Attachment

Summary of Organizational Self-Assessments

Compilation Report

December 31, 2003

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Organizational Self-Assessments
Compilation Report

I. Introduction

In a February 18, 2003, memorandum, the Executive Director for Operations asked each office and region to conduct a self-assessment of its organizational structure relative to guidelines developed by the Executive Resources Board Staffing and Development Committee. To facilitate responses, the Office of Human Resources (OHR) provided a suggested outline and format for reports, including a template for recording relevant data.

This report summarizes the results of the self-assessments done by offices and regions. For comparison purposes, it is divided into sections:

- Large Technical Offices: NRR, NMSS, NSIR, RES
- Regions
- Small Technical and Support Offices.

Within each section of the report, individual office assessments are summarized. They include the assessment of that organization's current structure, the spans of control for levels of management, and some discussion. This is followed by a summary of an office's presentation of a potential alternative structure, if any, and a comparison of the two. Data provided by offices were supplemented by data from the Human Resources Management System (HRMS) (as of July 31, 2003) to provide consistency in the information presented across offices.

A final section in this report offers some observations of common themes that emerged from the office self-assessments.

II. Background

As part of the agency's efforts to align its workforce as effectively and efficiently as possible, Office Directors and Regional Administrators conducted a self-assessment of the deployment of their resources. The objectives of the self-assessments were to evaluate the following:

(1) the reasonableness of the number of direct reports 1st level supervisors have;
(2) the effectiveness and efficiency of the number of direct reports at mid-management levels, and
(3) the effectiveness and efficiency of management layers.

The Executive Resources Board (ERB) Staffing and Development Committee provided the following benchmarks or guidelines for the self-assessments:

a: A span of control of 5 or fewer direct reports may warrant designation of a “team leader” (less than 25% of time devoted to supervisory responsibilities) rather than a full-time supervisor.
b. A reasonable span of control for a first level supervisor is 6 to 10 direct reports.
c. A reasonable span of control for a mid-level manager is 4 or more direct reports who are subordinate supervisors.
d. A reasonable span of control for an office director/regional administrator is up to 8 direct reports who are subordinate supervisors.
e. Most deputies do not constitute a separate management layer; however, deputies or associate directors directly responsible for a portion of a program do constitute a distinct management layer.
f. SES staff are usually assigned to positions at the 2nd and higher levels of management, but could be assigned to the 1st level in particular instances where program complexities require SES-level competencies.

The guidelines provided by the ERB were intended to suggest reasonable structural dimensions for agency organizations. Offices were asked to submit a report comparing their organizational structure to the guidelines, discussing any significant variances, and proposing any initiatives that could improve workforce effectiveness and efficiency.

In addition to the above guidelines provided by the ERB, NRR developed and used the following success criteria when conducting their assessment:

- Overall supervisor-to-staff ratio of 1 to 8.5
- Clear lines of responsibility and accountability
- Redundant functions consolidated
- Clear ownership of programs
- Fewer organizational units required to touch a product
- Intra- and inter-office coordination at the lowest possible level

Large Technical Offices

Office of Nuclear Reactor Regulation

Current Structure

Span of Control Analysis

The management structure has five layers:

The Office Director oversees a total of five divisions made up of 16 branches, 36 sections, and approximately 600 staff members. Three divisions report to the Associate Director for Project Licensing and Technical Analysis (ADPT): Division of Engineering (DE), Division of Systems Safety and Analysis (DSSA), and Licensing Project Management (DLPM). Two divisions report to the Associate Director for Inspection and Programs (ADIP): Division of Inspection Program Management (DIPM) and Division of Regulatory Improvement Programs (DRIP). Section Chiefs are first-line supervisors and manage an average of 13 staff members. NRR office and division deputies are not considered a separate management layer.

Current office structure:

Divisions	5
Branches	16
Sections	36
SES (including OD & Deputy)	30
Section Staff (per unit)	13
Branch Level Direct Reports	2.25
Division Level Direct Reports	3.2
Supervisor to Staff Ratio	1 to 8.2
Number of designated Team Leaders	7

Discussion

The NRR assessment emphasized the importance of organizing around programs, a concept that was used in developing FY 2005 budget. Programmatic considerations were central to the recent ADIP/NRR reorganization. NRR focused on reviewing and assessing functions to reduce redundancy at the various levels of management and to delegate or consolidate where possible. NRR used the Roles and Responsibilities Working Group report, dated September 2002, to determine the roles and responsibilities for the various levels. The report included recommendations to address the growing workload of the section chiefs.

The Associate Director for Inspection and Programs (ADIP) implemented a reorganization on June 29, 2003, that moved the New Reactor Licensing Project Office (NRLPO) into the organizational structure. As part of this reorganization, some sections were realigned to enhance the programmatic alignment within the divisions. The Operating Reactor Improvement Program, with two of its three sections (Technical Specifications and Operating Experience), was moved from the Division of Regulatory Improvement Programs (DRIP) to the Division of Inspection Program Management (DIPM). The New Reactor Project Licensing Office was

moved to DRIP as a branch and took on Research and Test Reactors to make a two-section branch. As a result, each division had three branches.

Comments

The NRR assessment discussed at some length their consideration of "functions" as a way to analyze time spent and duplication of effort at several levels of management. Functions that were not directly connected with line responsibility could be described and quantified. They discussed the fact that moving division-level functions down in division organizations would give division managers time to carry out certain Executive Team functions, such as owner group interfaces and domestic or foreign travel on broad regulatory topics.

In their discussion on functions, NRR noted that they are moving away from the view that section chiefs are the "go to" people for technical issues in their area of responsibility, and they are relying more on technical experts on the staff. For example, SLS positions have been recommended in each branch in DE, DSSA, and DRIP to supplement the technical expertise available to section chiefs in areas requiring special attention. A Leadership Team (LT) initiative is currently underway to more broadly address this concept for SLS positions.

Alternative Organization Proposals

Implementing a new workforce alignment strategy as proposed would yield an organization consisting of an Office Director and four divisions. There would be deputy directors at the office and division levels. Two divisions would have four branches each and the other two would have three branches each. Each branch would have three sections with 6-10 staff members.

This alternative organization structure would consist of four management layers, including the Office Director and excluding the Associate Director layer.

Proposed New Office Structure:

Divisions	4
Branches	14
Sections	44
SES (including OD & Deputy)	24
Section Staff (per unit)	6 - 10
Branch Level Direct Reports	3 or 4
Division Level Direct Reports	3 or 4
Supervisor to Staff Ratio	1 to 8.5
Number of Designated Team Leaders	7

Discussion

To move toward this alternative structure, NRR recommends some incremental changes through attrition and systematic realignments. Redistribution of functions would eliminate one layer in the recommended NRR structure (an Associate Director position) and should precede organizational changes. The functions normally performed at the Associate Director level would be redistributed to the Division Directors. A few functions were moved to the Office Director level. These additional functions reinforced the need for a Deputy Office Director.

The proposed structure diverges from the numerically optimal structure referred to in SECY-03-0011 in that there are fewer than four direct reports to branch chiefs and fewer than four direct reports to two division directors. However, NRR found it to be most effective for the following reasons:

- The technical, program management, and licensing oversight functions of NRR prescribe a minimum of three divisions. However, the workload in the technical area requires two divisions. Consequently, four direct reports are recommended.

- The programmatic management division (a combination of the Division of Regulatory Improvement Programs and the Division of Inspection Program Management) should not be subdivided into branches because the branches would have similar overlapping functions, resulting in added communications needed to coordinate the functions.

The proposed structure does not necessarily reflect the actual end-state for the organization in every detail, but is illustrative of the goal for the organization. A prudent transition approach would be to make incremental changes that test the potential effectiveness and gains of organizational changes leading to the alternative organizational structure. As potential changes are considered, NRR will determine if they are feasible given programmatic realities and other relevant factors.

NRR believes that organizing around “programs” is a next step in the evolution of the office. The incremental changes can be achieved through normal SES attrition and through systematic realignments. The current performance monitoring measures can be used to ensure that incremental changes do not make the organization less effective.

The proposed changes would shift SES/SC numerical balances. The impacts of this change include reduced promotion opportunities for section chiefs while simultaneously offering the potential to reduce burdens currently placed on each section chief. These impacts should be considered with any planned changes resulting from this proposal.

For any organizational changes in NRR to be successful, corresponding changes in expectations would be necessary throughout the entire agency management structure. The changes have to be part of an agency wide approach, and human resource tools will be necessary to make the transition.

Phased Implementation

In the alternative organization, NRR proposes a 4-6 position adjustment between management levels. The changes would be reversible and there would be a monitoring period. An advantage of the proposed changes is that they could be implemented within the current SES attrition rate of approximately three per year. NRR recommends three phases of initial realignment toward attaining the alternative organizational structure:

- Phase 1, Associate Director Level: Step 1: Eliminate the Associate Director for Inspection and Program Management (ADIP) position. The regular ADIP functions would be delegated to the DIPM and DRIP division directors. Step 2: Eliminate the ADPT position. The current functions should be gradually shifted and the impact evaluated.

- Phase 2, Section and Branch Realignment: Step 1: Selected sections can be realigned to reduce the number of branches. The branches would then be realigned and the number of divisions reduced from five to four. Step 2: Eliminate the Deputy Director position for the division with the two branches and shift management positions to increase the number of sections in that division. Step 3: Consider splitting sections with more than 16 direct reports into two sections.

- Phase 3, Divisional Realignment: Combine the Division of Regulatory Improvement Programs and the Division of Inspection Program Management into one programmatic division.

Comments

In developing the alternative realignment, NRR retained the current roles and responsibilities of the various management layers but consolidated or delegated certain functions. NRR did not foresee changes that would delete functions.

One of the key expectations at each level of management in a flat organization is confidence that the lower level will discuss exceptions with the next level up and get policy clarifications when necessary. This will be a key expectation in delegating authority to the lowest possible level. The majority of products could be approved at the section level with discussions of exceptions at the next level up or higher. By minimizing this overlap in responsibilities, second-, third-, and fourth-level SES positions could be more focused on exceptions and office level policy issues and allow the conversion of some SES positions to section chiefs, making the operation more effective and possibly more efficient.

The following shifts in functions at each level could be considered in revisions to the NRR organization:

- External training for all levels of staff and management in NRR currently relies on oversight by the ET. A revised process would allow the Office Director to be cognizant of long-range external training objectives, but would leave the burden of managing the process with the LT.

- Recruiting could be focused at the LT and branch level, with less direct involvement from the ET.
- Staffing decisions could be delegated to the branch level with oversight and major long-range planning conducted at the divisional level.
- Budget planning and implementation could be shifted to the branch chiefs. Division directors (i.e., LT) should plan and coordinate resource needs between programs.
- Branch chiefs should be responsible for monitoring the performance of their programs. Division directors should help set the goals and be involved when a negative trend needs to be addressed and reversed.
- Interoffice interactions (e.g., NRR/RES user needs, and the NMSS MOU), should be more focused at the branch chiefs (program) level with division director involvement in exceptional cases to resolve conflicts and set priorities.
- Technical assistance contracting actions could be delegated to the branch chief (program) levels. Division directors would be involved for planning and major modifications.

Current Structure Vs. Proposed

	Current Organization	Proposed Organization
Divisions	5	4
Branches	16	14
Sections	36	44
SES (including OD & Deputy)	30	24
Section Staff (per unit)	13	6 - 10
Branch Level Direct Reports	2.25	3 or 4
Division Level Direct Reports	3.2	3 or 4
Supervisor to Staff Ratio	1 to 8.2	1 to 8.5
Number of designated Team Leaders	7	7

Note: NRR has subsequently submitted a reorganization proposal to establish an expanded emergency preparedness project office reporting directly to the Associate Director for Inspection and Programs. The proposal is under review.

Office of Nuclear Material Safety and Safeguards

Current Structure

Span of Control Analysis

The management structure has four layers:

The Office Director oversees three technical divisions, the Spent Fuel Project Office (SFPO), and the Policy Development and Analysis Staff (PMDA), comprising 9 branches or directorates, 24 sections/teams, and approximately 340 staff members. The SFPO Director has two deputies with separate reporting chains. The PMDA structure consists of 33 employees organized into teams that report to the Director of PMDA. Section Chiefs are first-line supervisors and manage an average of 11 staff members. Team Leaders in NMSS currently do not function as first-line supervisors, i.e., do not sign appraisals. NMSS office and division deputies are not considered a separate management layer.

Current Office structure:

Divisions (+ SFPO Special Project Office, + PMDA)	3 (+ 1, + 1) = 5
Branches (+ SFPO Directorates)	7 (+ 2) = 9
Sections / Teams	24
SES (including OD & Deputy)	18
Section / Team Staff (per unit)	4 – 18.5
Branch Level Direct Reports	2 - 4
Division Level Direct Reports	5 - 9
Supervisor to Staff Ratio	1 to 8.8
Number of designated Team Leaders	10

Discussion

In their organizational assessment, NMSS noted that the Division of Fuel Cycle Safety and Safeguards recently transferred six staff members to Region II and NSIR. They also expressed concern about the workload and span of control of section chiefs. NMSS is looking at ways to reduce the burden on these first-line supervisors. NMSS recognizes the issue of span of control for first-line supervisors as more complex than just the number of direct reports, and considers the proportion of staff requiring higher levels of coaching and mentoring (entry-level and intern), the range of grade levels, the variability in the work activities, and the amount of, complexity, and visibility of the work. In the current structure, almost all section chiefs have more than the span of control defined in the guidelines as a result of previous attempts to increase the staff to supervisor ratio, the addition of over-hires to support the intern program, and the use of double encumbering for knowledge management.

NMSS has fewer than the suggested number subordinate supervisors who are direct reports to mid-level managers. This structure has supported the following:

- the successful development of new policy and direction for the office.
- a greater management role in improving efficiency and effectiveness, and a role as spokesperson in key national and international dialogues (e.g., Waste Convention)
- a high degree of responsiveness in the face of emergent technical challenges
- flexibility to devote managerial time to other assignments in times of stress, in response to major events, and for a multitude of external and internal requests

NMSS expressed reluctance to change the mid-level management structure until they are able to improve the effectiveness and efficiency of the ability to manage change and rely on staff to support activities currently being conducted by managers.

Comments

The NMSS assessment identified a functional model as offering the greatest benefit in designing organizational structures. A functional model is one in which related functions are co-located and flexibility in structure is preserved to address the complexity and nature of the work activities. This model would accommodate the necessary changes in the organization with minimum disruption to the current work and would lend itself to a phased implementation.

The definition of roles and responsibilities at various organizational levels would be a first step to applying a functional model to organizational design. Application of the model could result in a greater role and accountability for staff at the GG-14 and 15 level for determining how best to accomplish the work, for the technical accuracy and completeness of work products, and for making decisions. NMSS notes that this is a complex dynamic requiring care in its implementation. Managing the culture change through transition will be important to success in the new paradigm. The role of senior-level advisors in providing the necessary technical quality assurance would be enhanced. First-line managers would play a more supportive role in team building, staff development, setting expectations, providing feedback on performance, and ensuring that the staff has the tools needed. Mid-level management would focus more on ensuring the effectiveness of programs.

NMSS has emphasized placing the right people in the right positions in an effort to improve their engagement and their capacity and effectiveness. They are seeking better mechanisms for dealing with poor performers and the development of criteria for reassigning and/or re-energizing moderate performers. They view staff, and not managers, as technical experts. However, they recognize that unless there is uniform alignment within NRC, this change will not be effective and will result in significant inefficiency.

Alternative Organization Proposals

NMSS is considering submitting a proposal to the Commission to create the Yucca Mountain Repository Safety Office (YMSRO) at the beginning of FY 04 (designed using their functional model approach). The structure would be similar to the SFPO model and would have two Deputy Directors. Each Deputy Director would have two section chiefs as direct reports, possibly building to three as resources increase. The project office would contain most of the project management and technical staff needed for the license review. The balance of the current Division of Waste Management would be distributed to other NMSS divisions or would remain a separate division. Based on lessons learned from the creation of this office, and in accord with the functional model, NMSS will then consider future changes to the rest of the organization.

Potential new office structure:

Divisions (+ SFPO Special Project Office, + PMDA, + YMRSO)	3 (+ 1, + 1, +1) = 6
Branches (+ SFPO Directorates, + YMRSO Directorates)	7 (+ 2, +2) = 11
Sections / Teams	24
SES (including OD & Deputy)	Not indicated
Section / Team Staff (per unit)	4 – 18.5
Branch Level Direct Reports	2 - 4
Division Level Direct Reports	5 - 9
Supervisor to Staff Ratio	Not indicated
Number of designated Team Leaders	Not indicated

<u>Comments</u>

The issue of section chief burden, including the size of sections, remains in this structure. NMSS is investigating ways to reduce burdens, as part of management discussions on roles and responsibilities and will look for near-term opportunities to reduce the size of some sections. They are beginning to address the size of some teams, which are significantly above proposed guidelines.

Because of concerns over the viability of a National Materials Program, NMSS is not proposing any reorganization efforts along those lines at this time.

Current Structure Vs. Proposed

	Current Organization	Proposed Organization
Divisions	5	6
Branches	9	11
Sections / Teams	24	24
SES (including OD & Deputy)	18	Not indicated
Section / Team Staff (per unit)	4 – 18.5	4 – 18.5
Branch Level Direct Reports	2 - 4	2 - 4
Division Level Direct Reports	5 - 9	5 - 9
Supervisor to Staff Ratio	1 to 8.8	Not indicated
Number of designated Team Leaders	10	Not indicated

Office of Nuclear Safety and Incident Response

Current Structure

Span of Control Analysis

The management structure varies from 2-4 layers:

The Office Director oversees two divisions and the Program Management, Policy Development and Analysis Staff (PMDA). NSIR is organized into Project Directorates, Sections and Teams, with approximately 130 staff members. The two divisions each have different structures. The Division of Incident Response Operations (DIRO) has two-levels: Section Chief and Division Director. The Division of Nuclear Safety (DNS) has three levels: Section Chief, Project Director, and Division Director. The PMDA structure consists of 15 employees that are organized into 3 teams that report to the Director of PMDA.

Current Office structure:

Divisions (DNS, DIRO, + PMPDA)	3 (2 + 1)
DNS Directorates	2
Sections / Teams	10
SES (including OD & Deputy)	6
Section / Team Staff (per unit)	2-6
Branch Level Direct Reports	9-18
Division Level Direct Reports	4-7
Supervisor to Staff Ratio	1 to 8.5
Number of designated Team Leaders	0

Discussion

NSIR focused on reviewing and assessing functions to reduce redundancy at the various levels and delegate or consolidate where possible. The Division of Nuclear Safety (DNS) was restructured in December 2002 under two new Project Directorates to balance the workload, enhance the span of control over the Division's policy and precedent-setting regulatory activities, and better align functional responsibilities. Each Project Directorate has 4 sections.

NSIR used the Roles and Responsibilities Working Group report, dated September 2002, to determine the roles and responsibilities for the various levels. The report included recommendations to address the growing workload of the section chiefs. The section chiefs' workloads are proportional to the section size given the set of functions that need to be accomplished.

NSIR is working to bring its number of positions at the GG-14 level and above into alignment by the end of FY 2004.

Comments

NSIR is a new office, formed on April 7, 2002, by combining functions from the Office of Nuclear Material Safety and Safeguards (NMSS), the Office of Nuclear Reactor Regulation (NRR), the Office of Administration (ADM), and Incident Response Operations (IRO).

In the Staff Requirements Memorandum (SRM) approving the establishment of NSIR (SECY-02-0036), NSIR was directed to perform an organizational effectiveness assessment within one year of the new office's formation. The office's effectiveness assessment was initiated in August 2002. The results of their assessment were provided to the Commission in June 2003 (SECY-03-0104).

NSIR has stated that as an office created by combining discrete functions from multiple offices, they anticipated that some fine-tuning of roles and responsibilities would take place. During NSIR's early months, operating experience demonstrated that a streamlined management structure did not adequately support the relatively high volume of current and emerging policy issues and the large number of external meetings taking place at a senior level in the Division of Nuclear Security. As a result, a realignment of DNS was implemented in mid-December 2002 to reduce the span of control to ensure sufficient management attention to the complex and significant policy and program activities in the security area.

Alternative Organization Proposals

NSIR does not plan any additional changes to its organization at this time. They will focus a high level of management attention on clearly defining roles and responsibilities, maintaining a balanced and appropriate span of control, and exploring opportunities to enhance effectiveness and efficiency through streamlined reporting structures where possible.

Comments

In December 2002, NSIR took action to realign DNS to address the challenges of a rapidly growing, highly complex organization. The management structure now in place supports orderly growth and the diverse mission of the organization. With most of the new management team in place, they believe they will now be able to focus on hiring and training essential staff resources needed to handle the expanding workload.

NSIR has grown from approximately 80 to 125 permanent employees during its first year of operation. They are continuing to recruit and hire aggressively and expect to meet their FY 2004 headquarters allotment level of 155 FTE early in the year.

Office of Nuclear Regulatory Research

Current Structure

Span of Control Analysis

The management structure has four layers:

The Office Director oversees three technical divisions, and the Program Management, Policy Development and Analysis Staff (PMDA). RES has seven branches, five sections/teams, and approximately 210 staff members. The Division of Systems Analysis and Regulatory Effectiveness has a Deputy Director. The PMDA structure consists of 22 employees that are organized into teams that report to either the Director or the Deputy Director of PMDA. RES office and division deputies are not considered a separate management layer; however they have Assistant Branch Chiefs and Sections Chiefs that are first-level supervisors.

Current office structure:

Divisions + PMDA	4 (3 + 1)
Branches	7
Sections + Teams	12
SES (including OD & Deputy)	14
Section Staff (per unit)	9
Branch Level Direct Reports	9-28
Division Level Direct Reports	3-19
Supervisor to Staff Ratio	1:9.6
Number of designated Team Leaders	8

Discussion

RES conducted its office self-assessment with the assistance of a consultant with organizational/management expertise and committed to address any issues raised in the self-assessment and the OIG Safety Culture Survey. Based on their assessment, RES concluded that the organization is currently at the optimum number of management layers and is consistent with the guidance provided in SECY-03-0011. However, organizational changes are needed to provide a more appropriate span of control, particularly for first line supervisors.

RES determined that some minor realignment of functions within the organization could improve program integration, that effective definition and implementation of roles and responsibilities must be an ongoing effort and that improved communications can enhance office performance and increase stakeholder value of research products.

Comments

RES plans to reexamine managerial roles and responsibilities and to increase its focus on properly capturing functional areas, including areas that need to be emphasized or strengthened. RES is evaluating the span of control for first-line supervisors and mid-level management, taking into account the level of contract management activity within the organization.

Alternative Organization Proposals

While RES does not propose major organizational restructuring, they do propose an organizational structure with a reduced span of control for internal resources. RES indicates that they plan to submit minor realignments over the next several months.

- RES plans to use additional section chiefs and team leaders to address the span of control issue. An increase of 15 to 20 percent supervisory time would represent approximately 4 additional first line supervisors in the office technical divisions, revising the number of supervisors in the technical divisions from 26 to 30. These additional resources would be placed in the organization to reduce areas with particularly large spans of control and to make the span of control more uniform across the office. Increasing RES' supervisory allocation will allow supervisors more time to interact with in-house staff while maintaining effective oversight of contract activities. The impact on the supervisory ratio may be able to be offset by judicious use of Team Leaders.

- RES is considering actions to augment the Program Management and Policy Development and Analysis Staff (PMPDAS). PMPDAS currently has two supervisors managing a total of 24 FTE. In order to decrease the span of control, RES plans to establish a total of five team leaders.

Note:

On November 20, 2003, RES submitted a formal reorganization proposal incorporating the the plans described above, and consolidating the human factors activities in DSARE with the human reliability activities in DRAA. The reorganization proposal is under review.

Regions

Region I

Current Structure

Span of Control Analysis

Deployment of managers and supervisory staff is generally consistent with guidelines. All SES staff are assigned to the 2nd or higher levels of management. The Regional Administrator has five direct reports who are subordinate supervisors or team leaders. None of the Region I Deputy Directors constitute a separate management layer, since none is directly responsible for a portion of a program. Two of the four mid-level managers (Division Directors) have four or more direct reports who are subordinate supervisors.

The Director of the Division of Nuclear Materials Safety (DNMS) has three subordinate supervisors; however following consolidation of the Region I and Region II materials programs, the DNMS Director also will have at least four direct reports who are subordinate supervisors. The Director of the Division of Resource Management has three direct reports who are supervisors or team leaders and no changes are proposed.

Three of the five first-line supervisors in the Division of Reactor Safety have more than 10 direct reports, including several relatively inexperienced inspectors in each Branch who require additional supervisory direction. A pilot program involving the use of team leaders will assist in ameliorating the span of control issue. Region I will utilize existing GG-14 staff in these positions.

In the Division of Reactor Projects, each first-level supervisor (Branch Chief) directs the activities of more than 10 staff; however, the staff includes Senior Resident Inspectors who also are team leaders for the other staff at the site. In the Division of Nuclear Materials Safety one first-line supervisor has 12 direct reports, another has 11, and a third has 8. The groups function acceptably well and no changes are planned.

Effective 10/1/03, the materials program staffs in Regions I and II was consolidated, with the existing organizational structure of the two materials branches in Region II retained. Following a one-year transition period, the materials staff in Region II will be combined as one Branch under a first-line supervisor located in Region I.

Each first-line supervisor in the Division of Resource Management has 10 or fewer direct reports. In the instances in which there are 5 or fewer direct reports (for example, Human Resources Team, the Technical Programs Staff, and resident inspection staff), the individuals with supervisory responsibilities are designated as team leaders.

Region I

Current office structure:

SES	7
Supervisor to Staff Ratio	1:9.0
Number of designated Team Leaders	22

Alternative Organization Proposals

Region I has decided to conduct a pilot in the Division of Reactor Safety to evaluate the use of Team Leaders.

Region II

Current Structure

Span of Control Analysis

Region II's overall structure meets the established guidelines. All members of the SES are assigned to managerial positions; none are first-line supervisors. None of the deputies constitute a separate layer of management. The Regional Administrator has seven direct reports. Five of the seven are subordinate supervisors; two are non-supervisory.

There are four mid-level managers (Division Directors). The Division of Reactor Projects has 6 subordinate supervisory direct reports. The Division of Reactor Safety has 4 subordinate supervisory direct reports. The Division of Nuclear Materials Safety has 3 subordinate supervisory direct reports. The Division of Resource Management has 3 subordinate supervisory direct reports.

Ten out of fifteen branches (first-level supervisors) have six to ten direct reports.
In four of the five remaining branches the span of control problem is addressed by having an appropriate number of team leaders. In every instance where there are five or fewer direct reports, individuals with supervisory responsibility are designated as team leaders.

Region II is prepared to seek two additional team leaders for the Engineering Branch 2, Division of Reactor Safety, since there are currently sixteen direct reports and only one branch chief.

Current office structure

SES	7
Supervisor to Staff Ratio	1:9.3
Number of designated Team Leaders	28

Discussion

Regions I and II materials programs have been consolidated effective October 1, 2003. The Fuel Cycle Branch will be transferred from Region III to Region II in early FY 04. There are no section chief positions, since an agency-wide de-layering initiative several years ago.

Region II suggests that organizational effectiveness might be enhanced by allowing NRC offices, such as the regions, to operate more along the lines of cost centers, with restrictions on overall FTE and monetary budgets, but otherwise given the maximum flexibility to be creative as necessary in getting the job done.

Alternative Organization Proposals

Region II will seek two additional team leaders for the Engineering Branch 2, Division of Reactor Safety (DRS).

Region III

Current Structure

Span of Control Analysis

Overall, Region III's organizational structure is in alignment with suggested guidelines. All SES managers are assigned to positions at the 2nd and higher levels of management. One SES manager currently chairs the Davis-Besse 0350 panel. None of the Deputies constitute a separate layer of management. "Alter ego" deputies are present in the Office of the Regional Administrator, the Division of Reactor Projects, the Division of Reactor Safety, and the Division of Nuclear Materials Safety.

The Regional Administrator has 9 direct reports, including 4 who are subordinate supervisors and 1 team leader. Guidelines are met for mid-level managers (division directors). The Director of the Division of Reactor Projects has 6 direct reports that are subordinate supervisors and 2 direct reports that are team leaders. The Director of the Division of Reactor Safety has 9 direct reports including 4 who are subordinate supervisors and 2 team leaders. The Director of the Division of Nuclear Materials Safety is currently budgeted for 7 direct reports including 4 who are subordinate supervisors and 1 team leader. The number of subordinate supervisors will be reduced to 3 in FY 04 when the Fuel Cycle Branch is transferred to Region II. The Director of the Division of Resource Management and Administration has 5 direct reports including 2 who are subordinate supervisors and 1 team leader.

First-level supervisor spans of control mostly meet guidelines. Branch chiefs in the Division of Reactor Projects supervise an average of 5 direct reports (average 8 total reports) including up to 3 senior resident inspectors who are subordinate team leaders. The Information Resources Branch Chief in the Division of Resource Management and Administration supervises 11 employees and provides contract management oversight involving 4 contractors. During the development of FY 04 staffing plans, a team leader position will be proposed for IT staff. Mechanical and Electrical Engineering Branch Chiefs in the Division of Reactor Safety supervise 10 employees each, but will be gaining more staff in FY 04. The Region is proposing the creation of a third engineering branch to reduce the span of control.

Current office structure:

SES	8
Supervisor to Staff Ratio	1:8.2
Number of designated Team Leaders	25

Region III

Discussion

Region III will transfer the Fuel Cycle Branch to Region II in early FY 04. Region III indicates that the office could benefit from an assessment to verify alignment of roles and responsibilities and that some preliminary action has been initiated in preparation for such an assessment. The Region has designated one member of the HR staff to spearhead an initiative to update and classify position descriptions.

Alternative Organization Proposals

Region III proposes one additional team leader in Division of Resource Management and Administration (DRMA) and an additional (third) branch chief in Division of Reactor Safety (DRS). In FY 04, an increase of up to six additional employees will support the Reactor Oversight Process. With this change, the number of branch chiefs would not change in the Region due to the transfer of the Fuel Cycle Chief position to Region II in early FY 04.

Region IV

Current Structure

Span of Control Analysis

Region IV's current organizational structure generally conforms to identified criteria with a few differences, most of which are proposed to be addressed through a Division level reorganization. The Regional Administrator has six direct reports with subordinate staff: Four Division Directors, the Response Coordination Branch Chief, and the Director of the Allegation Coordination and Enforcement staff (Team Leader).

Mid-level managers' (division directors) spans of control mostly deviate from ERB guidelines, but the region deems the deviations necessary and appropriate. The structure of the Division of Reactor Projects meets ERB guidelines. The Division of Reactor Safety has 3 subordinate direct reports; however, the proposed reorganization for DRS would meet the guidelines. The Division of Nuclear Materials Safety (DNMS) has 3 subordinate supervisory direct reports. As resources assigned to the division of High Level Waste grow in future years, this structure will continue to be assessed. The Division of Resource Management and Administration (DRMA) has two subordinate supervisory direct reports and one team leader. This is consistent with ERB guidelines given the numbers of direct reports assigned to each unit.

Of the 14 branches in Region IV, all but four meet the ERB guidelines for the number of direct reports. All three of the Division of Reactor Safety (DRS) branches currently have more than 10 direct reports. This situation emerged as a result of the elimination of the N+1 resident inspection staffing policy. The Response Coordination Branch has only four direct reports. It is considered an appropriate deviation from the ERB guidelines.

Region IV has been exploring the use of temporary Team Leaders to cope with span of control issues. The proposed reorganization would help alleviate the problem.

Current office structure:

SES	4
Supervisor to Staff Ratio	1:8.7
Number of designated Team Leaders	17

Discussion

The rationales given for exceptions / deviations from ERB guidelines are consistent with the goals of having clear lines of responsibility and accountability coupled with efficiency. Flexibility within the general framework of the ERB guidelines is necessary in order to balance these objectives.

Region IV

Alternative Organization Proposals

Region IV proposes the establishment of a fourth Branch in the Division of Reactor Safety (DRS). Labor-Management Partnership is currently exploring approaches to this proposed reorganization. Options include: an Operations Branch (responsible for operator licensing and emergency preparedness inspections); an Engineering Branch (will handle all engineering related activities including In Service Inspections); a Performance Evaluation Branch (cover Problem Identification and Resolution, Fire Protection, and Maintenance Rule inspections); and a Plant Support Branch (responsible for Health Physics and Security inspections).

Region IV would also establish an SES Deputy Director position in DRS which will not be directly responsible for a program; thus, no additional layer will be created. This change would be consistent with the other three regions and will enhance succession planning and depth of response leadership capability for both normal and emergency responses and for alternate site functions.

Small Technical and Support Offices

Office of Administration

Current Structure:

Span of Control Analysis

ADM reports that they achieved structural success with their reorganization that was effective in July 2002. The reorganization:

- Created a Deputy Office Director who does not constitute a separate management layer.
- Reduced the number of branches from nine to six.
- Created teams within branches to reduce average span of control for first-level supervisors.

The Security Branch previously had 11 direct reports, but recently created a team within the Branch to reduce the span of control.

Current office structure:

SES	5
Supervisor to Staff Ratio	1:8.7
Number of designated Team Leaders	7

Discussion

The Contract Management Center Chiefs have ten staff members, which past experience has shown to be too many direct reports in this activity. ADM created two teams in each branch and have found this to be very effective in managing the contracting workload.

Atomic Safety Licensing Board Panel

Current Structure

Span of Control Analysis

There were no issues identified.

Current office structure:

SES	0
Supervisor to Staff Ratio	1:13.0
Number of designated Team Leaders	2

Office of the Chief Financial Officer

Current Organization

Span of Control Analysis

The recent reorganization assisted with span of control issues and OCFO currently meets guidelines. The new organization reduced one layer of management and currently consists of the Chief, a Deputy, and three Divisions, each with five teams: the Division of Planning, Budget and Analysis; the Division of Financial Services; and the Division of Financial Management.

The employee-to-supervisor ratio increased from 7:1 (15 supervisors) in the former CFO organization to 8.1:1 (13 supervisors) in the new organization. OCFO has 4 SES positions.

Current office structure:

SES	4
Supervisor to Staff Ratio	1:7.2
Number of designated Team Leaders	7

Discussion

The Commission approved a proposal for the reorganization of the CFO on March 27, 2003, and it became effective April 6, 2003. No other organizational changes are planned at this time.

Office of the Chief Information Officer

Current Structure

At the time the self-assessment was done (summer 2003), the discussion of "anticipated changes in organization structure" was still pending. The submission provided information on the organization as it existed at that time.

A new organizational structure was implemented on October 5, 2003.

Discussion

The objectives of the reorganziation are:

To realign the organization to support greater effectiveness and efficiency in meeting agency goals.

- To achieve consistency with ERB guidelines for span of control and management layers as specified in the EDO's February 18, 2003 memo regarding Workforce Alignment.

The new organization is consistent with ERB guidelines. It combines former Web, Publishing and Distribution Services Division and Information, Records and Document Management Division into one organization to improve efficiency and effectiveness. The Applications Development Division and the Information Technology Infrastructure Division have been restructured to better reflect agency needs, improve responsiveness to Federal mandates (e.g., Enterprise Architecture and Computer Security) and promote greater efficiency in operations.

The reorganization creates an SLS Senior Level Advisor for Integrated Business Processes who will report to the CIO. No staff positions will be abolished, and there will be no changes in grade levels of staff.

Current office structure:

SES	7
Supervisor to Staff Ratio	1:8.3
Number of designated Team Leaders	11

Office of the General Counsel

Current Organization

Span of Control Analysis

SES level competencies are required for the Assistant General Counsels who are the first-line supervisors at the division level. OGC believes that if these positions were converted to non-SES positions, it would severely disrupt the office and the quality of provided legal services.

Span of control is deemed appropriate for the two Associate General Counsels. In one case the Associate General Counsel supervises two SES and one SL staff members; in the other case, the Associate General Counsel supervises three SES and 2 SL staff members.

The Solicitor also serves as the Director of the Office of Commission Appellate Adjudication, which currently has five employees.

The Assistant General Counsels (first-level supervisors) supervise 10 or more direct reports. This level is deemed appropriate given the availability of Senior Level counsel in several divisions or other senior staff who are capable of leading project or litigation teams as necessary under the guidance of the supervising Assistant General Counsel.

Current office structure:

SES	10
Supervisor to Staff Ratio	1:7.8
Number of designated Team Leaders	0

Discussion

OGC undertook a significant reorganization in 1999, which is reflected in the current 3-level management organization. The 1999 reorganization reduced the number of SES staff in OGC by 33% to the present level. There is clear definition of the responsibility of OGC organizational units for providing client services at all levels of the agency. Responsibility is defined in the current NRC Management Directive, and in OGC's internal operating manual. The current organizational structure also ensures that proper separation of functions is maintained within the office on adjudicatory matters as required.

Note: On November 24, 2003, the General Counsel submitted a reorganization proposal to the Commission that would, if approved, establish a new division within the Office of the General Counsel with the sole responsibility of legal advice and representation on High-Level Waste Repository matters. The proposed organization would not require additional staff resources in FY 2004, but would require authorization of an additional SES position within OGC.

Office of Human Resources

Current Organization

Span of Control Analysis

OHR has a 2-3 layer management structure. The Office Director oversees five organizational units that vary in size. The organization currently meets the ERB guidelines.

The organization consists of: The Office Director / Deputy Director, an Associate Director or Component Chief, and a Component Chief or Team Leader. The Associate Director for Training and Development has 4 components or teams; the Human Resources Services and Operations component has 6 teams.

HR has 3 SES positions.

Current office structure

SES	3
Supervisor to Staff Ratio	1:10.4
Number of designated Team Leaders	8

Discussion

The Associate Director for Training and Development organization was reorganized in May 2003 to better align its training and development staff in the Technical Training Center (TTC). The organization changed from 2 sections to one section and two teams.

Office of Investigations

Current Organization

pan of Control Analysis

OI meets all structural success criteria. It is a small HQ component and four field offices. OI has two management levels: the Director / Deputy Director and the Field Office Directors (FOD) which are the first-level supervisors.

Current office structure:

SES	2
Supervisor to Staff Ratio	1:6.5
Number of designated Team Leaders	2

Discussion

There are clear lines of responsibility and accountability flow from the Director / Deputy Director to the Headquarters staff and through the FODs to the field personnel. The structure has facilitated close working relationships between OI management and Regional management, resulting in a high level of responsiveness to regional needs. These factors have enabled OI to meet its quality, timeliness, and productivity goals.

Office of Public Affairs

Current Organization

Span of Control Analysis

OPA indicated that because they are a very small, flat organization the criteria and guidelines do not appear to apply.

Current office structure:

SES	1
Supervisor to Staff Ratio	1:7.0
Number of designated Team Leaders	0

Discussion

OPA continually seeks ways to improve organizational effectiveness and efficiency, and promptly takes steps to implement improvements, where practical.

Office of Small Business and Civil Rights

Current Organization

Span of Control Analysis

The current organizational structure has two management levels.

Current office structure:

SES	1
Supervisor to Staff Ratio	1:6.0
Number of designated Team Leaders	0

Office of the Secretary

Current Structure

Span of Control Analysis

SECY has fifteen FTEs including the Director; the supervisor to employee ratio is 1:14. Senior staff oversee the daily activities of each individual staff unit (consisting of 3 or fewer staff members). Cross training within the units has been encouraged and facilitated.

Current organization structure:

SES	1
Supervisor to Staff Ratio	1:13.0
Number of designated Team Leaders	1

Discussion

Because SECY is a small office, communication and coordination of activities that may cross individual lines of activities are excellent.

Office of State and Tribal Programs

Current Structure

Span of Control Analysis

STP is comprised of 21 staff members, all of whom report to the Director and Deputy Director who share managerial responsibility for all program activities. The Director and Deputy Director constitute the first and only layer of management, thus differing from ERB guidelines, but have determined that any revisions to the current management structure would decrease office efficiency and effectiveness. Management determined that a more effective approach would be to add a Technical Assistant to relieve management from preparing actual work products.

Current organization structure:

SES	2
Supervisor to Staff Ratio	1:10.5
Number of designated Team Leaders	0

Discussion

The current structure meets success measures related to clear communication of expectations and responsibilities, ownership of specific program activities while maintaining the ability for staff members to work on multiple program activities (cited by staff as an Office strength), and effective intra- and inter-Office coordination by both staff and management. STP does not have any plans to make changes to its current organizational structure. However, as the number of Agreement States increase and decisions are made around the structure of a National Materials Program, consideration could be given to consolidating all activities associated with the National Materials Program into one office.

Summary

This report summarizes the organizational self-assessments that offices conducted to examine management layers and spans of control. The self-assessments were well considered and employed some similarities in approach. Several of the offices and regions examined roles and responsibilities at the different layers of management to establish the basis for designing an optimal organizational structure. In particular, NRR and NMSS have conducted detailed analyses of roles and responsibilities in their respective organizations and have documented their findings. This work could provide a sound basis for further analysis and broad application across organizations.

NMSS described the use of a functional model to guide organizational design. They defined a functional model as one in which related functions are co-located and flexibility in structure is preserved to address the complexity and nature of the work activities. Other offices, while not specifically defining one particular model, indicated in various ways that adherence to a defined organizational pattern or structure is advantageous. Using a functional model to design an optimal organization, given the need for flexibility as work demands change over time and from organization to organization, follows logically from an analysis of roles and responsibilities. This approach, too, offers promise for future applications.

In looking at the first level of supervision, a number of offices noted that many first-level supervisors have too many direct reports and the span of control is not optimal. A common solution is to establish team leader positions. This solution, while advantageous in many ways, calls for analysis across organizations and staff levels to establish consistency in application.

Office reports also identified near-term organizational changes intended to effect incremental improvements in organizational effectiveness. These changes are being implemented in accordance with regular agency procedures.