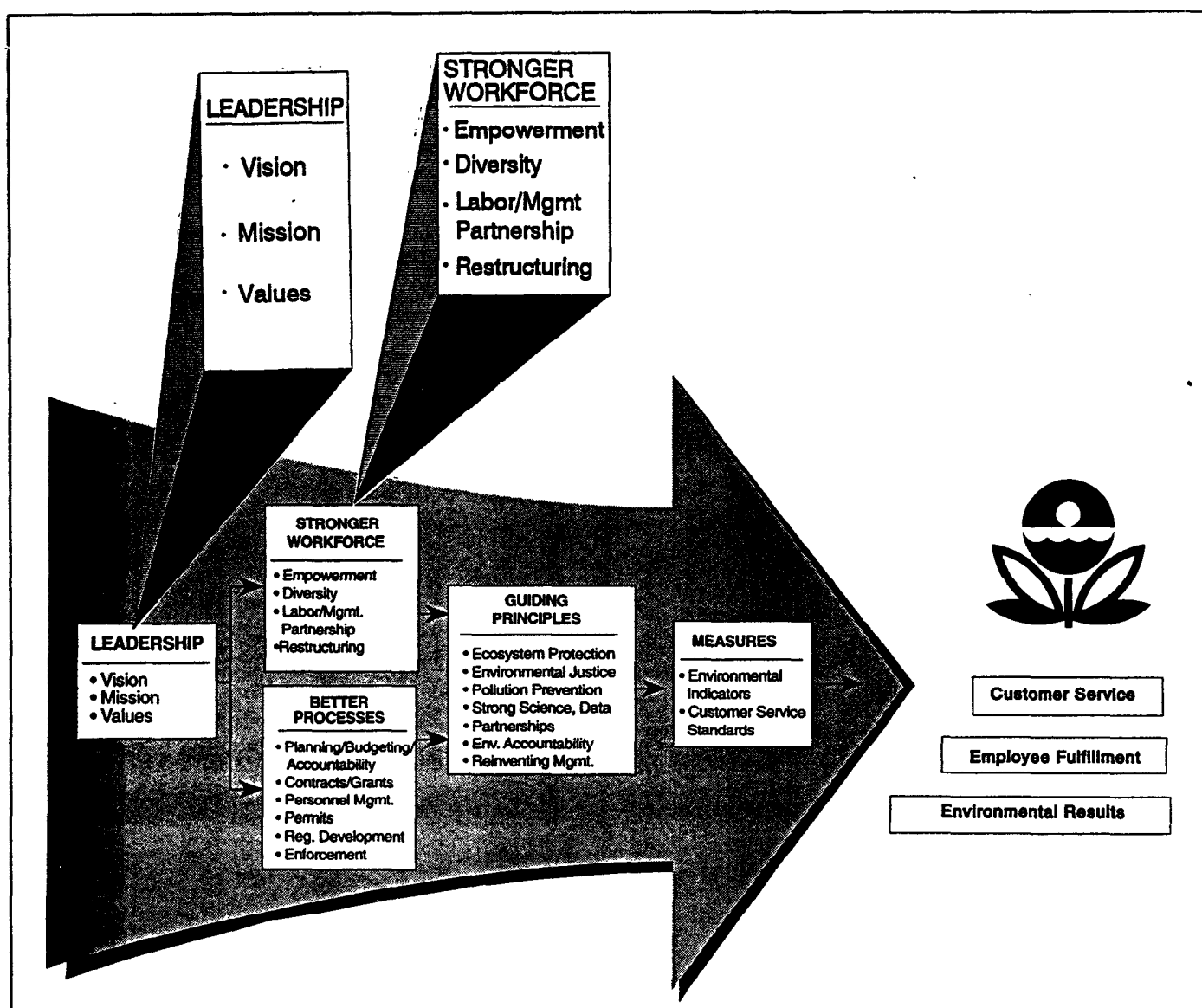


EPA Reinventing EPA — Steps Toward A Stronger Workforce



Guidance for Implementation Plans

(Includes 11/21/94 Revision to Appendix A)



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UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

SEP 30 1994

THE ADMINISTRATOR

One of the most challenging aspects of our reinvention efforts is to change the way our organization works--our various infrastructure roles, responsibilities, and behaviors. We have had many successes using the traditional media-specific, "stovepipe" organizational structure, and our traditional way of thinking and operating. However, in today's climate, with a new generation of environmental problems, it is clear that an eco-system, sector-based, cross-media approach, with a greater focus on customers and employee empowerment, is more effective.

On August 8th, I announced my decision to accelerate the process of organizational and management change at EPA. After discussions with many of you, I was convinced that collectively we were ready to begin the process of transforming EPA into a more effective, flexible, and responsive Agency. One aspect of this is strengthening our workforce, which involves developing a shared vision and values, increasing our focus on the customer, valuing and increasing diversity and empowering our workforce, working collaboratively, and creating an organizational infrastructure that meets the intent of the National Performance Review.

The attached guidance provides information in each of these areas; it is a framework for developing your organization's Reinvention Implementation Plan due to me by March 31, 1995. This guidance is not prescriptive, but is designed to expand your thinking and suggest a process for reinvention efforts. Appendix A describes the areas that are to be addressed in your Reinvention Implementation Plans.

This is a new field, and everyone, across government and in the private sector, is struggling and learning together. I know many of you have begun your reinvention efforts. I applaud your initiative and hope this guidance provides additional food for thought. I would like you to have an open, participatory process for developing and implementing your plans. Please keep in mind that our unions are to be full partners in the reinvention process.

I look forward to working with you as this process unfolds. I am confident that we have embarked on a journey to create an Agency that is more responsive to today's complex environmental issues and that fosters a workplace environment where employees can contribute their full talents toward achieving environmental results.

A handwritten signature in black ink, reading "Carol M. Browner".

Carol M. Browner

"Our new strategic plan points to a new generation of environmental protection. We are moving from sole use of media-specific regulation to an approach that employs flexibility, innovation and common sense, along with traditional approaches, in meeting our environmental goals. This new approach requires us to change the way we operate and assure that the skills and talents of every employee contribute to fulfilling our environmental mission."

EPA Administrator Carol Browner

**Memorandum to All Employees
August 8, 1994**

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Introduction

Organizations across the country are changing the way they do business. The trend is noticeable both in academic journals and in real-life testimonials from organizations of all sizes and backgrounds, from the public, private, and not-for-profit sectors. Organizations everywhere are "reinventing" themselves. This is a broad term which encompasses a wide range of activities. In this document we attempt to discuss the major workforce and organizational change areas included under the term reinvention, as they apply to EPA. This goes beyond rhetoric--we are part of a major change, and EPA is moving in an exciting new direction toward increased productivity, collaboration, and understanding. The goal of this document is to provide you with the information you need to help move the change process along.

These changes will not be easy. They will require changes in management style, level of employee participation in work decisions and organizational operations, decreasing layers of review, and increasing the span of control for managers, to name a few. However, proper preparation will minimize the anxiety and disruptions these changes produce, and the result will be a richer, more productive organization with an improved work environment and improved responsiveness to customers and other stakeholders.

Labor organizations play a critical and necessary role in reinventing EPA. As the exclusive representatives of bargaining unit employees, the unions must be partners with management in all of our reinvention and reform initiatives. That means involving them from the outset in the design, structure, and implementation of the change process. It also requires an open sharing of information with the unions. Most importantly, the unions' involvement must be seen as an integral ingredient for the success of any of these efforts. This document assumes that you will have involved the appropriate labor organization(s) from the beginning of whatever process you are using. If you have questions or would like more information, your Labor Relations Advisor is available to help you.

Who Should Read this Document

This document is intended to aid readers in transitioning to a reinvented EPA. It is specifically directed toward:

- Individuals writing Reinvention Implementation Plans for their respective organizations;
- Managers at all levels implementing reinvention activities; and

- Employees interested and involved in assisting their organization with its reinvention efforts.

Scope of Document and EPA Change Efforts

This document is divided into seven major sections and 4 Appendices. Five of the sections focus on major change areas and are divided into two major parts, beginning with a discussion of the theory and reason for the change discussed: **"What it is and Why it is Important,"** and concluding with practical tips on how to implement that change: **"Where to Begin"** and **"Things to Consider."** The five change sections are:

- II. Shared Vision and Values
- III. Customer Focus
- IV. Diversity
- V. Working Collaboratively
- VI. Organizational Layers and Design

The document concludes with section VII., Implementing Change, a framework for identifying and implementing the changes.

EPA's move to a reinvented organization cannot happen in a vacuum. Reinvention is not a linear or singular process. It encompasses progressive processes in which each initiative builds on, is integrated with and interdependent of the other initiatives, where the sum is larger than the parts. Several EPA organizations have begun "parts" of their reinvention activities; some have undertaken reengineering processes, while others have largely focused on reorganization planning. As you read this document, determine where you are in the "larger" picture and what your organization needs to do to realize greater benefits of looking at and undertaking reinvention as a whole system. It is important to remember that just reorganizing the structure of an organization only provides a new shell, it is the reinvention of internal relationships and operations of an organization that get at the heart of enduring change.

This document covers a major area of reinvention--building a stronger workforce. It discusses the major themes of strengthening the workforce, and also deals with several tools for reaching this goal, such as a shared commitment to purpose, organizational and interpersonal values, employee participation, work done in teams, restructuring an organization, and, the importance of re-engineering core work processes. Other aspects of EPA strategic reinvention are not discussed, guiding principles for environmental protection such as ecosystem protection, environmental justice, pollution prevention, etc, and measures such as environmental indicators and customer service standards. This document strives to help EPA begin

the transition to a reinvented agency through the largely cultural changes necessary to sustain this change.

Appendix A provides information on what Offices should include in their reinvention implementation plans, based on the information and processes described in this document. For help or further information on some of the subjects discussed in the document, Appendix B lists reference materials ranging from books and articles to training courses, diagnostic tools, and change consultants. Appendix C provides the Office of Management and Budget (OMB) definitions of supervisor, headquarters employee, and employees that fall into the "administrative" category. Appendix D contains a memorandum that discusses union representation in Headquarters reinvention committee activities.

This document was prepared by the Management and Organization Division's (M&O) Reinvention Guidance Team under the auspices of the Administrator's Management Committee (MC). If you have questions concerning the document, please contact your representative on the MC or M&O. For additional copies of this document, please contact EPA distribution at (202) 260-5797.

I. A Reinvented EPA

EPA, like public and private organizations across the country, is undergoing a significant change. This evolution is toward more responsive organizations with better decision-making, greater customer satisfaction, and improved employee commitment and satisfaction. The Clinton Administration initiated several activities to create a more responsive government, most notably the National Performance Review (NPR), to improve government practices and increase efficiency, to streamline and create a "government that works better and costs less."

Driving Forces

"Top down bureaucracies no longer work very well in either the public or private sectors. As cutting-edge businesses have done, we must streamline our operations, cut management controls, and empower our workers."

National Performance Review

EPA faces many challenges from the NPR and the various Executive Orders to flatten, or "delayer," the organization, increase the number of staff per supervisor, and streamline our processes through employee involvement. Administrator Browner fully endorses the NPR recommendations and other reinvention activities. She stated in a recent memorandum to all employees, "Our goal for reinvention is to create an organization that is more responsive to today's complex environmental issues and that is committed to management for environmental results." The Administrator is placing particular emphasis on improving diversity (utilizing the full capabilities of the entire workforce) and empowerment (greater employee involvement and self-commitment) to achieve these goals.

To reinforce her commitment to reinvention and move the Agency toward these goals as quickly as possible, Administrator Browner announced on August 8, 1994, an acceleration of the organizational and workforce reinvention to September 30, 1996--a goal two years earlier than the Executive Order mandate. She decided to accelerate delayering as part of a broader reinvention process that supports new directions in the Agency environmental programs. This will stimulate a more aggressive pursuit toward a reinvented EPA; a new way of doing business that is built on the principles of empowerment, customer satisfaction, and organizational flexibility.

The 1:11 ratio and reinvention implementation plans are devices to help the Agency move to operating differently in a timely manner, but should not be viewed as the ultimate goal. Offices must take a comprehensive look at themselves to determine where they are, where they need to go, and what is the best way to facilitate effective change in their organizations. The emphasis is on moving from the traditional rigid, hierarchical organization where work is compartmentalized and control-based, to a flexible, innovative, and more responsive organization where responsibility is shared and the focus is on interrelationships, employee involvement, and stakeholder needs.

Characteristics of a Reinvented EPA

EPA is moving in a new direction programmatically, which depends upon and supports an associated cultural change. As an agency we are changing the way we do business to focus more on ecosystem and "common sense", stakeholder-based approaches. By focusing on this goal, the individual parts of EPA will move in a common direction to a successfully reinvented Agency. The efforts currently underway are necessary to this shift. Only through refocusing EPA to better deal with stakeholders, work more collaboratively both inside and outside the Agency, and maximize workforce productivity through valuing diversity and empowering employees, can these environmental protection initiatives be fully successful.

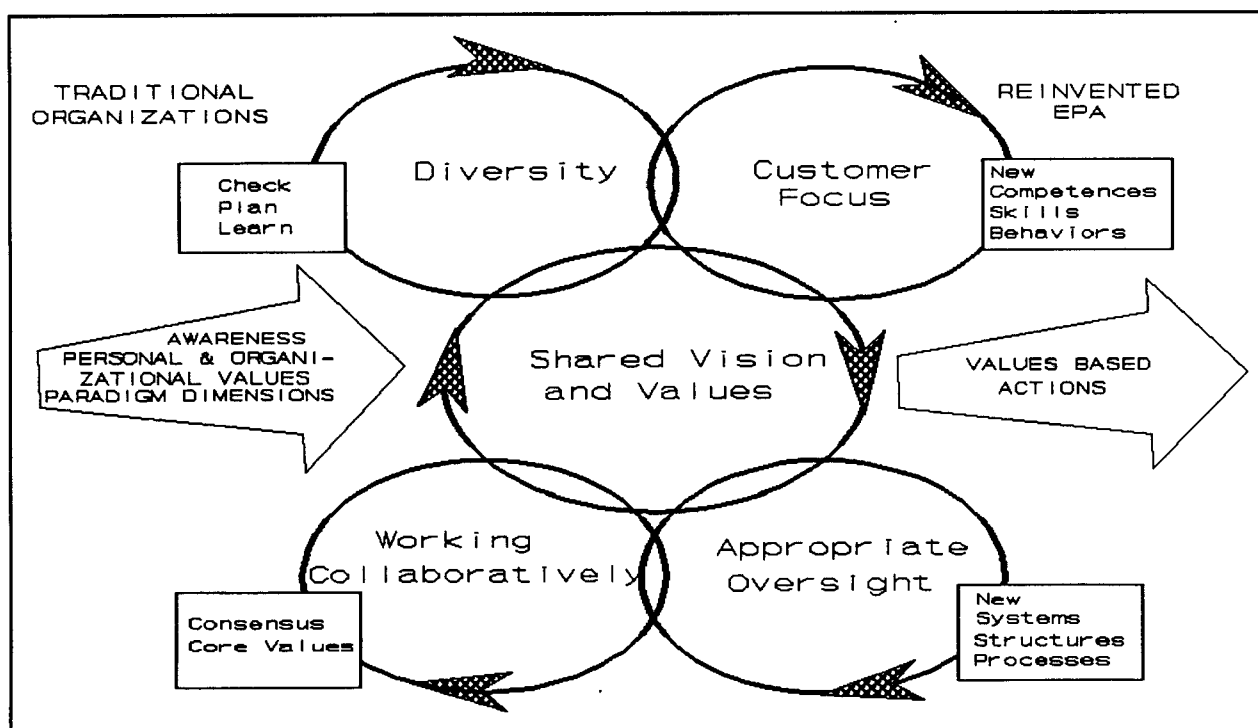
EPA, like many large hierarchical organizations, is characterized by a traditional top-down, multi-layered, stovepipe structure and control-based management style. The organization is segmented into divisions and program groupings, separating staff who work on related problems and creating artificial organizational boundaries and barriers. Critical decision-making power resides at the top, along with traditional management control. Each employee has a place and a specific function, but is also distanced from understanding the interrelationships of the Agency's programs as a whole and how their individual work relates to the mission of the organization. EPA has experimented with matrix management, cross-media teams, and other "boundaryless" ways of operating. In a reinvented EPA, we will continue to explore, invest in, and expand such models to more effectively further the Agency's mission.

A reinvented EPA is about breaking down these traditional hierarchical barriers and boxes to work as a flexible and integrated system. It's about:

- Creating, with all stakeholders, a shared picture of the desired future and an understanding of the Agency's work which builds a collective sense of what is important and why; and
- Collaborating--crossing internal and external boundaries to integrate service delivery and policy development;

- Utilizing fully each member of the workforce, and soliciting ideas from varied perspectives;
- Creating partnerships within and between agencies, empowering employees with the authority, skills, training, and information required to do the job, and redefining the manager's role to one of coach and facilitator; and
- Eliminating unnecessary layers and refocusing Agency efforts to manage across, not up and down the organization.

To achieve this, EPA must create a shared vision and values, focus on the Agency's customers, embrace and utilize the diversity of the staff, foster employee involvement and collaborative work, and eliminate unnecessary layers of oversight.



o **Creating a Shared Vision and Values**

A foundation for change at EPA begins with a clear vision and values that all employees share and understand, and has flexibility to respond to a changing, complex environment. Visions paint a picture of the desired future, tapping into an organization's deeper sense of purpose. Articulating the organization's specific values and goals makes the purpose real, motivates employees, and engenders commitment.

o Strengthening Customer Focus

Focusing on improving customer service and achieving greater customer satisfaction is essential to accomplishing the Agency vision for a clean environment. This means identifying our primary customers and their needs, involving all our stakeholders to the greatest extent possible, and providing them the best service possible.

o Valuing Diversity

Creating a culture that embraces the talents and ingenuity of EPA's entire workforce to maximize the productivity and potential of our organization is critical to a reinvented Agency. This means cultivating and capitalizing on the spectrum of talents, viewpoints, and experiences stemming from each person's unique background, and viewing these differences as strengths rather than weaknesses.

o Working Collaboratively

A reinvented EPA requires employees to think and act differently. EPA employees must work together to create a new work environment built on trust, open information exchange, shared responsibility, and corresponding accountability. Employees must work together--up, down, and across the organization.

o Organizational Layers and Design

Reducing unnecessary structural and control layers and utilizing flexible work teams can improve commitment and responsible actions, decision-making, customer service, information flow and quality, and lead to greater job satisfaction. Reorganization is a valuable tool for bringing about change, which may be used to great advantage to produce a reinvented EPA.

II. Shared Vision and Values

In a reinvented EPA, the employees in each organization (AAship, region, office, division) work together to create a shared vision and values that the entire group is committed to and understands. Through a shared overall vision and values for EPA as a whole, the separate parts of the agency will move in a common direction with their own individual reinvention efforts to result in a coordinated transition to a new way of operating. One way in which EPA and other government agencies differ from the private sector is a more frequent turn-over of leadership. Vision and values shared by the Agency can help provide continuity and ease the transition during periods of change. Vision and values give the organization shape and direction, and create a shared sense of purpose, or mission, for all involved.



WHAT IT IS AND WHY IT IS IMPORTANT--Vision and Values

"A shared vision -- supplemented with clearly understood goals and shared values among everyone in the organization, from top to bottom -- can be the basis of intelligent decisions."

Vice President Al Gore

Vision

A vision is an ideal image of the future; it is a statement of where you want your organization to be. Visions are always evolving to adapt to the changing environment as new opportunities and initiatives emerge to better fulfill the Agency or individual program missions. A vision:

- Clearly shows how the organization fits into the Agency mandate of environmental protection;
 - Serves as a beginning point for creating a new organization;
-

- Challenges the organization to change by painting a picture of what the organization strives to become--an image of the future the organization seeks to create;
- Is best created through a group effort and flows from extensive contact with customers and colleagues; it emerges from reflection on the organization's purpose by many or all of the organization's employees;
- Is easy to understand and characterized by flexibility and creativity (clarity and brevity are helpful);
- Creates an environment that fosters greater commitment, focus, ownership, a sense of purpose for the organization as a whole, and evokes enthusiasm and action; and
- Evolves continuously--the vision grows and changes over time.

A vision should not be:

- Created at the top and given to the organization; this translates into "work hard so the leader's program will succeed," and does not create commitment or inspiration; or
- Something the leaders say, but not what they do, which creates mistrust, loss of commitment, and loss of focus.

A shared vision guides the organization to changes that are appropriate and necessary. It results in a "future pull," managing from the future back instead of the present forward. It is not easy to create a vision; it means gathering many people together with diverse viewpoints and sorting through large quantities of information. Shared visions often emerge from information overload; from a sudden collective realization of how all the pieces fit together to form a larger vision for the future.

Values

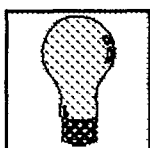
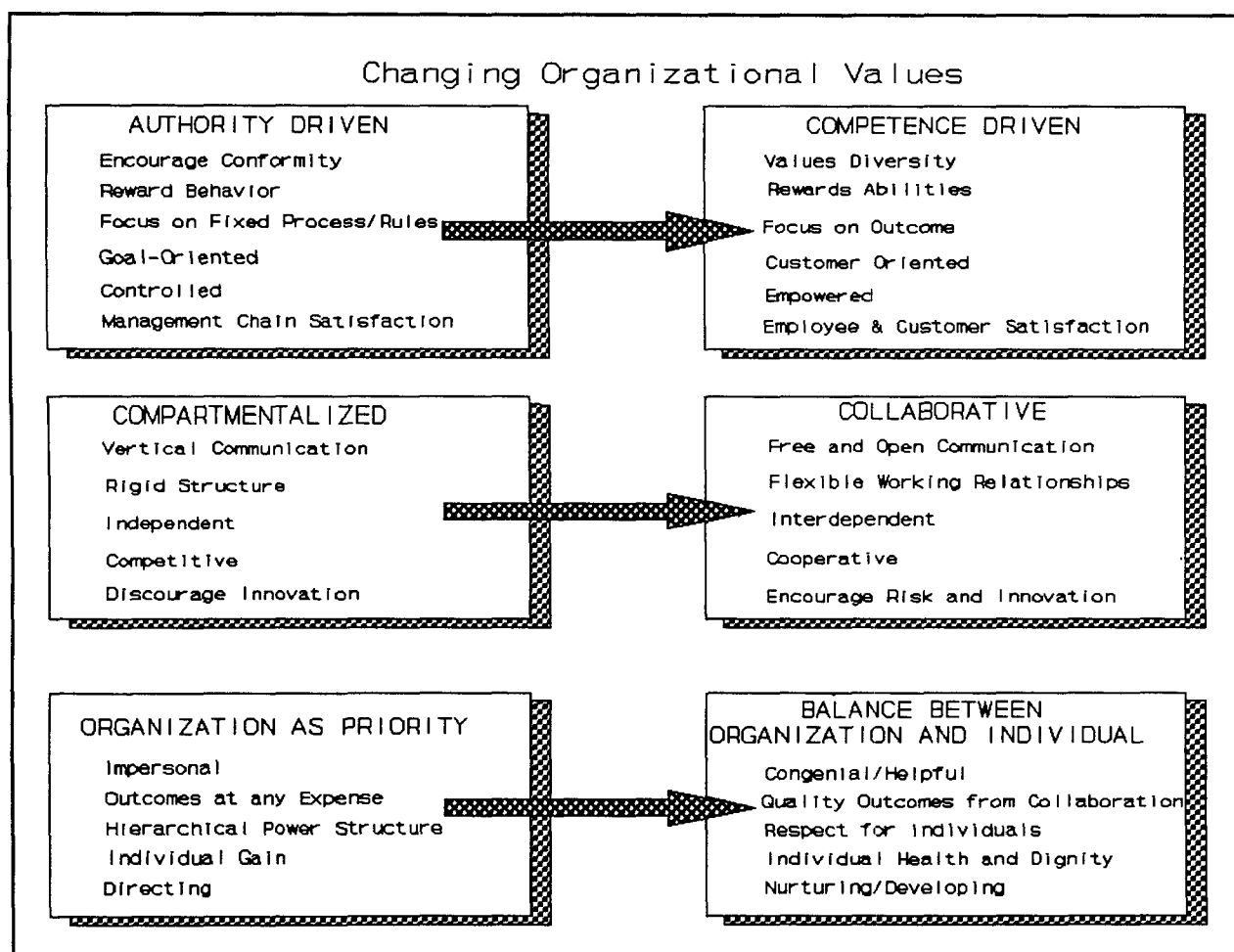
Values are broad principles that influence nearly every aspect of our lives: our ethical judgment, the way we respond to others, and our commitment to personal and organizational goals. While visions refer to the future and to what the organization should be, values comprise the things that are most important to us as we work within the organization.

Organizational values form the basis for the organization's culture and should be shared by all employees. Personal values are often an important reason people choose to work for EPA--employees are committed to public service and protection of the environment. This makes strong complementary values even more important to recruiting and retaining quality employees and sustaining a high level of morale and productivity. As Administrator Browner has stated, "as an Agency we must share common values." When employees' individual values and the organizational values are complementary, a clearly stated, frequently repeated set of core values emerges that guides decisions. Complementary value sets provide clarity to employees about organizational values and expectations, and make it easier to cope with the often conflicting demands of work and personal affairs.

When employee and organizational values are complementary they create:

- Self-esteem;
- Increased levels of organizational loyalty;
- Understanding about key organizational goals;
- Ethical behavior;
- A strong work ethic;
- Reduced job stress; and
- Enhanced commitment to the Agency mandate to protect the environment.

Unmatched values between employees and the organization drain energy from personal effectiveness and organizational productivity. The following graphic illustrates some traditional organizational values, and their potential counterpart in a reinvented EPA.



WHERE TO BEGIN--Creating Shared Vision and Values

To develop a shared vision, and values, it is crucial that the organization take a step back and determine the work it needs to do in the future. The organization should examine its current mission, functions, etc.; analyze its stakeholder needs and wants (both internal and external); and determine where the organization needs and wants to go.

THINGS TO CONSIDER

- ☛ Determine where you are now, including questions such as: does the organization have a clear vision and set of values, how does the organization treat its people, are employees involved in decision-making, etc.
- ☛ Determine what your organization is required to do: analyze laws, regulations, Executive Orders, and other mandates.
- ☛ Find out what your organization's employees, customers, and other stakeholders need and want you to do; talk to, listen to, and/or survey these groups.
- ☛ Examine what senior leadership wants your organization to do; analyze all written goals, strategic plans and reinvention objectives to determine the vision for, and needs from, the organization.
- ☛ Assess external trends, current events, etc., which impact the work of the organization.
- ☛ Solicit feedback using an interactive and inclusive process to obtain input about what employees want/think the organization should do and how it should interact. Ask questions such as:
 - ▶ How is the organization tied to the Agency's mission?
 - ▶ What purpose would the organization serve?
 - ▶ What reputation would the organization have?
 - ▶ What contribution would the organization make?
 - ▶ What values would the organization embody?
 - ▶ How should we interact and communicate?
 - ▶ What are the core issues and potential opportunities for improvement that the organization should address?
 - ▶ How can diversity be utilized?
 - ▶ What would it take to create employee satisfaction?
 - ▶ How to create a positive, productive work environment?
 - ▶ What would an empowered organization look like?
 - ▶ How would an empowered organization operate?
- ☛ Using an inclusive process, put all this information together to develop a brief, clear expression of the organization's shared vision and values.

III. Customer Focus

Becoming more responsive and customer-focused is a primary driver in the Administration's reinvention strategy. One recommendation of the National Performance Review is to move away from oversight and control, and increase the number of employees who deal directly with the customer. President Clinton's Executive Order on Setting Customer Service Standards says "The standard of quality for services provided to the public shall be: Customer service equal to the best in business."

EPA provides a variety of services, such as research and development, rule-making, inspections and enforcement, technical assistance, financial assistance, and information management. We must involve stakeholders in examining how we do business to ensure that everything we do supports the ability of frontline workers, inside and outside EPA, to deliver improved environmental results to all our stakeholders, including customers, clients, and employees.



WHAT IT IS AND WHY IT IS IMPORTANT--Customers

"We are committed to achieving customer service equal to the best in industry. We carry out our mission through increased public participation, increased public access to information and increased public access to decision-makers."

EPA's Customer Service Policy, Putting Customers First

EPA's ultimate customer is the public. To best serve the public, we work with a continually changing set of interim customers which ranges from offices within EPA to outside constituents such as: Congress; federal, state, tribal, local, and international governments; the regulated community; and environmental groups. Providing all these customers with the best possible service is how EPA can tackle the difficult task of responding to the needs of the public as a whole.

Continuous listening to, learning about, and knowing your customers are cornerstones to determining how to adapt in a changing environment. Knowing your customers means spending time with them. This means employees at all levels of the organization must listen and learn from their customers and all other stakeholders; it means anticipating problems and opportunities and working on solutions and strategies together.

Incorporating a customer-focused ethic into EPA will be a continual challenge. Customers who receive EPA services can be co-workers (internal customers) as well as end users (external customers). Customers have a stake in the work of the Agency, and thus fall into the larger group of stakeholders. Stakeholders include any individual or organization with an interest in the work of the Agency, including Congress, the public, industry, environmental groups, employees, other government agencies, states, etc. Divisions of stakeholders aren't always clear; one group or individual may be a customer for one part of the Agency and an employee for another. Thus, it is important for the needs of all stakeholders to be considered. Program offices provide services externally to the states, regulated community, Congress, other Federal agencies and environmental organizations, as well as internally to other offices in the Agency. The Agency as a whole is the internal customer of support offices such as the Office of Administration and Resources Management (OARM) and the Office of General Counsel (OGC). Internal customers are just as important as external customers; improved service within the Agency enriches the work environment, encourages organizational integration, and helps the Agency accomplish its environmental mission. These services, both internal and external, are diverse and sometimes have competing customer needs. These competing needs raise questions such as:

- ▶ How do we provide our regulated industries the support, flexibility and compliance assistance they need, while fulfilling our statutory mandates?
- ▶ How do we meet the individual needs of the States while maintaining national consistency and our oversight role?
- ▶ How do we meet the media-specific needs of Congress in the face of multi-media client needs?
- ▶ How do we provide efficient, timely, and flexible support services to our employees while maintaining Agency consistency and appropriate oversight of taxpayer monies?

The Agency's challenge is to balance these types of needs, taking into account EPA's shared vision and values, and the Agency's and individual organizations' missions.

As a regulatory agency we often need to promote actions, activities, and attitudes to businesses, government, and individuals that they would not opt to take on their own, even when they understand it to be in the best interest of the general public. Our goal is to build a cooperative and supportive relationship with these customers, supplying them with the information and tools they need to be able to pursue their business and personal activities in an environmentally "friendly" way.

To achieve compliance it is sometimes necessary to work with businesses, government, and individuals in an enforcement mode. We often have the challenge of balancing competing interests in carrying out our regulatory and enforcement responsibilities. In all our relationships, voluntary and nonvoluntary, cooperative or enforcement-related, our goal is to handle all interactions in a fair, courteous, and professional manner. Our goal is also to provide affected parties with a clear understanding of the reasons for our actions.

We are committed to:

- Reaching out to our customers to provide them with the information they need to make environmentally sound decisions and to involve them in our decision-making and priority-setting processes.
- Setting clear performance standards for our products and services, assessing how well we are meeting those standards, whether they are the right ones, and adjusting our activities based on what we learn from those assessments.

To move the Agency closer toward this goal, the Administrator announced the "Common Sense Initiative." The goal of this initiative is to achieve greater environmental protection at less cost by looking at whole industries and involving a wide range of customers in developing a new generation of environmental solutions. This approach will strengthen our ability to understand and support key intermediary customers in their delivery of environmental protection. This contrasts with the current pollutant-by-pollutant, medium-by-medium approach.

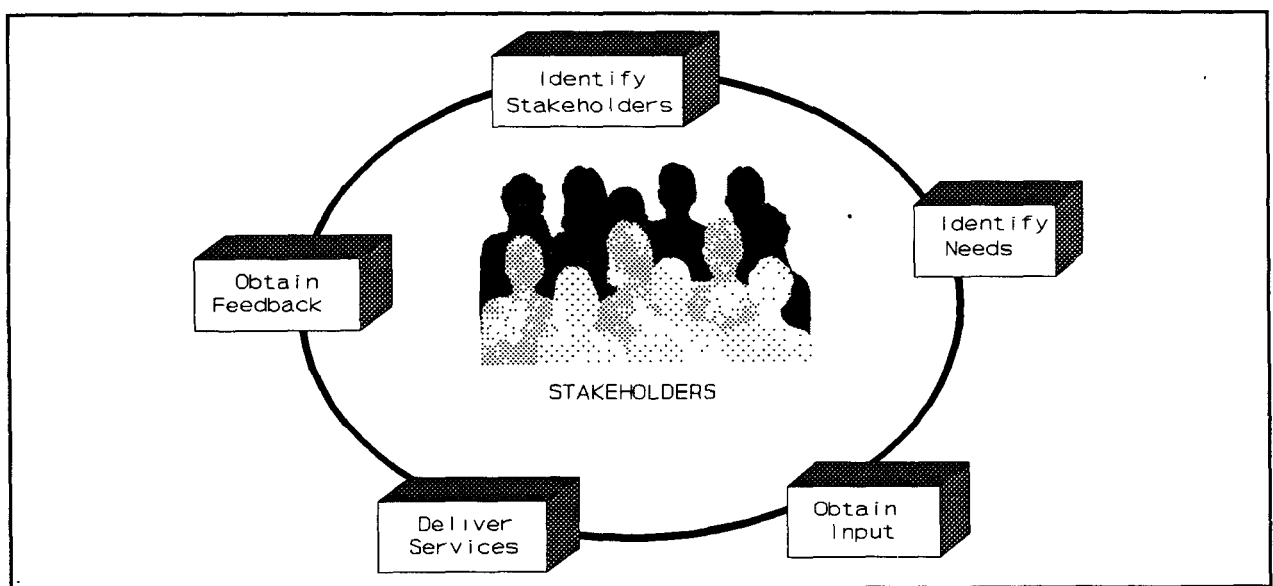
Customer/Employee Satisfaction

The customer is generally concerned about two factors:

- Process--what they experience; and
- Outcome--what they get and how it compares with what they want.

Customers "see into" an organization through the words and actions of its employees. Research indicates that customer service satisfaction is directly related to employee job satisfaction; the treatment customers receive reflects the treatment the employees receive from their organization. Employees and customers tend to rate service quality the highest when there is:

- Enthusiastic emphasis on the importance of service to an organization's success;
- Active support to satisfy all customers, not just "high profile" customers; and
- Good service provided the first time.



WHERE TO BEGIN--Creating A Customer-Driven Organization

An organization can become more customer-focused by having a clear understanding of whom the stakeholders are and what their needs and expectations are. It is critical to get input on stakeholder needs directly from the source, and to obtain feedback after services are delivered. This process should be continually repeated, with frequent checks on whom the stakeholders are and what their needs are.

THINGS TO CONSIDER

- 13 Move from media-specific service delivery to ecosystem and "Common Sense" stakeholder-based approach.
- 13 Establish a profile to identify your stakeholders; who they are (internal and external), where they are located, and how best to communicate with them.
- 13 Continually reassess the needs of all your stakeholders, with their input and involvement, and adjust your services accordingly; stakeholder needs change for various reasons, and services need to be flexible to adapt.
- 13 Determine what your stakeholders want and expect from you; spend time listening to, understanding, and responding to their evolving needs and shifting expectations; be flexible to meet those demands; ask questions such as:
 - What do you want?
 - What do you really need?
 - What do you expect in the future?
 - How do you view our service?
 - What problems do you encounter?
 - How would you like our services improved?
 - How do your needs conflict with the needs of other stakeholders?
- 13 Look at your own assumptions; examine whether they are barriers to what the stakeholder really wants; verify your assumptions with the stakeholder.

THINGS TO CONSIDER

- ☛ Develop with employees and customers a clear, concise and understandable customer service strategy; it should communicate, in specific action items, the things you need to do to satisfy your customers; it should help employees, customers, and other stakeholders understand who does what, what they should do, how to do it, and why to do it.
- ☛ Provide employees the information and skills they need to respond to stakeholder needs.
- ☛ Change internal processes that inhibit employees from helping their customers; tap into employee knowledge on the types of services that leave a lasting, positive impression on customers--employees know first-hand the weak spots and failures in service delivery.
- ☛ Eliminate or clarify overlap of functional boundaries in your work products to provide more efficient and identifiable services.
- ☛ Examine ways to redeploy employees in supervisory, administrative, and "Headquarters" positions to positions which more directly serve the customer, in conjunction with the NPR recommendations and OMB guidance.
- ☛ Improve public access to information. Go beyond the traditional "public involvement" programs to more broad and diverse engagement processes, such as surveys, town meetings, focus groups, informal and formal meetings.
- ☛ Train employees on benchmarking, and customer-related process reengineering to support improved service delivery.
- ☛ Make it easy for stakeholders to interact and work with you; make it easy for them to "talk" to you (hotlines, electronic mail, Internet, suggestion boxes, etc.); make information, services and complaint systems easily accessible.
- ☛ Treat stakeholders like partners to the extent feasible; consult stakeholders with conflicting needs to obtain consensus recommendations. Get stakeholders involved in federal advisory committees, operational or fact-finding task forces or teams to work on developing approaches to finding solutions and strategies.

THINGS TO CONSIDER

- ☛ Demonstrate a desire to resolve situations the best way possible and within a timeframe which benefits both the Agency and the stakeholder.
- ☛ Incorporate customer service into performance agreements, awards, recognition, and promotion.
- ☛ Recognize the connection between employee and stakeholder satisfaction;
 - Make space, equipment, training, and other employee needs a priority that gets done, not just talked about;
 - Foster an environment that provides employees with the opportunity to learn, develop new skills, and be challenged; and
 - Empower employees and give them the authority to meet stakeholder needs.

IV. Diversity

In order for EPA to respond effectively to the needs of its stakeholders, it must utilize the talents and ingenuity of all of its workforce. As federal agencies face increasing workloads with fewer staff, it becomes important to ensure that all employees contribute their full talents to the workplace. Both President Clinton and Administrator Browner recognize diversity as an important issue, and have named diversity as one of the priorities of this Administration. In her April 4, 1994 memorandum to employees, Administrator Browner stated: "I remain unwaveringly committed to increasing the diversity profile of all our staff and particularly our managers. I believe we can achieve our diversity goals even in an environment that stresses a leaner management structure." The Agency's 1992 Cultural Diversity Task Force Report shows that EPA is on its way to fostering a diverse workforce, but much work still lies ahead, especially in reflecting diversity throughout the organization at all levels and in all program activities.

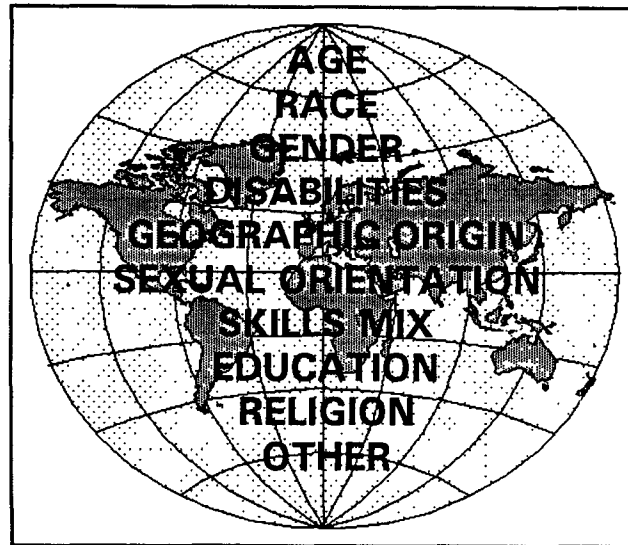


WHAT IT IS AND WHY IT IS IMPORTANT--Vision and Values

"By valuing diversity, we can gain greater potential and creativity from the synergy of the workplace, recapturing commitment and unleashing pent-up talent. In short, we can turn the tide of employee dissatisfaction and put the work ethic back to work."

Managing Workforce 2000

Diversity is much more than affirmative action, or people of different ethnic backgrounds. There are many types of diversity, some are visible, others are more subtle. Managing diversity in EPA means creating an environment that empowers and permits individuals to recognize their full potential in pursuit of Agency objectives. Employee diversity encompasses not just race, gender, and ethnicity, but also a variety of other areas such as age, functional and educational backgrounds, organizational tenure, size acceptance, sexual orientation, other lifestyles, or geographic origins.

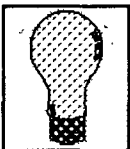


As EPA's Cultural Diversity Task Force stated, diversity is " going beyond the appeal of legal and social tenets of Affirmative Action. It focuses on using all people resources to get our job done." While affirmative action is seen as a way to redress discriminatory practices, cultural diversity attempts to ensure maximum utilization of all employees. Affirmative action and cultural diversity work together to form a strategy for workforce planning and utilization that can have significant positive influences on an organization's overall performance.

Diversity is an asset to the organization if it is valued through recognizing, understanding, and appreciating differences. It is an integral component of an organization's success and viability, and should not only be tolerated, but encouraged, supported, and nurtured. It impacts the organization significantly on both interpersonal and organizational levels. On the interpersonal level, co-workers who are sensitized to each other's differences are able to work in a positive and congenial environment; on the organizational level, teams that appreciate and utilize the unique talents and perspectives of a diverse workforce can benefit through improved services, solutions, and products. The more teams represent the diversity of our customer base, (ethnic, geographic, skills, education, gender, etc.), the more likely our services can reflect our customer needs. In order for valuing diversity to be successful, all employees must understand their own strengths, weaknesses, and biases, and how their own perspectives affect the way they interact with individuals who are different from them; this means *respecting each others' differences as well as similarities*.

Successfully implementing the Agency's diversity goals means real change. Accomplishing the goal may create some level of anxiety for many individuals. EPA's workforce already consists of over half women and minorities and we must maximize their talents at all levels of the organization. While EPA is tasked with increasing

diversity Agency-wide, with a specific emphasis on leadership positions, the challenge has much broader implications than just simply addressing representational imbalances. EPA's diversity philosophy is based on the belief that it can create a workplace where all of its employees can realize their full potential. To build, maintain, and take advantage of the richness of diversity at EPA will take time, resources, and persistence. To do this, all employees must have the opportunity for training; for fair treatment in assignments, performance appraisal, and promotion opportunities; and for recognition for their contributions. They must be free from harassment because of their gender or group status.



WHERE TO BEGIN—Utilizing and Improving Diversity

THINGS TO CONSIDER

- ❏ Create a current diversity profile of your organization and talk about what it means. A diversity profile might include demographics on experience, skill mix, age, education, gender, race, geographic origin, etc.
- ❏ Develop a shared vision (all employees in the organization) for achieving greater diversity in your organization, such as a target diversity profile that includes characteristics listed above. EPA's workforce diversity goal should be to reach a workforce reflective of the diversity of the Nation's population. Implementing diversity is an inherently participatory exercise, so involve everyone from the beginning.
- ❏ Create shared values and goals to help achieve your vision; begin with two or three goals that are possible and are tied to the values of the organization and are important to everyone. Communicate commitment to, and status of, your diversity goals and opportunities to the entire organization frequently.
- ❏ Each AA/RA is responsible for negotiating specific workforce diversity goals with the Administrator, taking into account the current makeup of the staff in the organization. Consistent with organizational streamlining, these goals would be expressed in terms of diversity in the "positions of influence" that provide leadership to the organization.

THINGS TO CONSIDER

- ☛ The quarterly profile prepared by the AA, Office of Administration and Resources Management (OARM), and Director, Office of Civil Rights (OCR), can be a helpful measure and check point for reaching your goals. OARM and OCR provide the Administrator with an annual report on progress in workforce diversity and alert her to problem areas deserving attention.
- ☛ Expand part-time positions. Permitting and encouraging part-time positions is particularly attractive to employees with family responsibilities who currently find they must make a choice between their families and careers. Part-time opportunities also provide opportunities for physically-challenged individuals who are unable to work full-time.
- ☛ Make sure there are recruiting methods and diverse applicant pools from which to select employees and build skills for your organization.
- ☛ Look for ways to restructure and redefine support-staff positions, perhaps by implementing the Office of Human Resource Management's Administrative Support Career Management System to allow additional development opportunities for support staff.
- ☛ Promote diversity awareness by educating everyone on what diversity means; explore feelings, beliefs, and barriers to workplace issues. Set aside appropriate resources; involve the organization in diversity training; provide a variety of training options to address skills mix and gaps identified by all employees. You may meet some resistance to implementing diversity, and education is the means to turn resistance into support.
- ☛ Incorporate diversity in all aspects of the organization's activities; show commitment and involvement at all levels of the organization, and stay involved with implementing diversity.
- ☛ Create opportunities for advancement into non-managerial high-grade career paths, and ensure diversity is considered.

THINGS TO CONSIDER

- ☛ Refocus expectations away from future supervisory positions, and emphasize future leadership opportunities throughout the organization (teams, cross-program initiatives, expert systems leaders, project leaders). The benefits of involving employees in teams and other opportunities includes:
 - Increased employee empowerment to manage a project;
 - Reduced management time; and
 - Development of a well-trained and culturally diverse feeder pool of staff who have practical experience in managing teams and other initiatives and projects.
- ☛ Evaluate the progress of diversity implementation in your organization. Measure how the office is doing by starting with a benchmark survey and diversity demographics, and follow up periodically through opinion surveys and open forums with groups and the entire organization; keep the diversity profile current as a baseline check for reaching your goals and establishing new ones.
- ☛ Develop accountability measures to review, evaluate and monitor organizational performance to meet diversity goals. Examples of actions taken by successful organizations addressing diversity include:
 - Establishing clear criteria for promotions and expanding developmental opportunities to increase under-represented groups in the workforce at all levels;
 - Developing criteria for managing and addressing diversity in performance evaluations. Criteria should include expectations for positive performance in this area; and
 - Creating special incentives and creative forms of recognition to make diversity successful.

V. Working Collaboratively

One of the most challenging aspects of moving to a reinvented EPA is to change the way the organization works--our roles, responsibilities, and behaviors. A reinvented EPA must be driven by employees working collaboratively to fulfill our vision and meet stakeholder needs in accomplishing environmental goals.

Once your vision and values are established through a collaborative, participatory process, and a diligent effort is applied toward continuous communication, a culture can develop over time where employees trust each other to work to reach that vision. Through hard work and persistence, EPA will develop a culture where all employees are respected as being intelligent, committed, and energized, and having integrity and courage of conviction. Trust and responsibility will be extended to all levels of the organization. Managers will increase their role as coaches, enabling employees to expand their skills and thus increase the capacity of the workforce. With trust and expanded skills come increased independence and responsibility, often referred to as empowerment.



WHAT IT IS AND WHY IT IS IMPORTANT--Empowerment, Delegation, and Shared Responsibility

"EPA seeks to promote and achieve empowered employees who have the decision-making authority, accountability, knowledge, and ability to achieve quality results."

Agency-wide Strategic Plan

Empowerment leads to greater employee involvement and self-commitment. It is a way of tapping into the underutilized potential in our workforce by sharing the power, trusting, supporting, and assigning tasks to match employee skills. Empowerment within an organization allows employees to be more responsive to stakeholders; intrinsically links responsibility, authority, and accountability together; and delegates these to appropriate levels for planning, performing, and completing work. Empowerment of EPA employees means giving them the skills and tools

needed to do the job well, the responsibility for the accomplishment of specific work, the authority they need to get the work done, and specific measures of accountability that they are expected to meet. This gives employees greater autonomy and control over their projects. When employees solve the problem and implement the solution, the responsibility stays with them. The group or individual owns the problem, the idea for solving it, and the challenge of making the idea succeed. While trusting may be difficult at first, the degree of trust increases with experience and proper employee training.

Delegating, formally or informally, is a way to empower employees and give them more responsibility. Informally, work may be organized differently to give staff greater autonomy, more control over a project, or greater opportunities to perform additional functions. Formally, delegations of authority--official responsibilities given to the Administrator by Congress or Agency rules, and passed to the Assistant Administrators and Regional Administrators--can be evaluated for opportunities to redelegate to lower levels of the organization. Empowering employees can only happen in an environment where employees:

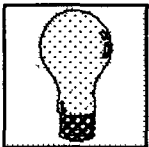
- Are kept informed;
- Have the experience, training, and knowledge necessary to perform the work;
- Communicate with others in the organization and their customers; and
- Receive acknowledgement, credit, and feedback for their efforts and contributions.

In an empowered organization, responsibility lies with managers for setting direction for the organization and its employees, and for coaching, removing needless barriers, making decisions that cannot be delegated lower, and evaluating staff performance. In addition, managers are responsible for providing employees with the necessary resources to do good work. As employees are empowered with more responsibility, managers are freer to think strategically about short and long-term issues which may impact the organization, and to use their experience to coach employees to help accomplish their tasks. Employees must take ownership and accept the responsibility to do good work and must be accountable for task accomplishment and reaching goals within a predetermined framework. They must be supported in their work, not micromanaged or monitored for activities or quotas. To share accountability, employees must be able to understand and tie responsibilities to the big picture; sharing information at all levels of the organization helps to do this. Shared power also results in higher job satisfaction and performance throughout the organization.

Forging a Labor/Management Partnership

The nature of EPA's relationship with its unions has dramatically changed in the past year. The unions are a critical link in working toward a more collaborative culture at EPA. The Agency has implemented a new partnership philosophy, involving the unions in areas not previously conceived as being within the scope of the labor-management relationship. The most notable example is the depth of union involvement in planning and executing the reorganization of the Office of Enforcement and Compliance Assurance, which consolidated the Agency's Headquarter's environmental enforcement efforts and required reassignment of several hundred staff. The unions assisted in the development and gathering of staff evaluations on supervisory effectiveness. These evaluations were one aspect of the information used in making managerial assignments in the new enforcement program.

The Agency and its workers are forming partnership councils at the national and local levels. The unions have formed a Coalition of EPA Unions to develop and present to management issues of especially high concern to EPA workers, and two unions sit on the Agency's Senior Leadership Council's Management Advisory Committee. The unions and management are developing processes for implementing Executive Order 12871 on labor/management partnerships. One of the implementation processes already in place is the Headquarters agreement on including unions in reinvention activities; a copy is provided in Appendix D. For more information, contact your Labor Relations Advisor.



WHERE TO BEGIN -- Creating an Empowered Organization

The basis for creating an empowered organization is a culture of trust. Only when there is a genuine belief that all employees agree on the vision and will work to fulfill the mission as effectively as they know how, will empowerment truly be a part of EPA's culture. Only through taking small steps toward empowerment today, however, will that culture of trust be able to develop for tomorrow.

THINGS TO CONSIDER

- ☛ Engender self-responsibility and initiative through less authoritative direction and formal process controls such as rigid standard procedures, unnecessary reporting, cumbersome policies, and "bean" counting.
- ☛ Change management responsibility from directing and controlling to coaching and facilitating.
- ☛ Foster an environment where employee participation is encouraged, employees are working collaboratively, reward mechanisms hold meaning for employees and are related to quality performance achieved in the context of shared goals and values.
- ☛ Maximize employee involvement in decision-making; share power and information.
- ☛ Reduce internal layers of review for decisions and documents; create accountability, self-responsibility, and trust at the level where the work is done.
- ☛ Delegate authority, informally and formally, to the lowest possible levels to eliminate unnecessary lines of approval; examine formal delegations of authority for opportunities to redelegate to lower levels and for easing or eliminating limitations on those exercising the authority.
- ☛ Demonstrate support for employees as responsibilities are redelegated.
- ☛ Provide the tools necessary to acquire the skills, training, and knowledge to make sound judgments.
- ☛ Invite union representatives early in any process impacting employees.



WHAT IT IS AND WHY IT IS IMPORTANT--Teams

"Organizing by teams . . . creates a sense of belonging, security and cohesion. Peer influence can improve performance. Lateral communication is improved. The quality of, and support for, decisions increases when more people are involved."

**Michael Rigg, "Vision and Value: Key to Initiating Organizational Change,"
Industrial Engineering**

A work team is defined as a small number of people with complementary skills who are committed to a common purpose, set of performance goals, and approach for which they hold themselves mutually accountable. The Agency Streamlining plan lists as one of its goals to make much greater use of cross-program and cross-media teams, such as placed-based and "common sense" approaches to environmental protection. This emphasis on work teams is not unique to EPA--the team approach has become popular in other government organizations and the private sector as an important way to operate collaboratively. Employees must know how to solve problems, make decisions or recommendations as appropriate, and evaluate performance as work progresses; and managers must know how to interact with teams and to coach and guide when needed. Thus a substantial commitment to training is necessary for teams to be successful.

Benefits of teams

- Working in teams creates employee ownership in the product and helps to increase morale, productivity, flexibility, quality, commitment, and customer satisfaction.
- Teams can help develop workers who are empowered, accountable, cross-trained, flexible, and able to deal with entire processes. As teams develop and work closely together, members learn to value the different perspectives a diverse work group provides.
- Communication is improved because people are working directly with one another, and the quality and support for

a decision or product increases when more people are involved.

Risks of teams

- Teams, particularly self-directed work teams, should have a clear mission, vision, goals, and sufficient training. If this does not occur, there is a risk of inefficiencies including more time and effort spent on interpersonal issues, "group-think", conflict resolution, social loafing, and diffusion of responsibilities. In addition, teams without clear focus or sufficient training have a tendency toward inappropriate risk-taking, escalated commitment to incorrect or irrational courses of action, and premature consensus.
- It is important for team members to allow group dynamics, such as conflict, to surface and be dealt with candidly in the natural course of team activities. Circumventing conflict or inappropriate behaviors will lead to inefficiencies, splintering of the group, and a product that is not representative of the team's combined skills.

Role of Managers

Work teams depend on managers to obtain resources and other support, act as a buffer, communicate with the team and the rest of the organization, solve problems which cannot be addressed at the team level, and ensure that the efforts of individual teams fit together to move the Agency forward. In the early stages of team-building, managers have an even more direct role in clarifying the purpose, rationale, and performance challenge for the team, and where needed, facilitating, coordinating, and coaching the team. However, it is important that the team have the flexibility to develop commitment around the purpose, set specific goals, timing, and approach. Using teams reduces the need to supervise many individuals, and instead enables management to supervise multiple teams. The individuals in self-directed teams largely supervise themselves in the sense that they set team product schedules and measures of success.

Type of Work Teams Can Do

In the private sector, work teams are used primarily in routine, repetitive types of operations. Everyone learns how to operate each piece of equipment or part of the process so that team members may substitute for one another. At EPA, we have a

very technical business and a highly educated workforce, and this type of "substitution" is more complex. While each employee may not be able to become an expert in all areas, they can develop a shared appreciation of what goes into each part of the process, thus enhancing both their experience and the product.

Virtually any work that requires more than one person, in terms of either the mix of skills or level of effort, can be done by a team. The only difference is that the team is organizing the work and reporting to management as a team rather than as individuals. Some work, however, requires such close coordination and consistency of vision that it can only be done by a single individual or a very experienced team. Other work may not benefit sufficiently from diverse skills and perspectives to justify the overhead of group activity.

The type of tasks that teams take on should be discrete enough so that the team is able to function, but not so independent that the team becomes disconnected from the Agency goals. The task should be varied enough so that the group can use the diverse skills the members bring, yet interdependent enough so that the team interacts. It may be necessary to broaden or narrow the scope of the team to find a workable degree of independence. While this may seem like a tightrope, in reality many of the tasks EPA performs fit easily into these categories.

Teams and Organizational Structure

Currently, EPA relies heavily on teams to do our work, and working in teams is almost inevitable as we move toward a new reinvented EPA. There are three basic ways to look at teams organizationally--temporary, permanent, and matrix.

- Temporary teams function for a few days, weeks, months, or longer and then are disbanded. This category includes *ad hoc* teams, which are short-term, project-specific teams. Examples of temporary teams include the red border teams or legislative teams that tend to do work on specific issues but are not part of an organization's formal structure. Temporary teams can effectively bring the right resources to bear on a matter and provide excellent opportunities for employee development.
- The organization's formal structure may contain permanent, team-style elements as replacements for Sections or Units. Using a team approach distributes among the team members most of the daily work responsibilities of the former chief. Next-level managers are able to assume the remaining oversight functions because teams largely manage themselves, and managers can oversee a few

teams rather than many individuals. Caution should be exercised, however, to make sure permanent teams are not just renamed structural units but are operating in the true spirit of a collaborative team. Otherwise, the former first-line supervisors, renamed "team leaders," retain all of their responsibilities without benefit of their formal supervisory authority.

- Team concepts can be applied to an organization's formal structure by reorganizing cross-functionally around clients or products. This formalizes the collaboration of previously segmented parts of the organization. Alternately, the cross-functional approach can be implemented through matrix management, where collaboration is achieved by teams of people from multiple organizations operating across the formal structure. Cross-organizational team membership can be an occasional, part-time involvement for employees. In a highly matrixed organization, however, it can be the norm, with the formal organization serving primarily as a home base, and most work being accomplished by teams superimposed on the organization chart. Matrix teams can be either permanent operating units, or convened for temporary, situational efforts.

Team Development

Newly formed teams go through various stages of development as members get to know each other, resolve internal problems, and establish goals and procedures prior to deciding how to accomplish their mission. There are many theories on team development, but in general there are four stages that teams go through, and the team may return to an earlier stage at any time throughout the process. These stages are:

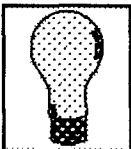
- Orientation -> The team establishes rules, procedures, and a plan of action. Decisions are made such as who is on the team, what the team will do, and what it needs to do.
- Internal problem solving -> Problems are discussed that may block accomplishment. Problems often develop because of something that was not covered in the orientation stage.
- Growth and productivity -> All problems are resolved at this stage and team members are focused on completing the task. Members experience increased closeness, share

ideas and approaches, give feedback, and explore better ways to accomplish the task.

- Evaluation -> The team has completed the task at this stage and evaluates the lessons learned and provides suggestions for improvement for future team projects.

Literature suggests that successful organizations increase team autonomy from low to high on a gradual basis. Employees and managers learn to work more collaboratively in problem-solving teams and develop skills that can be used in their daily activities. Problem-solving teams provide opportunities for developing team skills such as interpersonal communications and team problem-solving. As these skills are developed, the team may move from a problem-solving team closer to a self-managing team.

TEAM DEVELOPMENT		
Low Autonomy <-----> High Autonomy		
<i>Problem-solving Teams</i>	<i>Semi-autonomous Teams</i>	<i>Self-directed Teams</i>
Teams are given a specific problem to address within given constraints. Often these teams reach subject or technical limitations.	Teams plan, problem-solve, and have input to goals and decisions. Require changes in: philosophy, structure, systems, policies, and skills.	Teams run the daily business of the unit, including determining workload and staffing. Require less supervision. Expands on requirements of semi-autonomous teams.

**WHERE TO BEGIN -- Working in Teams****THINGS TO CONSIDER**

- ☛ Determine whether the type of work that needs to be accomplished is appropriate for a team. The task can't be overwhelming, but has to be difficult enough to engage a team and keep the work challenging and interesting.
- ☛ Determine the type of teams your organization is ready to establish. What is the current level of skills, information, and empowerment? To what extent do employees already work in teams within and across the organization?
- ☛ Determine what training programs are necessary. Employees may not be able to jump right into doing work in teams without training in working with a team, communicating, setting goals and benchmarks, and planning their daily activities.
- ☛ Determine who the team members will be. There are several ways to go about this, from having a manager appoint the members to more cooperative methods. The trick is to identify the right skills mix needed for the team and find people who have the interest and availability to share fully in the effort. It may be useful to identify a few key members to scope out the project and identify the additional skills and/or people needed to fill out the team.
- ☛ Involve stakeholders in reinvention teams. This may mean drawing people in from other parts of the Agency, or consulting with people from outside the Agency.
- ☛ Establish reward systems to recognize teamwork that encourages collaboration and discourages competition among team members.

THINGS TO CONSIDER

- ✎ Establish a clear mission, vision, and specific goals for the team. These must be flexible enough for the team to take ownership of the project; they are best done with the managers and team together in early team development and may progress to being done entirely by team members in the later stage, self-directed teams.
- ✎ Create "cross-boundary partnerships" to increase communications among your own divisions and with other organizations (either inside or outside the Agency). In a segmented organization, positive changes in one area may never reach another, whereas in an "integrated organization," positive changes can be shared or "passed along" more easily. EPA's structure and policies make this difficult to do and these "cross-boundary partnerships" will require much work. The Common Sense Initiative is an example of the Agency's efforts to achieve "cross-boundary partnerships" internally and externally.
- ✎ Make an upfront investment in communication planning. One example is the use of electronic forms of information exchange which allow ideas to be accessed by any interested party. Electronic bulletin boards on different subjects can be established so that people working on similar topics in different parts of the Agency can share ideas. Training is necessary to institute a culture of improved communications, electronically or otherwise.
- ✎ Involve union representatives in teams related to reinvention activities. An EPA agreement requires union involvement in reinvention teams established at Headquarters (Appendix D). Contact your Labor Relations Advisor for more information.



WHAT IT IS AND WHY IT IS IMPORTANT--Management Behaviors

"It is easier to use authority to tighten up, shrink, and make an organization more cautious than it is to use power to open up, expand and make an organization more courageous."

Peter Block, The Empowered Manager

Critical to successfully empowering and delegating authority are changes in the way an organization manages its employees. Management essentially uses the capabilities of employees to get work accomplished. Management decisions should be molded through consultation with employees; employees provide information that frames decisions. A sign of a successful manager is a workforce which is operating at peak productivity. Managers who focus on removing barriers to productivity and creativity are using power to its best advantage. This can be accomplished not only through position, policies, and practices, but must also include an attitude--a state of mind--that all employees are working toward the same vision, and can be trusted to act in the best interests of the organization.

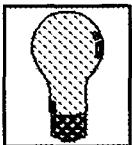
There are many different management styles, ranging from dictatorial to participatory (with many variations on both styles), and many different roles managers play. Managers' roles include functioning as consultants, advocates, educators, information resources, trouble shooters, and decision-makers. Different situations call for different styles and roles, and each choice comes with certain tradeoffs. Tradeoffs involve productivity, the speed with which decisions are made, the extent to which the group contributes, the commitment to a decision, and the potential for staff development. The style of managing also impacts employees' decisions on whether to stay/remain in the organization. In a regulatory agency such as EPA, the work of the agency tends to involve technical and scientific decisions and interpretations. These frequently are best made by the technicians and scientists who work with the issues daily. Managers must be available to ensure employees have the information, resources, and training they need to make decisions. To manage effectively, it is necessary to prioritize tasks with a view toward long-term needs. In a reinvented EPA, two tasks stand out as top priorities: 1) working collaboratively with all employees and other stakeholders to develop and articulate a vision, (discussed in section II); and 2) creating an environment in which staff can figure out what needs to be done and can do it well.

Managers also need to help reconcile employees' personal aspirations with the realities of the workplace. Studies of private sector companies indicate that eighty percent of the workforce believe they are among the organization's top performers. As the corresponding expectations for promotion within the organization cannot possibly be met, managers must learn how to counsel people to clarify values, to specify goals, and in certain instances, to deal with disappointment.

Studies of successful managers have identified several common traits:

- A caring, respectful, and responsible attitude;
- Flexibility about people and organizational lines;
- A participative approach to management;
- A willingness to share power;
- A clear sense of values; and
- A sincere interest in the well-being and development of those around them.

In order to manage with a large span of control, you must have a staff you can trust to perform well on their own. It is easier to push control to, or empower, top performing employees, but to give all employees greater authority is more difficult. If you have a clear vision and trust staff to work toward that, and give employees the tools, training, and authority they need to perform, in the long term the culture of the organization will evolve into one of increasingly high performance.



WHERE TO BEGIN—Changing Management Behaviors

Changing management behavior will not happen overnight, and cannot happen in a vacuum. As individual managers work to transform their management styles, the organization as a whole will be affected and move more toward a reinvented EPA. Similarly, as other reinvention activities are implemented, these will influence the behavior of the managers that they impact.

THINGS TO CONSIDER

- 13 Look objectively at your working and management styles; identify areas which could be improved, skills which may benefit from training courses, and areas in which you excel. (Feedback sessions with employees is one tool you may decide to use as a means of helping you identify your management style and needed changes.)

Questions for 1st and 2nd line managers to ask include:

- ▶ Do I foster an environment where people are allowed to express their creativity and try out new ideas?
- ▶ Do I allow for mistakes and risk-taking?
- ▶ Am I cooperative, or do I compete with staff and other managers?
- ▶ Are employees given the opportunity to develop their skills?
- ▶ By delegating and/or working collaboratively, can I better handle the work and produce products with better results?
- ▶ Do I act as a coach and guide rather than as a directed control authority?
- ▶ Do I perform substantive work or make decisions that could be handled by someone in a more junior position?

Questions for AAs to ask include:

- ▶ How does each segment of the organization and its managers respond to the seven questions above?
- ▶ How can I help the managers in my organization accept and embody change?
- ▶ How much am I depending on Division Directors and Office Directors to perform technical functions rather than managing programs?

THINGS TO CONSIDER**Questions for AAs to ask include (cont.):**

- ▶ Do I model empowered, collaborative management?
- ▶ Do I allow time for managers to develop and practice innovative management strategies with their staff?
- ☛ Utilize the abilities and capacities of the workforce; develop employees to their fullest potential to improve staff performance; train, build competence, and enhance motivation through:
 - Guiding;
 - Delegating;
 - Coaching; and
 - Facilitating.
- ☛ Increase the role of the manager as counselor to increase employee confidence, self-esteem, and job fulfillment.
- ☛ Identify barriers to change.
- ☛ Recognize EPA's cultural expectation that managers be well versed in all the details of their programs. Strive to redirect that expectation as much as possible while continuing to accommodate it as necessary. Be sure to provide managers with the management information needed to assure that policies and production are within desired limits.

VI. Organizational Layers and Organizational Design

A reinvented EPA has fewer layers between the person doing the work and the decision-maker, and senior managers have wider spans of control. This is what is often referred to as a "flat" organization where:

- Getting actions completed requires minimal levels of review;
- Employees have direct access to the decision-maker on their project;
- Managers have more staff to manage, so by necessity they concentrate more on management and less on technical issues;
- Teams may be used to solve complex issues by utilizing the diverse perspectives of individual members to achieve a quality solution; and
- Interconnectedness, opportunities for interaction, and strong working relationships exist throughout.

The importance of formal organizational structure declines in a reinvented EPA. Behavioral patterns are more important than structure in determining effectiveness, and most work is accomplished through myriad informal, interconnecting relationships that cut across formal organizational lines. Thus, while the structure of an organization is still important, flexible, "boundaryless" groups will be most effective in meeting future challenges.



WHAT IT IS AND WHY IT IS IMPORTANT--Organizational Layers

Good intentions and brilliant proposals will be dead-ended, delayed, sabotaged, massaged to death, or reversed beyond recognition or usefulness by the overlaid structures.

Tom Peters, Thriving on Chaos

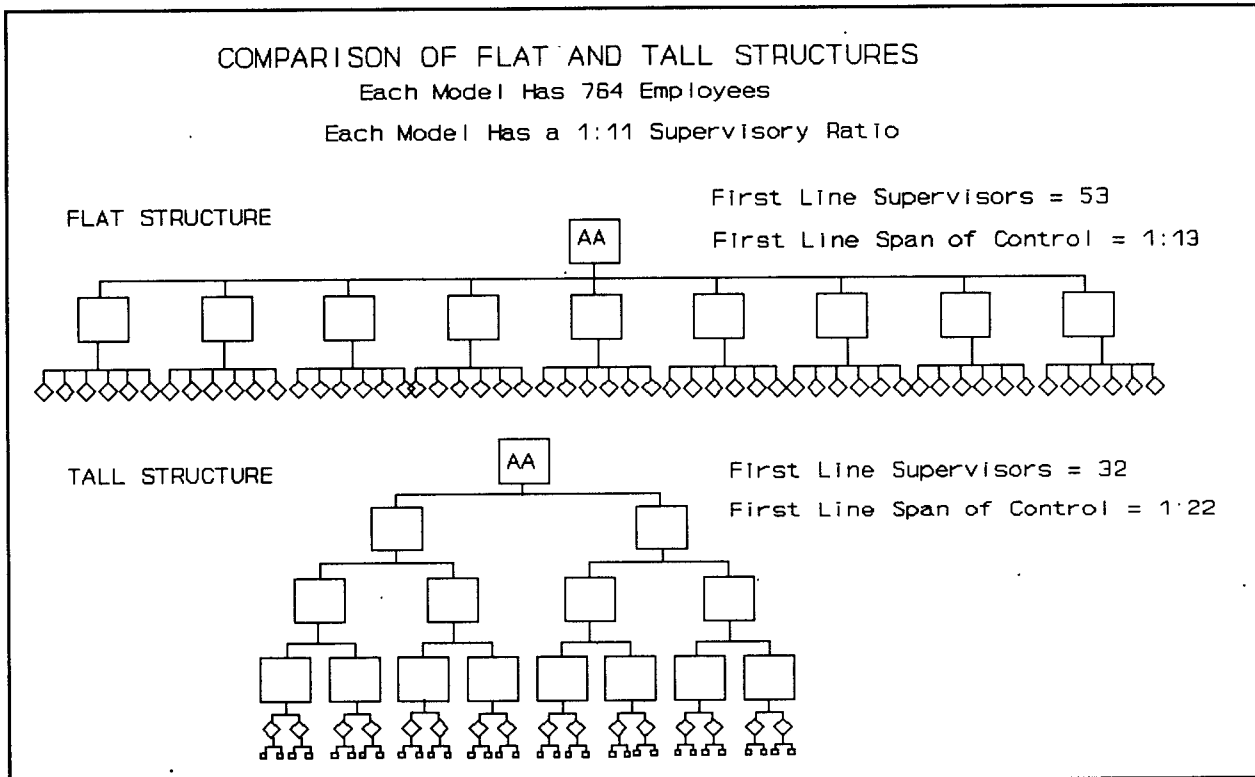
Flexible, flatter structures enable an organization to better adapt to change and respond to new opportunities more effectively than ones which are compartmentalized and rigid. Flatter ways of organizing encourage information flow among offices and programs, thereby providing each area with the information needed to respond to a changing environment.

The 1:11 ratio is EPA's numerical goal in response to the Executive Order mandating Federal agencies to double the number of staff for each supervisor. Focusing on eliminating management positions to obtain the 1:11 goal does not guarantee that layers of bureaucracy will be reduced. Reducing the number of Offices in an Assistant Administratorship, for example, would improve the supervisor to staff ratio, but not reduce the number of hierarchical layers. Two aspects important to the formal structure of an organization are:

Height is a function of the number of levels, or layers, in the organization.

Breadth is a function of the number of organizations at each level of the organization (e.g., the number of Offices under an Assistant Administrator, number of Divisions under an Office, etc.), or the "span of control."

The diagram below illustrates both a "tall" and a "flat" organization with the same 1:11 supervisory ratio. The example on top shows how bureaucratic layers can be eliminated to reach the 1:11 ratio. Although it too meets the mandatory 1:11 ratio, the example on the bottom shows a very hierarchical and potentially bureaucratic organization that places a burden on first-line supervisors and does not reflect Agency goals to reduce layers and create a more flexible, less bureaucratic structure.



The most important factor necessary to make any reinvention tool work is behavioral change. In organizations with wider spans of control, it is impossible for managers to remain technical experts. Instead, managers must spend their time managing up, down, and across the organization. This requires a cultural change for EPA, as we have traditionally promoted staff into managerial ranks based on technical competency, and have expected managers to know the details of everything.

Staff will have to adjust as well. No longer will a manager be as available to assist in the technical aspects of the job. Instead, junior staff will have to look to more experienced employees for assistance and guidance. This will require increased training and more detailed orientation programs. A more entrepreneurial culture must evolve, where staff members generate ideas for new projects or new methods of operating, and have the ability to test out those ideas. Accountability will be distributed as well--with individual employees "owning" their projects and being responsible for their successful conclusion. This does not mean that employees won't be permitted to make mistakes; on the contrary, for an "entrepreneurial spirit" to flourish, a climate which encourages risk is essential. If a project fails, employees will be encouraged to analyze why it failed, and if warranted, improve the process, fix the mistake, and try again. Managers must encourage staff to try out new ideas to achieve their vision and goals, and see that they are given the training and tools necessary to carry them out.

Reducing Layers is not Appropriate for Everyone

While fewer hierarchical layers may help you to achieve organizational goals, reducing layers is not a goal in and of itself--it is a tool, and like all tools, is not appropriate in every situation. For instance, the nature of the task makes a difference; more complex, technical, and volatile jobs may need the support and teaching that a narrower span of control and greater supervisory involvement can provide. Likewise, more routine or process-oriented jobs might work well with even larger spans of control.

Skill also plays a factor in determining the appropriate number of layers for an organization. Experienced employees with strong skills are likely to require less individual guidance than an organization with a high turnover rate where employees are often learning skills on the job. The homogeneity of skills has a role as well. A larger span of control is likely to be more practical in an organization in which all or most employees perform the same type of work, than in an organization where many different professions and skills interact.

Re-engineering Core Processes to Create Successful Organizations

Reducing layers also does not guarantee a successful organization. Other factors are necessary to create the cultural change that is the underpinning of a reinvented EPA. Underlying management deficiencies such as "micro" managers, "technician" managers, or lack of a vision, communication, or priorities will not be solved merely by restructuring. In this era of increasing legislative mandates and not increasing resources, making structural changes to reduce layers without an examination of our core processes and efforts to make them more efficient and effective has the potential to increase each person's workload and result in frustration.

EPA needs to look at how work gets accomplished, and analyze these core processes for re-engineering opportunities. "We will be examining our work processes to eliminate unnecessary layers of review and oversight and will assure each employee plays a vital role in our organization," as Administrator Browner said in a recent all-employee memo. Re-engineering may not mean merely improving an existing process, but involves examining each process to determine if it is necessary, why, and what is the best way to go about it. This is a necessary piece of the entire reinvention effort, as it goes hand in hand with the cultural and structural changes envisioned in the reinvented EPA.

Everyone contributes to the Agency's culture and how its core processes are conducted to achieve mission objectives. However, senior managers have a particular responsibility in this; what they do has a substantial impact on workplace management and satisfaction and the environmental results generated. Every aspect

of senior management performance, every conversation held, and every action taken demonstrates the values senior managers believe are important to the organization and its mission. Re-engineering the way we carry out our core processes, both the administrative support and the environmental work of the Agency, cannot exist without senior managers' commitment and involved leadership in open, inclusive endeavors.

Re-engineering core processes is one of the most natural fits for broad-based employee involvement. It provides an excellent opportunity for creating team experience and expands the skills and technical knowledge of others through thorough examination of processes in collaborative forums. The intuitive counterpart of these efforts is creativity and innovation in designing new and different ways of approaching the Agency's work.

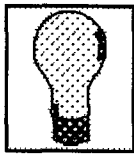
Rather than beginning a dozen or more simultaneous initiatives to analyze and change core processes, it may be more effective to focus on three or four. It is important to keep your vision and values in mind: start with the core processes that you care about most deeply and where you can realize significant results. Re-engineering the Agency's core processes should be viewed as a sustained evolution of change. Increments of change that yield positive results are often more effective than holding out for "getting it right." Re-engineering is about exploring, analyzing, learning, testing, making mistakes, and sustaining efforts to achieve your goals and objectives.

Communicating in a Flat Organization

In a hierarchical organization, information is usually passed from layer to layer, increasing the risk of distortion before it reaches the decision-maker. In a flat organization, the person doing the work meets face-to-face with the final or close-to-final decision-maker, allowing a clearer, faster, more efficient transfer of information.

Reducing management layers can facilitate faster and improved decision-making by improving the quality of information received. With fewer layers of management, decision-makers are closer to the employees and customers, enabling them to respond more effectively and adapt.

In flat organizations, information must flow freely up, down, and across the organization. Interaction with peers increases as they work across the organization in functional linkages. This facilitates a more collaborative culture, increases diversity in affecting outcomes, and enhances the capacity of the workforce to develop additional skills. In addition, this free-flowing exchange tends to increase innovation.



WHERE TO BEGIN--Reducing Layers

THINGS TO CONSIDER

To begin thinking about how or where to reduce unnecessary supervisory layers in your organization, ask the following questions:

- ☛ Is top management out of touch with the people performing the work and the customers?
- ☛ Does your organization adapt slowly to change?
- ☛ Do managers involve themselves too much in daily activities?
- ☛ Do one or more layers of the review process fail to add value to the end product?
- ☛ Are multiple signatures required to accomplish tasks? If so, is there a strong legal, regulatory or policy reason for this?
- ☛ Is your review process slow to respond to the needs of the organization and its stakeholders?
- ☛ Do managers act as "pass through" and not as decision-makers?
- ☛ Are operations disconnected from the Agency mission or service delivery?
- ☛ Do staff lack authority to provide responsive service to stakeholders?
- ☛ Do managers and their deputies and assistants duplicate responsibilities?
- ☛ Do Headquarters, Regional, and/or field offices perform the same functions? Are functions duplicated within or across offices?
- ☛ Do employees or other stakeholders believe service is bottlenecked?

THINGS TO CONSIDER

- ☛ Are political appointees stacked within the hierarchy?
- ☛ Do high-level managers and policy-makers micro-manage operations?

If your organization answered "no" to these questions, you probably already have an appropriate number of management levels, and may want to look at using other tools to achieve your goals. If, however, your organization answered "yes" to many of these questions, that signals a potential opportunity for reducing layers and improving organizational performance.

**WHAT IT IS AND WHY IT IS IMPORTANT--Redesigning Organizational Structures**

"The existing organizational structure of the federal government is rooted earlier in this century, a time when massive, multilayered bureaucracies were seen as the most effective and efficient approach to managing large, complex organizations. . . . We have but to look around us to see that times have changed."

**Report Accompanying the Report of the National Performance Review
Transforming Organizational Structures**

Once an organization has determined why change is needed--through defining its vision and values, establishing organizational and operational baselines, and determining what is missing--reorganization may be an appropriate tool to use to begin implementing this change. This section is intended to provide background and the basic principles of organizational design on: How Reorganizing Can Help, Organizational Factors to Keep in Mind, Designing Organizational Options, and Checklist for Implementing and Evaluating New Structures, and Common Pitfalls.

How Reorganizing Can Help

An organization's structure provides a framework for achieving its vision and goals. Optimum design of your organizational structure should enable your organization to effectively meet your vision in the most effective and responsive way. Restructuring enables you to realign functions (e.g., combine complementary functions/activities, eliminate duplicative and/or unnecessary functions/activities, and/or create new functions/activities, etc.) to:

- Facilitate more efficient operational processes;
- Improve communication paths;
- Become more flexible in a changing environment;
- Become more responsive to customer needs;
- Achieve the most appropriate number of organizational layers; and
- Utilize resources (people and dollars) in the most efficient manner.

However, restructuring is not an end in itself. Without looking at the organization as a total system for reinvention--examining management practices, cultural changes, communication, and operational processes for improvements, --reorganization alone will only provide marginal improvements at best. The arrangement of the boxes is not as important to excellence as the organization's capacity for solving problems through collaboration, sound management and a culture that places high value on people and quality.

Organizational Factors to Keep in Mind

Certain factors will come into play regardless of the type of reorganization you undertake. These factors include the degree to which functions are centralized or decentralized, and your ability to redeploy employees to direct customer service and reach the Agency's 1:11 supervisor:staff goal.

Centralization versus Decentralization

One factor you will have to consider if you decide to reorganize is the degree of centralization/decentralization for each function. Complete centralization is when all decisions are made by one person in the organization. The extreme form of decentralization would be an organization in which each individual shares equally in decision-making. Most organizations are somewhere in between. When weighing the degree of centralization, compare the amount of time and money used sending

information to a central place, against the loss of control and coordination when decisions are made by employees at lower or geographically separate parts of the organization. An example of the balance organizations play between centralization and decentralization is the extent to which EPA's regional offices have authority. Decentralization gives individual decision-making units in the regions the opportunity to meet local needs, however, there are costs associated with coordinating the activities of the regions to ensure national policies are applied consistently. The table below describes benefits of centralized and decentralized functions:

Centralization	Decentralization
<ul style="list-style-type: none"> ▶ Minimizes duplication of functions. Assures uniformity and consistency of decisions and actions throughout the organization. This has important legal ramifications. ▶ Requires the decision-making unit to have the information necessary to make the decision (information must come from lower levels). ▶ Creates economies of scale, or cost savings from full utilization of a central facility, supply, or expertise. 	<ul style="list-style-type: none"> ▶ Increases employee innovation and creativity, encourages autonomy and responsible decision-making. ▶ Increases decision-making close to the source of the issue by people with direct knowledge of the issues involved. ▶ Creates opportunities for a wider span of skills, training, growth, teamwork, and management experience throughout the organization, providing a dispersed base of expertise. ▶ Reduces time that centralized functional units apply to routine operational issues, leaves more time to concentrate on goals and strategic direction while decentralized functional units concentrate on operational activities.

Reaching the 1:11 Supervisor/Employee Ratio, and Reducing Control and Oversight

One recommendation of the National Performance Review (NPR) was to reduce the costs and positions associated with management control structures by half over a five year period. This will decrease government control and oversight, increase customer focus, enhance employee empowerment, encourage the use of teams, simplify control structures, and strengthen the use of information and communications technology. The Office of Management and Budget (OMB) has issued guidance on how to accomplish this, and has established a goal of redeploying 50% of current supervisors, administrative, and "headquarters" personnel to positions directly impacting customer service by 1999. OMB has released functional definitions for these categories, which are contained in this document as Appendix C. The OMB definition of "headquarters" employees is not based on geographic location, but instead includes all employees performing oversight, evaluation control and program management functions, regardless of location.

EPA's preliminary interpretation of the definition of "headquarters" employees excludes the following core, front-line functions:

- Developing and implementing environmental regulations;
- Pursuing inspection and enforcement actions;
- Conducting research; and
- Collecting and disseminating environmental/scientific data.

This is a preliminary list; other functions may be included at a later point.

Part of this effort involves the supervisor to staff ratio. President Clinton issued an Executive Order requiring all federal government agencies to double the number of staff per supervisor. EPA's current ratio is 1 supervisor per 5.5 staff, which means that the Agency must reach a 1:11 ratio of supervisors to staff. Administrator Browner is committed to reaching this goal by 1996. She has tasked each AAship and RAship with attaining the 1:11 ratio, to enable the Agency to meet this goal.

If you find that restructuring is necessary to reach 1:11, the AA/RAship as a whole must decide how to proceed. If it is decided that the AA/RAship will not reorganize as a whole, all organizational entities within each AA/RAship need to coordinate their respective reorganizations to ensure the entire organization reaches the 1:11 goal. Unless the AA/RAship determines how the entire organization can concurrently achieve the ratio and/or each organizational entity is required to individually reach the goal, the lower organizational levels of the AAship may need to have more staff per supervisor. If lower organizational levels must compensate for smaller supervisor/staff ratios in immediate offices, staff offices, or other organizational units in the AA/RAship, their ratio will be pushed higher, in order to achieve the overall 1:11 goal. Keeping this in mind, it would be helpful for lower level organizational units to know the ratio that will likely be achieved by Immediate Offices and Staff Offices at the AA and OD levels, before they reorganize.

The ratio is calculated as:

$$\frac{\text{\# of supervisors}}{\text{Total workforce} - \text{\# of supervisors}}$$

The total workforce only includes EPA employees. AARPs, contractors, and grantees are not included, whereas "Stay-in-Schools" are.

If you know the number of total employees in your organization, you can determine the number of supervisors this workforce can support in a 1:11 organization by the following formula:

$$\frac{\text{Total workforce}}{12} = \text{Number of supervisors}$$

Supervisors are defined as any employee who has management or supervisory responsibilities for three or more employees and officially holds the title of supervisor or manager. This does not apply to project managers, who may be considered a supervisor but are not officially designated as a supervisor or manager and do not have supervisory authorities. Supervisory and management authorities include: hiring or firing; disciplinary actions; and signature authority, such as for leave, timecards, performance appraisals and awards.

Supervisors in all immediate offices, staff offices, divisions, branches, sections and units are to be counted. Individuals who hold titles such as Associate Deputy Assistant Administrators, Special Assistants, and Team Leaders often are defined as non-supervisors, if their responsibilities do not include performance of the authorities outlined above. It should be clear in their position descriptions and conduct of day-to-day activities that these individuals do not perform supervisory functions.

Placement of Functions/Activities

Factors to think about when considering where to place functions include:

- ☛ To the extent that close coordination is critical, activities should be assigned to the same organization;
- ☛ For placement of miscellaneous functions, a good possibility is the organization that most utilizes its services;
- ☛ An activity that acts as a control on another activity must be separate from it;
- ☛ An activity that might otherwise be overlooked can be given emphasis by giving it its own organization (separating important but easily overshadowed ancillary activities from principal operations helps to assure they get done);
- ☛ Motivation can be increased through reducing layers and providing opportunities for recognition;
- ☛ Organizations have points of view that develop from the type of work they do. Inserting an organizational element that is inconsistent is usually unsuccessful, for example, mixing quick turn-around and long-term activities;

- ☛ Organizational units should be clearly enough defined that everyone can easily identify which is responsible for any given activity (otherwise valuable energy is consumed by turf battles and assignment of work, and customers dependent on services or products from the organization become frustrated); and
- ☛ The structure should be free of gaps and overlaps.



WHERE TO BEGIN--Designing Organizational Options

Redesigning is a complicated and time-consuming process. As with every reinvention and change effort, the redesign process should be as inclusive as possible, including customers, all levels of employees, unions, and other stakeholders. It should establish clear communication and feedback mechanisms; input, evaluation, and feedback should be solicited from everyone affected throughout the process. The broader the input, participation, and feedback, the better the opportunity to create a design that results in greater understanding and commitment to the proposed organization.

Identification of Work

By the time your organization has decided to reorganize, you would have already taken a comprehensive look at what your organization does and what it should be doing. However, when you are at the stage of actually designing organizational options, it is helpful to revisit the baselines your organization developed, and list the work that the organization performs and the major processes through which this work is carried out. This information can then be considered in different structural groupings.

Establish Organizational Considerations/Criteria

Each organization needs to determine its own specific considerations, criteria, and needs that they want a restructured organization to meet. Organizational considerations should be kept in mind while developing options, and are useful for qualitatively evaluating these options; they are rarely amenable to quantitative evaluations. Each organization will have different considerations based on its need

for change and the vision of what that change will bring. Examples of typical considerations are:

How will the design--

- ☛ Address problems inherent in the current structure (some problems can be addressed through organizational structures, some cannot);
- ☛ Address the organization's vision, mission, values, and goals;
- ☛ Meet customer needs;
- ☛ Maximize employee empowerment and accountability;
- ☛ Facilitate cooperation, coordination, communication, and teamwork within the organization;
- ☛ Facilitate delegation of authorities to the lowest appropriate levels;
- ☛ Achieve the flattest, most appropriate levels of review and signature;
- ☛ Enable the organization to react in a changing environment;
- ☛ Achieve a 1:11 supervisor to staff ratio; and
- ☛ Achieve a reduction and redeployment in administrative and "headquarters" positions as discussed in the NPR?

Creating Organizational Options

Once you've established organizational baselines and determined the considerations and criteria you want the new organizational structure to address, you are ready to start creating organizational options. It is very important at this stage to look broadly at your organization and its major areas of responsibility: designing structures should proceed from the macro to the micro. The process should begin with determining macro organizing principles such as broad categories of groupings. These principles will be shaped and determined by the organization's functions, goals, and values. Application of these principles should then be repeated as you move to lower levels of the organization.

When creating and comparing the organizational design options, it is critical to get input from the stakeholders. Looking back at the criteria can help you balance the costs and benefits of each option or combination of options.

Your first task will be to look at how best to departmentalize, or group, your work and responsibilities into macro organizational units. Generally, there are four major ways to group work, by: product, function, place, and customer. The table below provides information on these major groupings.

Grouping	Definition	Attributes	EPA Example
Product	Group by output such as a product or service.	<ul style="list-style-type: none"> + Promotes coordination of functions on products/services. + Uses & encourages specialized product/service knowledge. + Focuses attention on product/service. + Enhances employee identification with mission. + Accountability for all facets surrounding product. + Promotes strong customer focus. + Easier to control deadlines because one person sets priorities. - Multiple functions grouped together. - Necessity for duplication of functions across Agency, as similar functions go into different products. 	<p>OSWER's Policy and Standards Division (<i>product-- policies and standards for underground storage tanks</i>)</p> <p>OAR's Emission Standards Division (<i>product-- air emission standards</i>)</p>
Function	Grouping similar work activities.	<ul style="list-style-type: none"> + Maximizes the economies from functional specialization (lawyers, accountants, etc.). + Reduces duplication of personnel and equipment. + Highlights critical skills. + Allows pooling of infrequently used skills (i.e., statisticians). +/- Employees are part of a homogenous group. - Overspecialization can lead to a narrow view point. 	<p>OGC (<i>function-- legal analysis</i>)</p> <p>ORD Labs (<i>function--research</i>)</p> <p>National Data Processing Division (<i>function--data processing</i>)</p>

Grouping	Definition	Attributes	EPA Example
Place	By the location where the work is performed or the area to be served.	<ul style="list-style-type: none"> + Can apply an intimate knowledge of local conditions of a specific nature. + Provides sound basis for decentralization. - Can increase cost by duplicating facilities and overhead. - Leads to inconsistencies. - May produce competitiveness, thus limiting the amount of cooperation among units. 	Gulf of Mexico and Great Lakes Program Offices, OARM in Cincinnati and RTP
Customer	By customer or other stakeholder or by the characteristics of stakeholders.	<ul style="list-style-type: none"> + Build around stakeholder; necessitates deep knowledge of stakeholder. + Can provide for coordination of all activities affecting stakeholder. + Assures attention to stakeholder problems. + Strong stakeholder focus - enables quick reaction to changing stakeholder needs. - Can increase cost by duplicating activities and overhead. - Can create pressure groups on behalf of categories of stakeholders. 	OHRM's servicing teams, OSWER's Federal Facilities Remediation and Reuse Office, Office of Small and Disadvantaged Business Utilization

The current trend is to move away from function-based organizations. Product, customer, and place organizations focus more on the needs of stakeholders, and have the potential for more collaborative, innovative, and flexible operation. It is not always easy to distinguish product and function structures. Product structures have all the skills needed to produce an output in one organization. There is often duplication in organizations structured this way. Functional structures are organized by type of work, and may contribute pieces to many different outputs. Often function organizations look at other parts of the organization as "clients."

Most organizations, including EPA, combine several of these major groupings from layer to layer and within layers. For example, regional offices are organized first by place (region), then by product (air, water, etc.) and function (Environmental Services Division, ESD). No grouping(s) create the "perfect" structure: the final design should be based on the best configuration to achieve the organization's vision, with a balance of the advantages, disadvantages and other determinants, such as available resources.

Choosing Among Organizational Design Options

Once you have determined where you are, your vision of where you want to be, and what the organizational options are for getting there, you are faced with choosing an option. There are no easy formulas for making this decision, but there are a few guidelines which may be helpful.

- ☛ Involve employees, customers, unions and other stakeholders in this decision. All affected parties should have a chance to review the options and discuss the impacts they believe would result from each option. Only through this input can each option be fully understood. This information will improve the quality of the ultimate decision.
- ☛ Look at the criteria you developed earlier in the process. Check to see that the options meet the criteria your organization established.
- ☛ Look at the vision your organization developed, and determine whether each option would move you toward that vision.
- ☛ Evaluate the options for the amount of disruption they will cause and for how long this disruption can be expected to last. Any change causes disruption and associated costs, such as decreased productivity. It often takes twelve to eighteen months to make a complete transition. It is important to find ways to maximize employee morale and productivity during this time. This does not mean that the least disruptive option is always the most desirable; it is just one factor among many to consider and weigh.
- ☛ Look at the supervisor to staff ratio and the number of layers of supervision required by each option.
- ☛ Look at what the management system and accountability chain would look like under each option.
- ☛ Think about how delegated authority could be effectively managed/tracked under each option.
- ☛ Look at the flow of communication on decisions, products, and services as well as on the work environment.

- ☛ Ask what economies of scale would be realized in organizing each way.
- ☛ Examine whether functions are duplicated within or outside the organization.
- ☛ Look at the skill mix needed to accomplish the mission of each substructure in the options, and ask how this differs from the existing skill mix.
- ☛ Examine each option for developmental opportunities for employees.

Remember: it is not possible to design an organizational structure that optimizes everything! There are always tradeoffs. The objective is to organize around the most important or frequent considerations and plan to mitigate the negatives.

Checklist for Implementing and Evaluating New Structures, and Common Pitfalls

Implementation

Once an organizational design has been chosen, there are several things to think about and plan for, including:

- Assignment of employees to jobs within the new structure;*
- Disruption;
- Employee feelings of instability and insecurity; resistance;
- Training and developmental needs;
- Reorganization paperwork (e.g., functional statements, organization charts, staffing patterns, position descriptions and performance agreements);
- Budget allocation and financial system changes (PEs, allowance holders, etc.);
- Telecommunications, computer and LAN needs and changes;
- Space and equipment needs and transfers;

- Directive changes (e.g., delegation of authorities, guidance, policies); and
- Approval process and union review.
 - * AA/RAs should use reorganizations as opportunities to enhance workforce diversity in management, especially in any new management positions created by the reorganization.

Evaluation

Once the new organizational design is firmly established and operating, you will want to evaluate it to determine whether it has met your needs, or whether additional changes are necessary, either due to evolving organizational needs or to fine-tuning your structure to meet previously identified needs. As always, be sure to involve employees, customers, unions, and other stakeholders. Ask questions such as:

- ▶ How well is the organization progressing toward the vision?
- ▶ Are the stated values of the organization being incorporated into the day- to-day work and decision-making?
- ▶ What are the customer and stakeholder responses to the effectiveness of the new organization?
- ▶ Has the organization empowered the employees and built-in accountability to the desired level?
- ▶ What is the level of employee satisfaction and productivity?
- ▶ Does this structure enable the organization to respond effectively to changes in the organization?
- ▶ During this process of change, are there historical patterns of resistance or dysfunction, and has the resistance been reduced?
- ▶ Has the 1:11 supervisory ratio been achieved, and if so, how is it working?

Common Pitfalls

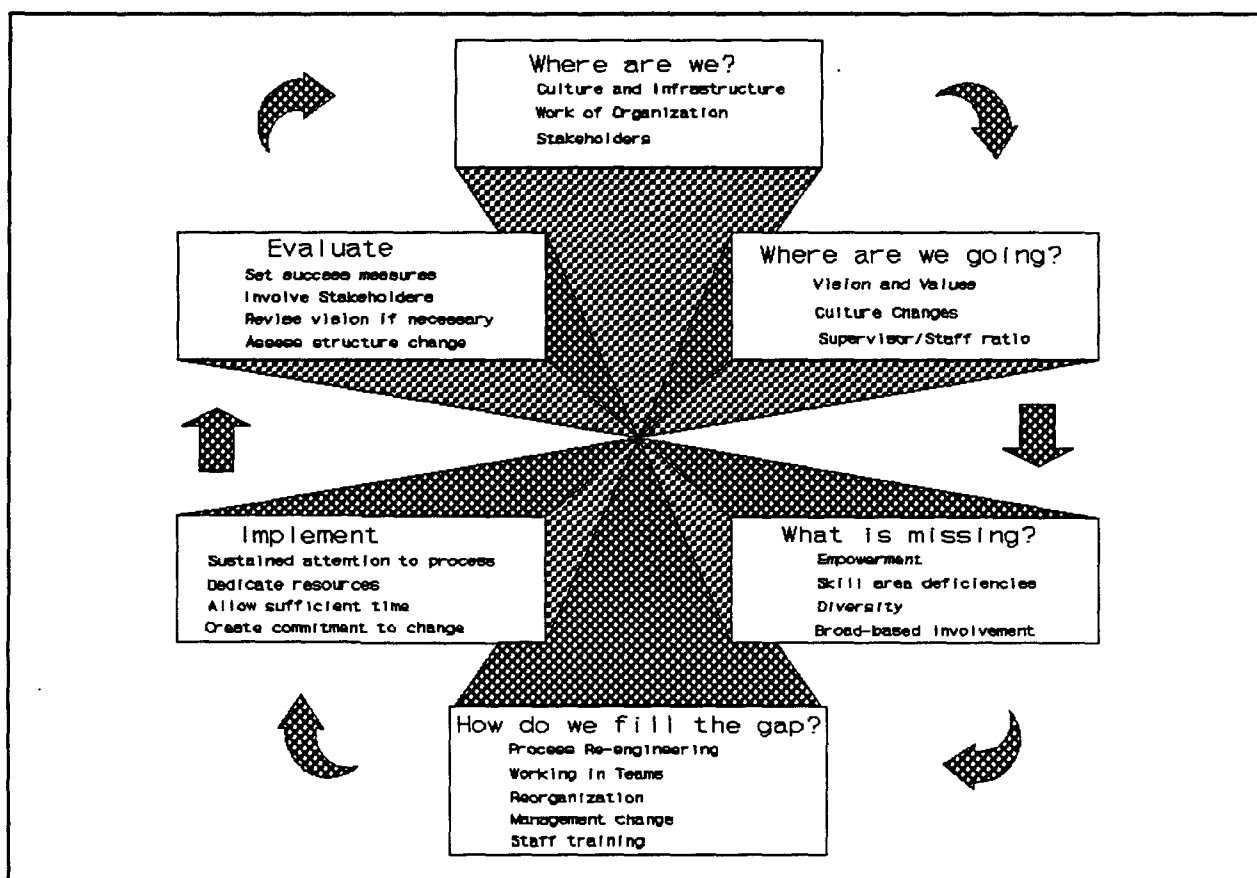
Restructuring an organization is a complex and lengthy undertaking with much at stake. Following is a list of common mistakes made during reorganizations which make the process more difficult and the result less effective:

- Too little or inadequate communication at all levels;

- Lack of timely involvement with union representatives;
- Organizing around "personalities," and losing sight of the function and mission objectives;
- Forcing too much into too short a timeframe;
- Not clarifying roles of those involved in the process and how decisions will be made;
- Creating a perception of pre-selection; and
- Not enough attention to employee issues such as: when will the change take place, what will my job be, where will I sit, who is my boss, will I keep my grade, and will I have career opportunities in the new organization.

VII. Implementing Change

The five major topics covered in this guidance (vision and values, a customer-focused organization, diversity, a collaborative working environment, and the appropriate number of organizational layers) are important characteristics of the reinvented EPA. However, knowing and understanding these is just the beginning--the biggest challenge is translating these ideas into organizational and cultural change. To facilitate cultural change, whatever process your organization decides upon should include mechanisms for employee, customer, and other stakeholder input and feedback. As Administrator Browner stated, "each organization [will] have an open, participatory process for developing and implementing reinvention plans." There is no one correct way to implement any reform, but the process described here is a logical way to begin thinking about it.



1) First You Need to Know Where You Are

Look at the organization and determine whether there is a clear vision and values and if they are widely held, understood, and usable. Determine to what extent the organization is focused on customers, and how well diversity is utilized and valued. Look honestly at the extent to which employees are involved in making decisions and at how collaborative work processes are. Evaluate the organization's functions and positions, and determine which fall into the category of Headquarters administrative or supervisory (see definition, Appendix C). The questions contained throughout this guidance are a good place to start in determining these baselines.

Determining organizational baselines requires that you look at your work as well as your culture. To do this, define existing work, analyze current mandates, and examine existing working and customer relationships internally and externally. Study the workforce characteristics, current skill mix, and count the available resources such as FTEs, money, and equipment. Identify the functions, programs, or activities that should be de-emphasized or eliminated.

Throughout the process, it is important to provide communication and feedback to interested and involved employees, customers, and other stakeholders. Communication should take place on a regular and timely basis, utilizing mechanisms such as all-hands meetings, EMAIL, memos, and staff-to-staff exchanges to update, inform, and obtain feedback from all stakeholders.

2) Next, Determine Where You Want to Be

This involves creating a vision for the organization. This vision should paint a picture of the organizational culture of a reinvented EPA at your organizational level, and should include important cultural considerations such as customer focus, employee involvement, collaborative working relationships, and valuing diversity. To have value, the vision should be a collaborative effort. Section II on Vision and Values provides information on how to think about developing a vision.

In performing all steps, but particularly this one, you should be as inclusive as possible. Involve all stakeholders, including customers and a representation of all affected employees (or if feasible, include all employees). These efforts will result in a better outcome, more commitment to the outcome, and a more challenged, motivated, and efficient workforce.

3) Determine What is Missing

Compare where you are with where you want to be. In what areas are there disconnects? What skill areas are lacking in order to enable your organization to reach its vision? By identifying what gaps exist you can see where the organization has an

opportunity to improve. By determining what areas you need to focus on and how far away from your goal you currently are, you will be able to develop solutions.

4) Determine How to Fill the Gap

View this effort as an opportunity to develop a totally new and better organization, not just a reconfiguration or combination of existing activities. Look at new ways to perform all aspects of your work, including functions, employee skills, and communication. Different solutions will be appropriate depending on what is needed. This guidance discusses some potential solutions. For instance, if the gap lies in valuing diversity, Chapter IV discusses ideas for improving this aspect of the organization. If the gap involves employee behaviors, the section on working collaboratively offers ideas on how to foster this type of culture. In some instances, the gap will suggest a structural solution. Some of the reasons the organization may benefit from a reorganization are discussed in Chapter VI.

5) Implement the Solution

Once you have determined the best way to move from your current to your desired state, you must implement the solution(s). Again, depending upon the opportunity you are concentrating on, the appropriate section of this guidance should provide you with a place to begin. Be sure to recognize the importance and complexity of implementing solutions, and dedicate the necessary resources and attention to this step. Also, most implementation takes time and will require sustained attention and commitment to achieve desired changes.

6) Evaluate the Organization's Progress

Once the desired change has had some time to become operational, you should evaluate the impact it has on the organization. Compare it against your baseline and vision, and include extensive contact with employees, customers and other stakeholders of your organization's services and products to determine if needs are being met in the most effective way. This step involves going back to the beginning of the process; looking at where you are now and where you want to be, and revising your vision if necessary.

Some measures of progress which may be used to help evaluate the change are:

- Speedier and better services to be more responsive to Agency customers;

- More positive commentary from Congress and the media about EPA's management practices, and indications of greater trust in the Agency's management of its programs and resources;
- Increased interactions among EPA staff, unions and stakeholders and greater reliance on their feedback in Agency planning and decision-making activities; and
- Increased representation of culturally diverse employees in the Agency, especially in management positions.

The reinvented EPA will be a fluid, evolving organization. It is not a question of reaching a numerical goal, such as a 1:11 supervisor to staff ratio, but rather a matter of creating a new culture. This will require the ability to constantly adapt to changes and evaluate where the organization stands. To be successful, the Agency must create a culture in which people are comfortable with change.

The Human Side of Change

One of the most difficult parts of any reinvention activity is in managing the human aspects of change. As your organization begins its reinvention activities, employee stress levels will increase as a reaction to change and uncertainty. It is important for managers to develop skills in helping their employees to deal with change. The natural reaction to change must be acknowledged, understood, and addressed if the reinvention activities are to be successful.

Common Reactions to Change

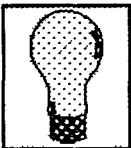
Each employee will react differently to change. However, some generalizations can be made. When people find themselves in a changing environment, they often experience a range of different emotions, both positive and negative. Positive emotions include excitement, anticipation, energy, and acceptance. Negative emotions include anger, nervousness, apathy, and resignation. To prevent these negative emotions from harming the organizations and to address anxieties about change, it is important to understand the sources of these anxieties, and the stages through which anxieties are experienced. Below are seven common reactions to change:

- Employees feel uncomfortable/anxious about change;

- Employees first think about what they may have to lose or give up in times of change;
- Employees generally feel alone when going through change;
- Employees can generally only handle a limited amount of change at one time;
- Employees are at different levels of readiness for a given change, as a result, they need different levels of assistance;
- Employees are concerned that they don't have enough resources to help them deal with the change; and
- Employees commonly revert back to the old way of doing business.

The seven common reactions to change discussed above appear in four phases:

1. **Denial**, characterized by withdrawal and focus on past rather than future;
2. **Resistance**, characterized by anger, blame, anxiety, depression, and apathy;
3. **Exploration**, characterized by concern for detail and confusion; and
4. **Consent/Commitment**, characterized by cooperation, focus, and anticipation.



WHERE TO BEGIN--Bringing About Productive Change

To bring about productive change, all employees must feel connected and involved. The reasons behind the change must be effectively communicated to all employees. It is important to establish good lines of communication and solicit input from all levels of employees. A rapport and trust should be established at the very beginning of the process. Below are ideas that can help you address different phases of change.

THINGS TO CONSIDER**Managing the denial and resistance phases:**

- ☛ Recognize that change makes everybody feel stressed and awkward, and allow people to share their feelings together;
- ☛ Address specific fears or anxieties in small groups;
- ☛ Involve all employees in discussing the need for change;
- ☛ Talk about the expected gains, as well as expected changes in a reinvented organization; and
- ☛ Allow adequate time for employees to grieve over the changes.

Managing the exploration phase:

- ☛ Communicate with all employees and keep them updated on the latest happenings in the organization;
- ☛ Involve the employees in the process of reinvention from the beginning;
- ☛ Offer assistance/counseling to employees at different levels of readiness;
- ☛ Identify the resources needed and available for the reinvention effort, such as training courses or consultant help; and
- ☛ Encourage employees to be entrepreneurial in finding resources and ideas.

Managing the consent/commitment phase:

- ☛ Fully embrace reinvention ideas;
- ☛ Institutionalize reinvention ideas as soon as possible; and
- ☛ Provide continued training to help employees convert to the new way of doing business.

Moving Forward

To maintain, strengthen, and move ahead with the change process requires the involvement and support of all EPA employees. In particular, the dedicated, continuing commitment of managers to support change is necessary. Without continued attention to EPA's ultimate vision, we will lose momentum, making success that much harder to attain. We must take the time now to do this right, so that we are not in a position of doing it over. Change is an evolving process, and without sustained attention to where we are going, what process we are using to get there, and what skills we must develop along the way, we are in danger of getting onto the wrong track, or of getting derailed entirely. However, the destination will be worth the trip, if we maintain our focus on EPA's shared vision.

This document has discussed several major areas of consideration for reinventing the Agency. While the change process will be difficult and will take a long time to implement, it will move EPA into an exciting new culture and way of achieving its mission. Our culture will become one in which all employees are valued, and fully participate in the work of the Agency. We will have clear values and a vision which are shared by all employees, and we will better serve our stakeholders and be able to respond to their needs. At no time in its history has EPA been more prepared and responsive to making a change of this magnitude, and it is up to all employees to make the most of this unique opportunity to make EPA an even better organization.

APPENDICES

REINVENTING EPA - STEPS TOWARD A STRONGER WORKFORCE

**Appendix A: Reinvention Implementation Plans
FINAL 11/21/94 Revision**

This revision of EPA's reinvention guidance Appendix A reflects outcomes agreed upon by the Administrator and Senior Leadership Council at the Council's 11/21/94 meeting. It supersedes any previously distributed versions of Appendix A.

Appendix A is designed to provide a format for Assistant, Associate, and Regional Administrator (AA/RA) Reinvention Implementation Plans, and to describe the areas that are to be addressed in these Plans. This revision of Appendix A also includes information developed and agreed to by the Senior Leadership Council for developing and submitting Reinvention Implementation Plans and reorganization proposals:

- ***Attributes:*** for AAs/RAs to use in determining how best to structure their organizations; and
- ***Development, Review, and Approval Process:*** for Reinvention Implementation Plans and AA/RA reorganization proposals.

Reinvention Implementation Plans

All Assistant, Associate, and Regional Administrators must submit Reinvention Implementation Plans to the Administrator by March 31, 1995. If you plan to reorganize, and need additional time to develop a proposal, you may submit your Plan without a fully detailed "Organizational Design" section; however, you must at least indicate your intent to reorganize and briefly describe how you plan to reach the Agency's reinvention goals (reduced organizational layers, 11:1 employee/supervisor ratio, etc.) In this event, you may submit your detailed "Organizational Design" section after March 31, along with a reorganization proposal, but no later than June 30, 1995.

Format and Content

The content of the plans follows the reinvention components set forth in this guidance document. In addition, EPA's senior leadership has identified six organizational attributes for Assistant/Associate/Regional Administrators to use in determining how best to structure their organizations: *Accountability; Communication and Coordination; Customer Focus; Integrity, Efficiency and Effectiveness; Measurement and Evaluation; and Reinvention and Streamlining*. These attributes are described on pages A-6 through A-12 of this revised Appendix A. Development of each plan should be an inclusive process, involving unions, employees, customers, and other internal and external stakeholders. Although additional information may be submitted in any area, at a minimum, the plans must address the issues in each of the following 5 sections. As you prepare your plans, please use the same section numbers and headings as those listed in the following format:

-
- I. **INTRODUCTION.** An overall description of your organization's approach to reinvention at the AA/RA level and the sub-office levels. Identify your organization's understanding of the need for change, the goals that you are seeking to achieve in organizational and workforce transformation, the results that you think will accrue from the change, and the challenges that you face. Describe the approach you are using to have an open and inclusive process that includes customers, unions, employees, and other stakeholders in reinventing your organization.
 - II. **REINVENTION GOALS.** For each reinvention goal below, provide:
 - A description of the state your organization was in regarding this goal before reinvention activities began. This is the baseline against which your success in meeting the goal will be measured, and should include actual data wherever applicable.
 - A description of what you have accomplished toward meeting the goal thus far.
 - A description of the specific steps and activities you plan to take to meet the goal, if you have not already met the goal. Describe any barriers you anticipate in reaching the goal, and how you plan to overcome those.
 - A description of the process(es) you have used thus far to meet the goal, and what process(es) you plan to use to complete the remaining steps and actions.
 - The specific deadlines and milestones that your organization has set for accomplishing the steps and actions that you plan to take.

- A. SHARED VISION AND VALUES: A shared picture of your organization's desired future (vision), and the operating principles that are important for working within the organization (organizational values and behaviors).
- B. CUSTOMER FOCUS: Conducting your business so that everything you do supports the ability of front-line workers, inside and outside EPA, to deliver improved environmental results to stakeholders. [Customer focus applies in all reinvention activities, including determining the organizational vision and values, working collaboratively, teamwork, organizational design, process re-engineering.]
- C. DIVERSITY: Having, utilizing, and valuing diversity throughout your organization at all levels and in all program activities.
- D. WORKING COLLABORATIVELY:
1. Empowerment--Providing your employees with the knowledge, skills, authority, accountability, and capacity to achieve quality results.
 2. Teams--Working collaboratively within your organization and across organizations, using groups of people with complementary skills who hold themselves mutually accountable for their performance.
 3. Management Behavior--Redefining the roles and skills of your managers so they are coaches and facilitators who remove barriers to employee productivity and creativity.
- E. ORGANIZATIONAL DESIGN: [If you plan to reorganize, and need additional time to develop a proposal, you may submit your Plan without addressing this section in detail; however, you must at least indicate your intent to reorganize and briefly show how you plan to reach EPA's reinvention goals listed below. In this event, you may submit your detailed "Organizational Design" section after March 31 if more time is needed, along with a formal reorganization proposal, but no later than June 30, 1995.]
1. Reduced Organizational Layers--Minimizing the number of management layers between the people doing the work and the decision-makers.
 2. 1:11 Supervisor-to-Employee Ratio--Having an average supervisor to employee ratio of 1:11 in each AA/RAship by 9/30/96.
 3. "Headquarters"/Administrative Staff Redeployment--Wherever appropriate, redeploying current supervisors and OMB-designated administrative and "Headquarters" personnel (see Appendix C) to positions directly impacting customer service by 1999.
 4. Flexibility--An organizational structure that readily accommodates the need for changes in the mission, number, and composition of teams.
 5. Attributes--EPA senior leadership is giving special emphasis to the following characteristics, which apply to the way the Agency conducts its business and structures its organizations: *Accountability; Communication and Coordination; Customer Focus; Integrity, Efficiency and Effectiveness; Measurement and Evaluation; and Reinvention and Streamlining*. Those not addressed adequately elsewhere in this Plan should be addressed in this section with analytic rigor. A description of the attributes can be found on pages A-6 through A-12 of this Appendix.
- III. EVALUATION. Describe how you will gauge the success of your organizational reinvention, and how you will evaluate the measures of success.

- IV. **COMPOSITE MILESTONE CHART.** Show how all milestones and deadlines fit together into an overall reinvention plan, including critical junctures for assessing your organization's progress.
- V. **CONCLUSION.** Describe any issues your organization foresees in implementing change, including resource concerns or areas which OARM or the Management Committee/Senior Leadership Council should address, and any areas of impact or need from other AAs/RAs which affect your success.
-

Development, Review, and Approval Process

DEVELOPING THE REINVENTION PLAN (AND AA/RA REORGANIZATION PROPOSALS)

Step 1 - *Plan for Up-front Communication:* In developing your reinvention implementation plan and reorganization proposals, you should ensure that your process allows for sufficient up-front communication, consultation, and coordination with your internal and external customers, stakeholders, and all staff. This will enable the review and approval process for your plan -- and if applicable, your reorganization proposal -- to proceed smoothly. In developing this communication/coordination strategy, you should consider:

- Obtaining designated contacts in each AA/RA/Associate-level Offices to work with your office on reinvention plans and reorganization proposals;
- Designating a contact in your AA/RA/Associate-level Office to work with other Headquarters and Regional Offices on reinvention plans and/or reorganization proposals.

Also, it is important at this early stage to contact the Management and Organization Division (M&O) on 202-260-5000 for consulting and analytical assistance in formulating your plans.

Step 2 - *Assess Your Organization:* Using Reinventing EPA, the Agency's reinvention guidance, determine how well your organization is able to meet the Agency's reinvention goals. You should identify any problems and barriers to reinventing your organization, and develop recommendations for addressing them. This may, or may not, lead to a reorganization. If you decide to reorganize your Office:

- Solicit involvement and input, as appropriate, from employees, unions, and external customers and stakeholders, such as the States, Tribes, environmental groups, industry, the Office of Management and Budget, General Accounting Office, and Congressional committees and staffs.
- Consult early on with other affected Headquarters and Regional Offices, M&O, Human Resource advisors, the Administrator's Office, Congressional Liaison, Public Affairs, and the Office of Regional Operations and State and Local Relations.

Step 3 - *Develop Your Reinvention Implementation Plan:* Using the format provided on pages A-1 through A-3 of this revised Appendix A, you should prepare a reinvention implementation plan covering your entire AA/RA/Associate Administrator-level Office. (If

you have questions on this format, or the required contents of your Plan, please contact M&O on 202-260-5000.)

Step 3A - *Develop Your Reorganization Proposal:* After assessing your AA/RA/Associate Administrator-level Office and its ability to meet the reinvention goals outlined in this Appendix, you are likely to make one of the following determinations:

- ***No Reorganization:*** Your current organization can meet the goals structured as it is now; you will submit your Reinvention Implementation Plan without a reorganization proposal.
- ***Prior Reorganization:*** Your office must reorganize; you will submit a reorganization proposal before completing your Plan.
- ***Concurrent Reorganization:*** Your office must reorganize; you will submit a reorganization proposal along with your Plan.
- ***Subsequent Reorganization:*** Your office must reorganize but needs additional time to develop a proposal; you will submit a reorganization proposal after turning in your Plan. [NOTE: You may submit your Plan without a detailed "Organizational Design" section by March 31, 1995; however, you must submit this section, along with your formal reorganization proposal, no later than June 30, 1995].

All of these determinations are acceptable as long as your Office has conducted sufficient analysis to support and explain your decision.

A reorganization includes organizational reconfigurations, additions and deletions, and name changes, as well as addition or deletion of functions. An AA/RA/Associate-level reorganization is one that occurs at a level (HQ office or Regional division) immediately below the AA/RA/Associate Administrator. To meet reinvention goals and attributes criteria, you also need to address location of critical, small-sized program functions below the AA/RA/Associate level, such as the transfer of a function from one branch or division to another, or across the organization.

You may submit lower-level reconfigurations or restructuring as one overall AA/RA/Associate reorganization, or you may submit lower-level reorganizations separately. Reorganizations at all levels must meet reinvention goals, attribute criteria, and internal/external customer involvement.

If you decide that your AA/RA/Associate-level Office *needs to reorganize* to meet the Agency's reinvention goals, you must prepare a reorganization proposal, in addition to your Reinvention Implementation Plan. To develop a reorganization proposal, refer to:

- **Reinventing EPA:** this information -- though not prescriptive -- can help you to avoid the common pitfalls in implementing change;
- **EPA's Organization and Functions Manual:** this provides EPA guidelines, procedures, and forms for preparing and submitting reorganization proposals

[NOTE: M&O plans to review the Agency's reorganization procedures to identify needed improvements and streamlining opportunities];

- EPA's Delegations Manual: you will need to identify any changes to delegated authority and arrange to revise appropriate delegations;
- organizational attributes criteria; and
- the options for enforcement reorganizations in Regional offices developed by the Regional Enforcement Reorganization Task Force.

Again, you should remember to involve employees, unions, and external customers and stakeholders, including other affected Headquarters and Regional Offices, M&O, Human Resource advisors, the Administrator's Office, and the Office of Regional Operations and State and Local Relations. M&O will work with you as a consultant and advisor throughout the reorganization process. You are strongly encouraged to discuss and/or circulate drafts of your Reinvention Implementation Plan and any reorganization proposals with affected EPA offices.

REVIEW AND APPROVAL FOR REORGANIZATION PROPOSALS

Step 4A - Review of Your AA/RA/Associate level Reorganization Proposal: Reorganizations at the AA/RA/Associate Administrator-level usually involve significant and potentially controversial changes. The Agency's senior leadership is open to innovative and wide-ranging changes, and wants to ensure that appropriate review and discussion of the proposals occur. As a result, they have decided that AA/RA/Associate Administrator-level reorganization proposals must undergo Agency-wide review for 10 work days.

Once your final reorganization proposal package is complete, M&O will distribute it to Headquarters and Regional Offices for a 10-work day "exceptions only comments" review period. Agency Offices are encouraged strongly to work together to resolve comments. M&O will forward all comments on the proposal and will assist Agency Offices as needed in discussing and resolving any issues. **The adequacy of your advance work with customers and stakeholders -- including other Headquarters and Regional Offices -- will affect the number and complexity of comments you receive during the review process. To the extent possible, you should resolve any issues and conflicts prior to submitting your final package for review and approval.**

You are not required to submit reorganizations below the AA/RA/Associate Administrator level (see reorganization description on page A-4) for Agency-wide comment. Headquarters division-level reorganizations are submitted to M&O and approved through EPA's streamlined review and clearance process. Reorganizations below the division-level - affecting existing division branch and section functions/structure -- may be approved by the AA/RA without Agency-wide review. However, if you plan to reorganize your AA/RA/Associate Administrator-level Office and the planned reorganization takes place across most of your lower-level organizations, it is beneficial for the Agency to see the proposal in an overall framework rather than unit by unit. This practice builds trust in the process to achieve reinvention goals and helps the Agency see its work as a interrelated, connected mission and organization.

Step 5A - Approval of Your Reorganization Proposals: No later than 15 work days from receipt of the final reorganization package, M&O will submit a decision memorandum to the Administrator/Deputy Administrator for signature. To meet this tight 15-work day turnaround on AA/RA/Associate-level reorganizations, reviewers must review and comment on proposals within the requested 10-work day period and not ask for review period extensions.

After your reorganization proposal is approved, M&O will forward the package to your Human Resource advisor who will transmit the package to the appropriate Union(s) for review. The Unions usually are allowed a comment period of 10 work days, although this may vary by location. The Human Resource advisor will notify M&O and you of any union comments and when the review is complete. A reorganization may not be implemented until all steps through 5A, including union review, have been completed.

REVIEW AND APPROVAL OF REINVENTION IMPLEMENTATION PLANS

Step 4B - Review of Your Reinvention Implementation Plan: You need to submit your reinvention plan to the Administrator, and a copy to M&O, no later than March 31, 1995. The review of Reinvention Implementation Plans will be accomplished in a collegial forum. A Review Panel made up of representative stakeholders will be designated to provide analysis and comments on the plans to the Administrator/Deputy Administrator and feedback to the submitting office. It is anticipated that the Review Panel will be in place in early January so that plans coming in before the due date of March 31, 1995 will be reviewed and offices can implement their plans as soon as possible.

Step 5B - Approval of Reinvention Implementation Plans: The Administrator and/or Deputy Administrator will provide feedback to AAs and RAs on the adequacy of their plans, and implementation of the concepts and actions. The Administrator, Deputy Administrator, and Review Panel will take into account other actions related to reinvention in reviewing these plans, such as previously approved reorganizations. They realize many reinvention activities already are underway, and it is important for you to continue those efforts. They see the reinvention implementation plans as further solidifying and integrating Office and Agency-wide activities.

Organizational Attributes

WHAT IS AN "ATTRIBUTE?" In context of the "reinvention" process, an attribute is a quality or characteristic evident in a Headquarters or Regional Office. Each Office's reinvention plan -- or reorganization proposal if the structure will change -- must adequately describe how the existing or proposed structure satisfies the attributes in order for Agency management to approve the plan for implementation.

BACKGROUND

To strengthen the ability of their organizations to reinvent and streamline their organizations, address program shifts caused by the Regional Enforcement Task Force, and achieve the goals and principles outlined in the Agency's Strategic Plan and their draft

Reinvention Plans, EPA's Regional Administrators requested the Senior Leadership Council (SLC) to identify the guidelines and parameters for reorganizing the Regional Offices. As a result, the Administrator charged a subset of the SLC with developing a set of attributes for the Regions to use in determining how best to structure their organizations. This "Regional Attributes Workgroup" determined that **all Headquarters and Regional Offices** must be structured to meet not only the organizational guidelines and factors laid out in Chapter VI of the Agency's reinvention guidance, Reinventing EPA, but the following attributes as well:

ACCOUNTABILITY
COMMUNICATION AND COORDINATION
CUSTOMER FOCUS
INTEGRITY, EFFICIENCY, AND EFFECTIVENESS
MEASUREMENT AND EVALUATION
REINVENTION AND STREAMLINING

ANALYTIC RIGOR

Reinvention plans and reorganization proposals must reflect the analytic rigor used to determine whether or not a reorganization is needed, and why a particular reorganization is being proposed. A description of how your AA/RA/Associate-level Office satisfies the Agency's preferred organizational attributes -- described at the end of this revised Appendix A -- is a key component of analytic rigor. Analytic rigor refers to the thoroughness and discipline of your assessment and, in context of developing reinvention plans and activities, explains:

- the issues and problems related to your current organizational structure;
- how the current or proposed organization addresses those issues and problems;
- how the organization, current or proposed, satisfies the attributes;
- how continuity will be maintained to ensure:
 - minimal loss of momentum for, or work slowdown on, single media programs, and management & financial functions;
 - continued or improved progress in multi- and cross-media work and strategic priorities;
 - existing national procedures, processes and systems are still carried out; and
- overall why a reorganization is or is not being sought.

There is no one "right" way to demonstrate analytic rigor. Each Headquarters and Regional Office must use its own judgment in determining how best to show or report on the analysis supporting its decision of whether or not to reorganize. A good example of analytic rigor in a reorganization proposal is the inclusion of a walk-through of how major activities in each environmental media would work under the new structure, compared to the existing structure.

Another example that highlights the thinking on continuity of functions is the inclusion of an implementation plan that lays out a smooth transition from the current structure to the proposed one, and describes considerations that will be affected such as: budget allocation and financial system changes; staff training and developmental needs; telecommunications, computer, or LAN needs and changes; and directives (*delegations of authority, guidance, policy*).

EPA's senior managers believe analytic rigor is important, not to serve as a justification or "paper trail," but rather as a means of communicating the intent of and to discuss how the proposed plan might work in creating a better operating organization. EPA must be able to answer questions from internal and external stakeholders and customers (including employees, Congress, states and tribes) such as "Why is (or isn't) a new organization needed?" "What problem(s) will be improved with the reorganization?" "Will transaction costs increase or decrease?" "How will the new organization better deliver services or fulfill its mission?" "What will it deliver in terms of benefits?"

INCLUSION OF THE ATTRIBUTES

EPA senior leadership has determined that all Headquarters and Regional Offices must be structured so that they meet these attributes, in addition to the guidelines and factors laid out in Chapter VI of the Agency's reinvention guidance. Agency Offices should address the attributes as follows:

- **If you decide not to reorganize:** If you determine that your AA/RA/Associate Administrator-level Office can meet the Agency's reinvention goals and satisfy the organizational attributes -- and therefore choose not to reorganize -- you must *describe how your organization addresses the attributes in the "Organizational Design" section of your reinvention implementation plan.*
- **If you decide to reorganize:** If you determine that your AA/RA/Associate-level Office needs to reorganize to meet the Agency's reinvention goals and satisfy the attributes, you must *declare and describe any intent to reorganize in the "Organizational Design" section of your reinvention plan.* You also must *describe how your organization will address the attributes in the "Analysis of Benefits and Impact on Program" section of your reorganization proposal.* Your reorganization proposal must also follow the Agency's guidelines for preparing and submitting reorganization proposals. Offices considering a reorganization should contact M&O on 202-260-5000 for consulting assistance and reorganizing guidance as soon as you are aware of your need to reorganize.

DESCRIPTIONS OF THE ATTRIBUTES***ACCOUNTABILITY***

DESCRIPTION	EXAMPLES AND CONSIDERATIONS
<p>Assigns explicit responsibility from the AA/RA through all subordinate levels of management for day-to-day delivery and oversight of each:</p> <ul style="list-style-type: none"> -- environmental program; -- management, administrative and financial function; -- multi- and cross-media initiative; and -- strategic priority, & implementation of the Agency's Strategic Plan. <p>Ensures responsibility is clearly established for:</p> <ul style="list-style-type: none"> -- national program consistency (<i>including implementation, use, and enforcement of national policies, regulations, & standards for media programs, multi-media programs, the Strategic Plan and other initiatives</i>); -- signing off on grants, permits, MOUs, Administrative Orders, etc. -- reaching agreement with HQ & Regions on priorities; -- setting up state and tribal programs, and performing oversight. 	<p>Designation of knowledgeable/credible program contact who has real authority and control over resources to:</p> <ul style="list-style-type: none"> -- make decisions and speak for the Headquarters or Regional program; -- work with HQ & Regions on policies, planning, budgeting, managing, evaluating program activities; -- ensure program work "gets done" & national goals pursued. <p>Contact at Division director level for major media programs in the Regions with designated mid- and lower-level contacts for routine interaction.</p> <p>Offices account for and report FTE & base allocation, and PRO & AC&C usage, by program element.</p>

COMMUNICATION AND COORDINATION

DESCRIPTION	EXAMPLES AND CONSIDERATIONS
<p>Clearly shows two-way communication channels to:</p> <ul style="list-style-type: none"> -- provide for communication among customers and stakeholders, and regular coordination among HQ and Regions; -- ensure customers and stakeholders know whom to contact & can get to "the right people" as quickly as possible; -- promote routine business occurring simply; -- facilitate teamwork, and expeditious coordination of work, whether media-specific or multi-/cross-media. 	<p>Infrastructure in place to develop a coordinated response to Congressional, OMB, HQ, lead Region, and external requests for information, such as:</p> <ul style="list-style-type: none"> -- FTE and AC&C estimates and justifications for environmental program budgets; -- reports required by statute, OMB, or the Hill; -- public requests for information on EPA initiatives, such as the Common Sense Initiative.

CUSTOMER FOCUS

DESCRIPTION	EXAMPLES AND CONSIDERATIONS
<p>Identifies specific key customers, stakeholders, and partners, such as:</p> <ul style="list-style-type: none"> -- internal: <i>the Administrator, HQ and Regional Offices, employees, and unions;</i> -- external: <i>public, Congress, other Federal agencies, states, tribes, localities, other countries, media, enviros, and industry.</i> <p>Describes how the proposed organization will:</p> <ul style="list-style-type: none"> -- serve customers/stakeholders better and/or lead to better environmental protection; -- lead to better customer participation, understanding, and service. 	<p>Summary of problems/issues identified in discussions with customers, stakeholders, and partners -- including unions and all affected EPA offices.</p> <p>Documented collaboration with customers, stakeholders, and partners in developing the proposed reorganization.</p> <p>Explanation of how the organization will maintain objective focus on key customers, stakeholders, and partners.</p>

INTEGRITY, EFFICIENCY, AND EFFECTIVENESS

DESCRIPTION	EXAMPLES AND CONSIDERATIONS
<p>Describes clearly how the:</p> <ul style="list-style-type: none"> -- efficiency & effectiveness of EPA programs, functions, and services will be improved; -- integrity of environmental programs and stewardship of resources (human, financial, information, material, etc.) will be protected; -- important but easily overshadowed programs, like small (<i>Eg/UST; pesticides; radon</i>), or vulnerable or sensitive (<i>Eg/105 grants; SIPs</i>) programs have critical mass for maintaining expertise, effectiveness, presence in state and other relations, etc.; -- Senior Resource Official will carry out that role across his/her HQ Office or Region, and with counterparts in HQ and the Regions. 	<p>Activities for which close coordination is critical to assure quality, speed, or volume should be assigned together.</p> <p>Offices account for and report FTE & base allocation, and PRO & AC&C usage, by program element.</p>

MEASUREMENT AND EVALUATION

DESCRIPTION	EXAMPLES AND CONSIDERATIONS
<p>Identifies success measures, and outlines how the office will evaluate overall effectiveness in:</p> <ul style="list-style-type: none"> -- meeting goals and achieving environmental results more efficiently and effectively; -- better serving customers and stakeholders; -- improving management of programs and resources; -- developing & communicating environmental program goals, indicators, & results into annual feedback process; -- identifying priorities unique to that HQ or Regional Office, and describing how they would work in that organization, such as hard rock mining in Region 8. 	<p>Implementation plans lay out baseline, milestones, & schedule for evaluating effectiveness in:</p> <ul style="list-style-type: none"> -- meeting the reinvention/reorganization attributes; -- meeting customer needs & sustaining customer focus; -- fulfilling statutory mandates; -- pursuing the EPA Strategic Plan, GPRA-required performance plans, and other tactical plans.

REINVENTION AND STREAMLINING

DESCRIPTION	EXAMPLES AND CONSIDERATIONS
<p>Presents an organizational framework that demonstrates:</p> <ul style="list-style-type: none"> -- enhanced flexibility, adaptability, and responsiveness in accommodating change & emerging priorities; -- change from multi-layered review and control to empowered employees who are accountable for results; -- redefined management roles emphasizing coaching, mentoring, and removing barriers to employee productivity and creativity; -- more efficient operational processes; -- reduced overhead, and increased productivity in protecting health and the environment; -- greater opportunities for cooperation and teamwork within the office, and with EPA offices & external customers; -- better management of all programs and intersecting priorities ("matrix management"); -- strengthening delivery of service or value; -- progress toward creating a working environment that places a high value on workforce and cultural diversity; -- progress toward enhancing the HQ/Regional working relationship. 	<p>Change from a hierarchical organization to a flattened organization, with an employee-supervisor ratio of 11:1.</p> <p>Fewer managers between those doing the work and the decision-makers.</p> <p>Collaboration with and concurrence from unions, all affected EPA offices, and Congress when necessary, on the proposed reorganization.</p> <p>Unnecessary layers of review and oversight eliminated while maintaining appropriate levels of review for "complex, technical, or volatile jobs."</p> <p>Reduction in number of deputies, special assistants, and "administrative control" positions (personnel, budget, etc.)</p> <p>Flexibility to assemble ad hoc teams -- comprised of HQ, Regional, and state representatives -- for a finite period of time to deal with issues such as stormwater permitting problems.</p> <p>Establish a diversity strategy that includes: building a diverse workforce and assure that the Agency's positions of influence reflect diversity; monitoring cultural diversity activities and indicators; and meeting workforce and cultural diversity goals.</p>

REINVENTION IMPLEMENTATION PLANS

Introduction--Inclusive Process

Shared Vision and Values

Customer Focus

Diversity

Working Collaboratively

- *Empowerment*
- *Teams*
- *Management Behavior*

Organizational Design

- *Reducing Organizational Layers*
- *1:11 Supervisor-to-Employee Ratio*
- *Hdqtrs/Admin Staff Redeployment*
- *Flexibility*
- *Attributes*

Evaluation


Composite Milestone Chart

Conclusion

"Reinvention Implementation Plans" ... are comprehensive. One section of the Plan includes discussion of the organization's capability to meet specific reinvention goals, and may describe a planned reorganization; the actual Reorganization Proposal should not be submitted in the Plan.

REORGANIZATION PROPOSALS

Reorganization Proposals ... must be submitted to the Management and Organization Division, and may be submitted at any time; proposals should consider Reinvention criteria so that unnecessary reorganization is prevented.

	EPA	REQUEST FOR CHANGE IN ORGANIZATION
<hr/>		
NEED FOR CHANGE		
<hr/>		
TITLE OF UNITS AFFECTED		
<hr/>		
CONCISE STATEMENT EXPLAINING CHANGE		
<hr/>		
ATTACHMENTS		
<ul style="list-style-type: none"> • Impact on personnel & administrative systems • Benefits and impacts on program • Organization charts & functional statements • Staffing patterns 		
<hr/>		
<small>EPA FORM 1110.1</small>		

Resources to Support EPA Reinvention

This appendix provides a listing of resources available to the EPA for its reinvention efforts. The "Summary of Educational Resources to Support EPA Reinvention" is an excerpt from the document: "EPA Reinvention - Educational Resources" prepared by the Quality Advisory Group (QAG), which contains more detailed information on the resources listed here. They may be contacted at 260-6241 for copies of that report. Also contained in this appendix is a brief listing of some of the reinvention tools provided by the Agency. For additional information on these reinvention tools, call 260-4467.

Reinvention Tools: Update and Status

Multiple Career Path Guide: This tool will provide guidance on the key elements of non-supervisory work at the senior grades in positions across the agency. It will include standardized positions descriptions that organizations can use if they desire, although other standardized approaches to "p.d's" will also be included. The guidance lays the foundation for delegated classification authority at the agency. It also provides a key link to the existing personnel regulations for those employee groups working on career development guidance for non-supervisory staff at the senior grades.

Status: Will be completed on schedule in Fall 1984.

Inventory of Organizational Development Consultants: Key to the transition to a reinvented organization will be the movement of about 1300 current supervisors into non-supervisory positions. This issue, in addition to others that will arise during the reinvention process, may require the assistance of organizational development/change expertise. This inventory will make information on such consultants available. Information on procuring the expertise will also be included.

Status: Will be issued in Fall, 1994.

Guidance on Moving Supervisors to Non-Supervisory Positions: Key decisions recently issued by the Merit Systems Protection Board may have implications for the movement of managers to non-supervisory positions. While it is not expected that these decisions will impede the transition, it is important that senior management receive legally and technically sound guidance.

Status: OHRM and OGC have partnered to jointly consult with OPM on this issue. OGC/OHRM joint guidance to be issued.

Summary of Educational Resources to Support EPA Reinvention

<u>Topic, Subtopic and Resource Description</u>		<u>Resource Type</u>	<u>Contact</u>
<u>QUALITY</u>			
A.	Concepts/Problem Solving Tools		
1.	EPA Quality Course	Workshop	260-6241
2.	Introduction to Quality	Workshop	260-6241
3.	Facilitator Course	Workshop	260-6241
4.	Process Improvement Toolbox	Booklet	260-6241
5.	Memory Jogger Plus +	Book	260-6241
6.	Quality Action Team Facilitators	Consulting	260-6241
B.	Reengineering		
1.	Business Process Reengineering	Workshop	260-6241
2.	Reengineering Courses (assorted)	Workshops	260-3297
3.	Reengineering: Basic Concepts	Briefing	260-6241
4.	Reengineering the Corporation	Book	260-6241
5.	Reengineering Team Facilitators	Consulting	260-6241
C.	Customer Orientation		
1.	EPA Quality Course	Workshop	260-6241
2.	Putting Customers First	Workshop	260-6241
3.	Customer Service Courses (assorted)	Workshops	260-6241
4.	Customer Service	Workshop	260-3297
5.	Books (assorted)	Books	260-6241

	<u>Topic, Subtopic and Resource Description</u>	<u>Resource Type</u>	<u>Contact</u>
D.	Benchmarking		
1.	Benchmarking Orientation	Workshop	260-6241
2.	Benchmarking Books (assorted)	Books	260-6241

LABOR-MANAGEMENT RELATIONS

A.	General		
1.	Labor-Mgmt. Relations for EPA Supervisors and Managers	Workshop	260-4467
2.	Negotiations and ADR for Supervisors and Managers	Workshop	260-4467
3.	Impact of E.O. 12871 on EPA Labor-Management Relations	Briefing	260-4467
4.	ADR in EPA Labor Relations	Booklet	260-4467
5.	ADR Practitioners	Consulting	260-6647

VALUING DIVERSITY

A.	General		
1.	Cultural Diversity Awareness Seminar	Workshop	260-3297
2.	Cultural Diversity Awareness Course	Workshop	260-3297
3.	Cultural Diversity Courses	Workshops	260-3297
4.	Cultural Diversity Train-the-Trainer	Workshop	260-3297
5.	Fostering Diversity Seminar	Workshop	260-0523

CHANGE MANAGEMENT

A.	Organizational Change		
1.	Communicating Change Initiatives	Workshop	260-0523
2.	Establishing Performance Expectations	Workshop	260-0523
3.	Exec. Forum on Environmental Leadership	Workshop	260-0523

	<u>Topic, Subtopic and Resource Description</u>	<u>Resource Type</u>	<u>Contact</u>
4.	Framework for Supervisory Leadership	Workshop	260-0523
5.	Fostering Improvement Through Innovation	Workshop	260-0523
6.	Keys to Managerial Leadership	Workshop	260-0523
7.	Learning Strategies	Workshop	260-3297
8.	Managing Change	Workshop	260-0523
9.	Managing Organizational Change	Workshop	260-3297
10.	OPM Exec./Mgmt. Development Programs		
a.	Alternative Dispute Resolution	Workshop	260-0523
b.	Federal Executive Institute Res.	Workshop	260-0523
c.	Government Performance and Results	Workshop	260-0523
d.	Management Assessment Program	Workshop	260-0523
e.	Org. Transformation in the Public Sector	Workshop	260-0523
f.	Reinventing the Organization	Workshop	260-0523
g.	Seminar for New Managers	Workshop	260-0523
11.	Org. Change Courses(assorted)	Workshops	260-0523
12.	EPA Institute Learning Lab Facility	Learning Lab	260-3297
13.	Org. Change Audio Self-Learning Programs	Audio Tapes	260-0523
14.	Org. Change Books	Books	260-0523
15.	EPA Rotational Assignments	Rotation	Individual Managers
16.	Intergovernmental Personnel Act	Rotation	260-0523
17.	Assessment Consultation, Briefing and/or Intervention	Consulting	260-0523

	<u>Topic, Subtopic and Resource Description</u>	<u>Resource Type</u>	<u>Contact</u>
18.	Mgmt. Development Consultation, Briefing and/or Intervention	Consulting	260-0523
B.	Participation/ Teamwork		
1.	A.B.C.D.-Always Comfortable Deciding	Workshop	260-3297
2.	Building Effective Teams	Workshop	260-3297
3.	Coaching for Optimal Performance	Workshop	260-0523
4.	The Complete Facilitator	Workshop	260-3297
5.	Decide to Decide: When & How to Do it	Workshop	260-3297
6.	Developing Job Skills	Workshop	260-0523
7.	Getting Things Done in the Bureaucracy	Workshop	260-3297
8.	Myers-Briggs Type Indicator	Workshop	260-3297
9.	Resolving Team Conflict	Workshop	260-0523
10.	Teamwork: Managing Change Together	Workshop	260-3297
11.	Teamwork Courses (assorted)	Workshops	260-0523
12.	Team Learning Center	Learning Lab	260-3297
13.	Teamwork Related Computer- based Training--Communicating with Style	Computer-Based	260-0523
14.	Interpersonal Skills Courseware	Computer-Based	260-3297
15.	Teamwork Audio Self-Learning Programs	Audio Tapes	260-0523
16.	Teamwork/TQM Books	Books	260-0523
17.	Assessment Consultation, Briefing and/or Intervention	Consulting	260-0523
18.	Our Team and My Teammates - Survey	Consulting	260-0523
	<u>Topic, Subtopic and Resource Description</u>	<u>Resource</u>	<u>Contact</u>

		<u>Type</u>	
C.	Shifting Roles of Management		
1.	Coaching	Workshop	260-3297
2.	Coaching for Optimal Performance	Workshop	260-0523
3.	Conducting Change Initiative Meetings	Workshop	260-0523
4.	Establishing Performance Expectations	Workshop	260-0523
5.	Exec. Forum on Environmental Leadership	Workshop	260-0523
6.	Facilitation Skills	Workshop	260-3297
7.	Focus 2000: New Directions for leaders	Workshop	260-3297
8.	Fostering Improvement through Innovation	Workshop	260-0523
9.	Framework for Supervisory Leadership	Workshop	260-0523
10.	Getting Your Ideas Across	Workshop	260-0523
11.	Keys to Managerial Leadership	Workshop	260-0523
12.	Leadership Orientation	Workshop	260-3297
13.	Managing Former Peers	Workshop	260-3297
14.	Mgmt. or Leadership Skills Assessment	Workshop	260-0523
15.	OPM Exec./Mgmt. Development Programs		
a.	Executive Development Seminar	Res. Workshop	260-0523
b.	Management Development Seminar	Res. Workshop	260-0523
c.	Seminar on Managerial Competencies	Res. Workshop	260-0523
16.	Resolving Conflicts	Workshop	260-0523
17.	Understanding Supervision	Workshop	260-0523
<u>Topic, Subtopic and Resource Description</u>		<u>Resource</u>	<u>Contact</u>

		<u>Type</u>	
18.	Shifting Roles of Mgmt. (assorted courses)	Workshops	260-0523
19.	The Changing Role of Managers	Briefing	260-0523
20.	Shifting Role of Management	Audio Tapes	260-0523
21.	Management Skills for Project Managers	Video Tapes	260-3297
22.	Principles of Project Mgmt.	Video Tapes	260-3297
23.	Shifting Role of Mgt.	Books	260-0523
D.	Personal Change		
1.	Career Development from Start to Finish	Workshop	260-3297
2.	Career Enhancement Orientation	Workshop	260-3297
3.	Looking Glass Workshop	Workshop	260-3297
4.	Self-Directed Career Planning	Workshop	260-3297
5.	Personal Change Courses (assorted)	Workshops	260-0523
6.	Personal Change Computer-Based Training - Time Management Assessment Profile	Computer-Based	260-0523
7.	Personal Change Self-Learning Programs	Audio-Tapes	260-0523
8.	Beyond Words: Reading, Writing and Math	Videos	260-3297
9.	Reading and Writing Enhancement	Videos	260-3297
10.	Creating Your Individual Development Plan	Booklet	260-0523
11.	Personal Change Books	Books	260-0523
12.	Career Enhancement Program	Development	260-3297
13.	Certificate Program for Secretaries	Development	260-3297
<u>Topic, Subtopic and Resource Description</u>		<u>Resource</u>	<u>Contact</u>

		<u>Type</u>	
14.	Executive Potential Program	Development	260-3297
15.	Goalsetters Reaching for Opportunities	Development	260-3297
16.	Greater Leadership Opportunities	Development	260-3297
17.	Howard Univ. Env. Specialty Program	Development	260-3297
18.	Women's Executive Leadership Program	Development	260-3297
19.	Career Development Workshop/Intervention	Consulting	260-0523

Contacts

If you have questions which impact on:

Labor-Management Relations, contact your labor Relations Advisor, or utilize the labor-management clearing house, staffed by the Executive Secretariat of the National Partnership Council; for more information, contact Megan DeLamar at (202) 606-1932 or Doug Walker at (202) 606-1479.

Workforce Planning and Human Resources, contact the Office of Human Resources at (202) 260-4467.

Focusing on the Customer, contact the Customer Service Development Team at (202) 260-8079.

Organization, Management, or Implementation Plans, contact the Management and Organization Division at (202) 260-5000.

Written Materials

"Reinventing EPA: Stronger Environmental Protection through Empowered Employees." EPA's Streamlining Plan to the Office of Management and Budget, June 30, 1994.

Vision and Values

Keston, Joan B. "Dimensions of Excellence: Changing Organizational Culture." The Public Manager, Fall 1992.

Wheatley, Margaret J. Leadership and the New Science. San Francisco: Berrett-Koehler Publishers, Inc., 1994.

Customer Focus

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Environmental Protection Agency, Office of Administration and Resources Management. Cultural Diversity Challenges for EPA--A Strategy for Bold Action. Diversity Task Force, November 1992.

Jamieson, David, and Julie O'Mara; Managing Workforce 2000--Gaining the Diversity Advantage; Jossey-Bass Publishers, 1991.

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Block, Peter. The Empowered Manager. San Francisco: Jossey-Bass Publishers. 1987.

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- "Beyond Hierarchy: The Search for High Performance." Galagan, Training and Development. August 1992, pp. 21-35.
- Byrne, John A. "The Horizontal Corporation." Business Week. December 20, 1993.
- Jacque, Elliot. "In Praise of Hierarchy." Harvard Business Review, January-February 1990, pp. 127-132.
- "The Horizontal Corporation." Business Week. December 20, 1993, pp. 76-81.
- "Transforming Organizational Structures." Accompanying Report of the National Performance Review, September 1993.

OMB Definitions of Supervisor, Administrative, and "Headquarters" Personnel for Redeployment

(Revised August 19, 1994)

Supervisors

Employees, including any SES, identified as a supervisor or manager in FPM letter 298-46 [Oct. 26, 1993] and reported in CPDF codes 1, 2, or 3.

Administrative

Personnel Specialists: Employees that perform personnel functions, such as staffing, classification, position management, or labor relations. NPR counted people in the 200 series (except 204 and 205).

Budget Specialists: Employees that perform budget functions, such as program or budget development, review, or analysis. NPR counted people in the 560 and 561 series.

Accountants and Auditors: Employees that perform accounting and auditing functions, including financial and management audits. NPR counted people in the 500 series except 512, 526, 545, 560, 561, 570, 592, and 593.

Acquisition Specialists: Employees in acquisition and procurement functions. NPR counted employees in the following series: 1101, 1102, 1103, 1105, 1106, 1150, and 1910.

Headquarters Staff

Anyone who works in the following functions or organizations:
NOTE: This is a functional definition. Some people who work in Washington are not in headquarters and some headquarters organizations are not in Washington. For instance, regional or district offices are usually headquarters organizations.]

Management Headquarters and Support Functions: Those functions and the direct support integral to their performance that are involved in the management of programs and/or operations of a department or its components.

Management Headquarters and Headquarters Support Activities: Organizations where more than 25% of the work of the organization is involved in management or direct support functions.

- **Management:** Refers to exercising oversight, direction, or control of subordinate organizations or units through: [1] developing or issuing policy guidance; [2] reviewing or evaluating program performance; [3] allocating and distributing resources; or, [4] conducting mid- or long-range planning, programming, or budgeting.
- **Direct Support:** Refers to professional, technical, administrative, or logistical support that is performed in, or supplied to, a management headquarters and is essential to its operation. Direct support includes both staff support (such as providing policy or program analysis or formulating policies, plans, and programs for a management headquarters) and operating support (such as secretarial, editorial, or information technology services). Direct support does not include specific products or technical or operating services that are provided on a department-wide or component-wide basis (such as payroll services) or operating support provided by a host unit to all tenant organizations.



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

THE DEPUTY DIRECTOR

August 19, 1994

MEMORANDUM FOR THE HEADS OF DEPARTMENTS AND MAJOR AGENCIES

FROM: Alice M. Rivlin *AMR*
Acting Director

SUBJECT: Streamlining Plans

The Vice President recently reiterated the great interest of the Administration in the development of streamlining plans and the importance of efforts to improve them. Review of the streamlining plans will be an extremely important element of the budget process.

Many of you already have had discussions with OMB staff about your June 30 streamlining plans and the FY 1996 budget, and this dialogue with all agencies will continue. As you know, your FY 1996 budget request is due on September 9 and must include as much streamlining information as possible. It is especially important that your budget request contain the full details of your plans for FY 1996 with the milestones of actions to meet the overall workforce restructuring and FTE targets in OMB's April 21, 1994, planning guidance (attached).

To reinforce these efforts, the President's Management Council (PMC) recommitted itself to the goal of restructuring the government and will be especially active in working with OMB and helping agencies improve their plans in accordance with the April 21 guidance. The PMC has committed its agencies to submit complete, improved streamlining plans to OMB not later than October 3. These complete plans will focus greater attention on restructuring of the agency organization and work processes and will reflect the importance of related reductions in the number of supervisors, headquarters, and support staff, as recommended by the National Performance Review (NPR). (The NPR's overall goals include a doubling of the span of control of supervisors from 1:7 to 1:15 over the next five years and a decrease of 50% of those performing headquarters functions.)

In response to the PMC's request, OMB has further refined the headquarters definitions in Attachment D of the April 21 guidance. (Revision attached.) Those agencies that can not meet the NPR goals in this area should address this matter in their plans. Within the context of the April 21 FTE guidance, each agency should display the FTE reductions it will take as a result of restructuring separately from any additions due to new Presidential investments. The plans also will describe the relationship of the agency's restructuring to other Administration priorities, including improved customer service.

Attachment

Memorandum Describing Agreement Between EPA and Headquarters Unions Relating to Labor Participation in Reinvention Activities

The attached memorandum is an example of the new partnerships being forged in labor and management relationships. This agreement discusses union representation in Headquarters reinvention activities that involve the establishment of committees. If you have questions about how this agreement affects your organization, or about any other aspect of labor partnerships, call your Labor Relations Representative.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

AUG 12 1994

OFFICE OF
ADMINISTRATION
AND RESOURCES
MANAGEMENT

MEMORANDUM

SUBJECT: Streamlining and Reorganization Committees

FROM: Jonathan Z. Cannon *Jonathan Z. Cannon*
Assistant Administrator

TO: Assistant Administrators
Associate Administrators
General Counsel
Inspector General

The purpose of this memorandum is to define the procedures by which Streamlining and Reorganization Committees are established in Headquarters organizations of EPA in conformity with the principles of labor-management partnership.

Executive Order 12871 requires Federal agencies to establish Partnership Councils at appropriate levels to help reform government. The Order also requires agencies to involve employees and their representatives as full partners. The purpose of this Partnership is to reform government consistent with the recommendations of the National Performance Review to better serve the customers and the Agency's mission.

EPA is committed to labor-management partnership and has established Partnership Councils at the National level and at Headquarters. Representatives from the American Federation of Government Employees and the National Federation of Federal Employees also sit on EPA's Senior Leadership Council's Management Committee. The SLC's Management Committee develops policy recommendations and advises the Administrator on issues of strategic importance, including streamlining.

Several Headquarters organizations are moving to establish work groups on streamlining and reorganizing. In forming workgroups, organizations need to integrate the Executive Order's partnership mandates with the streamlining effort as follows: regarding establishment of streamlining committees:



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- Management and the unions will jointly announce opening of nominations for service on the committee, its size, scope of duties, anticipated lifetime, etc. Nominations may be made by anyone for either manager or non-manager positions on the committee.
- Each union will name a representative to the committee. Management will appoint an equal number of management representatives to the committee.
- Management and the unions will seek consensus on the composition of the rest of the committee. If consensus is not reached, management will make the final decision on the committee's make-up. The number of management representatives and bargaining unit members will be equal.

Once formed, the committee will advise management on streamlining issues. Because workgroup committees at this stage in the evolution of the partnership are advisory to management, whatever management decides may be subject to collective bargaining by the appropriate unions prior to implementation.

The process just described stops short of a fully streamlined labor-management partnership the goal toward which EPA management and its labor unions are striving. As experience is gained in operating streamlining and reorganizing committees, management and the unions expect to move to a fully streamlined partnership in which similar workgroup committees will be empowered to make binding decisions which would not be subject to further negotiations. For a copy of a model streamlined committee that is empowered to make binding decisions, please contact OHRM's Labor Management Relations Office, AFGE or NFFE.

We know that many EPA Headquarters organizational units have established their streamlining and reorganizing workgroups prior to the date of this guidance. You should contact each Union about union representation on such workgroups where appropriate.

cc: Regional Administrators
Assistant Regional Administrators