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POLICY ISSUE (Information)

March 4, 1998

SECY-98-037

FOR: The Commissioners

FROM: L. Joseph Cellan
Executive Director for Operations

SUBJECT: CORE CAPABILITIES (COMSECY-96-027)

PURPOSE:

To respond to the Commission's request for EDO, CFO, and CIO review of the preliminary human resources action plan (SECY-97-112).

BACKGROUND:

The SRM on SECY-97-112, dated October 2, 1997 (Attachment 1), approved a preliminary action plan for projecting and maintaining skill requirements, availability, and staffing as the framework for establishing a human resource planning process. In approving the plan, the Commission asked: (1) that the EDO, CFO and CIO review the need for carrying out all of the tasks included in the plan and determine whether a simpler approach is feasible; and, (2) that the staff develop a more detailed human resource action plan, taking into consideration Commission comments on SECY-97-112 and the results of the review by the EDO, CFO and CIO, and submit it for Commission review.

DISCUSSION:

The preliminary human resources action plan has been reviewed and we believe a simpler approach is feasible and should be adopted.

Contact:
James F. McDermott, HR
301-415-7516

SECY NOTE: To be made publicly available
in 5 working days from the date of this
paper

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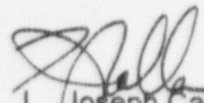
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The preliminary action plan had three major components: identifying core capability requirements; assessing availability of skills/competencies; and developing strategies to resolve skills shortfalls, and overages. To better integrate these tasks in the planning and performance management system and coordinate them with related activities, the staff has developed an alternative approach to addressing core capabilities (Attachment 2). The staff will submit details regarding the accomplishment of the tasks in the core capabilities portion (Strategy 7) of the paper on regulatory excellence scheduled for submission to the Commission by the end of March.

COORDINATION:

The CFO and the CIO agree in concept with this approach.


L. Joseph Callan
Executive Director
for Operations

Attachments:

1. SRM on SECY-97-112, dated October 2, 1997
2. Alternative Approach for Addressing Core Capabilities

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UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

Attachment 1

October 2, 1997

MEMORANDUM TO: L. Joseph Callan
Executive Director for Operations

Anthony J. Galante
Chief Information Officer

Jesse L. Funches
Chief Financial Officer

FROM: John C. Hoyle, Secretary /s/

SUBJECT: STAFF REQUIREMENTS - SECY-97-112 - STRATEGIC
ASSESSMENT ISSUE PAPER: STAFFING AND CORE
CAPABILITIES (COMSECY-96-027) (DSI-18)

The Commission has approved the preliminary action plan for projecting and maintaining skill requirements, availability, and staffing as the framework for establishing a human resource planning process, subject to the attached comments.

The staff should develop a more detailed human resource action plan, taking into consideration the attached Commission comments and the results of the review discussed below, and submit it for Commission review.

(EDO)

(SECY Suspense: 1/28/98)

The staff (EDO/CIO/CFO) should review the need for all of the tasks to determine whether a simpler approach is feasible. The results from the current resources planning activities by each office, as described in SECY-97-112, should be considered in deciding the tasks necessary for this plan. Particularly, we should build on the already known staff skills and competencies. After this review, the staff should develop more details of how to accomplish each of the tasks in the plan and submit them to the Commission before implementation.

(EDO/CIO/CFO)

(SECY Suspense: 11/28/97)

SECY NOTE: THIS SRM AND SECY-97-112 WILL BE MADE PUBLICLY
AVAILABLE 5 WORKING DAYS FROM THE DATE OF THIS SRM.

Attachment:
As stated

cc: Chairman Jackson
Commissioner Dicus
Commissioner Diaz
Commissioner McGaffigan
OGC
CIO
CFO
OCA
OIG
Office Directors, Regions, ACRS, ACNW, ASLBP (via E-Mail)
PDR
DCS

Commission Comments on the Human Resources Action Plan

1. The plan identifies the broad categories of skill needs for the NRC (technical, regulatory, and managerial), but does not specify the approach that would be used to examine the core capabilities and related skills that are needed for each of these three categories.
2. The plan should identify how other agency activities, which are related to human resource planning (e.g., the Office of NRR Job Task Analysis Study, the Office of Research Core Capabilities Study, and the AEOD sponsored effort to assess regulatory knowledge, skills and abilities to identify training requirements), will be integrated into the methodology. Specifically, what elements or results will be used, and for those areas of the agency that are not covered by other initiatives, what methods will be employed to fill in the gaps. The action plan should clearly identify those cases where the plan relies on other agency efforts within specified time frames, as well as any impact on schedule assumptions if these efforts are not completed.
3. The planning methodology and process for human resource activities and programs needs to be well thought out and robust to facilitate the integration of human resource considerations into the agency's decision-making prior to producing products and selecting systems to capture, maintain, and utilize human resource information. The Commission has already decided in the FY 1999 budget process to defer acquisition of the Human Resources Information System (HRIS), and directed a Capital Planning and Investment Control (CPIC) cost-benefit analysis be performed before resources are planned for this activity to consider opportunities for integration with current or other planned systems, such as the Integrated Resource Management System (STARFIRE).
4. The action plan is intended to provide the methodology for identifying the agency's skills and core capabilities, and to provide an integrated approach on how to acquire, maintain, and redirect staff resources to meet the projected skills needed to fulfill NRC's health and safety mission. This strategic framework (Human Resources Strategic Planning within the NRC - NUREG/BR-0100) should be fully developed and provided to the offices before they are requested to project their long-term staffing requirements.
5. The criterion for selecting internal and external staffing sources establishes that the key criteria for determining whether to use internal staff or external sources to perform agency functions is whether or not the function is an inherently governmental function. This appears to be a very broad standard for determining staffing options and may provide little flexibility for considering external staffing sources. The staff should examine whether additional criteria can be identified in

determining the human resource composition. As a part of this examination, the staff should consider whether refinement of the definition of services in support of inherently governmental services could provide greater flexibility in determining staffing sources.

6. The plan should outline the procedures or guidelines that would be used to assure integrity in the recruitment strategies and assess whether the criteria for selecting staffing options are appropriately applied. This section of the plan, which was provided as Attachment 3, should articulate how the table providing the eleven measures for determining whether to staff permanently (long-term) or temporarily (short-term) is expected to be used in assessing the appropriate recruitment strategy. For example, if a manager answers "yes" to 7 or more of the criteria does this suggest hiring permanently?

7. While the staff noted that "budget realities" might force the agency to consider options other than relying on a robust permanent staff, there are additional forces that might tend to move the agency in that direction, such as the fact that the Federal Employee Retirement System makes retention of highly skilled, short-supply, "permanent" employees much more difficult. The staff should consider how other Federal regulatory agencies with similar challenges, such as FDA, are dealing with the balance between relying on permanent staff and greater use of other options (e.g., part-time, term, contract staff).

8. There are "core functions," as the term is used in Attachment 2, that the Commission will need to carry out in some measure as long as source, byproduct, or special nuclear materials are used in academia or industry and there are other functions under this definition that are subject to sharp reductions, if not elimination, depending on budget constraints. The staff should review the definition to ensure it is not overly broad such that it may lend itself to categorizing almost every function as core.

9. Attachment 5 discussed the possibility of piloting a variable compensation system that would reward high performing employees and encourage poor performing employees to leave the Agency. The Commission should be provided an assessment as to whether such a pilot is feasible before much effort is expended on it.

Alternative Approach for Addressing Core Capabilities

Phase I: Assessing Availability of Staff Skills/Competencies

The assessment of staff skills/competencies can be initiated independent of, and in parallel with, related ongoing activities. We can build on our current knowledge of skills residing in the staff, as well as integrate the effort with, and learn from, ongoing activities, such as the CIO's recent skills assessment, which utilized both staff and contractor resources (at an approximate cost of \$100,000). Sharing the lessons learned from related activities may lead to further simplification of tasks and processes.

In order to test the effectiveness of the skills assessment methodology and gauge the level of effort and resources required, the program offices would initiate skills availability assessments in selected areas: the Office of Nuclear Material Safety and Safeguards will evaluate skills in the area of criticality assessment; the Office for Analysis and Evaluation of Operational Data will evaluate skills availability of their Headquarters Operations Officers; the Office of Nuclear Regulatory Research will assess the availability of digital instrumentation and control skills; the Office of Nuclear Reactor Regulation plans to evaluate the availability of skills in the earth sciences. The intent is to conduct these initial skills availability assessments in the four offices and then to evaluate the usefulness of the results in comparison to the resources used to obtain them. This evaluation will then provide a basis for making an informed decision regarding the application of this methodology on a broader scale, and for considering the related resource implications.

Methodology

The Office of Human Resources (HR) will develop the methodology for conducting and recording a skills assessment so that the information gathered by various offices will be at a consistent level of detail and can be stored and maintained in an agency wide skills database.

HR staff have been following closely the work done by RES to implement the methodology for identifying core capability requirements described in SECY-97-075. Having had the opportunity to preliminary drafts, the HR staff believes that the categories and level of detail with which RES has categorized core capability requirements can be sufficiently correlated with staff competency and individual position qualification data to produce accurate, useful matching information. With some modifications to address program differences, the RES model can serve as the method for capturing and recording core capability requirements information on an agency-wide basis.

A key lesson learned from working with RES is the necessity of developing a sufficiently accurate and detailed set of elements common to both staff competencies and core capability requirements that can be used agency-wide. This agency-wide common denominator is essential to the integration of staff competency information with core capability requirements in' ation across office lines.

Automation

Maintaining this information for timely and useful decision report will require additional automation efforts. HR has identified a skills inventory software application, which is being purchased for use on a limited basis within HR to store the skills information gathered. The selected application is compatible with the proposed new HRIS system, for which a CPIC review has been completed.

Phase II: Identifying Core Capability Requirements

Identifying core capability requirements would become the second phase of this revised approach. There would be two steps to this phase.

Framework and Methodology

The first step would be the development of the overall approach, framework, methodology, information management tools, and schedule for addressing core capability requirements. These activities have been subsumed into the Regulatory Excellence Plan as Strategy 7.

Implementation

The second step would be office/region identification of specific core capability requirements as these emerge from strategic and performance planning and are refined as workload and resource issues are addressed in budget and operating plans. The actual tasks involved in identifying core capability requirements, which may include conducting substantial organizational self-assessments and require financial or human resources, would be and should be factored into operating plans as planned accomplishments. Identification of core capability requirements would in this way become an ongoing, integral part of the planning and budgeting process, with specific activities and schedules incorporated in office/region operating plans.

Phase III: Implementing Strategies to Close Capability Gaps

Phase three of the preliminary action plan -- implementing strategies for obtaining and retaining needed skills and competencies -- would also be embedded in the regular planning process. As staffing requirements emerge from the planning and budgeting process, they would be compared to up-to-date skills availability data. Strategies to resolve identified skill shortfalls and overages would be incorporated in office/region operating plans.

Effects of Simpler Approach

Integration in Regulatory Excellence Plan

As noted above, development of the overall approach, framework, methodology, and information management tools for identifying and meeting core capability requirements is being addressed as Strategy 7 in the Regulatory Excellence Plan. The Strategy 7 submission will include detailed steps and milestones, and take into consideration the Commission comments on SECY-97-211. The Regulatory Excellence Plan will be provided to the Commission in the near future. A

preliminary schedule is outlined below.

Integration in Planning and Performance Management System

The human resource activities focused on developing and maintaining core capabilities would be integrated with other human resource activities, such as streamlining initiatives. Including these activities in office/region operating plans would enable managers to integrate them more efficiently with office/region program activities and address them in the context of the agency's overall planning and performance management system. This approach would also obviate the need for a single, stand-alone human resources action plan.

Preliminary Schedule

Phase 1 - Skills Availability Assessment

March 1998	Develop methodology, including templates for gathering, synthesizing, storing and retrieving skills data.
April 1998	Initial implementation of methodology in selected areas in AEOD, NMSS, NRR and RES.
June 1998	Assess the validity and utility of collected skills data; evaluate and, as appropriate, revise methodology.
July 1998	Establish schedule for full assessment of agency technical skills.

Phase 2 - Core Capability Requirements Identification

April 1998	Develop and issue methodology.
September 1998	Identify technical competency requirements over budget planning period, and longer-range horizon as feasible.

Phase 3 - Development and Implementation of Strategies to Remedy Competency Gaps

TBD (contingent on skills assessment schedule)	Identify gaps between available in-house skills and core in-house competency requirements Incorporate approaches formulated for addressing competency gaps in new FY Program and Organization Operating Plans.
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