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Report to the Secretary of Agriculture

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U.S. DEPARTMENT
OF AGRICULTURE

Need for Improved
Workforce Planning



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GAO

United States
General Accounting Office
Washington, D.C. 20548

Resources, Community, and
Economic Development Division

B-238361

March 6, 1990

The Honorable Clayton Yeutter
The Secretary of Agriculture

Dear Mr. Secretary:

This is the second report on specific issues identified during our management review of the U.S. Department of Agriculture (USDA) that we believe should be brought to your attention. We plan to issue our final report on the results of our review later this year. This report describes the need for improved workforce planning and recommends that a framework be developed at the departmental level to guide USDA agencies in developing consistent and effective workforce plans.

In summary, effective workforce planning is a vital tool to ensure that people with appropriate skills and training are in place to implement policies and programs now and in the future. Because USDA is faced with managing new technologies and cross-cutting program issues as well as rapidly changing workforce demographics, we believe the time is right to take steps toward systematically planning for its workforce needs. In recognition of this need, some agencies have taken steps to improve their workforce planning, but much more needs to be done. Specifically, USDA's Office of Personnel (OP) needs to develop and implement Department-wide workforce-planning guidelines and mechanisms for monitoring progress.

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Background

USDA has a policy of decentralized personnel management in which most agencies act independently in such activities as recruiting and training. Recruiting and training the right people for developing policies and implementing programs is a major challenge in USDA. It will become even more difficult in the future as USDA attempts to cope with new and increasingly complex issues such as food safety, biotechnology, and environmental concerns. These issues cut across agency and program lines and require specialized skills. Senior USDA officials recognize these challenges and have expressed substantial concern over the Department's ability to hire the people they need and to retain a quality workforce over the coming years. Many believe that human resource management is one of the major management challenges facing USDA today.

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Importance of Workforce Planning

We believe that many USDA workforce problems exist because most USDA agencies lack the means for effectively determining their workforce needs and for developing a plan to meet those needs. Effective management of human resources requires, among other things, recruiting, training, and retaining the right people for job needs now and in the future. A fully developed workforce-planning process should be a vital part of management planning and decision making so that personnel requirements are geared to meet program objectives. An effective plan contains a disciplined approach for

- identifying the number of people and types of skills—administrative, managerial, scientific and technical—needed to accomplish both short- and long-term agency goals;
- ascertaining the composition of the present workforce, comparing it to both current and future needs, and identifying gaps - areas where problems exist or are likely to occur;
- developing a specific agenda for addressing human resource activities—recruitment, training, retraining, automation, union relations, and contracting arrangements;
- determining the associated costs of implementing this agenda; and
- assessing the impacts of the related personnel actions.

Workforce planning should cover both the short- and long-run, and the results should be integrated into the organization's overall budget formulation processes to ensure sufficient funding and managerial support to implement the plan. The importance of this integration was noted by the President's Council on Management Improvement who reported that while private sector organizations integrate human resource planning into the business planning process, federal agencies generally do program and budget planning separately from human resource planning. The Council concluded that "the budget process itself becomes the mechanism for the allocation of human resources."¹

USDA Faces Many Workforce Problems

USDA agencies are experiencing problems recruiting highly skilled workers, providing adequate training to employees, developing effective managers, and managing a culturally diverse workforce. These problems are longstanding, pervasive, and will likely continue given present trends in USDA and in the federal government.

¹ Applying the Best to Government: Improving the Management of Human Resources in the Federal Government Through a Private-Public Partnership, vol. II, sponsored by the President's Council on Management Improvement, 1987.

In recruiting, for example, USDA's growing involvement in such issues as food safety, water quality, and biotechnology requires more scientists in the workforce. However, a shortage of scientists in general, as well as competition from private sector employers, makes recruitment very difficult for several USDA agencies. Agencies in USDA also sometimes find themselves competing against each other for people from the same job occupations, a condition which is counterproductive from a departmental standpoint. Also, prospective recruits often have little knowledge of USDA as an employer because USDA has no departmental recruiting program and individual agencies generally do not refer applicants to other agencies as a prospective employer. However, OP has recently contracted to develop a video tape for recruiting that relates departmental information to potential applicants.

As the agricultural economy becomes more consumer-driven than production-oriented, USDA needs employees with backgrounds in marketing management to supplement the skills of their other employees trained in the agricultural sciences. USDA recognizes that few universities offer agribusiness education which emphasizes marketing. For example, instead of expanding its workforce mix by competing for the few graduates with agribusiness marketing management backgrounds, the Foreign Agricultural Service continues to focus its recruiting efforts solely on graduates of traditional programs in agricultural economics who do not have marketing training.

When we examined the area of employee training, we found inadequate levels of training for USDA staff and management. Poorly or inadequately trained staff has been identified as a cause for the operational problems described in our and USDA Inspector General (IG) reports. For example, in our report on the Farmers Home Administration's (FmHA) loan making practices, we found that county supervisors were not properly trained in credit analysis and, as a result, were unable to make financially sound decisions and give proper advice to borrowers.² Because USDA has made a large investment in computer technology, computer training is important so that staff can effectively and efficiently use this resource. However, this training has often been untimely and inadequate. For example, a recent IG audit of FmHA field automation found FmHA did not realize the full potential of the field office automation because of insufficient training and ineffective software applications.³ This resulted in only partially

²Farmers Home Administration: Sounder Loans Would Require Revised Loan-Making Criteria (GAO/RCED-89-9, Feb. 14, 1989).

³Audit of FmHA Field Office Automation (USDA Office of the Inspector General, Aug. 30, 1988).

achieving the \$16 million savings projected from field automation and delaying subsequent benefits of \$137 million. One of our recent reports cited FmHA's senior Information Resources Management official as saying that his agency did not have staff with sufficient knowledge and expertise to effectively develop a strategic modernization plan covering planned purchases of \$100 million in automation equipment.⁴

Problems also exist in management training. A USDA study, "Supervisory, Managerial and Executive Training and Development in USDA", completed as part of the OMB's "Reform 88" initiative, identified poor managerial skills throughout the Department. The study noted that USDA agencies are promoting people with strong technical skills to managerial positions without providing appropriate supervisory training. Also, most of the Department's senior executives expressed a need to be more aware of current events, policies, and initiatives that affect their agencies and positions. While agency officials told us that training funds are vulnerable to budget cuts and that training receives little congressional support, workforce planning could provide a way for USDA to more effectively manage its training resources and better support the need for training in its budget requests.

USDA also faces continuing problems in achieving and maintaining an ethnically diverse workforce, an area of concern among USDA managers for the last several years. Throughout our review, senior managers frequently cited USDA's poor performance in Equal Employment Opportunity (EEO) issues, and despite past Secretarial emphasis on making EEO a top management priority, Equal Employment Opportunity Commission figures show USDA far behind most federal agencies in ranking the percentage of women and minorities in the total workforce. USDA's recent report on affirmative action documented many problems in USDA EEO recruitment efforts.⁵ For example, the report points out that USDA's decentralized personnel structure is not conducive to USDA agencies working together to share information, air successful strategies and sources, efficiently use allocated funds, develop an internal recruitment assistance network, or efficiently utilize resources. The report further noted the lack of a Department-wide system to efficiently coordinate,

⁴Information Management: Issues Important to Farmers Home Administration Systems Modernization (GAO/IMTEC-89-64, Aug. 21, 1989).

⁵Federal Affirmative Employment Multi-Year Program Plan for FY 1988 through FY 1992, USDA, Office of Advocacy and Enterprise (April 8, 1988).

monitor, and evaluate the effectiveness of recruitment efforts; to identify deficiencies; and to make appropriate modifications when deficiencies are observed. In response to these issues, the Assistant Secretary for Administration is currently developing a strategy for achieving Department-wide workforce diversity.

In addition to the problems just described, USDA will face new challenges in the future. The Office of Personnel Management and the Department of Labor each recently released reports showing workforce trends that will make attracting, retaining, and maintaining a high quality workforce more difficult in the future for USDA and all federal agencies.⁶ The reports predicted that over the next 12 years, Federal managers will face more competition in hiring and retaining employees due to a national decline in the number of new workers, a more diverse workforce in terms of women and minorities, and an aging workforce. These factors will require federal departments and agencies to place greater energy on training and motivation.

Limited Workforce Planning Activities Have Begun

While some USDA agencies have begun to address the human resource problems discussed above, most personnel systems are not comprehensive and generally address only a single year's needs. For example, FmHA officials told us that they use their Resource Measurement System to determine staffing needs. However, the system does not project staff needs beyond one or two years. Also, the Agricultural Stabilization and Conservation Service employs a Position Management System to identify needed positions and to ensure that positions and their functions are properly structured. However, the system covers only short-range needs and does not include important elements of workforce planning, such as planning for short- and long-term staff and managerial-development needs.

Some agencies, however, are laying the groundwork for effective workforce planning. For example:

- The Forest Service employs a Strategic Human Resource Guide, which calls for forecasting skill-mix changes and attrition through fiscal year 1995, for preparing annual recruitment recommendations through fiscal year 1991, and for measuring progress toward employment goals. The

⁶Workforce 2000: Work and Workers for the 21st Century, The Hudson Institute; Indianapolis, Indiana, June 1987; and Civil Service 2000, The Hudson Institute, prepared by the Office of Personnel Management, June 1988.

agency recognized that varying degrees of attention and commitment to workforce planning in the past left them unable to ensure that service-wide needs would continue to be met.

- The Animal and Plant Health Inspection Service (APHIS) is reorganizing its personnel function to include workforce planning. The reorganization is viewed as part of the agency's efforts to achieve the Administrator's goal of making APHIS a world leader in the appropriate use of state-of-the-art methodology and technology in delivering services. A related goal, to develop specific programs to help ensure that all employees have the capabilities to perform effectively, is also dependent on the existence of a viable workforce-planning system. APHIS has already started work in this area by collecting needed workforce information.

USDA Recognizes the Need for Workforce Planning and Needs to Take Action

Although these tentative steps toward workforce planning are encouraging, without central direction and support the initiatives may be stifled and those agencies without workforce planning may never develop it. Officials of USDA's OP recognize the importance of workforce planning, but have not taken a leadership role in developing workforce-planning guidance for agencies to follow nor have they instituted a mechanism for tracking and monitoring individual agency planning systems.

Most USDA human resource management functions have been delegated to the individual agencies. OP provides guidance and advisory services to agencies on a variety of human resources matters on an as needed basis. OP officials told us they recognize that weaknesses exist in workforce planning among the agencies. In response to this, they are taking some action to address workforce related problems. For example, OP organized a task force, consisting of mostly agency personnel, on workforce planning as part of a new marketing strategy aimed at improving USDA's image as an employer and thereby enhancing its ability to recruit and retain quality employees. The task force's existence is indicative of the growing concern in USDA with the need for improved workforce planning. Because OP lacked the resources to staff and fund a task force on their own, they asked individual agencies to volunteer their resources in order to continue the task force activities. However, there still exists no departmental policy on workforce planning.

As another part of this marketing strategy, OP is developing a USDA-wide recruitment plan. The purpose of the plan is to provide prospective employees with comprehensive and up-to-date information on the Department's work and the variety of occupational skills required to

conduct its operations. A departmental view of workforce needs for the future would give OP's marketing plan a practical focus.

The quality of workforce planning in agencies could also be greatly enhanced by departmental policy, guidance and monitoring. Consistent workforce-planning standards and guidance are needed to encourage all agencies to initiate workforce planning and to reinforce agencies' efforts already undertaken. Such guidance would provide an overall framework for consistency in developing agency workforce planning systems. It would also enhance USDA's ability to forecast its human resource needs by providing a degree of uniformity in the individual agencies' management and data systems, a capability that USDA does not have now. It must be recognized, however, that promulgating guidance will not ensure that the desired uniformity is obtained. Instituting workforce planning at USDA will also require assigning accountability within agencies and continuous monitoring by OP if Department-wide compliance is to be maintained at an acceptable level. Although each agency has individual human resource needs to address, standards on workforce planning would help accomplish Department-wide and cross-cutting goals.

Importance of Acting Now

Because of the importance of human resource management to the Department, and the heightened interest and increased activity within USDA agencies, USDA could benefit from the timely promulgation of Department-wide guidance on workforce planning. For example, in December 1989, OP, working with the National Finance Center, made comprehensive, historical personnel data directly available to USDA agencies for the first time and is currently providing training to agencies for its use. This historical data is an important tool for forecasting and performing trend analysis, a key element in workforce planning. Many agencies are waiting for this data and one is already starting to implement its own reporting system and special software. Without a framework of prescribed standards, one agency's system may not be able to provide data compatible with data from another agency's system. Therefore, department-wide data collection and analysis would be difficult, perhaps requiring costly system modifications in the future. Uniform workforce-planning standards could guide the development of individual systems now, before they have been fully developed and implemented. Such an approach would be less costly than changing systems after they have been developed and placed in operation.

Conclusions

Workforce planning gives officials a tool for managing human resources. A workforce-planning system establishes the number of employees needed, the staff and managerial training and development required, and the recruitment and other alternatives—such as contracting or automation—available for meeting program goals. Furthermore, when properly implemented, the approach ties human resource needs to the organization's on-going budget and program goals. While a few agencies in USDA have begun to develop workforce-planning systems, they vary greatly in comprehensiveness and often address only one year's needs. Department-wide standards for workforce planning and a formal system for evaluating and monitoring individual agency systems would serve to guide agencies toward developing consistent and effective internal workforce management systems. Such standards would also provide a Department-wide view of workforce skills for use in planning and implementing cross-cutting programs and assist in increasing USDA's marketing orientation. Finally, standards would provide a vehicle for continuing implementation of the Department's policy to obtain diversity in the workforce.

Recommendations

To assist agencies in building a quality workforce to meet current and future challenges, we recommend that the Secretary of Agriculture

- make workforce planning a mandatory agency activity;
- develop workforce planning guidelines to, at a minimum, include the elements described in this letter to ensure that agency-level plans are well developed and provide consistent and uniform agency-wide data; and
- identify resources within OP to develop a workforce-planning framework and to carry out monitoring activities.

We conducted our work between September and December, 1989 in accordance with generally accepted government auditing standards. Copies of this report are being sent to the Director, Office of Management and Budget; interested congressional committees and subcommittees; and other interested parties. Please contact me at (202)275-5138 if you or your staff have any questions about this report. Major contributors are listed in appendix I.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "John W. Harman".

John W. Harman
Director, Food and Agriculture Issues

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