

POLICY ISSUE INFORMATION

December 31, 2003

SECY-03-0226

FOR: The Commissioners
FROM: William D. Travers
Executive Director for Operations
SUBJECT: REPORT ON OFFICE SELF-ASSESSMENTS

PURPOSE:

To inform the Commission of the results of office and regional self-assessments and further workforce planning and improvement activities.

BACKGROUND:

On January 27, 2003, the staff provided the Commission a response to the June 27, 2002 Staff Requirements Memorandum on Human Capital Management and Workforce Planning. The response detailed the staff's plans for assessing and optimizing the structure of the Nuclear Regulatory Commission in a manner that will reduce management layers, without a decrease in service, and for developing further workforce planning and restructuring recommendations. This paper reports on the resulting self-assessments done by offices and regions, provides information on some developments since the office and region reports were submitted, and describes the next steps in ongoing workforce restructuring.

ASSESSMENTS:

A February 18, 2003 Memorandum requested Office Directors and Regional Administrators to assess their organizations against a set of organizational guidelines developed by the Executive Resources Board (ERB) Staffing and Development Committee and report the results. The guidelines primarily addressed span of control at various management levels. The offices and

CONTACT: Paul E. Bird, HR
James F. McDermott, HR
(301) 415-7516

regions conducted the self-assessments and provided them to the Office of Human Resources for analysis. Each office reported on the status of its current organizational structure compared to the guidelines. Although some inconsistencies with the guidelines were noted, there were no significant deviations. A summary of these assessments is attached.

Offices were also asked to discuss any realignments they were considering. The Office of Nuclear Material Safety and Safeguards (NMSS) indicated an intent to establish a separate organization for Yucca Mountain. The Office of Nuclear Reactor Regulation (NRR) outlined an organizational model that would reduce management layers, increase mid-management span of control, and reduce the span of control of first-level supervisors. The Office of Nuclear Regulatory Research (RES) described an initiative to increase the number of first-level supervisors. Region IV indicated an intent to establish an additional branch in the Division of Reactor Safety. Several offices reported plans for modest internal reorganizations. These proposals are described in greater detail in the attachment.

An increase in the number of team leaders was offered as a solution to span-of-control issues at the first-level of supervision in many cases. However, the solution to increase supervision at the first-level was not offset by proposals to reduce the number of middle management supervisors, with the exception of the organizational model put forward by NRR. For example:

- NMSS has 24 sections or teams reporting to 9 branches (the ratio is 2.7 to 1). The 9 branches report to 5 divisions (the ratio is 1.8 to 1). The number of direct reports at branch and division levels is higher because it includes secretaries and assistants.
- RES has 13 sections or teams reporting to 7 branches (the ratio is 1.9 to 1). The 7 branches report to 3 divisions (the ratio is 10.5 to 1).
- NSIR has 13 sections or teams reporting to 3 division level organizations. One of their divisions (the Division of Nuclear Safety) is organized into two Directorates. Their supervisory ratio is consistent with ERB guidelines.
- NRR has 36 sections and teams reporting to 16 branches (the ratio is 2.3 to 1). The 16 branches report to 5 divisions (the ratio is 3.2 to 1). NRR's proposed model has 44 sections reporting to 14 branches (the ratio is 3.1 to 1). The 14 branches would report to 4 divisions (the ratio is 3.5 to 1). The model eliminates 6 Senior Executive Service (SES) positions.

DISCUSSION

Organizational assessment is still a work in progress. Principal themes were:

- Efforts to define roles and responsibilities are ongoing;
- Spans of control range from 4 to 22 at the first-level, and 2 to 4 at mid-management levels. At the present time, the agency is in conformance with the 8.5 to 1 supervisory ratio target;

- Efforts to position the agency to respond to new work, including license renewals and Yucca Mountain are ongoing. The full-time equivalent ceiling will be increasing approximately 2% per year over the next two years;
- NMSS originally planned for increased organizational capacity to improve its alignment of resources in anticipation of a National Materials Program. However, they have stated that because of some concerns over the viability of a National Materials Program (such as states' funding), they are not proposing any reorganization efforts along those lines at this time; and
- RES suggested that an assessment of span-of-control should consider the dollar value of projects being managed, in addition to the number of direct reports.

The model that NRR is considering would set a direction that has far-reaching consequences:

- smaller first-level supervisory spans of control;
- broader spans of control at branch and division levels; and
- some reduction in SES positions.

An essential prerequisite to implementing such a model would be agreed upon definitions of roles, responsibilities, and expectations. The extent to which this model would be applicable across offices should be determined. In addition, consideration should be given to whether this is the right time to move in this direction, given the projected ceiling growth/program expansion and the potential impact of staff retirements.

SUBSEQUENT DEVELOPMENTS

Since the submission of the self-assessment reports, several offices have proposed additional organizational changes.

On November 20, 2003, RES submitted a formal reorganization proposal incorporating the plans described in the office assessment report. The principal feature is an increase of four in the number of section chiefs to alleviate first-level supervisory spans of control and provide better oversight of contract and financial management. The proposal would also consolidate the human factors activities in the Division of Systems Analysis and Regulatory Effectiveness with the human reliability activities in the Division of Risk Analysis and Applications.

On November 24, 2003, the Office of the General Counsel (OGC) submitted a reorganization proposal to the Commission that would, if approved, establish a new division within OGC 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 fiscal year (FY) 2004, but would require authorization of an additional SES position within OGC beginning in FY 2004.

NRR is developing a reorganization proposal to establish an expanded emergency preparedness project office reporting directly to the Associate Director for Inspection and Programs.

These proposals are currently under review.

NEXT STEPS

To carry forward the ongoing effort to improve organizational efficiency and effectiveness, the staff has identified the following steps:

- Proceed with the proposals for office realignments that resulted from this self-assessment process. Proposals requiring Commission approval will be sent under separate cover; and
- Establish a high-level task group (Deputy Executive Directors/ERB level) to:
 - Develop consistent definitions of roles and responsibilities for team leaders and levels of management that are applicable across organizations;
 - Guide the implementation of agreed-upon roles and responsibilities in the development of effective organizational structures;
 - Guide the implementation of agreed-upon roles and responsibilities in position descriptions and performance plans; and
 - Identify and recommend human capital management tools needed for implementation (e.g., early retirements, buyouts, flexible staffing options).

/RA/

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Attachment: Summary of Organizational Self-Assessments

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 - Guide the implementation of agreed-upon roles and responsibilities in position descriptions and performance plans.
 - Identify and recommend human capital management tools needed for implementation (e.g., early retirements, buyouts, flexible staffing options).

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Attachment: Summary of Organizational Self-Assessments

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OFFICE	HR/OD	HR/OD	DEDM	DEDR	DEDMRS	DEDH	EDO
NAME	JMcDermott	PBird	PNorry	SCollins	CPaperiello	WKane	WTravers
DATE	/ /2003	/ /2003	12/31/03	12/31/03	12/31/03	12/31/03	12/31/03