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Report to Secretary, Department of the Navy; by H. L. Krieger, Director, Federal Personnel and Compensation Div.

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Organization Concerned: Department of the Navy.

Congressional Relevance: House Committee on Armed Services; Senate Committee on Armed Services.

Authority: Executive Order 11478. F.P.M. Bulletin 410-83. F.P.M. Letter 713-27. OMB Circular A-11. Equal Employment Opportunity Act of 1972. 5 U.S.C. 41.

The Navy's Upward Mobility programs were reviewed to assess progress in the use of job restructuring.

Findings/Conclusions: Positive efforts were made to implement the programs with employees receiving on-the-job or formal training in each of the activities. Improvements are necessary in several areas. The Navy has not systematically defined problems before implementing programs, nor issued guidelines on skills surveys. Although most activities employed job restructuring, it was not applied systematically and equal employment opportunity officers were not utilizing task analysis. Problems in developing reliable cost information have not been reported to the Civil Service Commission.

Recommendations: The Navy should strengthen implementation of guidelines by analyzing problems; issue additional guidelines on using skills surveys; apply job restructuring techniques more systematically; strengthen compliance; and report cost problems.

(HTW)



*UNITED STATES
GENERAL ACCOUNTING OFFICE*

Upward Mobility Using Job Restructuring

Department of the Navy

Although positive efforts have been made to carry out the Department of the Navy's Upward Mobility programs, additional improvements can be made by

- emphasizing the need to effectively analyze and define Upward Mobility problems and,
- applying job-restructuring techniques more systematically.



UNITED STATES GENERAL ACCOUNTING OFFICE

WASHINGTON, D.C. 20548

FEDERAL PERSONNEL AND
COMPENSATION DIVISION

B-70896(5)

The Honorable
The Secretary of the Navy

Dear Mr. Secretary:

We recently completed a limited review of the Department of the Navy's Upward Mobility program to assess the use of job restructuring in promoting Upward Mobility objectives and to review the progress which has taken place. We reviewed program efforts at the Department level, at three command headquarters, and at three field activities. We also examined departmental, command, and activity policies, procedures, and guidelines issued on Upward Mobility.

On February 16, 1972, the Civil Service Commission (CSC) approved a Department of the Navy Training Agreement to facilitate Upward Mobility for lower graded general schedule and wage grade employees. This agreement was later renegotiated and is currently in operation. The agreement and its revisions have been issued as an enclosure to an Office of Civilian Manpower Management (OCMM) Instruction to all Navy and Marine Corps activities employing civilians.

In 1973 and 1974, our Government-wide review of Upward Mobility programs, including the Navy's, led to a report to the Congress in April 1975, "Upward Mobility Programs in the Federal Government Should Be Made More Effective," (FPCD-75-84). On June 19, 1974, we discussed the Navy's program with Navy officials and indicated that although it was a good program, improvements were possible.

In January 1975 OCMM issued an Upward Mobility handbook to all Navy and Marine Corps activities employing civilians to provide guidelines on how to plan, implement, and evaluate Upward Mobility programs. Specific emphasis was placed on the Navy's training agreement.

Our review of the selected activities indicated that a generally positive effort was being made to implement Upward Mobility programs. Each of these activities had active programs with employees receiving either on-the-job or formal training. Officials in several activities indicated that reductions in force had hampered their program efforts.

Although positive efforts have been made, we believe Navy's Upward Mobility efforts can be improved by:

- Strengthening implementation of Navy guidelines emphasizing the need to effectively analyze and define Upward Mobility problems as an important first step in program planning.
- Issuing additional guidelines on using skills surveys in Upward Mobility programs.
- Applying job-restructuring techniques more systematically to achieve Upward Mobility objectives.
- Strengthening activity compliance with Navy Upward Mobility program guidelines regarding participant eligibility and trainee performance evaluation.
- Reporting in every A-11 cost submission to CSC cost reliability problems in gathering and reporting Upward Mobility program costs.

Each of the above matters is discussed in detail in separate appendixes to this letter. In our opinion, adopting the suggestions would strengthen the Navy's Upward Mobility efforts.

While Navy officials stated that the report identified important issue areas, they took exception to our analysis of Navy training agreement target positions. Their comments and our analysis are presented in appendix I.

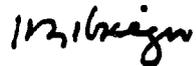
We would appreciate being advised of any actions planned or taken with respect to our suggestions. In addition, as you know, section 236 of the Legislative Reorganization Act of 1970 requires the head of a Federal agency to submit a written response on actions taken on our recommendations to the House and Senate Committees on Government Operations not later than 60 days after the

date of the report and the House and Senate Committees on Appropriations with the agency's first request for appropriations made more than 60 days after the date of the report.

Copies of this letter are being sent to the Senate Committee on Labor and Public Welfare; the House Committee on Education and Labor, Subcommittee on Equal Opportunities; and the Civil Service Commission.

We appreciate the cooperation and courtesy extended to us by Navy officials during our visit.

Sincerely yours,



H. L. Krieger
Director

NEED TO PERIODICALLY DEFINE
EXTENT OF UPWARD MOBILITY PROBLEM

The Civil Service Commission's (CSC's) Federal Personnel Manual System Letter 713-27, "Upward Mobility for Lower-Level Employees," dated June 28, 1974, states that most agency Upward Mobility programs should focus on providing opportunities for employees below the GS-9 (or equivalent) levels. CSC noted, however, that the law does not specify minimum or maximum grade levels for Upward Mobility efforts, and directs each agency to develop a variety of Upward Mobility opportunities adapted to its own organizational and mission requirements.

Our April 1975 report to the Congress stressed the need to identify situations inhibiting Upward Mobility. Management must systematically identify and analyze job patterns which prevent qualified lower level employees from advancing. Such occupational analyses should include

- rate of personnel changes from lower to higher skilled occupations by grade and job series;
- number of employees in apprentice, technician, and other developmental positions;
- ratio of jobs filled by promotions and reassignments to those filled from outside in apprentice, technician, developmental, or entry-level professional positions by grade level; and
- job series and grade levels in which many employees appear impacted.

These analyses will show the target population toward which an Upward Mobility program should be directed, and are essential because Upward Mobility needs vary among and within agencies.

Navy departmental guidelines for activities identify the need for a number of analyses, including (1) identification of employees in dead-end positions, (2) review of inside-outside hiring patterns, and (3) review of employee turnover as a step in the program-planning process designed to outline the program. These types of analyses, however, were not formally implemented as a part of the planning process by any of the six activities reviewed. Consequently, activity Upward Mobility programs were established and have

continued without determining where inhibitors to Upward Mobility exist. Without such analyses, Upward Mobility program efforts may be misdirected.

Navy officials said that a significant degree of Upward Mobility has taken place through normal merit promotion procedures. One method of identifying where Upward Mobility may still be inhibited, however, is analyzing job series and grade levels in which many employees appear impacted. CSC used this methodology in its recent "Shaft Report" by using employee nonmovement over a 5-year period as an indicator of impactedness. We applied a modified version of this same test Navy-wide and for selected activities on an activitywide basis.

The Navy has never conducted a Navy-wide analysis of the general schedule employee work force to identify potential occupational series and grade levels where employees appear impacted. Using the Personnel Automated Data System (PADS), we constructed a computer program to retrieve information on Navy-wide impactedness. Due to the limitations of PADS, we used nonmovement for all employees GS 1-9 over a 3-year period as an indicator of impactedness. This analysis used PADS information as of December 31, 1975.

Although our analysis produced an average Navy-wide impactedness rate of 32 percent for all employees GS 1-9, the rates varied significantly among grade levels. The levels of impactedness for specific GS levels were:

<u>Grade level</u>	<u>Percent of impactedness rate</u>
GS-1	03
GS-2	07
GS-3	20
GS-4	33
GS-5	37
GS-6	38
GS-7	30
GS-8	32
GS-9	41

In addition to the differences in grade level impactedness, significant differences in impactedness by occupational series were also shown. For example, the top 10 occupational series in terms of the largest number of GS 1-9 employees in grade 3 years or more has a wide range of average impactedness.

<u>Series</u>	<u>Percent of impactedness rate</u>
GS 2005	42
GS 301	35
GS 318	40
GS 322	17
GS 081	38
GS 802	34
GS 305	37
GS 085	44
GS 525	41
GS 850	35

The identification of these ranges in grade, level and occupational series impactedness suggest that the Navy could further refine its program, leading to more effective allocation of Upward Mobility resources in addressing employee non-movement problems.

As a result of Navy's inability to periodically define the nature and extent of its Upward Mobility problem, current program efforts may be misdirected. For example a 1972 Navy-wide Training Agreement (renewed in 1974 and 1976) plays a central role in Navy's Upward Mobility program. This agreement identifies specific occupational series particularly suited as target positions. Participants would be reassigned or promoted into these positions after their training. These target positions were to provide career opportunities for individuals presently occupying either dead-end positions or positions with limited career opportunities.

We tested the specific target occupational series identified by the agreement against our Navy-wide information on impactedness. Many of the target positions identified by the agreement as "career opportunities" actually had high levels of employee nonmovement when compared to the GS 1-9 Navy-wide average of 32 percent. Of the 17 positions specified, only 4 had lower levels of employee nonmovement than the Navy-wide average.

<u>No.</u>	<u>Target position</u>	<u>Percent of impactedness</u>
1	GS 018	29
2	GS 404	34
3	GS 621	48
4	GS 645	45
5	GS 699	41
6	GS 802	34
7	GS 856	35
8	GS 986	42
9	GS 1311	21
10	GS 1371	39
11	GS 1374	33
12	GS 1411	34
13	GS 1654	38
14	GS 1670	50
15	GS 1702	19
16	GS 1910	49
17	GS 1960	31

Furthermore, several of these positions exceed Navy-wide average impactedness rates for all grade levels GS 1-9 with a significant employee population, e.g., Nursing Assistant--GS-621.

<u>Grade</u>	<u>Navy-wide percent of impactedness</u>	<u>GS-621 percent</u>
2	07	31
3	20	26
4	33	52
5	37	54

While the training agreement describes its objectives as providing additional career opportunities, Navy officials indicated that the target positions identified in the agreement are not necessarily positions offering opportunities to lower level employees. These positions were identified because they were easily accessible and not because they offered good career opportunities. In addition, Navy officials doubted that activities used these positions as Upward Mobility target positions. Our limited analysis of the training activities of three Navy systems commands indicates, however, that one command appears to be using these positions for approximately one-third of their placements. Of the 162 general schedule positions reported for the period April 1975 to March 1976, 54 were from the series identified in the training agreement.

At the activity level, none of the activities reviewed had periodically attempted to define the extent of its Upward Mobility problem. Failure to make such analysis may result in misdirected program efforts. Two of the six activities reviewed were unable to perform an impacted analysis because their data systems capability did not permit it. At the other four activities, however, we were able to obtain limited impactedness information using activity data systems. We identified occupational series with large numbers of impacted employees and then compared these series with the series from which Upward Mobility program participants were being drawn. At two of the four activities participants were being drawn primarily from occupational series and grade levels with relatively large numbers of impacted employees. At the other two activities, the majority of the participants were not coming from grade levels and occupational series with relatively large numbers of impacted employees.

This preliminary movement analysis is only the beginning of the planning process. Additional information on the desires and skills of these employees and the availability of opportunities within the organization should also be considered.

Conclusions and recommendations

There has been no systematic analysis by either the Navy or its activities to determine specifically where lower level employee Upward Mobility has been inhibited. An effective program requires that the nature of the Upward Mobility problem be specifically defined before programs are implemented. Otherwise, program efforts may be misdirected.

We recommend, therefore, that the Secretary of the Navy direct appropriate officials to:

- Require activities to establish procedures to periodically define their Upward Mobility problem before initiating and continuing program activities.
- Review the specific occupational series identified as target positions by the Navy-wide training agreement to be certain that they offer a high degree of career opportunity.
- Implement a procedure to periodically define the extent of the Upward Mobility problem so that Navy-wide actions are not misdirected.

NEED TO IMPROVE USE OF EMPLOYEE
SKILLS INFORMATION IN SUPPORT OF
UPWARD MOBILITY OBJECTIVES

Executive Order 11478, dated August 8, 1969, states that agencies must utilize the present skills of each employee and provide the maximum feasible opportunity to employees to enhance their skills. CSC guidelines on Upward Mobility note the importance of reviewing current employee skills through a skills survey to determine if vacancies may be filled by employees who meet the required qualifications and are underutilized. This skills review is a prerequisite to establishing Upward Mobility target jobs. In addition, chapter 41, title 5, United States Code prohibits training in a non-Government facility for a position involving a promotion if there is a qualified employee available. CSC's training guidelines state that agencies must be cognizant of the knowledge, skills, and abilities of their employees. The ability, potential, and suitability of employees qualified for positions must be considered before training employees in non-Government facilities to qualify for these positions.

CSC also noted that while the law prohibits training in non-Government facilities under the circumstances just described, agencies should, in the interest of economy and efficiency, carefully consider using available, qualified employees before making decisions to offer such training at any facility.

Navy Upward Mobility guidelines, dated January 1975, require that the present skills of the work force be assessed as part of Upward Mobility program planning. However, procedures describing how skills are to be assessed are not included. As a result, some Navy activities are conducting skills surveys, while others are not. In addition, activities may not fully use skills information in establishing target jobs. Training is also being given for Upward Mobility purposes without systematically considering available, qualified employees on the work force.

Skills surveys have been only partially implemented at Navy activities. For example, according to the Naval Material Command Quarterly EEO Status Report, the Naval Air Systems Command reported, as of January 15, 1976, that 22 activities within the Command had conducted skills surveys within the last year, while 8 activities had not.

Of the six activities reviewed, five had made a recent skills survey. However, the skills information gathered by four of the activities was not systematically used in either identifying target positions or in determining whether the Upward Mobility training given was justifiable. At one activity, for example, skills information was collected from employees and left in raw form. Accordingly, we were advised that the skills information was not used to determine target jobs. As a result, several of these jobs were filled by Upward Mobility program participants requiring training, while available, fully qualified people were not considered.

Four of the six activities reviewed were providing formal training in non-Government institutions as part of their Upward Mobility programs. CSC instructions (FPM Bulletin 410-83) state that such training cannot be provided where the agency has fully qualified employees of equal ability and suitability available to fill the target position. Because several of these activities are not systematically using the skills information they collected, they may be violating chapter 41, title 5, United States Code.

Conclusions and recommendations

The Navy has not issued guidelines concerning skills surveys. Consequently, skills surveys have been implemented by some activities but not by others. In addition, the activities with surveys have not fully used the skills information collected.

We recommend that the Secretary of the Navy direct appropriate program officials to issue definitive policy, guidelines, and procedures on the use of skills surveys in Upward Mobility programs. Specific emphasis should be placed on using skills information in Upward Mobility training programs.

NEED FOR SYSTEMATIC USE OF JOB
RESTRUCTURING IN SUPPORT OF
UPWARD MOBILITY PROGRAM OBJECTIVES

According to CSC, job restructuring is an integral part of an Upward Mobility program. It is a technique which can be used to segregate clerical and technician duties from professional positions and establish support positions. This permits management to use their professionals more effectively and it creates career systems which may provide increased Upward Mobility opportunities for lower level employees. Task analysis is advocated in job restructuring.

Navy Upward Mobility instructions stress the systematic use of job restructuring, bridge positions, and task analysis at the activity level. Navy Material Command officials noted that at the activity level, the Deputy Equal Employment Opportunity (EEO) Officer has been given responsibility to participate in position management decisions. These Deputy EEO Officers are to participate in task analysis to identify opportunities for using job restructuring and creating bridge positions.

Although job restructuring was taking place in most of the activities visited, generally the technique was not being applied systematically. In addition, none of the activity Deputy EEO Officers had participated in task analysis to identify opportunities for job restructuring and creation of bridge jobs. At one activity, for example, the Deputy EEO Officer did not participate in any systematic review of vacant positions to identify potential restructuring opportunities. In addition, the Deputy EEO Officer had never participated in task analyses of vacant positions. This activity is currently experiencing problems in meeting its Affirmative Action Plan Upward Mobility position goal.

Naval Material Command officials stated they were aware of these problems, and an April 1976 Inspector General's report had also identified restructuring as a problem area. Corrective actions are being formulated.

Conclusions and recommendations

While job restructuring is taking place in Navy activities, it is not systematic and was characterized by Navy officials as minimal. Deputy EEO Officers generally do not perform systematic reviews of position vacancies and do not participate in task analyses to identify additional Upward Mobility opportunities.

We recommend the Secretary of the Navy direct appropriate program officials to require Deputy EEO Officers to report periodically in the Affirmative Action Plan actions taken to support systematic job restructuring. This reporting should include information on the number of positions reviewed, task analyses performed, and bridge positions created.

NEED TO STRENGTHEN COMPLIANCE WITH
UPWARD MOBILITY TRAINING POLICIES

Executive Order 11478 and the EEO Act of 1972 require that agencies provide maximum feasible opportunity to employees to enhance their skills so they may perform at their highest potential and advance in accordance with their abilities. The Upward Mobility program concept was developed to satisfy these requirements.

CSC has long advocated training programs to promote Upward Mobility program objectives. One device CSC advocates as a training mechanism for Upward Mobility purposes is the training agreement. The training agreement allows departments to substitute extensive training for the qualification requirements found in CSC Handbook X-118. The agreement must be initially approved and subsequently renewed by CSC.

On February 16, 1972, CSC approved the Navy Training Agreement, which has been extended several times and is currently operational. The purpose of this agreement is to facilitate Upward Mobility for lower grade general schedule and wage grade employees by providing intensive, accelerated training to equip them with the skills and specific knowledge necessary to perform successfully in a target position. Selections for such assignments are to be made under merit procedures on the basis of potential rather than formal qualifications. An individualized training plan must be developed for each selectee. Reassignment or promotion to the target position will depend upon successful completion of the training.

On January 31, 1975, the Office of Civilian Manpower Management issued an Upward Mobility handbook designed to help naval activities plan their Upward Mobility programs. Specific emphasis was placed on the Navy's training agreement which Navy officials characterized as not only a policy document, but an implementation issuance. Although all activities reviewed were providing Upward Mobility training opportunities for their employees, they should more fully comply with Navy Upward Mobility training program candidate eligibility and trainee evaluation policies.

Greater compliance with Upward Mobility training eligibility policies needed

According to Navy's Upward Mobility handbook, the qualifying standard, under the Upward Mobility agreement, includes

any individual (in grades GS 2-9 or equivalent wage rates) who has competitive civil service status and who can reasonably be expected to perform the duties of the target position within 2 years. Denying anyone meeting this standard the right to be considered would be a violation of the "merit principle" and "open competition." Selections are made on the basis of potential rather than formal qualifications, and qualified employees must also compete on this basis.

Although this Navy guideline requires that qualified employees be given the opportunity to be considered for Upward Mobility positions, activity adherence to the guideline has been mixed. Personnel officials at three of the six activities said that all employees (including those already qualified) are allowed to compete for Upward Mobility vacancies. At two activities, however, qualified employees are not permitted to compete for Upward Mobility opportunities. The remaining activity allows all employees to compete for Upward Mobility positions but penalize an employee who desires to be considered for a position(s) in his/her current occupational series.

Navy training officials said that such restrictive interpretations of Upward Mobility participant eligibility were inconsistent with the Navy's intent.

Greater compliance with Upward Mobility trainee evaluation policies needed

Specific guidelines on periodic evaluation of Upward Mobility trainees is contained in the Navy's training agreement. Within 30 days after assignment to a trainee position, preliminary evaluation must be made to assess the employee's development needs in meeting the job requirements and to plan a development schedule in meeting them. Written supervisory reports on the employee's application of training received and overall development on the job must be prepared every 30 days during the first 6 months and, if appropriate, every 90 days thereafter.

Four of the six activities visited had not fully complied with the evaluation requirements. For example, at one activity several evaluations were not submitted within the required time while others were not submitted at all. In addition to these types of compliance problems, several activities have issued local instructions which call for more liberal trainee evaluation procedures than described

in the training agreement. Upward Mobility officials at two activities cited management resistance as the primary cause for not carrying out the required evaluation procedures.

Conclusion and recommendations

While all of the activities reviewed were providing Upward Mobility training opportunities for their employees, none of the activities were fully complying with Navy Upward Mobility training program candidate eligibility and trainee evaluation policies.

We recommend, therefore, that the Secretary of the Navy require appropriate program officials to:

- Provide that all activity programs have candidate eligibility requirements that are consistent with Navy Upward Mobility program policies.
- Reexamine current Upward Mobility trainee evaluation policies to determine if activity compliance is either practical or necessary. If current policies are desirable, actions should be taken to increase compliance. If current policies are impractical or unnecessary, needed changes should be incorporated into Navy's training agreement.

NEED TO REPORT PROBLEMS ENCOUNTEREDIN COLLECTING AND REPORTING UPWARDMOBILITY COSTS IN A-11 COST SUBMISSIONS

Each year, agency EEO officials are required by Office of Management and Budget (OMB) Circular A-11 to report to CSC expenditures for internal EEO programs, including Upward Mobility. The circular requires that the report include (1) a concise description of the program, (2) significant cost-effectiveness or other analytic findings, (3) pertinent comments concerning reliability of the data, and (4) actions planned to improve data collection.

Navy's 1974 A-11 cost submission to CSC identified problems encountered in gathering reliable Upward Mobility program cost data. In 1975, however, Navy's A-11 cost submission to CSC did not address Upward Mobility data collection problems. Nevertheless, our work at six activities indicates that they still may be having significant problems in meeting OMB A-11 cost submission requirements. According to activity officials, cost amounts reported by three of the activities reviewed were incomplete, primarily because Navy activity cost systems were unable to identify costs associated with on-the-job Upward Mobility training. For example, one activity with a large program emphasizing on-the-job training, did not report on-the-job training costs as required in A-11 guidance. Navy officials state that their current cost-accounting system did not effectively identify on-the-job training costs. A similar problem was described by officials at a second activity. Their accounting systems do not accurately identify several Upward Mobility cost elements. None of the activities with cost collection problems reported the problems in their cost submissions to their respective commands.

Conclusions and Recommendations

The Navy is experiencing significant problems in developing reliable cost information for its A-11 submissions to CSC. These problems have not been reported to CSC as required. We recommend, therefore, that the Secretary of the Navy require appropriate program officials to:

- Strengthen internal OMB A-11 Upward Mobility cost-reporting procedures to inform OCMM of problems in cost data reliability.
- Report Upward Mobility cost reliability problems in every A-11 cost submission to CSC.