

OFFICE OF INSPECTOR GENERAL

Self-Assessment of the Commission's Human Capital

**Inspection Report
OIG-IR-01-01**



February 14, 2001

SELF-ASSESSMENT OF THE COMMISSION'S HUMAN CAPITAL

I. INTRODUCTION

The United States International Trade Commission's (Commission) greatest asset is its human capital. How well the Commission performs its mission is closely related to how wisely the Commission invests in its human capital and how closely it aligns its human capital with its strategic objectives.

As expressed in the GAO report entitled "Human Capital - A Self-Assessment Checklist for Agency Leaders," self-assessment is the starting point for creating "human capital organizations" - agencies that focus on valuing employees and aligning their "people policies" to support organizational performance goals. Part of the impetus for creating human capital organizations comes from the Government Performance and Results Act (GPRA), which requires agencies to pursue performance-based management, including strategic planning, results-oriented goal setting, and performance measurement. One of the emerging challenges for agency leaders is to add to their traditional policy portfolios an understanding of the importance of performance management issues, including human capital issues, to the accomplishment of their agency's' policy and programmatic goals.

Although GPRA gives agencies the impetus for tailoring their human capital systems to their specific missions, visions for the future, core values, goals and objectives, and strategies, it is up to the agencies themselves to follow through on the opportunity. If high performance and accountability depend on the three enablers - people, process, and technology - then it is useful, first and foremost, for any agency to have a clear and fact-based understanding of its human capital situation. There is no single recipe for successful human capital management. However, there are a number of human capital elements and underlying values that are common to high-performance organizations. The Commission, in seeking to comply with the spirit of performance-based management, should scan its human capital systems to see if these elements have been addressed.

Another advantage to doing a human capital self-assessment is that it will help the Commission understand the strengths and limitations of its human capital information systems. Any self-assessment should be based, to the extent possible, on valid and reliable data regarding such matters as hiring, diversity, retention, promotions, succession cycles, and performance incentives. These data can help the agency develop a profile of its human capital, providing useful historical and prospective views. Further, because sound human capital information can spotlight areas of concern before they develop into crises, gathering these data is an indispensable part of effective risk management. Conducting a human capital self-assessment gives the Commission an idea of the adequacy of the data currently being gathered and of the gaps that may need to be filled.

The human capital self-assessment performed under this inspection is intended to provide a relatively simple diagnosis, meant primarily to capture senior leaders' views of the Commission's human capital policies and practices. The GAO is currently developing a supporting methodology that, while using the same conceptual framework, will provide a more rigorous basis for human capital assessment. This "maturity model" will enable the Commission to examine its human capital efforts through three stages: analyze and plan, implement change, and evaluate and continuously improve.

II. OBJECTIVE

The objective of this inspection is to conduct a human capital self-assessment for the Commission in accordance with the guidelines contained in GAO Report OCG-00-14G, "Human Capital, a Self-Assessment Checklist for Agency Leaders."

III. SCOPE AND METHODOLOGY

This inspection was conducted between November 1, 2000 and January 5, 2001 at the Commission's Office in Washington, DC. Forty-eight of the Commission's senior personnel were requested to complete a 20-question multiple choice survey on various aspects of the Commission's human capital management relating to strategic planning, organizational alignment, leadership, talent and performance culture. These questions were extracted from the GAO report cited above. In addition to answering the questions, respondents were allowed to provide written comments.

Subsequent to receiving survey responses, the OIG interviewed Commission human resources personnel and reviewed planning documentation to determine the presence of certain indicators which were also provided in the GAO report regarding the effectiveness of the Commission's human capital management. Based on the information obtained, as well as the survey responses, the OIG developed independent findings on the results of the human capital self-assessment.

We provided a draft of our inspection report to the Director of Personnel. His comments are included in this report as Appendix II.

IV. FINDINGS

The detailed findings from the human capital self-assessment are provided in Appendix I. The 20 survey questions are listed along with a chart summarizing the senior personnel's responses to each question, the OIG independent findings relating to each question and staff comments on the questions. A summary of the most significant findings is as follows:

Strategic Planning

The Commission's Strategic Plan, Performance Plan and Performance Review documents do acknowledge the importance of human capital. For example, the Strategic Plan contains the statement that "The Commission recognizes that its human capital is its most valuable asset." However, these documents contain few specifics on a plan for future development and utilization of the Commission's human capital. This shortcoming was noted by OPM's Oversight Review of January 2000:

ITC's strategic plan acknowledges that Commission employees are critical to mission accomplishment. However, the agency has not yet developed goals, strategies and measures to insure that it effectively uses its human resources while abiding by the merit system principles.

Human Resources Organization

The Commission's human resources organization is almost completely reactive, and not proactive in its human capital approach. It does not participate in the Commission's strategic planning. The recruitment process is relied upon to identify the Commission's human capital needs. Although large amounts of human capital data are available in the personnel database, analysis and evaluation of the data is very limited. Further, little or no effort has been made to identify "best practices" in other similar organizations that could be applied to the Commission's human capital management.

Workforce Plan

The Commission lacks a workforce plan that attempts to identify its future workforce requirements, its current workforce capabilities and a strategy for filling any gaps between future requirements and current capabilities.

Executive Succession Planning

Even though a potential tidal wave of retirements looms on the horizon, the Commission has done very little succession planning. The Commission has not had an executive development program since 1994.

Recruitment And Hiring

The Commission lacks a formal recruiting and hiring plan or any discussion of recruiting and hiring in other Commission wide strategic or human capital planning documents. Job announcements provide the only explicit link between the Commission's recruiting efforts and the skill needs it has identified.

Employee Training And Development

Although the Strategic Plan does discuss the need for employee training, the Commission lacks a formal training and professional development strategy. The Commission does not have Individual Development Plans for all employees. There are no indications that the Commission is making fact-based determinations of the impact of its training and development programs and, where possible, measuring the return on its investment

Workforce Deployment

There is some discussion in the Commission's strategic planning documents regarding its strategy for effective and efficient deployment of its workforce to support organizational goals and objectives. However, staff comments indicate a less than optimum workforce distribution within the Commission.

Compensation

The Commission has given no formal consideration to the various opportunities for making compensation packages more competitive, such as repayment of student loans and financing of education while on the job. The special pay rates recently approved for IT personnel offer opportunities for modernizing the Commission's workforce. Pay banding offers possibilities for greater flexibility in compensation.

V. CONCLUSIONS

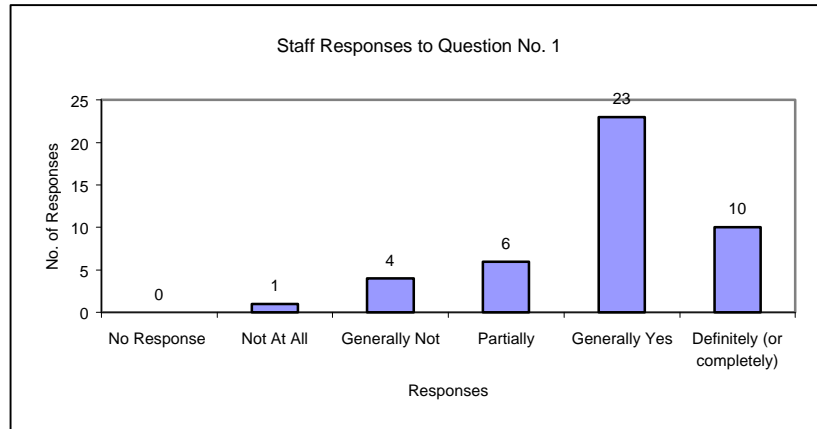
Based on our findings, we conclude the following:

1. The Commission's strategic planning documents should provide a specific discussion of its human capital and how it is being aligned with the Commission's shared vision and strategic objectives. The Commission's human resources organization should participate in developing the strategic plan and should ensure that the plan incorporates the substance of its workforce plan.
2. The Commission's human resources organization should develop and annually update a workforce plan that gives explicit consideration to:
 - \$ Identification of future workforce requirements, current capabilities, and gaps that need to be filled.
 - \$ A recruiting and hiring strategy to fill identified workforce gaps.
 - \$ Workforce deployment.
 - \$ Executive succession plans.
 - \$ Employee training and development.
 - \$ Employee compensation.
 - \$ Employee performance incentives.
 - \$ Employee and labor relations.
 - \$ Workforce modernization.
3. The Commission's human resources organization should initiate a continuing program to collect analyze and evaluate data on workforce trends.
4. The Commission's human resources organization should periodically conduct benchmarking analyses to compare the Commission's human capital programs and management with other similar, high-performing agencies.

Appendix I

DETAILED FINDINGS AND SURVEY RESPONSES

1. Shared vision. Does the Commission have a clearly defined and well-communicated “shared vision”- that is, a mission, vision for the future, core values, goals and objectives, and strategies by which the Commission has defined its direction and its expectations for itself and its people?



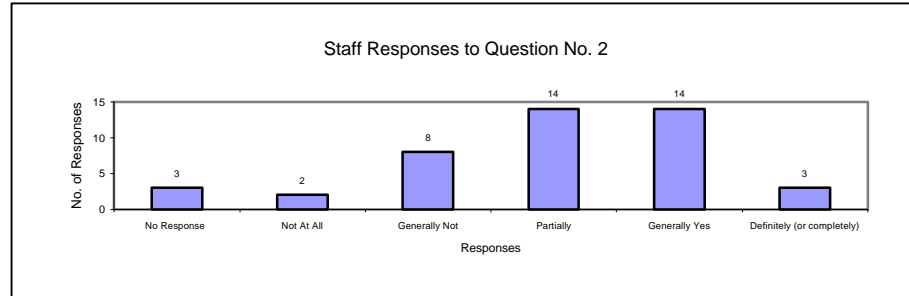
OIG Findings ...

- The Commission’s Strategic Plan does contain a vision statement.
- There are no indications that the Commission has developed its shared vision with the involvement of clients and other stakeholders.
- Other than posting the Strategic Plan on the Intranet, there are no indications that the Commission has communicated and reinforced the relevance of its shared vision among all employees.

Staff Comments on Question No. 1

- Nothing is imparted by senior management. Morale is very low. Also, different expectations for different offices.
- The Commission needs to devote some thought to the likely nature of future requests, and fashion programs and vehicles that enable it to meet these requests. This has to happen on a practical level.
- But more time could/should be committed to this function-particularly communication.
- The Commission has made a considerable investment in the Strategic Plan (SP) and the SP process. Our budgeting and T&A accounting has been aligned with the SP and the Commission has made significant progress on many of the SP strategies. I feel that staff understands the “vision,” but the agency has not moved in the direction of routinely instructing staff on SP specifics.
- While we have a clearly defined and communicated vision the degree to which it is “shared” is open to question. I think our employees share the vision but it may only be a mini-version based on their work products or work area.
- To the extent consistent with its bipartisan, non-policy-making function.
- This is the case even without the need of a formal ITC Strategic Plan which merely enforces the well understood core values.
- The Commission needs more focus on employee development starting at grades 6-9. Communication has improved between management and staff.
- Mission, core values are clear. Vision for the future, goals and objectives, and strategies not very clear.
- Mission, vision, etc. does not adequately describe what we do. Generally it is far too simple (as if setting very low goals that are easy to meet).
- Certainly the Commission has made strides toward a defined mission—how successful its communication has been is another issue.
- I believe the mission is clearer than the means. The mission is very clear.
- Commission has a “shared vision” but it is not well-communicated and as a consequence factors little into day-to-day operations.
- I believe that this varies among offices.

2. Human capital focus. Has the Commission created a coherent human capital strategy-that is, a framework of human capital policies, programs, and practices specifically designed to steer the Commission toward achieving its shared vision-and integrated this strategy with the Commission's overall strategic planning?



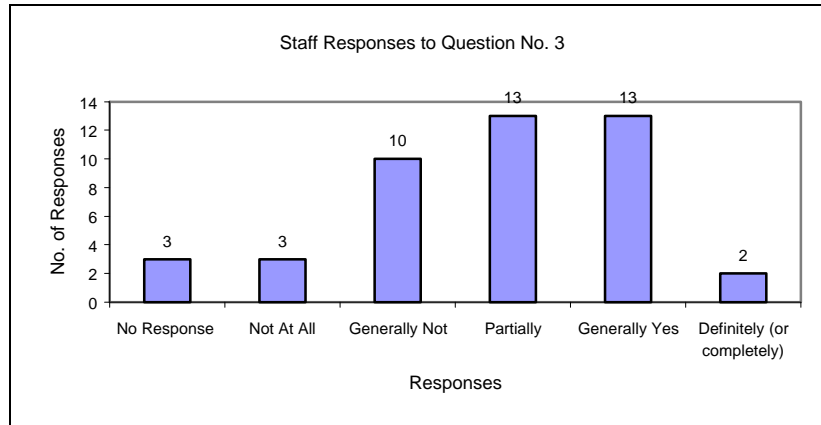
OIG Findings...

- The Commission’s strategic plan and annual performance plan contain only superficial discussion of its human capital strategies. Alternatively, some agencies have a separate strategic human capital planning document.
- It appears from the Commission’s strategic plan and annual performance plans that the Commission does have an understanding that programmatic goals and strategies may create specific human capital needs that must be addressed if desired outcomes are to be accomplished.
- However, in general across the Commission, supervisory accountability for human capital issues is lacking. Human capital management does not appear to be a high priority and the extent of complete involvement of line managers and employees at all levels in creating a human capital focus varies by office.
- The Commission has not taken any efforts to assess the agency’s human capital management in light of its shared vision. Further, we have not seen any evidence of periodic reassessments as part of a continuous effort to evaluate and improve its human capital systems. More importantly, there is a need for established measures that provide meaningful data on the full range of human capital policies and practices and how these practices promote mission accomplishment.
- We found no indication that the agency has identified best practices or benchmarked elements of its human capital programs against high-performance organizations with similar missions and identified the constraints and flexibilities available to it.
- Finally, in our assessment of the personnel system we conclude the system has the capacity to provide relevant and reliable data for fact-based decision making on human capital, if this area is given more focus.

Staff Comments on Question No. 2

- Is there any strategy?
- I detect potential for improvement for this area and question nos. 1 and 3 as the Agency progresses in tying HR decisions to work productivity and activity figures.
- The Commission directs considerable attention and resources to developing staff and providing the tools and environment for meeting the Commission's mission. Priorities include areas such as formal staff training, domestic and foreign fieldwork, cross-office work experiences, upward advancement, state-of-the-art IT tools, and an awards/recognition program.
- Our strategic plan recognizes the importance of our human capital but presents no clear overall strategy for policies and practices to achieve the vision.
- You do not define "human capital policies, programs, and practices," so I don't know how to answer this question.
- Training, travel, conferences/seminars, career development courses, fieldwork, and the objective of the "research program" all contribute in achieving the agency goals.
- We support training. My office develops goals, strategy, and vision with training an integral component. But I am not aware of an overarching Commission strategy.
- Without question no. 1, then this can't really be better.
- Some offices are more attuned to this issue than others.
- Certain offices do, but I am not sure there is a consistent policy applied agency wide.
- I don't know.

3. Workforce planning. Does the Commission have an explicit workforce planning strategy, linked to the Commission's strategic and program planning efforts, to identify its current and future human capital needs, including the size of the workforce; its deployment across the organization; and the knowledge, skills, and abilities needed for the Commission to pursue its shared vision?



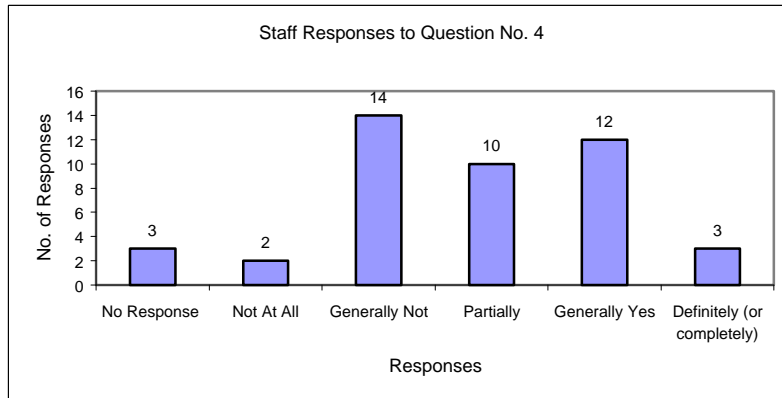
OIG Findings...

- The Commission's strategic and annual performance plans do not contain a discussion of workforce planning.
- The Commission does not have a separate workforce planning document linked to the Commission's strategic and program planning.
- The Commission does not presently obtain data on a regular basis regarding such indicators as distribution of employees by pay level, attrition rates, retirement rates and projected retirement eligibility by pay level, and ratios of managers to employees.
- The Commission relies mainly on the recruitment process, not an agency wide planning process, to identify the roles and core competencies needed to support its goals and service delivery strategies.
- The Commission has not developed a knowledge and skills inventory that identifies current and future skills requirements and gaps that need to be filled.
- The Commission does not utilize benchmark comparisons with other agencies in such areas as skills, education levels, and geographic and demographic trends.

Staff Comments on Question No. 3

- I don't even know that there are any such efforts.
- Compound question.
- The Commission needs to devote some thought to the likely nature of future requests, and recruit and train individuals to meet these requests. This may require organizational change and resource reallocation within offices. It may also require that some thought be devoted to means of retaining people with the right KSAs.
- Within offices-less known about offices other than own or interactions between offices.
- The Commission annually considers staffing levels and allocation based on past experience and anticipated workload and goals; and office managers are aware of the KSAs required to achieve the work of the Commission.
- What do you mean by explicit? The budget, etc. identify some of these factors clearly; others are clearly stated by managers in the course of the planning process. Do you mean that all must be written down in one place? If the later, the answer is 'partially', if the former, definitely yes.
- KSA's I believe are clear; existing and future resource needs tend to get caught up in short-term budget issues that hamper pursuit of agency goals.
- I have not seen or heard of any such strategy.
- I don't know.
- I believe that human capital is very poorly deployed across the organization. Too many people poorly distributed so that some organizational units are under staffed.
- Ad hoc-no overall policy or guidance.
- No-one has let me know if it does.

4. Integrating the “HR” function. Does the Commission rely on its “personnel” or “HR” professionals—more appropriately called human capital professionals—to (1) contribute a human capital perspective to the Commission's broader strategic planning process; (2) provide integrated mission support, participate as partners with line managers, and reach out to other organizational functions and components through facilitation, coordination, and counseling; and (3) lead or assist in the Commission’s workforce planning efforts and in developing, implementing, and assessing human capital policies and practices that will help the Commission achieve its shared vision?



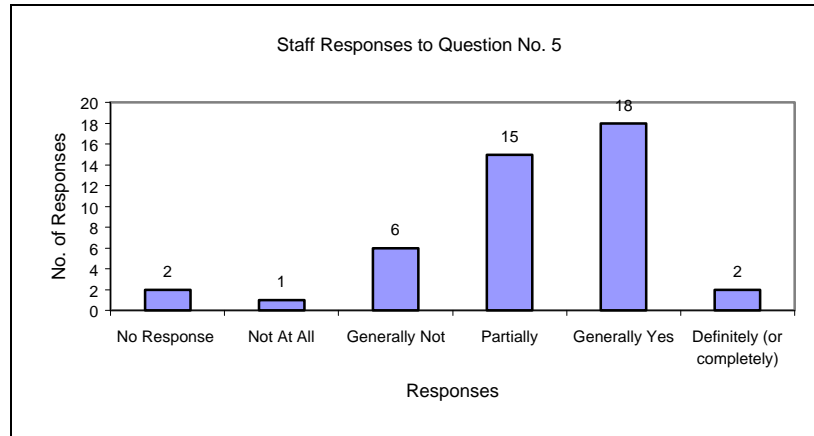
OIG Findings...

- There is no evidence that the agency’s human capital professionals are meaningfully involved in developing the agency’s shared vision or in aligning the agency’s human capital strategies with its strategic and program planning.
- There is no evidence that the agency’s human capital function has been defined to include a meaningful role in developing, implementing, and assessing the agency’s human capital strategies.
- There is evidence that the Commission’s human capital professionals are prepared—i.e., through academic training, professional certification, or professional development opportunities—to fill the consulting role and to reach out to other organizational functions and components through facilitation, coordination, and counseling.
- There is evidence that the Commission’s human capital function effectively leverages external sources of human capital expertise as needed (e.g. DOI and OPM).

Staff Comments on Question No. 4

- No planning-no human capital policies.
- The Personnel staff are more reactionary than they are planners.
- I do not know.
- Compound question. Commission "relies" but do HR professionals succeed?
- I've seen recent improvement in this area.
- But HR is small.
- I work closely with Personnel on day-to-day needs including training, awards, employee assistance, recruitment, and "problem" employees. Long term workforce planning has not been a significant focus of our work with Personnel.
- Personnel can be helpful in specific instances but are not in anyway proactive in their relationship with staff.
- I don't know what role "HR" professionals have in strategic planning as I'm not on that committee. What do you mean by "participate as partners with line managers." Since you haven't said what a human capital policy is, I don't know that the last option means either.
- Very strong and involved in (2). Unaware of efforts regarding (1) and (3).
- Tend to use personnel office to ensure recruitment and evaluation criteria are met.
- I don't know.
- For more senior level positions, Personnel is used most productively in this regard.
- The HR personnel are excellent, but their service is focused on implementation of HR situations and policies, not planning.

5. Defining leadership. Has the Commission defined the kind of leaders it wants (i. e., their roles, responsibilities, attributes, and competencies) and the broad performance expectations it has for them in light of the Commission's shared vision?



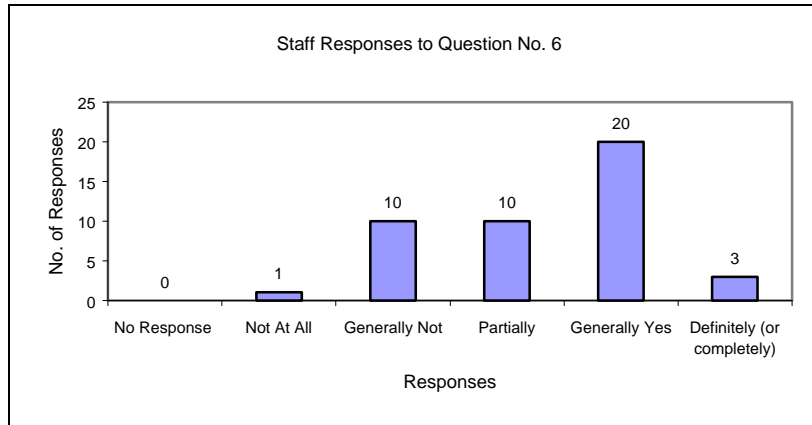
OIG Findings...

- The Chairman has recently requested SES personnel to submit work plans for themselves.
- Elements and Standards in individual performance plans are used to align leader's performance expectations with the Commission's shared vision.
- There are no articulated leadership standards other than SES core competencies that the Commission uses in making hiring and executive development decisions.
- The Commission does not make use of benchmarks for executive-level performance management at organizations with similar missions and circumstances.

Staff Comments on Question No. 5

- No planning here.
- “Somewhat” would be a more descriptive term in this instance.
- Compound. Position descriptions etc. , but that is not what you are looking for is it?
- Only in the context of position descriptions and position announcements on a position-by-position basis.
- The Commission does have opinions on the type of leaders it wants, and has clearly demonstrated this on several recent senior level recruitments. However, I am not aware of this being formalized.
- To the extent it can be discerned from the goals and objectives set forth in the strategic plan.
- I sense we are to make it up as we go along, and get along.
- It’s clear that the Commission wants overly active (i.e. lots of review) for many areas but not clear on others.
- The expectations change as the composition of the Commission changes and the Chairmanship rotates.
- Other than by the actual selection of these individuals for leadership positions.
- Not to my knowledge, but I don’t know what the Commissioners or senior staff think.

6. Teamwork and communications. Do senior leaders pursue an explicit strategy to promote teamwork, communicate the Commission's shared vision in clear and consistent terms to all levels of the organization, and receive feedback from employees?



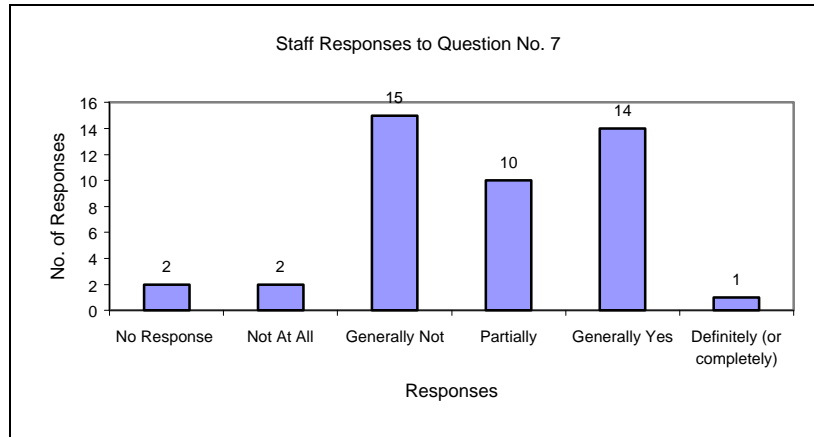
OIG Findings...

- Teamwork is promoted by the nature of the Commission's tasks, which involve multi-faceted investigations requiring assistance from several different offices.
- Monthly staff meetings also promote teamwork to a limited extent.
- Employee Suggestion Program promotes feedback from employees
- Office of Personnel does not interview exiting employees.
- There is no internal marketing program to promote the Commission's shared vision.
- A Recent OPM survey of the Commission provided results of focus groups/employee surveys.

Staff Comments on Question No. 6

- Senior leaders do not lead-in fact, senior leaders do little work!
- Depends on manager, some are much better than others.
- No across office lines.
- Compound.
- I believe senior managers are receptive to feedback. More effort should be put into sharing senior managements' vision.
- But more top level interaction with employees could increase a top to bottom commitment.
- Almost all Commission investigative work involves multi-person investigative teams and considerable attention is devoted to ensuring the smooth operation of these teams. I receive frequent feedback from employees on team successes and failures and address problems as appropriate. Care is also taken when teams are constructed so as to ensure success.
- Senior managers tend to work well together but we still think along the line of "office" needs rather than Commission "vision."
- Within our office, generally yes; outside our office, in some divisions the answer is generally yes, in others generally not.
- This occurs in OP/ID through levels of experience/training in project coordination and leadership responsibilities; team meetings, post-project assessment memos, and one-to-one feedback and discussion on specific assignments.
- I don't sense a general strategy-but there is a tendency to emphasize the need for, and benefits of teamwork. In my unit we implemented a strategic planning effort, we meet to discuss our goals and objectives, and develop a shared vision. Staff seem very skeptical-partly because they weren't involved in past efforts and partly because no one else is doing it.
- Mostly are problem solvers rather than planners; cannot prevent problems from occurring.
- I believe most of them try-with varying results.

7. Ensuring continuity. Does the Commission take steps to ensure reasonable continuity of leadership through executive succession planning?



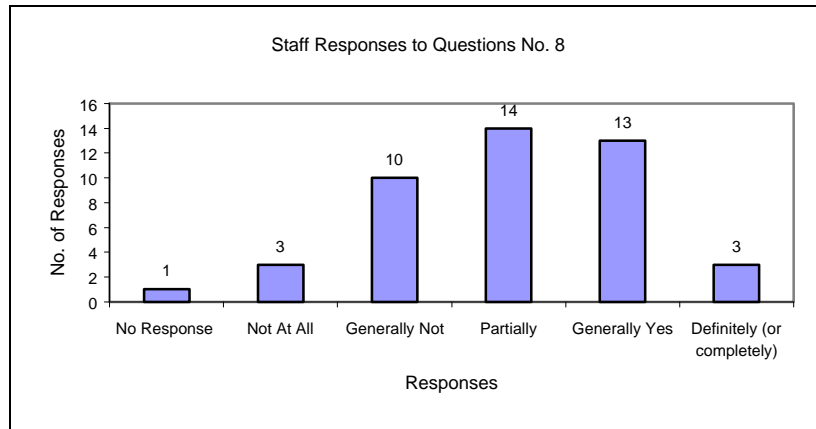
OIG Findings...

- The Commission has no formal succession plan.
- Recent Office of Personnel retirement survey applies to succession planning.
- The Commission has had no executive development program since 1994. However, the Commission may be too small for such a program.
- Technical competencies for SES positions represent selection criteria for executive candidates that are specifically linked to the agency's shared vision and the competencies and broad expectations it has for its leaders
- The Commission is gathering information about once a year on an ad hoc basis on attrition rates, retirement eligibility and retirement rates of its executives.
- The Commission does not gather statistics on the percentage of leaders brought in through external recruitment or promoted internally. These statistics may not be needed for such a small organization.

Staff Comments on Question No. 7

- Nothing is done for GS-15 managers-absolutely nothing-everything on favoritism.
- Training for rising managers acting in absence.
- But could be probably be more formalized and thus more efficient.
- While the Commission no longer has a formal executive training program, there are significant opportunities for non-executive staff to lead major projects, act in managerial roles, and receive management training.
- The Commission-i.e. the Commissioners'-don't do this.
- I see no real human resource program for employees to network with EEO, Personnel or management which would provide avenues of challenge for staff promotions.
- I think Commission staff/leadership has an informal process-which may be perceived as, and indeed may be-favoritism. I see no broad based management /leadership training efforts in place which would help develop a broader pool of talent. This can be expensive-but worth it. Also, technical expertise and loyalty appears to be valued over management and leadership skills.
- Executive development has been all but eliminated from within.
- Not to my knowledge, but I might not be privy to this.

8. Recruiting and hiring. Does the Commission have a recruiting and hiring strategy that is targeted to fill short and long-term human capital needs and, specifically, to fill gaps identified through its workforce planning efforts?



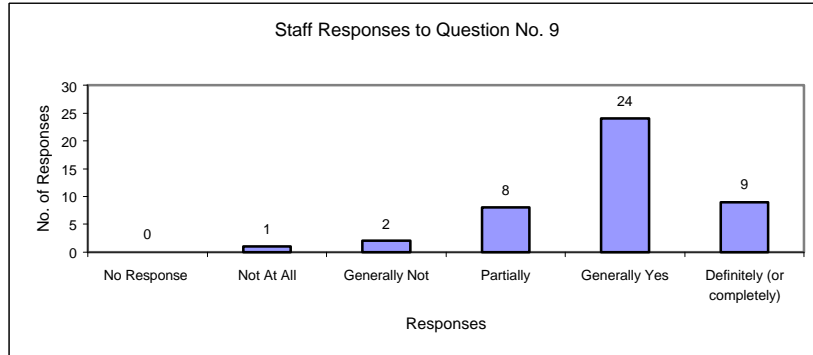
OIG Findings...

- The Commission has no formal recruiting and hiring plan or any discussion of recruiting and hiring in other agency wide strategic or human capital planning documents.
- Job announcements provide the only explicit link between the Commission’s recruiting efforts and the skill needs it has identified.
- The Commission does have a recruiting program with involvement and participation of senior leaders and line managers. Example is current trip to New Orleans seeking Economics candidates.
- Managers indicate that recruits are of sufficient quality, but that the hiring process takes too long.
- The Office of Personnel is currently compiling statistics on the average time taken to recruit and hire.
- Commission leaders are actively overseeing recruiting and hiring programs to ensure fair and unbiased hiring. The Commission is gathering demographic statistics on the agency’s diversity profile over time.

Staff Comments on Question No. 8

- No-no planning.
- Depends on Office.
- Compound.
- But could sharpen even further mechanisms to accomplish strategy.
- Each Office manager is provided some flexibility in how they use vacant slots, depending on future needs. All recruitment requests must ultimately be approved by the Chairman.
- I think it has a recruit and hiring strategy. I don't know if it fills gaps identified through workforce planning efforts because I don't know what you mean by that. Specific offices do this. The Commission wide process is basically a matter of placing arbitrary hiring freezes in place without regard to capital needs.
- Yes, but workforce planning is frustrated by bureaucratic delays in some instances.
- I am not familiar with recruit/hire strategy in most other offices. This gets tied into budget process too.
- Individual units may but I generally haven't seen a broad based effort. In my unit we use the developing strategic plan an assessment of human capital gaps in the context of that plan to make recruitment decisions.
- Again simply a reaction to vacancies-have serious concerns about loss of in-house expertise that will be real impossible to recruit for given current shortcomings in agency/government personnel constraints.
- It had a successful strategy for sunset. It is more difficult to do that through less predictable peaks and valleys.
- I see no real human resource program for employees to network with EEO, Personnel or management that would provide avenues as challenge for staff promotion.

9. Training and professional development. Does the Commission make appropriate investments in education, training, and other developmental opportunities to help its employees build the competencies needed to achieve the Commission's shared vision?



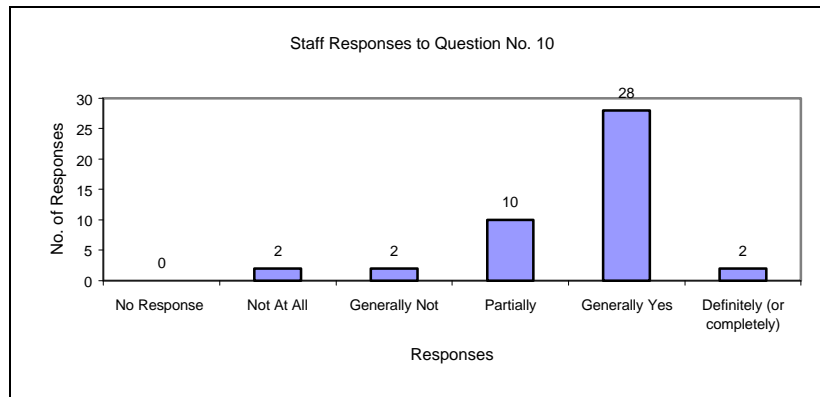
OIG Findings...

- Although the Strategic Plan does discuss the need for employee training, the Commission lacks a formal training and professional development strategy.
- The Commission does not have Individual Development Plans for all employees.
- The Commission has adequate opportunities for career advancement, an equitable promotion system, and career ladders that take into account the agency's technical and supervisory/managerial needs.
- Presently, there is no explicit link between the agency's training offerings and curricula and the competencies identified by the agency for mission accomplishment.
- There are no indications that the Commission is making fact-based determinations of the impact of its training and development programs and, where possible, measuring the return on its investment.
- There is evidence that employees are encouraged to identify and take advantage of training and professional development activities and that the available training is relevant and professionally rewarding.
- Budget documents indicate the percentage of the Commission's operating budget spent on training, but there are no benchmark comparisons being made with other, similar agencies.

Staff Comments on Question No. 9

- Nothing for GS-15 managers-no programs, policies etc. for investments in skills unless you are a favorite of a senior manager.
- Training resources for OIS have not been a problem. Correlation to shared vision is sorely lacking.
- But could use more training funds.
- As noted above, the Commission devotes significant attention to employee development through formal training, domestic and foreign fieldwork, cross-office work experiences, and details to USTR. Another important training technique is the assignment of junior staff to investigative teams for OJT with an experienced project leader.
- We're willing to put up the money, but have no particular guidance to managers on how it can be best used to achieve a shared vision.
- Done on an office-by-office basis.
- Based on experience in my office.
- Training is generally viewed favorably, but is under funded and often, though not always, a bit ad hoc.
- Again this varies by office and manager.
- Not focused on pressing agency needs and constrained by budget process.
- But there are some glaring gaps.

10. Workforce deployment. Is the deployment of the Commission's workforce appropriate to mission accomplishment and keyed to efficient, effective, and economic operations?



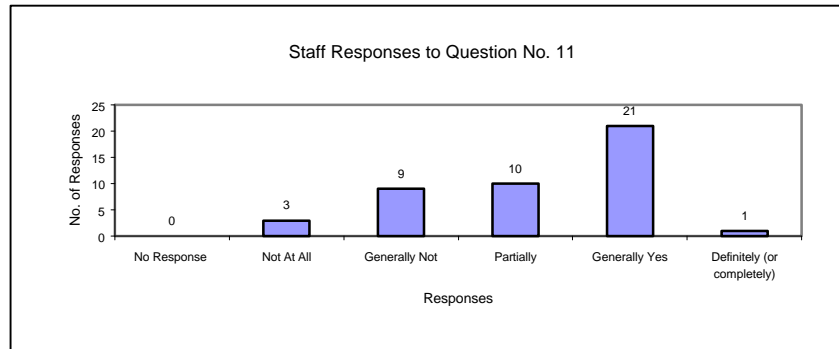
OIG Findings...

- There is no discussion of workforce deployment in the agency's workforce plan or other strategic planning documents, with decisions based on ensuring that the workforce is deployed appropriately to support organizational goals and strategies.
- The budget process gives consideration to human capital management issues relating to the use of contractors, including whether the agency has the expertise available to manage the cost and ensure the quality of activities that have been outsourced.
- There are indications that the Commission makes flexible use of its workforce, putting the right employees in the right roles according to their skills, relying on staff drawn from various organizational components and functions, and using "just-in-time" or "virtual" teams to focus the right talent on specific tasks. A recent example is Sunset Reviews.

Staff Comments on Question No. 10

- Offices DO NOT work together. Senior management does not lead.
- Some offices have excess capacity.
- Some employees and work groups are overworked and stressed out while others have little to do. ID is an example.
- There is room for improvement.
- Compound.
- But not as the result of a comprehensive master-plan; this is the result of the individual efforts of individual managers.
- The allocation of the workforce generally seems appropriate; plus a significant portion of Commission staff are flexible in that they can perform in multiple capacities—as commodity analyst, economist, or investigator. This flexibility permits the Commission to move people as needed to deal with temporary workload shifts such as the transition sunset reviews.
- I've seen a recent tension between offices that, if left untreated, can hinder our effectiveness.
- Greater flexibility and commitment by managers to recognize the need for shifts of resources would contribute to this objective.
- While I say generally yes we get the job done, and well, I'm not sure if we are as productive as possible. All workforce resources are essentially controlled by Director of Administration. Front-line office Directors have little flexibility in the use of these resources—incentives (i.e. access to resources) favor filling existing positions if allowed, otherwise one has to convince a skeptical Director of Administration who often is unfamiliar with specific office requirements, regarding alternative use of resources.
- I believe that human capital is very poorly deployed across the organization. Too many people poorly distributed so that some organizational units are under staffed.
- Deployment depends a good deal on the predisposition of the Chairman and varies over time.
- Very good in some instances; very poor in others. One major problem is that you cannot fire the people you need to fire.
- Resources are not always committed to priority needs and serious inertia to bringing resources to bear on changing requirements.

11. Compensation. Does the Commission's compensation system help it attract, motivate, retain, and reward the people it needs to pursue its shared vision?



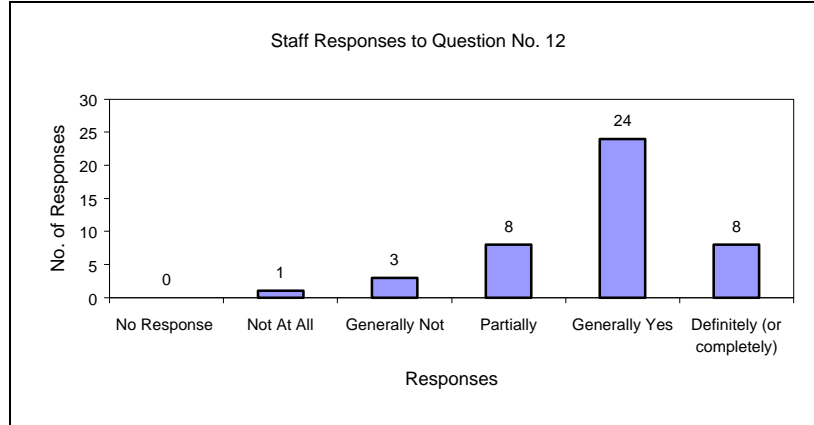
OIG Findings...

- There are indications that the Commission has examined its compensation system and considered changes in light of its human capital needs, including skills-based compensation, and identified relevant constraints and flexibilities. At present the Commission has seen no need for change.
- The special pay rates recently approved for IT personnel offer opportunities for modernizing the Commission's workforce.
- Pay banding could offer more compensation flexibility, if approved by Congress.
- The Commission has given no consideration to the various opportunities for making compensation packages more competitive, such as repayment of student loans and financing of education while on the job.
- The Commission has sought no feedback from recruits to whom hiring offers have been made.
- The Commission has not sought information from employee surveys or focus groups.
- The Commission does make use of quality step increases, bonuses and spot awards.
- The Commission does not make benchmark comparisons of its compensation system with other organizations and does not make use of information from Bureau of Labor Statistics' Occupational Outlook Handbook on average salary and projected demand for given occupations.

Staff Comments on Question No. 11

- As a general rule the best workers stay only a short time at the Commission, mediocre workers are the ones who remain.
- Need for GS-14's in Office of Industries-Economist DO NOT work with Industries-Investigators do not work with analysts.
- Depends on occupation. Lawyers and PhD Economists generally paid below market wages.
- This is a factor over which the agency has little control as a Federal facility.
- The Commission does not in my experience have a problem attracting the right talent, but it motivates, retains, and rewards individuals poorly.
- But excellent employees can quickly top-out; can then be difficult to retain.
- We are able to hire top quality entry level analysts. Further, it is possible to promote good staff at a fairly quick rate. However, we have had significant turnover of analysts, with staff generally able to find higher paid positions within and outside of the Government.
- I think we can still attract, especially at an entry level. Retention and higher level placements are a problem.
- There are likely more innovative ways of ensuring this.
- Answering from my office perspective-this is a federal government problem-not a HR problem per se with lawyer and executive compensation.
- Our salaries and grade structure make it increasingly difficult to recruit and retain people in our highly competitive field. I often emphasize other factors, and request above minimum step appointments.
- Salary levels are below current rates for existing skill levels now extant. Generally for non-supervisory position should be higher.
- It depends very much on the position. While ITC is relatively generous in government terms, government salaries are not competitive for certain positions.

12. Employee-friendly workplace. Does the Commission provide the flexibilities, facilities, services, and work/life programs to help it compete for talent and enhance employee satisfaction and commitment to the Commission and its shared vision?



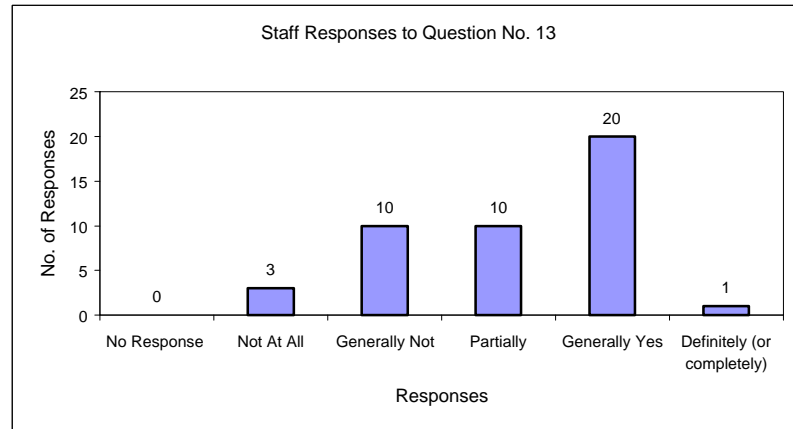
OIG Findings...

- The commission does make efforts to promote a more flexible workforce, including consideration of flexible work schedules (i.e., part-time work arrangements and flex-time), flexiplace, and business-casual dress. The Commission does not promote job sharing.
- The Commission does make available career counseling and development services.
- The Commission provides parking and mass transit subsidies to its employees.
- The Commission does make use of benchmarking data on these practices from high-performing public and private sector organizations with comparable missions and circumstances.

Staff Comment on Question No. 12

- None of this-no one cares.
- To the extent that its budget and space allow both of which are limited.
- Compound.
- But could use a flex work place program.
- The Commission offers training and travel opportunities, work on a wide range of projects, leadership opportunities, outside assignments, exposure at all levels of operation, rapid advancement within a job series, nice office facilities, and state-of-the-art IT tools.
- When needs develop, the Commission is responsive but not particularly proactive in anticipating needs.
- The trend over the years has been to make time keeping and leave use more and more bureaucratic. The impetus for this approach has come from the IG's office and the Office of Administration. The trend, however, deprives us of one our few advantages over a private law firm environment.
- This area has improved due to Commission Chairmanship changes over the last 5 years.
- Generally yes-one of the non pay and grade factors I emphasize. I do think the Commission should move more aggressively to more work at home and mobile computing environments.
- Among government agencies it would get fairly high marks. That is less clear with regard to the private sector.
- Within constraints of size (e.g. day care), location (parking expense); government regulations (sodas, parties, etc.).

13. Performance management. Is the Commission's performance management system designed to improve individual and team performance and to steer the workforce toward embodying and effectively pursuing the Commission's shared vision?



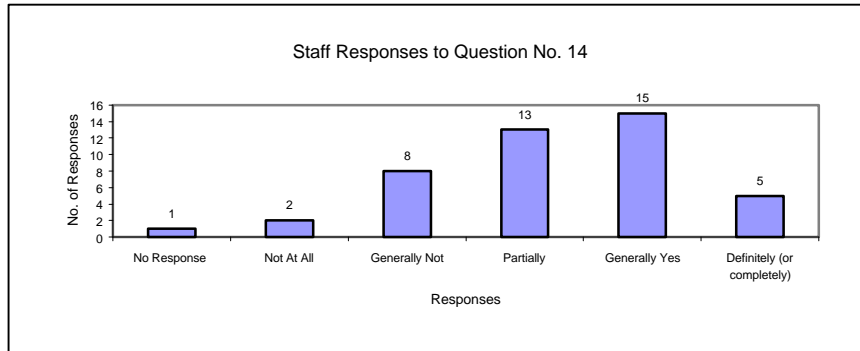
OIG Findings...

- USITC Directive 4202, Performance Management System, provides a description of the design and intent of the Commission's performance management system, with explicit emphasis on performance improvement and on linking individual and team performance to the agency's shared vision.
- The Commission's Performance Management System takes account of varied performance considerations, such as client demands, resource limits, technology use, and level of effort; and explicit performance-based rewards and consequences
- The Commission's Performance Management System describes how employees' performance expectations are to be aligned with the competencies and performance levels needed to support the agency's mission, goals and objectives, and strategies;
- The Commission's Performance Management System is intended to establish valid, reliable, results-oriented measures of individual and group performance
- The Commission's Performance Management System is intended to provide ratings and feedback that meaningfully differentiate among performers and provide the basis for effective performance incentives.
- Although very few non-performers have been formally identified within the Commission, there are indications that non-performers are held accountable. Commission leaders support managers and supervisors who give employees frank and constructive feedback on their performance—including, to the extent appropriate, their performance relative to that of their peer group— and take performance actions where appropriate.
- A recent OPM review of ITC personnel has provided an analysis of employee performance ratings data (mean, mode and standard deviation).
- The Commission receives anecdotal feedback from managers and staff on the meaningfulness and effectiveness of the performance management system and its return on investment.

Staff Comments on Question No. 13

- By the way, what is the vision?
- A pay band system would probably work well given the nature of our work.
- Compound “designed” but does it work?
- Office Directors should make greater effort to articulate the goals and standards of offices, and hold line managers to them.
- Still some reality gap between civil service “rules” and performance management.
- Performance plans and criteria are not related to strategic plans.
- The performance management system is tailored to the Commission's needs and does steer workforce in right direction. In general, however, I'm not convinced that annual performance systems are strong tools.
- Government performance management systems are generally ineffective in motivating individual/team performance.
- Again-problems stem from federal government system, which makes it much more difficult to terminate poor performers and limits rewards to high performers.
- Too many outstanding performance reviews make meaningful performance assessment difficult-outstanding suggests no room for improvement. In my review (not outstanding) I received little, if any, input as to how to improve-no discussion of strengths or weaknesses. Just nice job, keep it up. Well, gee, thanks.
- Very inconsistent in awards and such.
- The performance management system is fairly useless and applied variously by the various offices.
- I'm sure it was designed to, but I think the RIFs discredited it.

14. Performance incentives. Are meaningful performance incentives in place to support the Commission's performance management system?



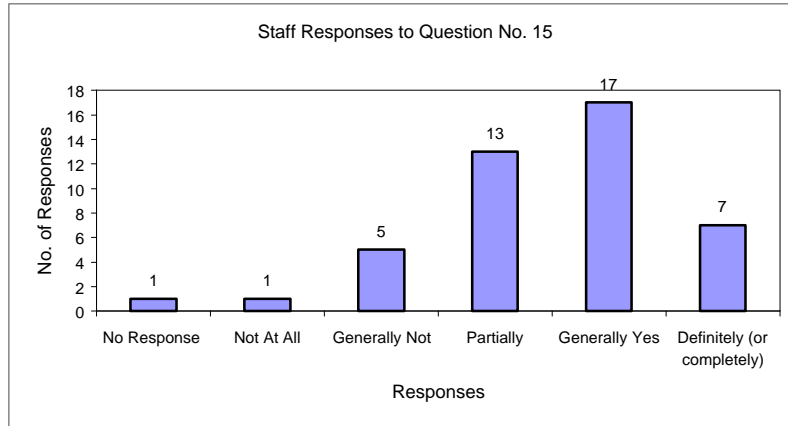
OIG Findings ...

- To some extent, incentives are clearly and meaningfully linked to the performance management system and incentives are results-oriented, client-based, realistic, and subject to balanced measures that reveal the multiple dimensions of performance.
- The Commission receives anecdotal feedback from managers and employees on the equity, adequacy, and effectiveness of the agency's performance incentives system.
- The Commission collects data on its investments in bonuses, spot awards, and other tangible incentives over time.
- The Commission does not conduct benchmarking against high-performance organizations with similar missions and circumstances.

Staff Comments on Question No. 14

- Not enough rewards for the very best workers at the GS-13 level and below; mediocrity is rewarded, not consistently high achievement.
- Performance incentives are non-existent.
- Too often, awards and advancement are not tied directly to performance but are simply “split up” among all members of an office using some arbitrary criteria, such as salary level, years in service, etc.
- The performance award system is at least as generous, in most instances better, than other agencies with, which I am familiar.
- There are too few ways to reward exceptional performance.
- Reward system is excellent.
- There is a monetary award system in place that is geared to performance level, but the award levels may not be sufficient to act as a meaningful incentive. Promotions and assignments are somewhat dependent on performance levels.
- We are very generous with awards but I question whether they are viewed as “incentives” for improved performance or just an additional form of deserved compensation.
- The vast majority expect a piece of the pie. In the other agencies I worked at far lower percentage of employees received recognition-since it was rare it was far more meaningful.
- Evaluation inflation is too strong.
- There are meaningful incentives-I don't necessarily see them as supporting the overall performance management system.
- There are limits on incentives government can offer. ITC does well within that context.
- Within budget limits and government regulations.

15. Continuous learning and improvement. Does the Commission encourage and motivate employees to contribute to continuous learning and improvement?



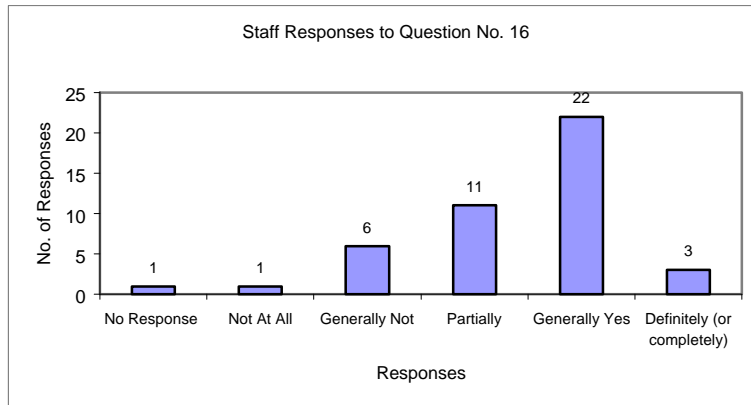
OIG Findings...

- The Commission does have an active knowledge management effort featuring programs and tools for sharing information and creating institutional knowledge that can be readily retrieved by or disseminated to staff.
- The Commission provides ongoing opportunities, such as the employee suggestion program, for employees to contribute their views on the agency's shared vision and strategies for achieving it, including innovative ideas and process improvements.
- The Commission does not obtain feedback from employees on their perceptions of the organization's learning environment.
- The Commission does not make any effort to identify best practices in continuous learning and knowledge management among organizations with comparable missions and service requirements.

Staff Comments on Question No. 15

- The Commission directs considerable attention and resources to developing staff and providing the tools and environment for meeting the Commission's mission. Priorities include areas such as formal staff training, domestic and foreign fieldwork, cross-office work experiences, upward advancement, state-of-the-art IT tools, and an awards/recognition program.
- While the Commission no longer has a formal executive training problem, there are significant opportunities for non-executive staff to lead major projects, act in managerial roles, and receive management training.
- As noted above, the Commission devotes significant attention to employee development through formal training, domestic and foreign fieldwork, cross-office work experiences, and details to USTR. Another important training technique is the assignment of junior staff to investigative teams for OJT with an experienced project leader.
- The Commission offers training and travel opportunities, work on a wide range of projects, leadership opportunities, outside assignments, exposure at all levels of operation, rapid advancement within a job series, nice office facilities, and state-of-the-art IT tools.
- No need for knowledge here-so why improve?
- But sometimes employees expect "rewards" which may not be forthcoming-can create a morale problem.
- I don't see any evidence that the Commission considers this a priority item.
- How can we improve we are already outstanding-or we don't get a clear list of strengths and weaknesses in our review. However, we do support training, if ad hoc.
- As an overall policy.
- Within given budget constraint, training is actively encouraged and for many (especially new employees) required.

16. Managers and supervisors. Are managers and supervisors expected, prepared, and trained to help steer the workforce toward the pursuit of the Commission's shared vision?



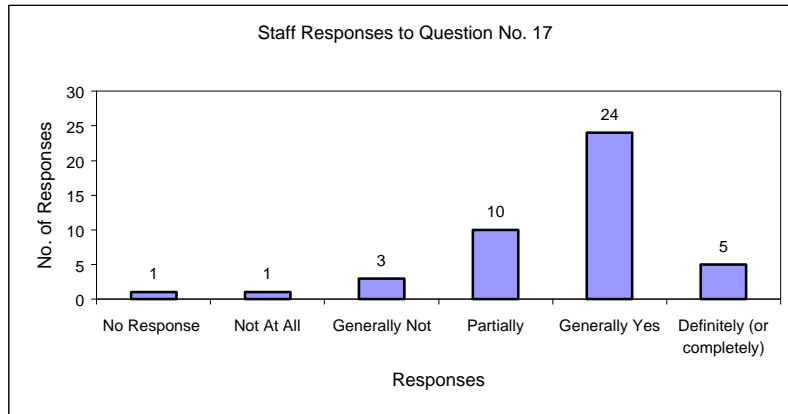
OIG Findings...

- There are indications that selections, promotions, and performance evaluations are based to a significant extent on the human capital competencies needed to support the agency's shared vision.
- The Commission makes available and requires training in legal responsibilities of supervisors and "people skills," such as employee motivation and conflict avoidance and resolution.
- Based on recent OPM survey, the Commission has received feedback from employees on the extent to which managers and supervisors show leadership in support of the Commission's shared vision and in motivating and enabling all employees to pursue it.
- The Commission does not employ 360-degree appraisals of its managers and supervisors.

Staff Comments on Question No. 16

- What is the vision?
- I am told by staff that extreme rivalry and competitiveness exists (e.g. Division v. Division) and they are discouraged from assisting across organizational lines.
- Compound.
- There are individual managers who do this, but generally not.
- Objectivity, timeliness, continuous development of trade expertise, and responsiveness to USTR and Congress are qualities that are constantly emphasized by managers and supervisors. They are a long standing part of Commission culture. But, as noted above, the agency has not moved in the direction of routinely instructing staff on SP specifics.
- This is a function of individual managers.
- I do not have enough familiarity with managers in many offices in the Commission to answer on an agency-wide basis.
- Managers could use additional training in the area of EEO policies and some people personal skills. We still need help in this area.
- Management, while generally effective, seems based on personality or authority of the position-as opposed to a thoughtful set of leadership skills. I don't see evidence of much preparation or training-though I see expectations.
- I believe we are constantly making studies toward this direction.
- Focus is more on finite goals as opposed to guiding "vision."

17. Job processes, tools, and mission support. Are job processes, tools, and mission support structures tailored to help employees effectively, economically, and efficiently pursue their work?



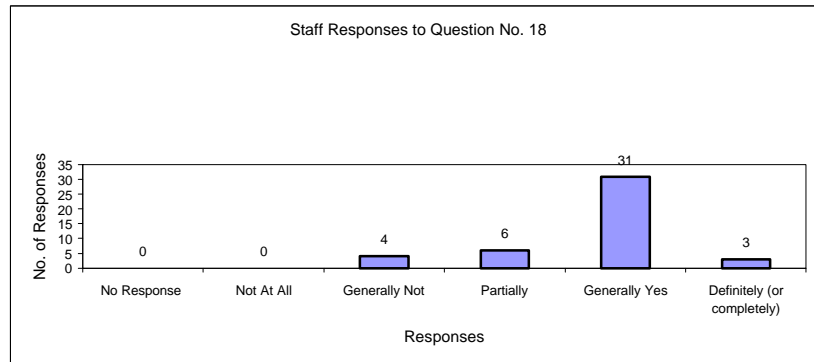
OIG Findings...

- In general, decisions involving new core business processes, strategies, and tools have been designed to support quality, productivity, and accountability.
- The Commission has not considered alternative approaches and tools drawn from “best practice” organizations with similar missions.
- Performance ratings and testimonial evidence indicate that employees generally believe that their job processes and tools effectively support their efforts.
- The Commission has in place mission support structures and strategies that are based on input from managers and staff both in mission and mission support roles and that recognize the contributions of all agency employees in building the value of the organization to its clients.

Staff Comments on Question No. 17

- Poor senior management leads to poor work processes.
- Compound.
- Inter-office rivalries are usually effectively dealt with.
- There are individual managers who do this, but generally not.
- There are numerous support systems for employees, including immediate supervisors, senior analysts, OJT as junior team members, process manuals, on-line aids of all types, and state-of-the-art IT systems.
- When necessary we can pull together the processes, tools, etc. to meet project demands but we don't seem to plan for this.
- The OP data manager makes a significant contribution to ID probable effects studies and the DataWeb significantly contributes, as well as initiatives by others.
- Question is awfully broad and rather vague-hard to respond to this.
- Concerned about amount of "re-work" due to poor planning/oversight, as well as late receipt of information and other factors beyond control.
- I think this varies widely from office to office.

18. Information Technology. Are employees making the best use of information technology to perform their work and to gather and share knowledge?



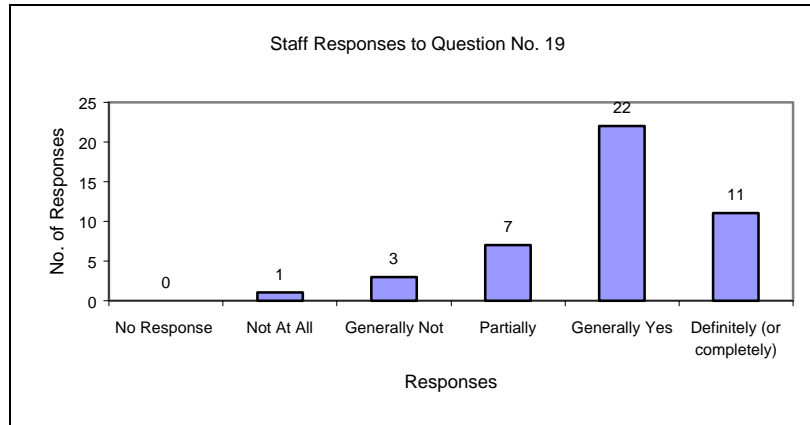
OIG Findings...

- The Commission has an IT plan which attempts to align its information technology programs with its mission, goals, and strategies.
- The Commission does receive feedback from employees as to whether they have the opportunity, incentives, support, and training to make the appropriate use of technology to do their work and to acquire and share knowledge.
- The Commission does not collect and analyze data on the agency's investments—financial and human—in information technology over time and the return on these investments in terms of economy, efficiency, and service delivery.
- The Commission does not perform benchmarking against organizations with similar missions and service requirements.

Staff Comments on Question No. 18

- Actually, we do well here!
- IT is being used-is best use achieved? I don't know.
- Current employees are making great strides in this area.
- But could use an in-house "users" club/meetings to share knowledge.
- There are individual managers who do this, but generally not.
- Commission researchers make extensive use of IT systems, though skill levels vary. IT systems used in PE studies represent major advances. One area where IT advances are needed is in the administrative area, and I believe work has begun in this area. In particular, the T&A system is in need of improvement, both on input and output sides.
- Hard to tell. IT is being provided and being used but, from my viewpoint, it's unclear that we're getting "best use."
- Answering from my office perspective. Certainly there is room for improvement here, but employees in the office are making good use of IT resources to do their work and share information in the office.
- My sense is the Commission has invested only spottily in this area. Most employees are not aware of how IT, and/or new developments in IT, can help them on the job. Many Commission employees have been here for a long time and are not very aware of alternatives in the IT area-only what they see here at work. They generally use what's here well-but they don't have a particularly effective environment.
- They certainly have the equipment to do so.
- The extent to which IT can increase efficiency varies by office. Generally ITC has been progressive in acquiring technology, poor in implementing its use in some circumstances.
- If anything, ITC is ahead of the government generally in employing technology.

19. Inclusiveness. Does the Commission maintain an environment characterized by inclusiveness and a variety of styles and personal backgrounds and that is responsive to the needs of diverse groups of employees?



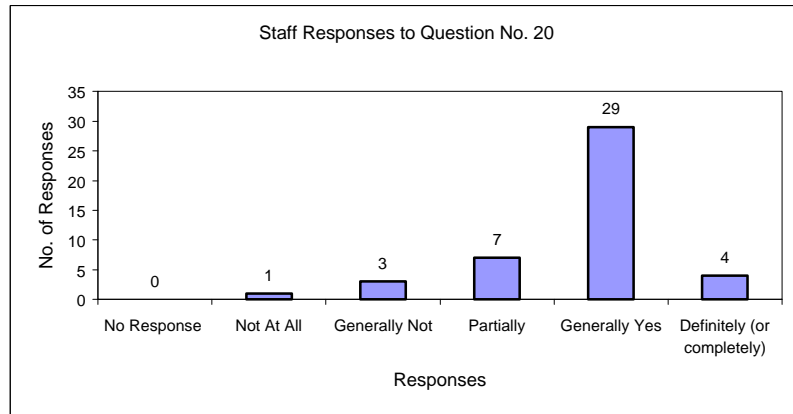
OIG Findings...

- The Commission does have a written affirmative action policy or discussion of inclusiveness in the agency's human capital plan or other documents.
- The Commission does provide training for staff in team building and conflict avoidance and resolution.
- The recent OPM survey has provided employee feedback on the acceptance and encouragement of diverse styles and personal backgrounds in the workplace, as well as on perceptions of unequal treatment.
- The Commission does compile statistics on grievances and EEO complaints and findings over time.
- The Commission does have in place an alternative dispute resolution (ADR) program that draws upon internally or externally based ombudsmen, mediators or other trained neutrals to help resolve workplace conflicts and lessen the incidence of formal cases, i.e., grievances, discrimination complaints, and appeals to adjudicatory agencies of new cases and the time needed to resolve them.

Staff Comments on Question No. 19

- Except, much is done on favoritism-no office meetings so work is handed out to favorites of senior managers.
- This is an area that can be improved.
- We have established a diverse workforce and strive for inclusiveness.
- Commission tries to provide such an environment, but our success in achieving it is no doubt viewed differently according to the “group” you happen to be in.
- Although non-professionals desire greater chance for advancement/professional development; and some professionals do not feel their contributions are actively sought/desired.

20. Employee and labor relations. Are relations between the Commission's workforce and its management grounded in a mutual effort to achieve the Commission's shared vision?



OIG Findings...

- The Commission does receive feedback from employees through Union representatives on their commitment to the agency's shared vision and their views of management's efforts at communication and coordination.
- The Commission does have a collective bargaining agreement that facilitates feedback from managers, union representatives, and other employees on the extent to which they agree on the agency's shared vision and the means of achieving it, and the extent to which they work together to resolve problems and conflicts fairly and effectively.

Staff Comments on Question No. 20

- I think good relations between union and management.
- But workforce could benefit from additional interactive sessions with management.
- But there are also exceptions based on individual attitudes.
- When it comes to substantive issues, I would say definitely; on workplace issues less so.
- There is a general desire/commitment to do one's best and make a serious contribution to the work of the agency-but there is a disconnect in how these might contribute to furthering a "shared vision," or even recognizing that one exists.
- I think there have been attempts at improvement lately, but there's a lot of lingering distrust and ill will to work past.

Appendix II

Director of Personnel's Response to Draft Report

UNITED STATES INTERNATIONAL TRADE COMMISSION

WASHINGTON, D.C. 20503

February 6, 2001

To: Acting Inspector General

From: Director, Office of Personnel *mg Hillie*

Subject: Comments on Draft Inspection Report OIG-IR-01-01, Self Assessment of the Commission's Capital

Thank you for the opportunity to comment on Draft Inspection Report OIG-IR-01-01, Self-Assessment of the Commission's Human Capital.

My principal observation on the report is that it mirrors, in its fundamental finding, the review conducted by the Office of Personnel Management last year. Like the IG report, that report concluded that the agency should move toward strategic planning for human resources, noting that the agency has not yet developed goals, strategies and measures for human resources management (HRM). In response to that report the Director of Administration and I committed to working with the Strategic Planning Committee to define and integrate HRM goals, strategies, and measures into the 2001 revision of the agency plan, a process that is just getting underway. Additionally, because HR has never had representation on the agency strategic planning body, I have asked the Chairman to appoint me to that group. It is my understanding that he intends to do so.

I mention these initiatives to underscore and emphasize what I think the IG report does not—the criticality of agency strategic planning to the development of strategic human capital planning and management. I think that the conclusion section of the IG report demonstrates this rather pointedly. With no particular emphasis, strategic planning is addressed as the last conclusion and it does not contain the vital observations from the findings in the body of the report about shortcomings in the current strategic planning process and lack of management focus on human resource issues. Consequently, decision makers reading this report, and who rely heavily on summary findings, may well completely miss what is probably the most important message that could be put before them: unless the Commission and senior executives take responsibility and ownership of strategic planning, including human resources

strategic planning, the so-called human capital focus will never flourish and contribute significantly to management rationalization as envisioned in GPRA. Unfortunately, I feel that the manner and emphasis of the IG report will not engage the attention of those who must be reached.

Equally unfortunate, is that the other conclusions of the report reinforce the current agency attitude that human resources issues are the sole province and responsibility of the "human resources organization." Whether intended or not, the impression is left that the only organization with human capital responsibility and assignments is the Office of Personnel. However, effective human capital and workforce planning requires significant involvement of others, particularly managers and senior executives who must as a first step set its strategic direction, including responsibility for leading the effort and assigning resources to it. Importantly the Chairman should be aware of this before he commits to any plan of action.

Finally, with regard to the report's conclusions, although the first one regarding workforce planning does not address the timing for developing a plan, one gets the impression that perhaps the Office of Personnel would be expected to bang out a plan in short order and begin annual updates. This is unrealistic in the extreme. Personnel has neither the staff nor the expertise to do what seems to be contemplated in the report. If the Commission sets as a strategic goal the development of a strategic human resources plan, with a subset workforce plan, it will have to commit significant in-house and contract resources to the effort. Government agencies that have made progress in this area, including the GAO, have typically followed this path. Interestingly, after a number of years of involvement in this area, GAO still does not have a strategic human capital plan as far as I can determine.

In conclusion, a few miscellaneous comments: I am disappointed that the report provided little context for the increasing and widespread concern throughout government regarding so-called human capital issues. The recently issued GAO document Major Management Challenges and Program Risks provides very succinctly the historical setting for the current state of human resources management and the lack of attention to strategic human capital management governmentwide. Context is important from my perspective in that to the otherwise uninformed reader, the report, especially in the summary findings section, can leave the impression that there are a multitude of mandated requirements that have simply been ignored, which is not the case. What can be said is that in applying the GAO model for assessing effective human capital management at ITC, various components exist or don't exist. The ITC must evaluate the value and priority of these components in its environment. Nothing, beyond ITC's determination that they serve our management interest, is mandated. I'm not sure that decision makers will clearly understand that there are not mandates but rather choices to be evaluated. But above and beyond my personal concerns, context is vital to getting the attention and commitment of decision makers to engage in and lead strategic efforts. That is precisely why the GAO has been beating the drum for some time now. And why, in my opinion, the IG report should candidly and emphatically

share its apparent finding that strategic planning has shallow roots in this agency. It still is not taken seriously. Significantly, as pointed out in the report, Personnel has never been invited into the strategic planning process. This is by no means unusual within the federal establishment and it speaks volumes. This attitude combined with reductions in staff resources (ITC Office of Personnel lost three professional slots just prior to and during the RIF) certainly has contributed to the "reactive" mode of this and many other human resources operations throughout government.

I trust that my comments are not perceived as self-serving, either as to current or future involvement in human resource management. I shall not be here to contribute in any significant way to whatever effort is undertaken. My message is, therefore, quite forthright and disinterested: any initiative in the so-called human capital area will be doomed to failure if it is not embraced substantively by the Commission and senior staff; if it is viewed as the sole province of the Office of Personnel, or if it is not given proper resources.

cc: Director, Office of Administration
General Counsel
William Trencher
Paul Bardos
Judith Borek