senior procurement executive told OIG that his office does not have direct control over the AR/CO-related training staff receive. Further, he told OIG that his office is not responsible for monitoring the AR/CO training; this responsibility has been delegated to the program office management in which each AR/CO is assigned. Officials at OMB and OFPP told OIG they dispute this position and indicated that whoever signs these warrants is responsible for the administration and performance of the contracts, including proper billing procedures, allowability of expenditures, reasonableness of costs, timely deliveries, and contractor performance.

The problems OIG identified may be attributed to several factors, according to the senior procurement executive, including poor internal controls and the staff's lack of knowledge about contract law and federal acquisition procedures. OIG noted that this lack of knowledge could prove costly if it is found that unqualified persons priced, negotiated, and oversaw the administration of over \$200 million in contracts.

Improving Acquisition Staff Recruitment, Training,
and Management

In response to these findings, the senior procurement executive told OIG that this had been an administrative oversight and that his office needed “to make significant improvements in its recruiting, training, and management” of contracting staff and other staff who administer contracts throughout headquarters and field locations. In a November 2002 memo to OIG, he wrote that his office plans to make improvements in its recruiting, training, and management of all staff who administer contracts. For example, the Office of Contracts is implementing an automated database to track all training of procurement and acquisition staff. For the first time, the agency will meet annual OFPP certification requirements for various levels of warranted contracting authority. Also for the first time, the agency will submit annual reports to OFPP on the qualifications and competencies of its acquisition and procurement personnel. New performance standards for contracting personnel are also being put in place as part of the annual appraisal process, and the completion of IDP’s is planned. Additionally, the senior procurement executive has assigned staff within the Office of Contracts to work full-time on contract administration policy and procedural matters.

Recommendation 4: The Broadcasting Board of Governors should fully implement policies and procedures to ensure that training requirements and certification standards for the International Broadcasting Bureau’s acquisition and procurement workforce are met in accordance with the agency’s internal guidance and Office of Federal Procurement Policy Letters 92-3 and 97-1.

BBG concurred with this recommendation and has undertaken action to meet these standards.

Recommendation 5: The Broadcasting Board of Governors should require that all staff granted authority to conduct acquisition and procurement work be registered in the web-accessible database known as the Acquisition Career Management Information System managed by the Office of Federal Procurement Policy of the Office of Management and Budget.

BBG concurred with this recommendation and has undertaken action to meet these standards.

LIST OF RECOMMENDATIONS

Recommendation 1: The Broadcasting Board of Governors should ensure that the International Broadcasting Bureau fully implements its workforce restructuring and human capital plans in accordance with the Office of Personnel Management's Keys to Evaluating Federal Workforce Planning and the Office of Management and Budget's Standards for Success.

Recommendation 2: The Broadcasting Board of Governors should ensure that the International Broadcasting Bureau meets the Office of Management and Budget's Human Capital Standards for Success with regard to workforce diversity plans. This can be accomplished by putting procedures in place to ensure that workforce diversity objectives are included in the bureau's workforce restructuring and human capital plans.

Recommendation 3: The Broadcasting Board of Governors should ensure that the International Broadcasting Bureau provides annual reports to the Office of the Inspector General through FY 2007 on the reasonable and valid measures it is taking to improve workforce diversity based upon the data it receives from agency-wide surveys of the work environment.

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LIST OF ABBREVIATIONS

AR/CO	Authorized Representative of the Contracting Officer
BBG	Broadcasting Board of Governors
COTR	Contracting Officer's Technical Representative
EEO	Equal employment opportunity
GAO	General Accounting Office
GPRA	Government Performance and Results Act
GSA	General Services Administration
IBB	International Broadcasting Bureau
IDP	Individual development plan
OFPP	Office of Federal Procurement Policy
OIG	Office of Inspector General
OMB	Office of Management and Budget
OPM	Office of Personnel Management
PART	Performance Assessment Rating Tool
PMA	President's Management Agenda
RFE/RL	Radio Free Europe/Radio Liberty
RIF	Reduction-in-force
SES	Senior Executive Service
VOA	Voice of America

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APPENDIX A

OMB's Performance Assessment Rating Tool

One of the five PMA initiatives is budget and performance integration. All federal agencies are now required, in accordance with OMB guidelines, to implement a more performance-based budgeting process. In FY 2003, OMB launched the Performance Assessment Rating Tool (PART), employing a traffic light scoring system to grade 20 percent of agencies' performance budgeting criteria, representing almost \$500 billion in annual government spending. From this grading process, OMB rendered budget and management recommendations. All but a few agencies received red light scoring because they failed, according to OMB, clearly to link their funding requests to program performance.

PART consists of a series of weighted questions and standardized criteria intended to support OMB's assessment of the integration and linkage of the following key program characteristics: integrated planning and budgeting functions, devising a results-oriented strategic plan, realigning budget accounts with performance goals, assigning budgetary costs to performance goals, and linking program management with results.

Performance budgeting is not new, however the PART process involves greater transparency and incorporates real-time data on costs and outcomes. It also requires clear performance goals and greater accountability for tangible program results. PART incorporates existing practices used by OMB examiners and complements the 1993 Government Performance Results Act (GPRA), which requires agencies to develop strategic plans and measure progress in meeting mission goals.

PART provides a common, transparent approach to assessing programs and supporting recommendations based on those assessments. It also enforces the linkage between strategic planning and program results. There is a unique PART for each of the seven categories of federal programs, ranging from competitive block grants and credit programs to capital assets and direct federal programs.

By FY 2004, approximately 240 federal objectives or programs will undergo greater scrutiny to determine if performance goals are met. OMB plans to use PART again as a central element of the 2005 budget process.

Source: OIG Summary of OMB memoranda and instructions for the Program Assessment Rating Tool.

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APPENDIX B

OPM's Federal Workforce Planning Model

The workforce plan is based on the agency's strategic plan and considers the mission, vision for the future, core values, and goals. Top management supports it.

Data analysis has been conducted which analyzes demographic and environmental impacts on the workforce plan. Information has been extracted from agency human resource information systems and includes indicators such as distribution of employees by pay level, attrition rates, retirement rates, projected eligibility by pay level, and ratios of managers to employees. Where possible, benchmarking has been completed in areas such as skills, education levels and geographic and demographic trends.

The agency has determined the number and type of employees that will be needed to address the challenges of the next three to five years. The number and types of competencies have been defined for employees in each occupational group. Skill levels for each competency are determined and listed. There are clear indications that the agency has identified the roles and core competencies needed to support its goals and service delivery strategies.

An analysis has been performed which assesses the gap between current competencies and those needed for the future. The analysis also addresses workforce size, demographics, occupations, and geographical locations.

Strategies are developed to address the gaps between the projected supply and demand. Action plans to execute the strategies are clearly laid out, including responsible parties, due dates, and resources needed. As needed, specific strategies may address executive succession planning, compensation, performance management, an employee-friendly workplace, recruitment and hiring, training and professional development.

The plan has been communicated to employees and stakeholders. The trust of the workforce is earned by involving employees in the strategic planning process. Staffs in civil rights, human resources, budget, strategic planning, and information management, as well as unions and line managers provide integrated workforce planning support.

The workforce plan and strategies are continually monitored and refined to ensure their ongoing effectiveness and continuous improvement, taking into account resource changes, and other conditions impacting the agency.

Source: OPM's Federal Workforce Planning Model.

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APPENDIX C

GAO Human Capital Principles

According to the Office of Personnel Management, federal workforce planning details the strategic, structured, systematic, and continuous actions that must be taken to allocate resources, align the organization, and recruit, train and retain the right people (human capital) in the most effective method possible to achieve success. As the General Accounting Office defines it, human capital means people whose value can be enhanced through investment so that the performance capacity of an organization increases. During December 2000 hearings before the Senate Committee on Governmental Affairs, the Comptroller General outlined the following human capital principles.

Human capital management is intrinsically fundamental to strategic business management. Human capital considerations should be integrated to an organization's mission, strategic plans, core values, and operational policies and practices.

Human capital functions go beyond traditional personnel roles and human capital staff should be integrated into agency's top management teams.

Leverage the internal human capital function with external experts possessing the knowledge and skills to assist the organization as needed.

Identify leadership traits, and then hire, develop and sustain leaders possessing the leadership characteristics essential to achieve the agency's mission and goals.

Communicate common understanding the organization's shared values, mission and strategic goals, and encourage staff to work as a team to achieve these goals.

Hire, develop and retain staff based on their knowledge, skills, abilities, and behaviors needed to achieve high levels of performance. Build and sustain the organization's talent pool through effective recruitment, hiring, development and retention policies and practices.

Support and reward teamwork by staff with possessing the right competencies throughout the organization to achieve high performance.

Incorporate and integrate employee input into the design and implementation of human capital policies and practices.

Evaluate and measure the effectiveness of human capital policies and practices.

Source: OIG's summary from GAO, *Human Capital: A Self-Assessment Checklist for Agency Leaders* (GAO/OCG-00-14G, Version I, Sept. 2000), and *High Risk: An Update, Strategic Human Capital Management: A Government-wide High Risk Area* (GAO-01-263, Jan. 1, 2001), pp. 71-96.

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APPENDIX D

OMB's Standards for Success—Human Capital

Agency human capital strategy is aligned with mission, goals, and organizational objectives: (1) integrated into Budget and Strategic Plans; (2) consistent with OPM's human capital scorecard issued December 1, 2001; and (3) complies with standards for internal accountability systems to ensure effective merit-based human resources management.

Agency has a citizen-centered organizational structure that is delayed and oriented toward performing the mission assigned to it.

Agency (1) sustains high-performing workforce that is continually improving in productivity; (2) strategically uses existing personnel flexibilities, tools, and technology; and (3) implements effective succession plans.

No skill gaps/deficiencies exist in mission-critical occupations.

Agency differentiates between high and low performers through appropriate incentives and rewards.

Changes in agency workforce skill mix and organizational structure reflect increased emphasis on electronic government (e-government) and competitive sourcing.

Source: OMB Memorandum for Heads of Executive Departments and Agencies, *Implementation of the President's Management Agenda and Presentation of the FY2003 Budget Request, (October 30, 2001), Standards for Success for Government wide Initiatives.*

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APPENDIX E

OPM's 5-Step Workforce Planning Model

Five Steps	Implementation
1: Set Strategic Direction	Set a Strategic Direction
	Organize and Mobilize Strategic Partners
	Set Vision, Mission, Values and Objectives
	Review Organizational Structure
	Conduct Business Process Reengineering
	Set Measures for Organizational Performance
	Position Human Resources to be an Active Partner
	Questions Your Strategic Direction Plan Needs to Answer
2: Analyze Workforce Identify Skill Gaps Conduct Workforce Analysis	Centralize Personnel Data File
	Current Population Survey Information
3: Develop Action Plan	Prepare An Outline for Developing a Workforce Action Plan
	Design a Workforce Plan
	Identify Your Stakeholders
	Develop Ways to Address Skill Gaps
	Develop a Project Plan
	Set Specific Goals
	Develop Your Communications Strategy
	Evaluate Your Progress
4: Implement Action Plan	Prepare an Outline for Implementing the Action Plan
	Communicate the Action Plan
	Market the Action Plan
	Targeting and Recruiting
	Conduct Recruiting and Training
	Implement Retention Strategies
	Conduct Organizational Assessments
5: Monitor, Evaluate, and Revise	Prepare an Outline for Monitoring, Evaluating, and Revising
	Monitor: Assess Effectiveness
	Evaluate: Adjust Plan as Needed
	Revise: Address New Workforce and Organizational Issues

Source: *OPM Federal Workforce Planning Model*.

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APPENDIX F

Acquisition Training Recommended by GSA's Federal Acquisition Institute

The following are examples of certification and professional development opportunities to help participants acquire basic knowledge and skills in the purchasing and contracting prepared by the Federal Acquisition Institute. These courses are designed especially for employees in the purchasing or procurement occupations who want to expand their skills, as well as employees in other administrative occupations for whom acquisitions is a major collateral duty.

Contracting Basics for COTRs (AR/COs)

- Key elements and features of a contract
- Various types of government contracts
- Administering key terms and conditions of a contract
- The appropriate role of the COTR
- Contract advisory and monitoring responsibilities

Contracting Basics for Administrative Personnel

- Translating complex acquisition terms and concepts into everyday English
- Understanding administrative and support responsibilities in contracting and acquisition
- Government acquisition process
- Recognizing and avoiding potential conflicts of interest

Interpreting Key Provisions of the Federal Acquisition Regulations

- Basic Contract Administration
- Contracting Basics for COTRS
- Introduction to Government Contracting or Contracting Basics for Administrative Personnel
- Procurement Planning
- Simplified Acquisition Procedures

Elective Courses

- Basic Statistics
- Introduction to Financial Management

Management Analysis: Overview

Project Management

Writing, Communication and Interpersonal Skill Courses

Briefing Techniques

Clear Writing Through Critical Thinking, Interpersonal Communications, Specialized Acquisition Government Contract Law

Writing Performance-Oriented Statements of Work

Property Management for Custodial Officers

The duties of a property custodian

The concepts involved in audit trail development

Useful skills for solving problems based on personal case study approaches

Decision-making techniques to use team approaches to managing personal property

Managing problems in personal property

Personal Property Management Courses

Property Management for Custodial Officers

Property Accountability: The Life Cycle

Warehousing, Operations and Disposal

Applications in Personal Property Accountability

Technology for Personal Property Management

Contracting Basics for COTRs

Personal Property Management-Related OSHA Training

Simplified Acquisition Procedures

Space Management: Office Layout

Introduction to Government Contracting

Logistics Management Courses

Management Analysis: Overview

Management Analysis: Designing and Conducting a Study

Management Analysis: Data Gathering

Data Collection and Analysis

Basic Statistics

Cost-Benefit Analysis Workshop

Project Management

Management Analysis: Advanced Applications

Federal Budgeting for Non-Budget Personnel

Introduction to Federal Budgeting

Management Accountability and Control

Introduction to Program Evaluation

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Management Analysis: Planning
Introduction to Information Technology
Management Analysis: Advanced Applications
Data Collection and Analysis
Cost-Benefit Analysis Workshop
Introduction to Information Technology
Management Analysis: Planning
Introduction to Program Evaluation
Management Accountability and Control
Federal Budgeting for Non-Budget Personnel
Introduction to Federal Budgeting

Source: OFPP, *A Guide to Best Practices in Contract Administration* (October 1994), and GSA Competency Based Career Development Training Guide (Feb. 2003).

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APPENDIX G

Agency Comments



BROADCASTING BOARD OF GOVERNORS
UNITED STATES OF AMERICA

July 3, 2003

Ms. Anne M. Sigmund
Acting Inspector General
Office of Inspector General
U.S. Department of State
Washington, D.C. 20520

Dear Ms. Sigmund:

The Broadcasting Board of Governors (BBG) appreciates the opportunity to comment on the Office of Inspector General's (OIG) draft report titled, *Review of Strategic Management of Human Capital* (IBO-A-03-02).

We welcome the observations in the report on improvements that will strengthen our formal human capital planning process and the strategic management of BBG's workforce, the agency's most vital asset. We are, however, disappointed that the report gives little recognition to the considerable mission achievements of the agency since becoming an independent Federal entity in 1999. These achievements include concerted efforts and successes in aligning personnel and resources to shifting broadcast priorities and quantifiable improvements in diversifying our workforce -- facts scarcely noted in the report. We are also concerned that in a number of instances, conclusions and statements in the report are misleading and do not appear to reflect the pertinent evidence. These concerns have been noted in the attached comments and technical corrections on the draft report (Attachment I).

In principle, we concur with the recommendations in the draft report. We do disagree in part on recommendation three, which would require the BBG to prepare and submit a special annual report to the OIG for the next four years. Please find our responses to the specific recommendations in the draft report attached for your consideration (Attachment II).

Should you require additional information, please do not hesitate to contact me or BBG Executive Director Brian Conniff at (202) 401-3736.

Sincerely,

A handwritten signature in black ink, appearing to read "Ken Tomlinson", is written over a faint, larger version of the signature.

Kenneth Y. Tomlinson
Chairman

Attachments: As stated

ATTACHMENT II

RECOMMENDATIONS FROM DRAFT REPORT TITLED, *REVIEW OF STRATEGIC MANAGEMENT OF HUMAN CAPITAL* (IBO-A-03-02)

Recommendation 1: *The Broadcasting Board of Governors should ensure that the International Broadcasting Bureau fully implements its workforce restructuring and human capital plans, in accordance with the Office of Personnel Management's Keys to Evaluating Federal Workforce Planning and the Office of Management and Budget's Standards for Success.*

BBG concurs with the recommendation.

Recommendation 2: *The Broadcasting Board of Governors should ensure that the International Broadcasting Bureau meets the Human Capital Standards of Success with regard to work diversity plans by putting in place procedures to ensure that workforce diversity objectives are included in the bureau's workforce restructuring and human capital plans.*

BBG concurs with the recommendation.

Recommendation 3: *The Broadcasting Board of Governors should ensure that the International Broadcasting Bureau provides a report to the Office of the Inspector General on the progress in improving workforce diversity, based upon an agencywide survey of the work environment, using valid measures and sound methodology, and a plan to provide a report annually through fiscal year 2007.*

BBG agrees that an agency-wide survey should be conducted on workforce diversity, based on valid measures and sound methodology, and plans to develop such a survey in the first quarter of fiscal year 2004. While the BBG is firmly committed to improving workforce diversity, we disagree with the requirement to prepare and submit a special annual report to the OIG for the next four fiscal years. The agency would be pleased to provide any existing or future annual EEO statistics and reports, the Affirmative Employment Program (AEP) report, and internal surveys conducted on diversity and the work environment to the OIG.

While we clearly recognize there is more work to be done to promote our diversity (in a workforce that consists of 53 language services), we have made and continue to make progress. Prior to the OIG completion of the draft report, BBG submitted data to the OIG on agency improvements in diversifying its workforce over a nine-year and two-year period. This information was also submitted to Congress as part of an agency requirement to report on workforce diversity. Among other improvements, the data showed that from March 2000 to December 2002, BBG increased the percentage of minorities and women in the agency at the GS-13 and above levels by 5% percent. In addition, women currently represent 38% percent of BBG's career SES pool, compared to the government-wide average of 25%, as of September 2001. The BBG, through targeted recruitment efforts and agency training and developmental opportunities, has

steadily and substantially increased the representation of women and minorities in senior level positions at or above the GS-13 and equivalent levels and the representation of minorities in the total workforce. Over the past 10 years, the BBG has increased the representation of minorities in its workforce from 31.7 percent to 41.6 percent. We also have increased the representation of minorities and women at the GS-13 level and above over these past ten years. Minority representation at this level has increased from 16.9 percent to 31.2 percent. Representation of women at this grade level has increased from 21.9 percent to 32.6 percent. And, these increases have been realized in the midst of staffing reductions, during a period in which IBB implemented ten reductions-in-force due to budgetary and other constraints. By and large, this information does not appear in the draft report.

These increases are the result of a concerted effort reflected in the BBG's annual Affirmative Employment Program for Minorities and Women which includes accountability of managers and supervisors for carrying out their responsibilities for EEO; EEO training for supervisors and employees; recruitment efforts targeted toward women, minorities, and employees with disabilities; continued volunteer intern, co-op, and paid internship programs; expanded use of workplace flexibilities such as Work-at-Home, Telecommuting, Flexitime and Maxiflex Work Schedules, part time employment, and reasonable accommodation for qualified handicapping conditions; developmental opportunities for female and minority employees including the New Leader, Aspiring Leader, and Executive Leadership Programs and a Mentoring Program.

Recommendation 4: *The Broadcasting Board of Governors should fully implement policies and procedures to ensure that training requirements and certification standards for the International Broadcasting Bureau's acquisition and procurement workforce are met, in accordance with the agency's internal guidance and Office of Federal Procurement Policy Letters 92-3 and 97-1.*

BBG concurs with the recommendation. The BBG/IBB Office of Contracts (M/CON) has carefully reviewed the training requirements and certification standards stated in the Office of Federal Procurement Policy (OFPP) Letters 92-3 and 97-1 and is taking actions to meet these standards.

Based on the OFPP-established training standards, M/CON (in coordination with IBB's Training and Development Division), is developing a comprehensive "Master-Matrix" listing of the specific training courses that are required for BBG/IBB's acquisition and procurement workforce. M/CON will determine what remaining courses are required for each BBG acquisition/procurement employee, including refresher courses, and will notify the individual that he/she must complete these remaining training courses.

M/CON intends to fully meet OFPP's training certification standards for BBG/IBB's worldwide acquisition and procurement workforce by June 2004.

Recommendation 5: *The Broadcasting Board of Governors should require that all staff granted authority to conduct acquisition and procurement work be registered in the web-accessible database known as the Acquisition Career Management Information System managed by the Office of Federal Procurement Policy of the Office of Management and Budget.*

BBG concurs with the recommendation. BBG/IBB's Office of Contracts (M/CON) has been working with IBB's Training and Development Division (M/PT) and the GSA's Federal Acquisition Institute (FAI) to implement the recommendation.

M/CON intends to issue a Policy Memorandum to BBG/IBB Headquarters and field offices stating that all staff who are granted authority to conduct acquisition and procurement work be registered in the "GSA-FAI's" Acquisition Career Management Information System (ACMIS) data-base. M/CON will issue this Policy Memorandum by July 31, 2003.

Per approval from the FAI Director, M/CON will serve as the BBG "System Administrator" for ACMIS. We believe this will enable M/CON to complete the initial registration data-entry work in a shorter period of time (i.e., 6 weeks) than if this initial data-entry work was accomplished by each BBG worldwide acquisition and procurement employee. M/CON expects to complete this initial ACMIS data-entry work by August 8, 2003.

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