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BY THE COMPTROLLER GENERAL
**Report To The Chairman,
Committee On Governmental Affairs
United States Senate
OF THE UNITED STATES**

AD A108478

**A New Headquarters/Field Structure Could
Provide A Better Framework For Improving
Department Of Energy Operations**

DOE's organization structure could be improved to provide a better framework for effectively and efficiently responding to and accomplishing departmental requirements. Under its current organization structure, many headquarters program and functional managers do not have authority to direct and control the field staffs who implement their program and functional requirements. By providing these managers with direct lines of authority over their respective field staffs, they should not only have authority commensurate with their responsibility, but should be more accountable and able to hold field staff more accountable for achieving their goals and objectives.

GAO recognizes that many of the problems identified in this report may not be entirely attributable to the organization structure. In many instances improved management practices are needed. Nonetheless, when the audit examples and questionnaire results are considered collectively, GAO believes they clearly demonstrate that the direct line authority organization structure is superior and warrants serious consideration by the Department.

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COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON D.C. 20548

B-203699

The Honorable William V. Roth, Jr.
Chairman, Committee on Governmental
Affairs
United States Senate

Dear Mr. Chairman:

In a September 22, 1980, letter, the former Chairman requested that we examine the Department of Energy's headquarters/field organization structure to determine its impact on DOE's ability to carry out its mission. In response to that request, this report evaluates the effectiveness of the Department's organization structure as it relates to lines of authority between headquarters and field offices. We believe changes could be made to the Department's organization structure that could provide a better framework for effectively and efficiently responding to and accomplishing departmental requirements.

As arranged with your office, unless you publicly announce its contents earlier, we plan no further distribution of this report until 30 days from the date of the report. At that time we will send copies to interested parties and make copies available to others upon request.

Sincerely yours,

Shilton J. Rowland
Acting Comptroller General
of the United States

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COMPTROLLER GENERAL'S REPORT
TO THE CHAIRMAN, SENATE
COMMITTEE ON GOVERNMENTAL
AFFAIRS
UNITED STATES SENATE

A NEW HEADQUARTERS/FIELD
STRUCTURE COULD PROVIDE A
BETTER FRAMEWORK FOR
IMPROVING DEPARTMENT OF
ENERGY OPERATIONS

D I G E S T

The Department of Energy Organization Act (P.L. 95-91) transferred the functions and authorities of numerous agencies into the new Department of Energy (DOE), without specifying reporting relationships or suggesting a structural alignment between the majority of its Department's headquarters and field offices. For the most part, the act gave the Secretary of Energy wide latitude in organizing the Department.

DOE's field structure is a collection of the field offices associated with the various agencies which were consolidated to form the Department. The field structure inherited by DOE includes: 8 operations offices inherited from the Energy Research and Development Administration; 5 field offices of the Federal Energy Regulatory Commission; 10 field offices of the Economic Regulatory Administration; as well as multiprogram laboratories, production facilities, project offices, the power administrations, the Solar Energy Research Institute, and regional solar energy centers. In total, for fiscal year 1980, the Department had 8,653 staff positions authorized for headquarters and 12,326 for the field offices.

Since its establishment, DOE has been seeking ways to make its headquarters/field organization structure more effective. The Department has conducted numerous studies on various aspects of its organization structure and management operations and has undergone several reorganizations. (See p. 3.)

At the request of the Chairman, Senate Committee on Governmental Affairs, GAO reviewed the Department's headquarters/field organization structure to determine its impact on the effectiveness with which programs and other agency activities are managed. Evaluating an organization structure's effectiveness, particularly one as complex and varied as DOE's, is a difficult task, at best, because no clear-cut criteria

exist on which to base such an evaluation. Through an extensive literature search about organization design and theory and with the assistance of an expert consultant, GAO developed criteria to use for the evaluation. (See p. 4.)

GAO evaluated the effectiveness of DOE's organization structure against these criteria by reviewing selected programs and functional activities and developing and distributing a questionnaire to 500 key DOE officials at headquarters and in the field. Based on the audit and questionnaire results, GAO found that the lines of authority between headquarters and field staffs could be improved to provide a better framework for DOE to effectively and efficiently accomplish departmental requirements. GAO's questionnaire results showed that when statistically significant differences existed between the respondents operating under direct and indirect lines of authority, in virtually every case, those under the direct structure experienced fewer problems.

GAO recognizes that many problems identified in this report may not be entirely attributable to the organization structure; in many instances improved management practices are needed. Moreover, people get programs accomplished, and good people can circumvent an organization structure and still accomplish organizational goals and objectives. Nonetheless, GAO believes changes to DOE's organization structure are worthy of consideration because they could provide a better formal framework for making the Department's decentralized operating philosophy work more effectively. GAO also believes that the recent reorganizations DOE has made will not capitalize on the benefits that are available under the direct line authority organization structure.

ORGANIZATIONAL CHANGES COULD
IMPROVE THE EFFECTIVENESS OF
HEADQUARTERS AND FIELD PROGRAM
STAFFS

DOE's organization structure should be modified to provide direct line authority between headquarters program Assistant Secretary-level managers and field program staffs. The key issues are responsibility and accountability. Currently, program Assistant Secretaries are responsible for accomplishing program goals and objectives, but when lines of

authority are indirect between headquarters and the field, they do not have authority to direct and control the field staff who implement their program requirements. As a result, programs are not implemented as effectively, efficiently, and economically as possible.

GAO believes direct line authority between headquarters program managers and field program staffs could provide a better framework for getting

- more timely approvals for starting and modifying work in the field (see p. 9);
- a better staff assignment mechanism in the field (see p. 14); and
- better evaluations of program results and staff performance and control to take corrective actions (see p. 19).

GAO believes that program Assistant Secretary-level managers should be given authority to assign, re-assign, direct, control, and evaluate field staffs working in their respective program areas. Consistent with sound management principles, such authority could be delegated by the program Assistant Secretary-level managers to the lowest practicable levels within their respective offices to preclude span of control problems. By taking such action, the program managers should not only have authority commensurate with their program responsibility but also should be more accountable and able to hold others more accountable for completing their program goals and objectives.

ORGANIZATIONAL CHANGES COULD
IMPROVE THE EFFECTIVENESS OF
HEADQUARTERS AND FIELD
FUNCTIONAL STAFFS

DOE, like all Government agencies, has functional responsibilities which are as important as, but often conflict with, program accomplishments. These responsibilities include adhering to sound legal and procurement practices, maintaining equal employment opportunities, and preventing and detecting fraud and abuse. Because of the potential for conflict between functional and program goals and objectives, functional offices often are and should be independent of program offices.

DOE's headquarters organization generally reflects this basic precept; however, in the field most functional offices report to the field office managers on the program, not the functional side of the organization structure. While there are exceptions, headquarters functional office managers generally do not have direct line authority over functional staff in the field. GAO believes this structure tends to impede the independence of functional activities in the field and, on occasion, has hindered DOE's ability to effectively carry out both its functional responsibilities and program activities.

GAO believes direct lines of authority between headquarters functional managers and field functional staffs could provide a framework for getting

- a better staff assignment mechanism in the field (see p. 23);

- more consistent implementation of departmental requirements (see p. 26); and

- better evaluations of functional activities and staff performance and control to take corrective actions (see p. 30).

GAO believes the Assistant Secretary for Management and Administration and other headquarters functional offices should be given authority to direct and control all headquarters and field functional staffs. This authority should be sufficient to ensure that departmental regulations, policies, and practices are implemented effectively and consistently, the independence of certain functional offices is maintained, and that program activities receive adequate support from functional staff consistent with established departmental program priorities. In regard to this latter point, GAO believes that, to the extent practicable, functional staff should be dedicated to each program area to ensure adequate support services to high priority programs as well as to increase the expertise of support personnel in these highly technical areas.

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GAO recognizes that in any organizational structure flexibility is needed to redirect staff and other resources as priorities change, new activities are authorized, and others are discontinued. When priority changes affect more than one program Assistant Secretary-level manager, it should ultimately be the responsibility of the Under Secretary to redirect staff and other resources to respond to the new priorities. When priority changes affect more than one functional Assistant Secretary-level manager, or when they affect both functional and program Assistant Secretary-level managers, it should ultimately be the responsibility of the Secretary or the Deputy Secretary to redirect staff and other resources to respond to the new priorities.

During GAO's review DOE expressed concern about what the role of the operations office managers could be under the direct line authority organization structure. While it will be up to DOE to establish the new role of the operations office managers, and GAO agrees they would have a new role, they could be responsible for performing the remaining activities of the regional representatives--such as coordinating and maintaining liaison on energy matters with State and local officials--as well as acting as general overseers and advisors on the problems and activities of the field staff in their respective offices. They could advise and report these matters directly to the Secretary or his Deputy to keep them apprised of how well the field organizations are operating and of State and local concerns.

RECOMMENDATIONS TO THE SECRETARY OF ENERGY

The Secretary of Energy should strengthen the organization structure between headquarters and field program and functional staffs. To do this, GAO recommends that the Secretary take the following actions.

- Give program Assistant Secretary-level managers direct line authority over all field program staffs responsible for implementing their respective program requirements. This authority should ensure that headquarters program managers can assign, reassign, direct, control, and evaluate the field staffs authorized to their respective program areas.

--Give direct line authority to the headquarters functional office managers over all their respective field functional office staffs. In exercising this authority, headquarters functional office managers should ensure that the independence of functional offices is maintained in headquarters and in the field so that they can effectively carry out their missions; and program Assistant Secretary-level managers receive functional support for actions that are considered critical for meeting established goals and objectives. DOE should create, to the extent practicable, dedicated functional support staff for each program Assistant Secretary level manager. (See p. 36.)

GAO recognizes that implementing these recommendations would constitute a major reorganization for the Department. GAO also recognizes that a reorganization of this magnitude will be time consuming and difficult.

While the concept of providing direct lines of authority between headquarters and field staffs is relatively simple, implementing this concept will be complex. GAO's recommendations could be implemented a number of ways, ranging from phasing in the new structure on a program-by-program or field office basis, to the most drastic action of changing the entire organization simultaneously. Thus, the Secretary may wish to establish a task force to evaluate all such options and then develop an implementation plan.

DOE COMMENTS AND GAO'S EVALUATION

DOE disagreed with the report. In its letter, DOE stated that the volume and nature of comments received from Department managers precluded their inclusion in the letter, but that DOE officials would be pleased to meet, at GAO's option, to discuss those comments in detail. GAO subsequently met with DOE officials and did obtain more specific comments.

Based on DOE formal, written comments and subsequent discussions, its basic disagreements with the report can be summarized as follows:

- Questionnaire methodology fails to provide valid data.
- Recommendations are inconsistent with the Department's current decentralization efforts.
- Recommended organization structure would fragment program accountability.
- Staffing resources would increase significantly.
- Relationship between DOE and Government-owned, contractor-operated facilities would be adversely affected.

GAO disagrees. GAO's questionnaire was pretested and revised after consultation with DOE officials. The questionnaire was prepared and the responses analyzed by GAO staff and an expert in organization design and theory. GAO is not recommending that DOE abandon its decentralization effort; rather GAO is advocating decentralization under a different organization structure. Moreover, GAO believes that under its recommended organization structure, program accountability would be enhanced without a concomitant increase in staffing resources. Finally, GAO believes that relationships with Government-owned, contractor-operated facilities would not be adversely affected because new roles would likely be developed to fulfill this responsibility, as needed.

DOE's comments and GAO's detailed evaluation are in appendix I. Appendix II presents the complete text of DOE's comments.

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ABBREVIATIONS

DOE	Department of Energy
DESM	Department of Energy Study Memorandum
GAO	General Accounting Office
GOCO	Government-Owned, Contractor-Operated Installation
OES	Operational and Environmental Safety Division
UMTRA	Uranium Mill Tailings Remedial Action Program

CHAPTER 1

INTRODUCTION

In a September 22, 1980, letter, the Chairman, Senate Committee on Governmental Affairs asked us to examine the Department of Energy's (DOE's) headquarters/field organization structure and to determine how it impacts on DOE's ability to carry out its mission. Specifically, we were asked to evaluate the effectiveness of the Department's organization structure as it relates to lines of authority between headquarters and field operations and regional offices.

BACKGROUND

DOE was established on October 1, 1977, by the Department of Energy Organization Act (Public Law 95-91). The act transferred the functions and authorities of three agencies into the new Department. These agencies were the Federal Energy Administration, the Federal Power Commission, and the Energy Research and Development Administration. In addition, the activities of certain groups in other agencies were also transferred to DOE. These included the functions and authorities from groups within the Interstate Commerce Commission and the Departments of the Interior, Housing and Urban Development, and Defense. The act also established the Federal Energy Regulatory Commission as an independent regulatory agency within the Department.

The Department of Energy Organization Act suggests DOE's basic headquarters organizational framework. The act describes the duties, functions, and reporting relationships of the Secretary, Deputy Secretary, Under Secretary, and eight Assistant Secretaries. It also describes similar responsibilities for the Federal Energy Regulatory Commission, Energy Information Administration, and the Offices of Inspector General and Energy Research. The act does not address reporting relationships or suggest a structural alignment between the majority of DOE's headquarters and field offices. For the most part, the act gave the Secretary of Energy wide latitude in organizing the Department.

DOE's field structure is a collection of the field offices associated with the various agencies which were consolidated to form the Department. DOE's field structure includes:

- Eight operations offices inherited from the Energy Research and Development Administration. The staffs in these offices are primarily responsible for implementing and administering research, development, and

production programs and projects developed by headquarters program Assistant Secretaries, including overseeing the activities of DOE's national laboratories and other major operating contractors. For fiscal year 1980, DOE authorized 1,922 staff positions to perform these functions. On April 24, 1981, DOE realigned a portion of its field structure and integrated its 10 regional offices, inherited from the Federal Energy Administration, into the structure of the 8 operations offices. The primary responsibilities of the regional office staffs are to manage grant programs, provide administrative support for petroleum regulatory programs, coordinate energy policy, and provide technical assistance to State and local governments. DOE authorized 217 staff positions in fiscal year 1980 to perform these functions.

- Five field offices of the Federal Energy Regulatory Commission. The staff in these offices are primarily responsible for conducting audits and rate analyses, preparing environmental impact statements, and licensing and inspecting hydroelectric power facilities. DOE authorized 131 staff positions in fiscal year 1980 to perform these activities.
- Ten field offices of the Economic Regulatory Administration. The staffs in these offices are primarily responsible for the former Federal Energy Administration's regulatory and enforcement responsibilities and for administering Federal Petroleum Allocation Act regulations. For fiscal year 1980, DOE authorized 1,251 staff positions to perform these functions.

In addition to the above offices, there are also multiprogram laboratories, production facilities, project offices, the power administrations, the Solar Energy Research Institute, and regional solar energy centers. In total, for fiscal year 1980, DOE had 8,653 staff positions authorized for headquarters and 12,326 staff positions authorized for all of its field offices.

In order to accomplish its overall mission, DOE performs programmatic as well as functional activities. Programmatic activities include energy areas such as nuclear, fossil, solar, and energy research. DOE's functional responsibilities include adhering to sound legal and procurement practices, maintaining equal employment opportunities, and preventing and detecting fraud and abuse. DOE's current organizational philosophy is characterized as centralized program management and decision-making and decentralized program execution for both program and functional activities.

Formal reporting relationships between headquarters and the field are either "direct" or "indirect." A direct reporting relationship is one where a direct line of authority exists between a headquarters program or functional Assistant Secretary-level manager, or the manager's designee, and the field office program or functional staff. For example, the Assistant Secretary for Fossil Energy has direct line authority over the five energy technology centers in the field. An indirect reporting relationship is one where a direct line of authority does not exist between a headquarters Assistant Secretary-level manager and the field office program or functional staff. For example, while the eight operations offices report to the Under Secretary, they are performing work for which a program Assistant Secretary is responsible. Yet, a direct line of authority does not exist between the responsible program Assistant Secretary and the operations office manager.

PRIOR STUDIES AND REORGANIZATIONS OF DOE

Since its establishment, DOE has been seeking ways to make its headquarters/field organization structure more effective. Prior DOE studies focused on various aspects of DOE's organization structure and management operations. Appendix III identifies the major studies and summarizes DOE actions taken in response to the studies' recommendations.

Since its inception, DOE has undergone several reorganizations. The most recent ones occurred on February 24 and April 24, 1981. The most significant changes made in these reorganizations affecting DOE's headquarters/field structure were (1) having the 3 operations offices primarily involved in defense activities report to the Under Secretary just as the other 5 operations offices reported in the past and (2) integrating DOE's 10 regional offices and 4 other program and project offices into the 8 operations offices. DOE's rationale for the first reorganization was to more clearly define the relationship between field operations offices and headquarters and, for the second reorganization, to reduce the number of offices reporting to headquarters. During our review, three of the eight operations offices reported directly to the Assistant Secretary for Defense Programs, and the regional offices reported directly to the Deputy Secretary. DOE is continuing to study what additional organizational changes are needed.

OBJECTIVES, SCOPE, AND METHODOLOGY

Our objective was to determine how DOE's headquarters/field organization structure has an impact on the effectiveness with which programs and other agency activities are managed. Evaluating

an organization structure's effectiveness, particularly one as complex and varied as DOE's, is a difficult task, at best, because no clear-cut criteria exist on which to base such an evaluation.

Thus, through an extensive literature search ^{1/} about organization design and theory and with the assistance of an expert consultant, ^{2/} we developed criteria to use for our evaluation. Although the criteria may not be all-inclusive, we believe it identifies the major factors that could be considered in evaluating how effectively DOE's organization structure is operating.

Evaluation criteria

To accomplish a specific DOE goal or objective, each program or functional activity generally goes through the following stages: (1) approval process, (2) staff assignment process, (3) implementation process, and (4) evaluation process. The criteria we developed were designed to identify key characteristics that should be present in each of these processes.

Approval process: This is the first step. An effective organization structure should provide a mechanism for getting activities approved and operational quickly. The structure should also allow managers to revise plans, goals, and objectives, when necessary, in a timely manner.

Staff assignment process: Once a program or functional activity is approved, the activity must be staffed. Good organizations should be structured to provide managers with sufficient authority to maximize staff utilization. The organization should have a structure for allocating staff among its various program and functional areas. Once these allocations are made, the structure should provide managers with authority to assign staff in sufficient numbers and with adequate expertise, within budgetary limitations and in accordance with their respective priorities, to accomplish program and functional objectives.

^{1/}A bibliography of material used in developing our criteria is included in app. IV.

^{2/}Dr. Martin J. Gannon, a professor at the University of Maryland, whose area of expertise is organizational theory and design.

Implementation process: When a program or functional activity is approved and staff is assigned, it goes into the implementation phase. To effectively implement departmental activities, an organization structure should give managers sufficient authority for directing and controlling staff to ensure that priorities are maintained and departmental regulations, policies, and practices are consistently implemented.

Evaluation process: The final phase for a program or functional activity is the evaluation process. An effective organization structure should provide a feedback mechanism giving managers the authority and capability to measure successes and failures and take corrective actions. The structure should also enable managers to hold staff accountable for their performance.

We evaluated the effectiveness of DOE's organization structure against these criteria by reviewing both program and functional activities and supplementing our review with a questionnaire. Additional data on our methodology follows.

Program and functional activities evaluation

We conducted our review at DOE headquarters offices in Washington, D.C., and Germantown, Maryland; and at the Chicago Operations and Regional Office, Chicago, Illinois; the Albuquerque Operations Office, Albuquerque, New Mexico; the Denver Regional Office, Denver, Colorado; and the Uranium Resources Facility Grand Junction Office, Grand Junction, Colorado.

To determine the effectiveness of the reporting relationships and control exercised within the lines of authority between headquarters and the field organizations, we reviewed selected programs, projects, and functional activities at each Assistant Secretary-level position. Our selection was arbitrary in nature and was designed to include a program for each Assistant Secretary. At both headquarters and field locations we interviewed program and functional officials and reviewed their files. We also supplemented our review with the results of prior GAO reviews of DOE programmatic and functional activities. Our review was not intended and should not be considered to be a detailed examination of each program, project, or other activity.

We selected the Chicago Operations and Regional Office as an example of a field office having both programmatic and functional activities with indirect lines of authority to the Assistant Secretary-level managers responsible for program and

functional activities. Similarly, we selected the Albuquerque Operations Office because it also had programmatic and functional activities but, at the time of our review, had a direct line of authority to the Assistant Secretary for Defense Programs.

Since we wanted to examine field components with lines of authority to different headquarters levels, we visited two regional offices and a separate DOE field office. We selected the Chicago and Denver Regional Offices because both had indirect lines of authority to the Assistant Secretary-level managers responsible for their program activities. We also selected the Grand Junction Office because it had a direct line of authority to the former Assistant Secretary for Resource Applications.

Questionnaire development and distribution

In addition to our field work, we developed and distributed a questionnaire, a copy of which is included as appendix V. The questions were designed to solicit responses on the effectiveness of the organization structure and reporting relationships in meeting our evaluation criteria. To ensure that the questionnaire was clear and understandable, we used a pretest procedure, discussed results with DOE officials, and made appropriate revisions where needed. We then administered the questionnaire to 500 key DOE officials at headquarters and in 8 operations offices and 10 regional offices, including the Under Secretary, Assistant Secretaries, Office and Division Directors, and program and project managers. These officials were selected, after consultation with DOE, based on the likelihood that they would be involved in headquarters/field interactions. We also employed a followup procedure and ultimately achieved an 82-percent response rate. The questionnaire results represent the opinions of the DOE managers surveyed during the period from December 1980 through February 1981. The results should not be projected to all DOE employees.

The following table shows for each staff component in the program and functional areas the number of staff members that were sent a questionnaire and the number that responded. 1/

1/The questionnaire results that are presented in chapters 4 and 5 are discussed based on the categorizations contained in the questionnaire.

	<u>Number of recipients</u>	<u>Number of respondents</u>	<u>Response rate percent</u>
Total program staff	246	201	82
Headquarters, direct authority	30	25	83
Headquarters, in-direct authority	119	86	72
Field, direct authority	15	15	100
Field, indirect authority	82	75	91
Total functional staff	254	208	82
Headquarters, direct authority	13	9	69
Headquarters, in-direct authority	94	71	76
Field, direct authority	48	44	92
Field, indirect authority	<u>99</u>	<u>84</u>	<u>85</u>
Total program and functional staff	<u>500</u>	<u>409</u>	<u>82</u>

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The following chapters provide the results of our review and recommend several ways that DOE's organization structure could be improved. During our audit we found DOE's program and functional staff, in general, were professional and dedicated individuals who were making a genuine effort to carry out their respective responsibilities.

CHAPTER 2

ORGANIZATIONAL CHANGES COULD IMPROVE

THE EFFECTIVENESS OF HEADQUARTERS

AND FIELD PROGRAM STAFFS

Evaluating an organization structure, particularly one as complex and varied as DOE's, is a difficult task, at best, because no clear-cut criteria exists on which to base such an evaluation. Moreover, problems with programs, projects, and other agency activities which could be indicative of organizational weaknesses may not be entirely attributable to the organization structure. People get programs accomplished, and good people can informally circumvent inadequacies in an organization structure and still accomplish organizational goals and objectives.

Based on a consultant's input and our questionnaire and audit results, we believe DOE's organization structure should be modified to provide more direct line authority between headquarters program Assistant Secretary-level managers and field program staffs. The key issues are responsibility and accountability. Currently, program Assistant Secretaries are responsible for accomplishing program goals and objectives, but when lines of authority are indirect between headquarters and the field, they do not have authority to direct and control the field staff who implement their program requirements. As a result, programs are not implemented as effectively, efficiently, and economically as possible.

We believe direct line authority between headquarters program managers and field program staffs could provide a better framework for getting

- more timely approvals for starting and modifying work in the field,
- a better staff assignment mechanism in the field, and
- better evaluations of program results and staff performance and control to take corrective actions.

The following sections discuss in greater detail each of the above points.

OPPORTUNITIES FOR MORE TIMELY
APPROVALS FOR STARTING AND
MODIFYING WORK IN THE FIELD

Criterion: An effective organization structure should provide a mechanism for getting programs approved and operational quickly. The structure should also allow managers to revise program plans, goals, and objectives, when necessary, in a timely manner.

Conclusion: Headquarters program managers with direct line authority over field program staffs get field approval of new programs, and consequently, make the programs operational faster than their counterparts under the indirect lines of authority. The direct organization structure also allows program revisions to be made, when necessary, more efficiently.

Improving the mechanism
for approving and getting
programs operational

DOE's current operational philosophy is characterized as centralized program management and decisionmaking and decentralized program execution. Under this approach headquarters offices, primarily the program Assistant Secretaries, are responsible for establishing program goals and objectives while the field offices, irrespective of whether the lines of authority are direct or indirect, are responsible for implementing program requirements.

DOE decided to decentralize program implementation to the field to, among other things, have programs located where they could be most effectively managed. The specific field location of programs was to be dependent on such factors as special technical capabilities of operations offices and Government contractor facilities, geographic proximity, and the workload of field offices and laboratories. However, where the lines of authority are indirect, decentralizing program implementation is difficult because headquarters program managers do not have sufficient authority over field office staffs to get programs approved, in operation, and in desired locations in a timely

manner. The decision to accept or reject program implementation responsibility belongs to the operations office manager. 1/

When a headquarters program manager desires to get a program operational in a specific geographic location, the manager must negotiate with the operations office manager in the respective location to accept program responsibility. We found this is not always an easy process and can be time consuming because the operations office does not always have staff available to manage the program, staff with the proper technical expertise, or has other programs that the operations office manager believes have higher priority. As a result, the program manager may be coerced to either "shop around" for an operations office with staff available to manage the program, run the program out of headquarters, or, if the program work must be performed at a specific geographic location, wait until staff becomes available and the program is accepted by the specific operations office manager. This process can be cumbersome and cause delays in program or project implementation.

The results of our questionnaire showed that DOE program respondents are not satisfied with the timeliness of the above process. For example, 75 percent of the program respondents believe it takes them longer than it should to make a major project operational once a project management agreement is reached. Of those respondents, 50 percent say that it takes them over 4 months longer than it should. However, our questionnaire results showed that DOE respondents with direct line authority over the field office staffs are more satisfied with the way their negotiation process works. Sixty-one percent of direct line authority program respondents say the negotiation process is of great or very great benefit to their programs compared to 34 percent for indirect line authority respondents.

The difficulty of getting a timely approval of program implementation in a specific field location under the indirect structure is illustrated in the following example. The Uranium Mill Tailings Remedial Action Project (UMTRA) is a \$480-million project designed to clean up uranium mill tailings at 25 sites.

1/During our review for defense related programs, this decision ultimately belonged to the Assistant Secretary for Defense Programs. In the February 24, 1981, reorganization, DOE eliminated the direct lines of authority that the Assistant Secretary for Defense Programs had to three of DOE's operations offices. These offices currently report the same as the other five operations offices report, to the Under Secretary.

In 1978, when the Congress legislated the project, DOE was given 7 years to complete the cleanup action once the Environmental Protection Agency issued standards on how clean the sites must be. It took 9 months for the Assistant Secretary for Nuclear Energy to get approval to implement the project in the field location desired.

In August 1979, when the Assistant Secretary for Nuclear Energy sought approval from the Albuquerque Operations Office Manager to implement the UMTRA project, the Albuquerque Office had a direct line of authority to the Assistant Secretary for Defense Programs. Consequently, before the Albuquerque Manager could formally approve a non-defense program or project, approval had to be obtained from the Assistant Secretary for Defense Programs.

The Assistant Secretary for Defense Programs first refused to approve the project because of questions on whether the number of staff estimated to run the project was sufficient and questions on whether the Albuquerque Office or headquarters would be providing that staff. In October 1979, the Assistant Secretary for Nuclear Energy transferred a project manager and an assistant to the Albuquerque Office and offered to provide six additional positions at a later date. However, the Assistant Secretary for Defense Programs refused to accept the project stating that the staffing authorizations were not sufficient to complete the project.

In early 1980, both the UMTRA project manager and the Albuquerque manager expressed concern that if the project were not approved quickly, DOE's ability to achieve its deadline would be seriously jeopardized. According to the UMTRA project manager, the impact of a further delay in approving the project would make the 7-year schedule more difficult to achieve. Finally, in April 1980--9 months later--the Assistant Secretary for Defense Programs accepted the project and approved the project management plan.

By contrast, the approval process appears to be more efficient for projects with direct lines of authority to the Assistant Secretary responsible for the program area. As previously stated, the Albuquerque Operations Office was under direct authority of the Assistant Secretary for Defense Programs. The five defense-related projects we reviewed did not experience any problems or delays in receiving approval for initiating the work.

Improving the mechanism for revising program plans, goals, and objectives

Headquarters program managers operating under the indirect structure do not have sufficient authority to effect program revisions, when necessary, in a timely manner. To revise program plans, goals, and objectives, these headquarters program managers must go through the same review process required to get programs approved in the field. This structure has many levels of review and approval, and program authority and accountability is not clearly defined and concentrated. As a result, revising program goals or shifting program emphasis can be difficult and time consuming which contributes to program delays and cost overruns.

Our questionnaire results showed that DOE program respondents believe there are too many levels of review and approval in headquarters and the field that make it difficult to revise program goals and objectives in a timely manner. For example, 65 percent of field program respondents believe the number of managerial levels at headquarters has a negative impact on the work they do, and an additional 18 percent believe it has an impact on their work negatively as often as positively. In addition, 25 percent of headquarters respondents believe the managerial levels in the field have negative impacts on their activities, and 37 percent believe it has an impact on their work negatively as often as positively.

However, when we compared the questionnaire results of respondents in the direct line authority structure to those in the indirect structure, we found that the respondents in the direct line authority structure have less levels of review, and comparatively have less unnecessary levels of review. Headquarters and field respondents under direct line authority say they must go through an average of 2.6 levels of review compared to an average of 3.4 levels of review for respondents that operate under indirect lines of authority. In addition, when asked how many levels of review they should have to go through, the respondents under direct line authority say they should only have an average of 1.9 levels of review compared to an average of 2.4 levels for the indirect line authority respondents.

The following example highlights the review levels under the indirect structure and the effect of the levels on revising program goals and objectives when needed. The Director of Energy Research--an Assistant Secretary-level position--has responsibility for the Tritium System Test Assembly program. The program is being implemented by a program manager at Albuquerque's Los Alamos Area Office. In March 1978, the Tritium System Test Assembly office needed to shift \$381,000

from one budget line to another to purchase equipment. Because of the dollar value of the change, the program manager needed approval from the Albuquerque Operations Office as well as the Director of Energy Research. A quick approval was essential because on May 1, 1978, the bid for the needed equipment was to expire. The Los Alamos National Laboratory program manager requested approval in 2 weeks because the manager was sure if the bid expired the program would encounter delays and incur increased costs. This contention seems realistic since the last time the bid expired the price of the equipment increased \$233,000.

Because of the need for a quick response, the program manager informally requested approval simultaneously from both the Albuquerque Operations Office and the Director of Energy Research. Within 12 days of the request, the Director of Energy Research authorized the change and the program manager was able to purchase the equipment before the bid expired.

If the program manager had relied on the formal request to be processed, it is unlikely the request for change would have been approved before the bid expired. For example, the Director of Energy Research did not receive the formal request for change from the Albuquerque Operations Office until 5 weeks after the date specified for necessary completion of action on the request. Because of the informal process between the Director of Energy Research's staff and the program manager at the Los Alamos National Laboratory, the incident caused no direct problems. However, in the formal approval letter to the Los Alamos Area Office project manager, the headquarters project manager expressed displeasure over the delay and stated, "I hope future formal project actions through the LAAO-AL [Los Alamos Area Office and Albuquerque Operations Office] chain can be handled much more expeditiously."

In contrast to the above example, direct line authority between headquarters and the field appears to minimize the levels of review and approval. As a result, revising program goals or objectives can generally be accomplished in a more effective and timely manner.

Until recently, field staff who implemented defense programs operated with direct lines of authority to the Assistant Secretary for Defense Programs. The Albuquerque Operations Office has been involved in weapons production for over 30 years and Albuquerque officials say they have never failed to meet their weapons program objectives because of organizational problems. Albuquerque officials attribute their success to the clearly defined lines of authority and responsibility that existed in the defense area.

We believe that an organization structure with direct lines of authority between headquarters program managers and field staffs could provide a better framework for getting programs approved, operational, and to make more effective and timely revisions to program goals and objectives when necessary. The direct structure provides program managers with greater authority and accountability and minimizes unnecessary levels of review and approval. We believe headquarters program managers could accomplish program actions more effectively and efficiently if they had direct lines of authority over the field staffs responsible for implementing program requirements.

OPPORTUNITIES FOR BETTER STAFF
ASSIGNMENT MECHANISM IN THE FIELD

Criterion: Good organizations should be structured to provide managers with sufficient authority to maximize staff utilization. The organization should have a structure for allocating staff among its various program areas. Once these allocations are made, the structure should provide managers with authority to assign staff in sufficient numbers and with adequate expertise, within budgetary limitations and in accordance with their respective priorities, to accomplish program objectives.

Conclusion: Headquarters program managers with direct line authority over field staff appear better able to assign staff in adequate numbers with sufficient expertise, and in accordance with their program priorities, than their counterparts under indirect lines of authority.

Headquarters program managers rely primarily on the operations offices to provide the staff needed to implement program requirements. However, staff resources are scarce in the operations offices and program managers, particularly with indirect line authority, are finding it more difficult to find an office that is willing to provide the staff in adequate numbers and with sufficient expertise to do the work. While operations offices are authorized staff through the budgetary process, headquarters managers can also transfer staff to the field to get their programs implemented. However, program managers appear to be reluctant to transfer staff to the field when the lines of authority are indirect because once the staff is transferred, they are under the control of the operations office manager and not the headquarters program manager. Based on our questionnaire and audit results, we found that program managers operating under direct line authority are more willing and

better able to assign staff in sufficient numbers and with expertise than those managers operating under indirect line authority.

Our questionnaire results showed that staffing is generally a problem for all of DOE's program activities. For example, 92 percent of program respondents say they do not always have sufficient staff to effectively carry out the work under their supervision, and 89 percent say this lack of staff creates some problems in their programs. However, program officials under direct line authority appear to be having less staffing problems than program officials under indirect line authority. For example, only 38 percent of the direct line authority program respondents say the lack of staff creates problems in their programs to a great or very great extent, compared to 60 percent of the indirect line authority officials who responded the same.

While Assistant Secretaries can provide staff to support specific program needs, those with indirect line authority appear more reluctant to do so. Once an Assistant Secretary transfers a person to an operations office, the Assistant Secretary cannot always be sure that the staff member will be assigned to the program. When staff positions are transferred to the operations office, the Assistant Secretaries do not have authority over the staffing levels or staff allocations made by the operations office. Rather, the operations office manager has this authority.

The operations office managers from Chicago and Albuquerque told us that they usually do not reassign staff to other programs once the budget is approved. They said staff reassignments, however, are necessary on occasion because of budget cuts or changes in program priorities in headquarters. We found, however, that the discretion for assigning staff exercised by the operations office manager affected the UMTRA program. When the Assistant Secretary for Nuclear Energy assigned responsibility for the UMTRA program to the Albuquerque Operations Office, the Assistant Secretary transferred eight positions to staff the Albuquerque program office. In Albuquerque, the usual ratio of program staff to support staff is three to one. This means that for every four staff positions authorized in Albuquerque, three usually will be assigned to the program area and one to the support area, which includes performing such functions as rendering legal decisions, providing contract and procurement assistance, and performing general administrative management functions for Albuquerque's program responsibilities. The eight positions provided to support the UMTRA program should have resulted in the assignment of six program and two support staff. However, the

Albuquerque Manager assigned only five program staff to this non-defense project and the other three positions were placed in the support group. This group consists of a pool of people who provide support to all of Albuquerque's program activities. However, because the Albuquerque Office specializes in defense work, if a defense and a non-defense project both need a priority support action, the defense project will be given higher priority. As a result, although the Assistant Secretary for Nuclear Energy provided staff to support the project, not all of that staff may actually be performing work for the project.

Although this is a minor example of how an operations office manager's discretion to assign staff can influence non-defense programs, the potential for significant impacts occurring in the future is very great. For example, Albuquerque has 57 staff members assigned to non-defense program areas. However, the non-defense Assistant Secretaries have only transferred 30 positions to Albuquerque to implement their programs. The remaining 27 positions were absorbed by the Albuquerque Office and staffed with personnel who were previously involved in defense-related work. With the current trend to increase defense expenditures, the Albuquerque Manager anticipates an increasing demand for personnel to work on defense-related projects. Should this occur, it may be necessary for personnel currently working on non-defense projects in Albuquerque to be reassigned to the defense area. Such action could create significant problems in accomplishing the goals and objectives of many of these non-defense projects.

Under the indirect structure, the apparent reluctance of headquarters program managers to transfer staff to implement their programs has contributed to the programs or projects not receiving sufficient staff in the operations offices. For an organization that proposes to have a decentralized program implementation policy, the following chart shows an imbalance between the size of headquarters staff in comparison to the operations office staffs.

DOE Headquarters and Operations Offices
Authorized Staffing Levels by Program Office

Fiscal Year 1980

<u>Program office</u>	<u>Total headquarters staff</u>	<u>Total operations office staff</u>	<u>Total staff</u>	<u>Percent of total staff assigned to headquarters</u>
Conservation and solar	645	121	766	84
Defense programs	345	1,276	1,621	21
Energy research	229	111	340	67
Environment	303	32	335	90
Fossil energy	294	106	400	73
Nuclear energy	378	209	587	64
Resource applications	427	445	872	49

As the table indicates, some program areas such as conservation and solar, environment, and fossil energy have a high percentage of personnel assigned to headquarters. All of these program areas operate with indirect lines of authority between headquarters and the field. These are also the program areas that are experiencing the most difficulties in obtaining adequate program support from the field for managing the programs. In comparison, the defense program area, which was under direct control and authority of the Assistant Secretary for Defense Programs during our review, is more decentralized. We found that the defense programs were not experiencing the staffing problems in the field that the non-defense programs were experiencing. In this regard, some headquarters program officials said they would be more willing to assign additional personnel to the field if they had direct control and authority over the staff.

The following example illustrates the problem of getting field staff to implement headquarters program requirements under the indirect structure. The Chicago Operations and Regional Office, which operates under an indirect structure, has been assigned responsibility for the technical management of programs and projects for many Assistant Secretaries. However, Chicago does not have sufficient program staff to effectively manage all these efforts. Many of their projects

and programs have no staff assigned on a full-time basis. During fiscal year 1980, Chicago managed 62 programs and projects with a staff of 28 project managers and 5 senior program managers. Many of the project managers are required to manage more than one project, and some are involved in projects in different program areas. Consequently, many admit that they neither have the time nor the expertise to manage the projects effectively.

The lack of qualified staff to manage DOE's programs has been of constant concern to Chicago management. The Chicago Office has continuously requested additional staff for the projects with little success. The Chicago Manager told us, however, that while having the authority to turn down headquarters projects, the Manager has not refused additional work because of the desire to further DOE's overall objectives. However, we question the benefit of assigning program staff with little or no expertise to highly technical, research programs involving large sums of money. Such practices neither promote DOE's overall objectives nor result in efficient and effective use of Federal expenditures.

For example, we found one project manager who is responsible for managing three projects. Eighty percent of the project manager's time is spent on a Cyclotron Laboratory project, which is a \$30-million project under the Assistant Secretary for Nuclear Energy; 10 percent on a synthoil project, which is a \$24.3 million project under the Assistant Secretary for Fossil Energy; and 10 percent on a Program Support Facility project which is a \$12.9-million project to construct a new administration building for the Chicago Office. The project manager's background is civil engineering but the manager has only limited experience on the cyclotron project. Consequently, the project manager relies extensively on an architect-engineering firm to provide the day-to-day monitoring of the construction work, and on headquarters program staff to provide background information and advice when necessary. In addition, the project manager neither has the time nor the expertise to monitor all facets of the project more closely, and said that it might be more effective from a technical as well as cost standpoint for DOE to hire additional technical staff to monitor the project than to contract the work out.

We believe that headquarters program managers need the authority to assign staff within their program areas. Under DOE's current organization structure, most headquarters program managers lack authority over staffing levels or allocations in the field. Instead, the field office managers have this authority and the manner in which they exercise it can conflict with effective accomplishment of program goals. We believe that

direct line authority between headquarters and field program staffs could provide the framework for a better staff assignment mechanism in the field which should contribute to meeting programmatic goals and objectives more effectively. We recognize that in any organization structure, flexibility is needed to reevaluate staffing assignments and redirect staff and other resources as priorities change, new programs are authorized, and others are discontinued. When priority changes affect more than one program Assistant Secretary, it would be the responsibility of the Under Secretary to redirect staff and other resources to reflect the new priorities.

OPPORTUNITIES FOR BETTER
EVALUATIONS OF PROGRAM RESULTS
AND STAFF PERFORMANCE AND CONTROL
TO TAKE CORRECTIVE ACTIONS

Criterion: An effective organization structure should provide a feedback mechanism giving managers the authority and capability to measure program successes and failures and take corrective actions. The structure should also enable managers to hold staff accountable for their performance.

Conclusion: Headquarters program managers with direct line authority over field staffs are able to take corrective actions in their programs and to hold staff accountable for their performance better than their counterparts under the indirect line authority structure.

Program managers operating with both direct and indirect lines of authority over field staff have the capability to monitor and evaluate program effectiveness and staff performance. However, the ability of program managers with indirect line authority to effect corrective actions in the field and to reward field staff performance or take punitive actions is limited. Instead, this authority rests with field office, not headquarters, managers.

Our questionnaire results, generally disclosed no significant differences in the extent to which program evaluations were carried out under both the direct and indirect structure. Problems in this area appear to be occurring irrespective of the lines of authority. We believe this exemplifies the point that an effective organization structure is not a cure-all for all problems.

Our questionnaire results showed that headquarters program staffs are not formally evaluating program results as often as program respondents say they should, and when such evaluations are made, the field program staff does not always implement the headquarters recommendations. For example, while 48 percent of program respondents say that headquarters formally evaluates programs or projects most, or all, of the time, 52 percent say headquarters evaluates their projects, at best, some of the time. While 67 percent of headquarters program respondents say field offices implement the recommendations to a great or very great extent, 33 percent say that the field offices implement these recommendations, at best, only to a moderate extent.

Our audit work substantiated our questionnaire results. While headquarters program staff is responsible for monitoring and evaluating programs, many of the field project managers we interviewed said their projects were not evaluated by headquarters in recent years. Headquarters staff could not provide definitive reasons for not doing the evaluations.

Some programs or projects have no monitoring capability to permit an evaluation, even if DOE so desired. For example, one DOE program, which is designed to award grants for weatherization of schools, hospitals, local government buildings, and public health facilities such as nursing homes and community health clinics, has made over 8,000 awards and obligated about \$275 million to grantees and subgrantees in 50 States. To date, no reviews or assessments of the funded projects have been made. Headquarters program managers are currently seeking funds to initiate some type of monitoring function--one they anticipate would be contracted out to an evaluation firm.

In the field, the situation is similar. Many of the project managers said they were not (1) submitting progress reports to headquarters, (2) closely monitoring project implementation by contractors, or (3) evaluating project results. For example, a project manager had not prepared any progress reports because the manager was still negotiating with headquarters program staff as to what types of reports were needed. The project was assigned to Chicago in May 1980. Another project manager was not submitting progress reports on a project assigned to Chicago in January 1979 because, according to the project manager, a standardized reporting format was not established, and headquarters program staff never complained about not receiving the reports.

In a December 22, 1980, report 1/, we discussed projects where DOE's monitoring and evaluating were ineffective and, as a result, DOE was not in a position to take action to lessen cost increases that eventually occurred. The report pointed out the need for DOE to monitor costs on the Natural Bridges National Monument project because project costs increased by almost 70 percent. Contractor officials attributed the cost increases to schedule slippages and other factors, but agreed they had not continuously estimated and tracked costs by project element, and thus could not precisely determine how much each element had increased, or why it increased. Accordingly, program managers were not aware of the latest project cost estimates and, in fact, gave us an estimate that was almost \$2 million less than the latest estimate provided to us by the laboratory.

Field staffs could also be doing a better job of evaluating project results. Each operations office has an Office of Performance Evaluation responsible for conducting formal evaluations of projects and programs. However, these offices evaluate few projects and programs. For example, the Chicago Office of Performance Evaluation has not evaluated any of the 62 projects assigned that operations office.

Even when evaluations are made, program staff in the field who report indirectly to headquarters program managers are not required to follow headquarters recommendations. Usually, the field staff follows headquarters recommendations only because they agree that changes or corrective actions are needed. When the field refuses to comply with headquarters program office recommendations, the Under Secretary is the lowest level in the organization with the authority to enforce compliance without relying on negotiation or persuasion.

An official of DOE's Operational and Environmental Safety Division (OES) under the responsibility of the Assistant Secretary for Environmental Protection, Safety and Emergency Preparedness discussed the negative impacts that the levels of indirect line authority between headquarters and the field could have on implementing headquarters recommendations. OES is responsible for conducting emergency preparedness appraisals of how effectively the environmental health and safety programs are being implemented by the field office staff. However, the effectiveness of the OES appraisal mechanism is diminished by the lack of authority OES has over field office staff. According to a

1/ "Management Problems Impede Success of DOE's Solar Energy Projects," EMD-81-10, December 22, 1980.

DOE official, there is not much value in doing appraisals when the field offices can reject OES recommendations. Thus, the official concluded the appraisal program was ineffective.

Similarly, headquarters program managers under the indirect structure do not have authority to evaluate field staff performance and to reward that performance or take punitive actions as necessary. This responsibility generally belongs to the field office manager.

While the lack of adequate staff evaluations appears to be a generic problem, it causes more problems for staff that operate under the indirect line authority structure. For example, questionnaire results show that 57 percent of program respondents using field employees say headquarters never evaluates field staff performance formally or informally. Of the remainder, 67 percent say such evaluations are sometimes or rarely performed. However, 43 percent of the program respondents under indirect line authority say the lack of staff performance evaluations created problems to at least some extent with the program work they were supervising, compared to only 20 percent of program respondents under direct line authority.

Program managers need the authority to evaluate the effectiveness with which their program activities are being carried out and to effect corrective actions. To accomplish this goal they must be able to hold accountable all program staff doing work for them in both headquarters and the field. Headquarters program managers with both direct and indirect line authority over field staff have the authority to evaluate program effectiveness and staff performance. However, with indirect line authority, program managers are limited in their ability to effect corrective actions in the field and to reward field staff performance or take punitive actions as necessary. While problems in the evaluations area appeared to exist irrespective of the lines of authority, we believe that direct lines of authority between headquarters and field program staffs could provide the framework for correcting these problems more effectively. However, it will still be up to the program managers to properly exercise this authority.

CHAPTER 3

ORGANIZATIONAL CHANGES COULD IMPROVE THE EFFECTIVENESS OF HEADQUARTERS AND FIELD FUNCTIONAL STAFFS

DOE, like all Government agencies, has functional responsibilities which equal the importance of, but often conflict with, program accomplishments. These responsibilities include adhering to sound legal and procurement practices, maintaining equal employment opportunities, and preventing and detecting fraud and abuse. Because of the potential for conflict between functional and program goals and objectives, functional offices often are and should be, by necessity, independent of program offices. DOE's headquarters organization generally reflects this basic precept; however, in the field, most functional offices report to the field office managers on the program, not the functional side of the organization structure. While there are exceptions, headquarters functional office managers generally do not have direct line authority over functional staff in the field. We believe this structure tends to impede the independence of functional activities in the field and, on occasion, has hindered DOE's ability to effectively carry out both its functional responsibilities and program activities.

We believe direct lines of authority between headquarters functional managers and field functional staffs could provide a framework for getting

- a better staff assignment mechanism in the field,
- more consistent implementation of departmental requirements, and
- better evaluations of functional activities and staff performance and control to take corrective actions.

The following sections discuss in greater detail each of the above points.

OPPORTUNITIES FOR BETTER STAFF ASSIGNMENT MECHANISM IN THE FIELD

Criterion: Good organizations should be structured to provide managers with sufficient authority to maximize staff utilization. The organization should have a structure for allocating staff among its various functional areas.

Once these allocations are made, the structure should provide managers with authority to assign staff in sufficient numbers and with adequate expertise, within budgetary limitations and in accordance with their respective priorities, to accomplish objectives.

Conclusion: Headquarters functional managers would be better able to assign staff in adequate numbers and with sufficient expertise if they had direct line authority over the field staff.

Our questionnaire results showed that obtaining adequate staff to perform functional activities was a problem DOE-wide irrespective of the lines of authority. For example, 90 percent of the functional respondents said they do not always have sufficient staff to effectively carry out the work under their supervision, and 53 percent said this lack of staff impedes their work to a great or very great extent. However, the indirect reporting structure, which exists between almost all headquarters functional offices and field office functional staffs, compounds this problem. Under the indirect structure, functional office managers at headquarters have no authority over functional staffing levels or allocations in the field. Functional staffing levels and allocations are made at the discretion of the program field office managers, not the headquarters functional managers. However, the program manager's primary concern lies more with achievement of program goals and objectives than with functional goals and objectives of the agency which often conflict with program goals.

Field office managers can shift staff at their discretion not only between program areas but also between program and functional areas as well. Data are not available to determine the extent to which operations office managers shift staff from functional to programmatic activities in the operations offices we visited. Nevertheless, our work in Chicago disclosed examples of procurement staffing problems in the field and illustrated how placing functional office staff under the authority of program field office managers provides less assurance that those functional offices will get their fair share of staffing allocations.

Beginning in fiscal year 1977, Chicago was administering more than 1,200 contracts. By June 1980, the number of contracts more than doubled to about 2,460. However, during the same period, the Chicago Office assigned no additional staff to its procurement office--the Office of Acquisition and Assistance. In fact, during this period when the number of contracts doubled, Chicago took six contract specialists from its procurement office and assigned them to a program office--the Project Management Division. These six contract specialists were assigned to

the new Project Management Division on a temporary basis, according to Chicago officials; however, Chicago established no specific target date to return these contract specialists to the Office of Acquisition and Assistance. Clearly the program office gained at the expense of the procurement office because the Chicago Manager believed that the program had a higher priority. We do not question the Chicago Manager's decision to shift staff to meet priorities, but we cite this example to illustrate the authority that operations office managers have to shift staff, at their discretion, between program and functional areas.

Our review also indicated the potential for more effective use of functional staff by dedicating, to the extent practicable, functional staff members to each of the program areas. The functional staff member would be under the authority of the headquarters functional manager but could be assigned work in a particular program area. This could help maintain continuity and increase expertise to effectively carry out functional responsibilities for each of the program areas. In this regard, a March 1981 report of the investigations staff of the House Appropriations Committee, which evaluated the capability of DOE staff to properly manage key technical programs, pointed out that technical programs are staffed almost exclusively with technicians and scientists, often people with no administrative experience, who spent a great deal of time endeavoring to handle personnel, procurement, and other actions. As a result, documents are often poorly or improperly prepared, resulting in further expenditures of technicians' time and delays in processing. According to the March report, the Office of Procurement and Assistance Management should consider specialization in order to build rapport, confidence, and knowledge of a program's needs. It may be possible and highly desirable to dedicate procurement and counsel personnel in each program area.

We believe that headquarters functional managers need the authority to assign staff within their functional areas in the field. Under DOE's current organization structure, most headquarters functional managers lack authority over functional staffing levels or allocations in the field. Instead, the operations office managers have this authority, and the manner in which they exercise it can conflict with effectively accomplishing functional goals. While our questionnaire results showed that the shortages of functional staff appear to be a problem in all of DOE's functional activities, irrespective of the lines of authority, we believe that direct line authority between headquarters and field functional staffs could provide the framework for meeting departmental functional goals and objectives more effectively.

OPPORTUNITIES FOR MORE
CONSISTENT IMPLEMENTATION
OF DEPARTMENTAL REQUIREMENTS

Criterion: To effectively implement functional activities, an organization structure should give managers sufficient authority for directing and controlling staff to ensure that functional priorities are maintained and departmental regulations, policies, and practices are consistently implemented.

Conclusion: Headquarters functional office managers with direct line authority over field staffs implement departmental priorities and requirements more consistently than managers with indirect line authority.

Consistency in maintaining
functional priorities in the
field could be improved

When lines of authority between headquarters functional office managers and field staff are indirect, DOE's organization structure does not provide sufficient authority to the headquarters managers to ensure that the functional activities are independent from program activities so that the field offices implement these activities consistently with headquarters established priorities.

Overall, our questionnaire results showed that functional respondents expressed concern about DOE's ability to maintain functional priorities. For example, 45 percent said that the field reprioritizes functional activities that were prioritized by headquarters, at least some of the time. An additional 38 percent also said that the field reprioritizes functional activities, but that it occurs rarely. Thirty-four percent said that the reprioritization by the field creates problems to at least some extent in implementing functional requirements.

We also noted that functional managers with direct line authority over field staffs were able to maintain their independence from program activities whereas some functional managers with indirect line authority were not. We believe this direct line authority structure contributed to their being able to accomplish their goals and objectives, consistently with established priorities. The following examples highlight this point.

In DOE, regional counsels report directly to headquarters; a reporting relationship that appears acceptable to both the

regional counsels and the regional representatives. In Denver, for example, the Office of Regional Counsel provides legal services to both the Denver Regional Representative and the Rocky Mountain District Office of Enforcement, but it is not under either office's control. The Office of the Regional Counsel reports to and receives direction from the Office of General Counsel in headquarters because, according to the Denver Regional Counsel, of the need for independence in deciding legal matters. According to the Denver Regional Representative, the services provided by the Denver Office of Regional Counsel were timely and carried out professionally.

In contrast to the above example, functional managers with indirect line authority over field staffs were not able to maintain the same degree of independence. For example, DOE's regional civil rights compliance officers who reported to the regional representatives said they needed independence to ensure civil rights compliance on federally assisted DOE programs. According to the headquarters Director of Federally Assisted Programs, Office of Equal Opportunity, this reporting relationship resulted in regional representatives assigning low grade staff to these positions, assigning the duties to individuals with other responsibilities, and disallowing visits to grantees who may not have been in compliance with equal employment opportunity requirements. As a corrective measure, DOE made these officers directly responsible to the headquarters' Office of Equal Opportunity, now under the Assistant Secretary for Management and Administration.

Similarly, DOE's organizational structure does not provide the independence that field auditors need to perform their functions. We reported this problem in our November 28, 1979, report to the Chairman, Subcommittee on Federal Spending Practices and Open Government, Senate Committee on Governmental Affairs. ^{1/} We addressed, among other things, the problems of the operations office audit staff not being under the Inspector General's control. During our review, 125 auditors in DOE reported to the operations office managers and were not controlled by or accountable to the Inspector General. In our opinion, this arrangement does not ensure maximum independence in selecting activities for reviewing and reporting audit results, and it has inhibited reviews of the operations office's effectiveness because field auditors are not independent of the officials responsible for the operations they review. This violates a basic auditing precept.

^{1/}"Evaluation of the Department of Energy's Office of Inspector General," EMD-80-29, Nov. 28, 1979.

Field operations office managers stated that independence and objectivity do exist because field auditors are reviewing contractors and not field operations offices. In our view, the disclosure of inadequate contractor performance reflects on the field office manager's effectiveness. As a result, the ability of field auditors to evaluate independently the effectiveness of contractor operations is also open to question. The field audit arrangement has inhibited reviews of program effectiveness which should be a priority of an Inspector General's Office. An Inspector General's Office study of field audit reports found few reports that addressed program effectiveness or commented on management shortcomings.

To provide for an independent audit organization consistent with the Inspector General concept, we recommended that the Secretary reorganize the Department's field auditors under the Inspector General. DOE has not yet implemented this recommendation.

Under DOE's current organization structure, functional managers with indirect lines of authority over field staff do not have the authority to ensure that functional activities are independent of program activities which would ensure that the field offices are implementing their activities consistently with established headquarters priorities. We believe having functional offices in the field report directly to their headquarters counterparts could better ensure that DOE priorities are consistently applied in the field rather than having field managers establish priorities which may differ from DOE priorities.

Consistency in implementing
regulations, policies, and
practices in the field
could be improved

DOE's current organization structure does not provide functional managers, that operate with indirect line authority over field staffs, sufficient authority to ensure that the departmental regulations, policies, and practices are implemented consistently in the field. Our questionnaire results showed that DOE functional respondents are concerned about inconsistencies in implementing these DOE requirements. For example, 38 percent of the functional respondents said that the actual implementation of functional activities are, at best, only marginally consistent between headquarters and the field. Ninety-two percent said these inconsistencies influence their work and, of these, 83 percent said that this influences their work in a negative manner. The headquarters functional respondents with direct line authority over field staffs believe the actual implementation is more consistent than do the

headquarters functional respondents under indirect line authority. Only 11 percent of the headquarters functional respondents in the direct structure said that the actual implementation is, at best, marginally consistent, compared to 43 percent of the functional respondents under the indirect structure. We recognize that other factors bear on getting consistent implementation. Nonetheless, we believe that functional managers could better ensure consistent implementation if they had direct line authority over their field counterparts.

Our audit work supports this view. For example, although procurement policy and procedures are developed within the Procurement Directorate in Washington, D.C., DOE's field buying offices are not under the direct control of any headquarters procurement manager. Instead, they report to the managers in charge of the field offices and interpret procurement policies and regulations to meet local needs. These interpretations can vary from office to office and are not always consistent with practices used in DOE headquarters.

The effect of inconsistent interpretation and implementation of procurement policies and procedures was the subject of a GAO report to the Chairman, Subcommittee on Energy and Power, House Committee on Interstate and Foreign Commerce. ^{1/} The report pointed out that contractors were performing work for DOE without a valid contract because agency personnel without contracting authority made commitments to contractors for work. These commitments are later legitimized by procurement officials. We reported that each of the three procurement offices we reviewed had a different way of handling these commitments, which sometimes resulted in DOE program personnel's "shopping around" for the procurement office which would provide the easiest, fastest processing of procurement requests. ^{2/} DOE has since issued a policy letter containing several new policy statements to help correct the items discussed in our report. However, our audit work disclosed other examples of inconsistent procurement practices that the new policy does not correct.

We believe DOE's current organization structure does not provide sufficient authority to headquarters functional managers that have indirect line authority over field staff to ensure

^{1/}"Unauthorized Commitments: An Abuse of Contracting Authority in the Department of Energy," EMD-81-12, Dec. 4, 1980.

^{2/}Under DOE's procurement organization structure, program officials may, with some exceptions, use any DOE buying office to process their procurements.

consistent implementation of DOE regulations, policies, and practices. Rather, operations office managers have the authority to interpret and direct their staffs on how these directives are to be implemented. This often contributes to inconsistent implementation of functional activities. While providing direct lines of authority between headquarters and field functional staff may not eliminate this problem, we believe it could provide a framework which should enable functional managers to more effectively direct and control their field staffs to ensure that these departmental directives are being implemented in a consistent manner.

OPPORTUNITIES FOR BETTER EVALUATIONS
OF FUNCTIONAL ACTIVITIES AND STAFF
PERFORMANCE AND CONTROL TO TAKE
CORRECTIVE ACTIONS

Criterion: An effective organization structure should provide a feedback mechanism whereby managers have the authority and capability to measure successes and failures of the activities for which they are responsible and effect corrective actions. The structure should also enable managers to hold staff accountable for their performance.

Conclusion: Headquarters functional office managers with direct line authority over field staffs are better able to effect corrective actions in their programs and to hold staff accountable for their performance than are their counterparts under the indirect line authority structure.

While functional managers operating with both direct and indirect lines of authority have the capability to monitor and evaluate effectiveness of functional office activities and staff performance, the ability of functional managers with indirect line authority to effect corrective actions in the field and to reward field staff performance or take punitive actions is limited. Instead, this authority rests with field office, not headquarters, managers. Additionally, responsibilities for field staff performance evaluation and rewarding staff performance or taking punitive actions generally belongs to the field office managers, not headquarters.

Our questionnaire results showed that headquarters functional staff say functional office activities are not being formally evaluated as often as they should, and when evaluations are made, the field functional staff do not always implement

the headquarters' recommendations. For example, 57 percent of all functional respondents said their activities are formally evaluated by headquarters only some of the time, if ever. When evaluations are made, the questionnaire results showed that functional staff respondents under direct line authority follow headquarters recommendations more than functional respondents that operate under indirect line authority. For example, 70 percent of all functional respondents under direct line authority said that the field follows headquarters recommendations to a great or very great extent, compared to 66 percent of the indirect line authority respondents.

As discussed on page 21, each operations office has an Office of Performance Evaluation, but it does not evaluate field programs or functional office activities. These field auditors' work directly supports field management responsibilities to administer and manage contractor operations and, to some extent, evaluate contractor performance.

Even when evaluations are made, functional offices in the field who report indirectly to headquarters functional offices are not required to follow headquarters recommendations. Rather, the field generally follows headquarters recommendations because they agree that changes or corrective actions are needed. If the field refuses to comply with headquarters functional office recommendations, the Deputy Secretary is the lowest level in the organization with the authority to make them comply without relying on negotiation or persuasion.

Headquarters inability to effect corrective action in the field is demonstrated by the following example. The headquarters Procurement and Contracts Management Directorate has an evaluation group that reviews field procurement practices and procedures. In June 1979, the Procurement and Contracts Management Directorate issued a report on the results of its review of Chicago's Office of Acquisition and Assistance. The report stated that the philosophy of the Office of Acquisition and Assistance has been that providing support for the program divisions takes precedence over anything else, including adherence to sound procurement procedures. The report stated that contractors commenced work weeks and sometimes months in advance of receipt of a contract, which was not in full compliance with statutory requirements and Federal and departmental regulations. Apparently, individuals who were not delegated authority were directing or authorizing work, and then, the unauthorized commitments were subsequently ratified by "backdating" the effective date of the contract. Nonetheless, Chicago continued this practice, and it was not until August 1, 1980--over a year later and just subsequent to a GAO review of this practice--that Chicago banned the automatic backdating of contracts.

In order to hold field staff accountable for their performance in carrying out functional activities, headquarters managers should also have the authority to evaluate field staff performance and to reward that performance or take punitive actions as necessary. When lines of authority are indirect between headquarters functional managers and field staff, this responsibility generally belongs to the field office manager.

The functional questionnaire respondents said that headquarters is not formally or informally evaluating staff performance often enough. For example, 50 percent of all functional respondents said headquarters only evaluates performance rarely or sometimes. Seventy-seven percent of field functional respondents under direct line authority said that headquarters evaluates their performance, compared to only 53 percent of those under indirect authority.

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Functional managers need the authority to evaluate how their functional activities are being carried out and to effect corrective actions when needed. To accomplish this goal, they must be able to hold accountable all functional staff doing work in their responsibility area in both headquarters and the field. Headquarters functional managers with both direct and indirect line authority over field staff have the authority to evaluate functional activity effectiveness and staff performance. However, with indirect line authority, functional managers are limited in their ability to effect corrective actions in the field and to reward field staff performance or take punitive actions as necessary. We believe that DOE should modify its organization structure to provide headquarters functional managers with sufficient authority for ensuring that (1) field functional activities are monitored and evaluated to assess their effectiveness, (2) corrective actions are taken when needed, and (3) field staff are evaluated and rewarded based on their performance.

CHAPTER 4

CONCLUSIONS, RECOMMENDATIONS, DOE COMMENTS

AND OUR EVALUATION

CONCLUSIONS

DOE is a complex organization which performs highly technical work in many different program areas. However, DOE, like all Government agencies, has functional responsibilities which equal the importance of, but often conflict with, program accomplishments. These functional responsibilities include, among other things, adhering to sound legal and procurement practices as well as preventing fraud and abuse. Successful accomplishment of DOE's overall objectives requires the skill and dedication of many specialized technicians--from a programmatic as well as a functional standpoint. DOE's organization structure is designed to create specialized teams that blend together the talents and skills of program and functional staff members in proper proportion to accomplish these difficult tasks. However, lines of authority between headquarters and field staff could be improved to provide a better framework for DOE to effectively and efficiently respond to and accomplish departmental requirements.

DOE has conducted numerous studies on various aspects of its organization structure and management operations, and has undergone several reorganizations. The most recent ones occurred on February 24 and April 24, 1981. With respect to our review, the most significant changes made in these reorganizations were (1) having the 3 operations offices primarily involved in defense activities report to the Under Secretary, just as the other 5 operations offices reported in the past and (2) integrating DOE's 10 regional offices and 4 other program and project offices into the 8 operations offices. DOE's rationale for the first reorganization was to make the reporting relationships for all operations offices consistent, and for the second reorganization, to reduce the number of offices reporting to headquarters.

We agree that consistent reporting relationships between headquarters and the field and reducing the number of field offices reporting to headquarters are desirable. We do not believe, however, that these reorganizations will capitalize on the benefits that are available under the direct line authority organization structure. For example, under the indirect structure, headquarters program and functional managers still do not have the authority to direct and control the field staff who implement their program and functional requirements. By providing these managers with direct lines of authority over their respective field staff, they should

not only have authority commensurate with their responsibility but also be more accountable and able to hold field staff more accountable for achieving their goals and objectives.

We recognize that many problems identified in this report may not be entirely attributable to the organization structure. In many instances, improved management practices are needed. Nonetheless, we believe a more direct line authority organization structure could provide a better framework for making the Department's decentralized operating philosophy work more effectively. We believe an effective direct line organization structure could better provide managers with authority for

- getting programs approved and operational in a timely manner;
- revising program plans, goals, and objectives, when necessary;
- assigning adequate staff with sufficient expertise to effectively implement departmental requirements;
- maintaining established priorities;
- providing consistency in implementing regulations, policies, and practices;
- monitoring and evaluating program and functional activities and taking corrective actions; and
- evaluating staff performance.

Our questionnaire results showed that where statistically significant differences existed between the respondents operating under direct and indirect lines of authority, in virtually every case, those under the direct structure experienced fewer problems.

We believe that program Assistant Secretary-level managers should be given direct lines of authority over all field program staff responsible for implementing their respective program requirements. This authority should better ensure that headquarters program managers can assign, reassign, direct, control, and evaluate field staff working in their respective program areas. Consistent with sound management principles, such authority could be delegated by the program Assistant Secretary-level managers to the lowest practicable levels within their respective offices to preclude span of control problems. By taking such action, the program managers should not only have authority commensurate with their program responsibility but also should be more accountable and able to hold others more accountable for completing their program goals and objectives.

We believe the Assistant Secretary for Management and Administration and other headquarters functional offices should also be given authority to direct and control all headquarters and field functional staff. This authority should be sufficient to ensure that departmental regulations, policies, and practices are implemented effectively and consistently, the independence of certain functional offices is maintained, and that program activities receive adequate support from functional staff consistent with established departmental program priorities. In regard to this latter point, we believe that to the extent practicable, functional staff should be dedicated to each program area to ensure adequate support services to high priority programs as well as to increase the expertise of support personnel in these highly technical areas.

We recognize that in any organization structure, flexibility is needed to redirect staff and other resources as priorities change, new activities are authorized, and others are discontinued. In the program area, when priority changes affect more than one Assistant Secretary-level manager, it should ultimately be the responsibility of the Under Secretary to redirect staff and other resources to respond to the new priorities. When priority changes affect more than one functional Assistant Secretary-level manager, or when they affect both functional and program Assistant Secretary-level managers, it should ultimately be the responsibility of the Secretary or the Deputy Secretary to redirect staff and other resources to respond to the new priorities.

The concept of headquarters having direct control and authority over field functional staffs is not new to the Department. For example, prior to DOE's February 1981 reorganization, the three operations offices primarily involved in Defense activities reported directly to the Assistant Secretary for Defense Programs. Also, the regional counsels currently report directly to the headquarters Office of the General Counsel. Moreover, recent reorganization of regional civil rights compliance officers demonstrates that attempts to control this function under indirect lines of authority created problems which the Department believed could be corrected through providing direct lines of authority to the headquarters Office of Equal Opportunity.

During our review, DOE expressed concern about what the role of the operations office managers would be under the direct line of authority organization structure. While it will be up to DOE to establish the new role of the operations office managers, and we agree they would have a new role, we believe they could be responsible for performing the remaining activities of the regional representatives--such as coordinating and maintaining

liaison on energy matters with State and local officials-- as well as acting as general overseers and advisors on the problems and activities of the field staff in their respective offices. They could advise and report these matters directly to the Secretary or his Deputy to keep them appraised of how well the field organizations are operating and of State and local concerns.

DOE has the potential in the future to make significant contributions to the development and promotion of new and better sources of energy. To meet this challenge, DOE must be effectively organized to deal with the complex program goals and objectives that must be successfully met. We do not believe that indirect lines of authority between headquarters and field staffs provide the proper framework for effectively meeting these challenges. We believe DOE could strengthen its structure with all program authority delegated through the Under Secretary to the program Assistant Secretary-level managers and all functional authority delegated to the Assistant Secretary for Management and Administration and other functional office managers. To preclude span of control problems, and to be consistent with its decentralized operating philosophy, this program and functional authority could be delegated to the lowest levels practicable by the Assistant Secretaries and other office managers. Field program and functional staff should be assigned to and accountable directly to their respective headquarters counterparts.

We recognize that the matters discussed in this report do not have a definite cause and effect relationship with DOE's organization structure. As stated many times throughout this report, there are many human and other factors present in each example, as well as judgments used in answers to our questionnaire, which prevent us from convincingly demonstrating such a cause and effect relationship. Nonetheless, when organizational theory, audit examples, and questionnaire results are considered collectively, we believe they clearly demonstrate that the direct line authority organization structure is superior and warrants serious consideration by the Department.

RECOMMENDATIONS TO THE SECRETARY OF ENERGY

The Secretary of Energy should strengthen the organization structure between headquarters and field program and functional staffs. To do this, we recommend that the Secretary take the following actions:

- Give program Assistant Secretary-level managers direct line authority over all field program staffs responsible for implementing their respective program requirements.

This authority should ensure that headquarters program managers can assign, reassign, direct, control, and evaluate the field staffs authorized to their respective program areas.

- Give direct line authority to the headquarters functional office managers over all their respective field functional office staffs. In exercising this authority, headquarters functional office managers should ensure that the independence of functional offices is maintained in headquarters and in the field so that they can effectively carry out their missions, and program Assistant Secretary-level managers receive functional support for actions that are considered critical for meeting established program goals and objectives. DOE should create, to the extent practicable, dedicated functional support staffs for each program Assistant Secretary-level manager.

We recognize that implementing these recommendations would constitute a major reorganization for the Department. We also recognize that a reorganization of this magnitude will be time consuming and, at best, a difficult task. While the concept of providing direct lines of authority between headquarters and field staff is relatively simple, implementing this concept will be complex. Our recommendations could be implemented a number of ways, ranging from phasing in the new structure on a program-by-program or field-office basis, to the most drastic action of changing the entire organization simultaneously. Thus, the Secretary may wish to establish a task force to evaluate all such options and develop an implementation plan.

DOE COMMENTS AND OUR EVALUATION

DOE disagreed with this report. In its reply letter, DOE stated that the volume and nature of comments received from departmental managers precluded their inclusion in the letter, but that DOE officials would be pleased to meet with us, at our option, to discuss those comments in detail. We subsequently met with DOE officials and did obtain more specific comments.

Based on DOE's formal, written comments and subsequent discussions, its basic disagreements with our report can be summarized as follows:

- Questionnaire methodology fails to provide valid data.
- Recommendations are inconsistent with the Department's current decentralization efforts.

- Recommended organization structure would fragment program accountability.
- Staffing resources would increase significantly.
- Relationship between DOE and Government-owned, contractor-operated (GOCO) facilities would be adversely affected.

We disagree. Our questionnaire was pretested and revised after consultation with DOE officials. The questionnaire was prepared and the responses analyzed by our staff and an expert in organization design and theory. We are not recommending that DOE abandon its decentralization effort; rather we are advocating decentralization under a different organization structure. Moreover, we believe that under its recommended organization structure, program accountability would be enhanced without a concomitant increase in staffing resources. Finally, we believe that relationships with GOCO facilities would not be adversely affected because new roles would likely be developed to fulfill this responsibility, as needed.

DOE's comments and our detailed evaluation are in appendix I. Appendix II presents the complete text of DOE's comments.

DOE COMMENTS AND OUR EVALUATION

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- Recommended organization structure would fragment program accountability.
- Staffing resources would increase significantly.
- Relationship between DOE and GOCO installations would be adversely affected.

The following sections provide a detailed explanation of DOE's comments in each of these areas as well as our evaluation of these comments.

QUESTIONNAIRE METHODOLOGYDOE comment

"The conclusions and recommendations of the report appear to be based almost entirely on a statistical analysis and other interpretations of responses to a questionnaire which was the predominant methodology used to collect data for the study. At the beginning of the study which resulted in this report, the Department of Energy stressed to the study team a concern that the nature and construction of the questionnaire and shortcomings in the survey process would tend to skew the responses to the questionnaire to the point where no valid conclusions could be drawn from the result. That concern has been borne out by the fact that comments on the proposed report from the management cadre of the Department, part"

"of the same group which responded to the questionnaire, universally reject the conclusions and recommendations of the report. Thus, it is apparent that the methodology of the study failed to provide the study team with valid data on which to base their analysis."

Our evaluation

The conclusions and recommendations of the report were not based entirely on a statistical analysis and other interpretations of responses to our questionnaire. Through an extensive literature search about organization design and theory and with the assistance of an expert consultant, we developed criteria to use for our evaluation. As stated in our scope and methodology, we evaluated DOE's organization structure against these criteria by reviewing both program and functional activities and supplementing our review with the questionnaire. The questionnaire was designed to obtain managers' perspectives on the effectiveness of the organization structure.

DOE expressed concern with the nature and construction of the questionnaire. The questionnaire was prepared in cooperation with an expert in organizational theory and design as well as our Institute for Program Evaluation, an in-house group with expertise in questionnaire development and design. The questionnaire was pre-tested with DOE's agreement, the results of the pretest were discussed with DOE officials, and we made revisions where needed to accommodate some of DOE's concerns. Finally, the questionnaire was administered to selected DOE officials who were chosen after consultation with DOE. A followup procedure was used, and an 82-percent response rate was achieved. The response data were analyzed by our Institute for Program Evaluation staff and our consultant, using standard statistical analytical techniques. Thus, we still believe the methodology used to collect and analyze the data presented in the report was valid, and that the statistics contained in the report reflect the opinions and viewpoints of the 409 DOE respondents.

DOE apparently questions the validity of our data because comments from its management cadre universally reject our conclusions and recommendations. We do not believe this to be an appropriate basis for DOE to discount our questionnaire methodology and results because of two reasons. First, we promised the questionnaire recipients that we would not identify any individuals by name in the report. In spite of this fact, many recipients still called us saying they were reluctant to complete the questionnaire unless we again assured them that they would not be identified by name in the report. We believe it is not unusual for people to respond to questions differently when assured anonymity than when identified with specific responses.

Secondly, the comments that DOE received from its management cadre are based on the viewpoints of 12 departmental managers, 7 of whom were operations office managers. Their comments were directed at the report's conclusions and recommendations, not the validity of the questionnaire methodology. The statistics we present in the report are based on responses from 409 DOE officials. Because of this larger universe of responses and our assurances that individuals would not be named in the report, we can understand how our questionnaire results would not be the same as the opinions of DOE's management cadre.

DECENTRALIZATION POLICY

DOE comment

"The operational philosophy of the Department is that the Headquarters will be responsible for program management and the field for program execution * * *. The effect of the recommendations of the report would be directly contrary to the efforts of the Secretary."

The DOE officials who discussed this comment with us said that in order for the Department to implement our recommendations, DOE would have to reverse its decentralization policy and centralize program management and execution in headquarters. As support for opposing such action, the DOE officials cited a January 1981 Office of Personnel Management report which concluded that project management had improved under decentralization.

Our evaluation

We disagree with DOE's comment that our recommendation is inconsistent with the Department's decentralization policy. This appears to be a basic misunderstanding many of the DOE officials had that we interviewed. According to our organization theory and design expert, "direct line authority" relates to the way an organization is structured, whereas "decentralization" refers to an operating philosophy. We are recommending that DOE change its organization structure to provide program Assistant Secretary-level managers and headquarters functional office managers with direct line authority over their respective field staffs. We do not recommend that DOE change its current operating philosophy of headquarters being responsible for program management and the field for program execution. To the contrary, on page 34 of the report, we state that consistent with sound management principles, such authority could be delegated by the program Assistant Secretary-level managers to the lowest practicable levels to preclude span of control problems.

We believe the two concepts--a direct line authority organization structure and a decentralized program execution operating philosophy--not only are compatible, but also could provide a better framework for making the Department operate more effectively. In fact, the example cited on page 16 of the report shows that DOE's defense programs, which at the time of our review were under direct line authority to the Assistant Secretary for Defense Programs, were more decentralized and generally were experiencing less implementation problems than the other program areas that operated under the indirect line authority structure.

The Office of Personnel Management report cited by DOE does indeed say that project management had improved under decentralization. We must point out, however, that three of the eight operations offices included in that study had a direct line authority structure to the Assistant Secretary for Defense Programs at the time that study was conducted. We believe this further substantiates our point that the cleaner lines of authority under the direct structure would make decentralization of program execution work more effectively.

PROGRAM ACCOUNTABILITY

DOE comment

In its written comments, the Department said its most recent reorganization "will insure that a clearly focused point of accountability exists, in the field, for integration and coordination of program execution responsibilities * * *." In discussing this comment, DOE officials said that our recommendations would fragment program accountability. Under its current organization structure, DOE's operations office managers have total authority over the field staff performing program and functional activities, and as such, the staff reports to and is totally accountable to that manager. The operations office managers, in turn, are accountable to the Under Secretary and, in part, to the Assistant Secretaries because their program responsibilities are specified in project charters, which are signed by the responsible Assistant Secretary. According to the DOE officials, the Department's current organization structure makes the lines of authority and responsibility direct and unambiguous. Under our recommended structure, the DOE officials say that program accountability in the field would be fragmented and ambiguous.

Our evaluation

We disagree with the thrust of the Department's comment. As stated on page 33 of the report, by providing program Assistant Secretaries with direct line authority over their respective field staffs, they should not only have authority commensurate with their

responsibility, but should be more accountable and able to hold field staff more accountable for achieving their program goals and objectives. We believe this to be true because under DOE's current organization structure, program Assistant Secretaries are responsible for establishing program plans, goals, and objectives. However, it is the operations office managers who are responsible for implementing program requirements and directing and controlling the field staff assigned to those programs and projects. To the extent that operations office managers can reprioritize projects and reassign staff, we believe this splits program accountability between the Assistant Secretaries and the operations office managers and makes it difficult to determine who is ultimately accountable for program evaluations and changes in program emphasis.

Concerning DOE's comment that operations office managers are held accountable, in part, to the Assistant Secretaries by project charters, a recent GAO report shows the ineffectiveness of this process. In that report, ^{1/} we reviewed selected major systems acquisitions to determine how DOE manages such systems. We found that of 32 systems, only 6 were covered by project management charters and only 3 were signed by the project manager. The report recommended that the Secretary of Energy require DOE project managers to report directly to the Assistant Secretary-level through the responsible major headquarters office to strengthen the role of the project manager. DOE also disagreed with this recommendation stating it was in direct opposition to the Department's decentralization policy. In responding to DOE's comment, we said that the recommendation was consistent with the policy because it would clearly make the project manager the key person in the field and eliminate another unnecessary layer of authority.

We believe that program accountability should rest with the program Assistant Secretaries. They are responsible for establishing program goals and objectives and determining the priorities of specific programs and projects within their overall program area. By providing direct line authority over the field staff assigned to their programs and projects, they would have the capability to direct and control both headquarters and field resources available to carry out their program objectives. We believe this would better define and focus program accountability in one office, and not split it, as DOE's current organization structure does, between the Assistant Secretary and the operations office manager.

^{1/}"DOE Can Improve Management of the Acquisition of Major Projects," MASAD-81-33, June 22, 1981.

STAFFING RESOURCESDOE comment

In discussing this comment, DOE officials said that our recommendations, if implemented, would require enormous increases in both headquarters and field program and functional staff. The headquarters staff, according to these officials, would have to be increased because of the additional manpower required to monitor and manage the day-to-day activities of the field staff. The field staff would also increase, they said, because, from the functional standpoint, each Assistant Secretary would need his own functional staff to provide administrative support and services. In addition, if field staff were dedicated to a particular area, program managers would be more reluctant to release their staff for fear of not getting them back again, and field staff would not be able to cross program lines quickly enough to respond to workload fluctuations. The DOE officials said it is more efficient to have all field staff--program and functional--report to the operations office manager because staff resources would be more flexible and could be utilized to the maximum extent possible.

Our evaluation

We disagree with the Department's comment that our recommendations, if implemented, would require enormous increases in both headquarters and field program and functional staff. This comment generally reflects a misunderstanding by DOE that we are recommending a change in the Department's decentralization policy which would require headquarters offices to be responsible for program execution as well as program management. This is not true. As previously stated, we are recommending that headquarters program and functional offices be given direct line authority over their respective field staffs. Under our recommended approach, program execution would continue to be decentralized, and, as such, the responsibility for program implementation would still remain with the field staff. Furthermore, as we point out in the report, we recognize the need for flexibility to redirect staff and other resources as priorities change, new activities are authorized, and others are discontinued. If DOE uses good judgment and a common sense approach to implement our recommendations, we do not anticipate that the need to increase staff resources in headquarters or the field would be any greater than it would be under the indirect line of authority structure.

Concerning DOE's specific comment that headquarters staff would have to be increased because of the need to monitor and manage day-to-day field staff activities, DOE's current organizational philosophy requires centralized program management. As such, headquarters staff are already supposed to be monitoring program

activities and evaluating program staff, both at headquarters and in the field. In addition, the operations office manager, who is currently responsible for managing day-to-day program activities, has delegated this authority to his staff. Although we recognize there would be exceptions, we would anticipate that many of these monitoring and managing functions could be performed by essentially the same staff currently doing those activities.

We also do not agree that each Assistant Secretary would require his own functional staff to provide administrative support and services. As stated on page 35 of the report, we believe the Assistant Secretary for Management and Administration and other headquarters functional offices should have direct line authority over all functional staff, and to the extent practicable, functional staff should be dedicated to each major program area to ensure adequate support services to high priority programs. We believe that by dedicating field functional staff to program areas, when feasible, field program staff and Assistant Secretaries could be provided all the functional services and information they need within budgetary limitations, to effectively manage their programs. In addition, since these field functional staffs would be under direct line authority to their respective headquarters functional offices, the Department would have better assurances that their functional activities are consistent with Department regulations, policies, and practices and that program activities are receiving adequate functional support consistently with established departmental program priorities.

Finally, DOE says that under our recommended structure, program managers would be more reluctant to release their staff for fear of not getting them back, and that field staff would not be able to cross program lines quickly enough to respond to workload fluctuations. In responding to this comment, we would first like to point out that we believe we are dealing with responsible managers. Therefore, we would hope that DOE's managers would recognize the limitations on the Department's staff resources and act responsibly in their staffing requests. However, in all likelihood, there will be instances of managers being reluctant to release their staff, but as we point out in the report, program managers already appear reluctant to transfer staff to the field under DOE's current organization structure. The statistics on page 17 appear to substantiate this statement. By giving program Assistant Secretaries direct line authority, we would anticipate seeing a larger percentage of staff being assigned to the field than currently is occurring under DOE's indirect structure. Furthermore, the difficulty that field staff would have to cross program lines, in our opinion, is a benefit of the direct line authority structure. As stated on page 18, field office managers currently have authority to allocate staff in the field, and the manner in which they exercise this authority can conflict with effective accomplishment of program

goals. We believe that the preponderance of evidence shows that Assistant Secretaries could more effectively implement their program requirements, and do so consistently with established priorities, if they had the authority to assign, direct, and control field staff to carry out their program activities. Our recommendation, however, implies that the Department should phase in our approach slowly and resolve any problems as they occur.

GOCO INSTALLATIONS

DOE comment

"The balkanization of the field structure, as recommended in the report, fails to recognize many of the fundamental elements and requirements of government-owned, contractor-operated (GOCO) contract administration and program execution and would totally preclude the coordination and integration of these activities at any organizational level of the Department below the Under Secretary. Such an approach would not only require significant increases in Federal staffing resources, but would place the major GOCO installations of the Department in the position of having no single point of contact for coordinated business management and resolution of competing program priorities below the level of the Under Secretary."

Our evaluation

We do not know who should be the single point of contact for coordinated business management with the GOCO installations or if, in fact, a single point of contact is the best way to coordinate business management. Our audit was directed at evaluating the effectiveness of DOE's headquarters/field organization structure and not DOE's interrelationships with its GOCOs. As stated on page 36, we believe the audit examples and questionnaire results demonstrate that the direct line authority organization structure concept is superior and warrants serious consideration by the Department. We also recognize that such a reorganization would be difficult to implement. However, our audit was not, nor should it have been, directed at defining what functions would be performed by every staff person in the Department. The questions will only be resolved as DOE studies our recommended structure and phases in its implementation. It is quite possible that after studying the concept, DOE may wish to define one of the new roles of the operations office manager as serving as coordinator for GOCO installations.

Concerning the last part of DOE's written comment, which stresses the need to have someone below the level of the Under Secretary to resolve competing program priorities, we disagree

with this statement. The operations office manager should not be in a position to change program priorities or shift resources unilaterally from one program to another. The Secretary has delegated to the Under Secretary responsibility for all of DOE's program activities. As such, he determines the priority of program efforts, explicitly or implicitly. When problems occur, whereby programs are competing for priority, we believe these problems should be elevated to the level of the Under Secretary to be resolved if they cannot be resolved by negotiation at lower levels.



Department of Energy
Washington, D.C. 20585

July 10, 1981

Mr. J. Dexter Peach
Director, Energy and Minerals Division
U.S. General Accounting Office
Washington, D.C. 20548

Dear Mr. Peach:

This letter provides comments of the Department of Energy on the proposed report "Changing the Department of Energy's Headquarters/Field Organization Structure Could Provide a Better Framework for Accomplishing Departmental Objectives," as requested in your letter of June 11, 1981.

The conclusions and recommendations of the report appear to be based almost entirely on a statistical analysis and other interpretations of responses to a questionnaire which was the predominant methodology used to collect data for the study. At the beginning of the study which resulted in this report, the Department of Energy stressed to the study team a concern that the nature and construction of the questionnaire and shortcomings in the survey process would tend to skew the responses to the questionnaire to the point where no valid conclusions could be drawn from the result. That concern has been borne out by the fact that comments on the proposed report from the management cadre of the Department, part of the same group which responded to the questionnaire, universally reject the conclusions and recommendations of the report. Thus, it is apparent that the methodology of the study failed to provide the study team with valid data on which to base their analysis.

The volume and nature of the comments received from Departmental managers preclude their inclusion in this letter. However, we would be pleased to discuss the deficiencies of the report identified in those comments in detail with appropriate members of your staff, if you desire.

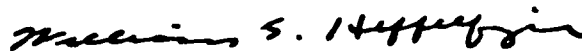
Of particular concern to the Department is the failure of the report to assess the negative side of the recommended organizational relationships. During closeout interviews at the two field sites visited by the study team, and in discussions at Headquarters prior to preparation of the proposed report, the serious disadvantages of the recommended structure were pointed out, but the report fails to reflect any consideration given to those disadvantages. This failure indicates a lack of understanding on the part of the study team of the nature of the institutions of the Department and how they are managed. The balkanization of the field structure, as recommended in the report, fails to recognize many of the fundamental elements and requirements of government-owned, contractor-operated (GOCO) contract administration and program execution and would totally preclude the coordination and integration of these activities at any organizational level of the Department below the Under Secretary. Such

an approach would not only require significant increases in Federal staffing resources, but would place the major GOCO installations of the Department in the position of having no single point of contact for coordinated business management and resolution of competing program priorities below the level of the Under Secretary.

The Secretary has taken a number of initiatives and is currently engaged in further steps to rationalize and streamline the field structure of the Department. The operational philosophy of the Department is that the Headquarters will be responsible for program management and the field for program execution. The April 24, 1981, realignment, which reduced the number of organization elements reporting to Headquarters by 15, and other potential changes will insure that a clearly focused point of accountability exists, in the field, for integration and coordination of program execution responsibilities and for policy and program guidance to major GOCO facilities. The effect of the recommendations of the report would be directly contrary to the efforts of the Secretary.

If you wish to discuss the detailed comments of Departmental managers concerning the proposed report, please contact Mr. K. Dean Helms, Director of Organization and Management Systems, on 252-6800.

Sincerely,



William S. Heffelfinger
Assistant Secretary
Management and Administration

GAO NOTE: We met and discussed these comments with DOE officials. Additional comments from DOE headquarters and field personnel were obtained during this meeting and any modifications or clarifications were made in the body of the report, as appropriate.

PRIOR STUDIES OF THE
DEPARTMENT OF ENERGY

Prior DOE studies focused on various aspects of the Department's management structure and operations. These studies, which were performed by DOE and for DOE by private firms, include:

<u>Study</u>	<u>Performed by</u>	<u>Report Issued</u>
Management Audit of Selected Areas of the Department of Energy	Coopers and Lybrand	March 1979
Review of Roles and Functions of the Laboratories and Field Operations Offices (DESM 79-3)	DOE Study Group	August 1979
Construction/Development Project Management	Energy Research Advisory Board	November 1979
Project Management System Study (DESM 79-1)	DOE Study Group	January 1980

In reviewing these studies, we focused on

--problems of an organizational nature identified in the studies and

--recommendations for correcting deficiencies.

Those aspects of the studies which are relevant to our review are summarized in the following sections. DOE's actions as a result of the studies are discussed on page 53.

COOPERS AND LYBRAND STUDY

Coopers and Lybrand reviewed DOE's operation and management structure between mid-December 1978 and mid-February 1979. The resulting March 2, 1979, report focused on

--overall organization, roles, and responsibilities;

--major managerial processes necessary to all Federal Government agencies; and

--day-to-day operating procedures and "style" of the Department.

Coopers and Lybrand stated that the most pressing organizational problem was the need to clearly define the roles and responsibilities of the Secretary, Deputy Secretary, and Under Secretary. The existing definition was ambiguous and made it difficult to clearly integrate departmental policy, systems, and operations, and resulted in the potential for confusion, uncertainty, and conflict.

Coopers and Lybrand found no compelling reasons for restructuring the Department's basic headquarters organization. Although the study primarily focused on headquarters operations, it mentioned that field organization was an area requiring further review.

DESM 79-3

DESM 79-3 is one of two studies which DOE performed in response to recommendations contained in the Coopers and Lybrand study. The other study is discussed on page 53. The scope of the study included

- a review of the organization and role of DOE field elements engaged in research, development and demonstration and

- an analysis of current management procedures and their effectiveness, and how they could be improved in the short term.

The DOE study group consisted of representatives from all major headquarters program areas, field operations offices, an energy technology center, and advisors from the administrative, budget, and legal support divisions. The group examined DOE's operations offices, multiprogram laboratories, energy technology centers, the National Solar Energy Research Institute, and the regional solar energy centers. It issued its report in August 1979. With one exception, the study group recommended that DOE maintain existing organization and reporting relationships. The recommendations were as follows:

- Non-defense operations office managers report to the Under Secretary.

- Multi-program laboratories report to an Assistant Secretary or the Director of Energy Research.

- The Solar Energy Research Institute report to the Assistant Secretary for Energy Technology.

--The regional solar energy centers report to the Assistant Secretary for Conservation and Solar Energy.

The one exception concerned the energy technology centers. Originally, all energy technology centers reported to the Assistant Secretary for Energy Technology. The study group stated that the seven energy technology centers should be divided into eastern and western groups. Each group would have a single office with administrative and programmatic responsibilities. These two offices would report to the Assistant Secretary for Energy Technology.

Significantly, the study group recommended that four of the five field components report to an Assistant Secretary level. Of the field offices covered in this study, only the non-defense operations office managers would report to a different level. Even defense operations office managers, though not included in the study, would report to an Assistant Secretary. By having field components report to an Assistant Secretary, the study group expected better management from a headquarters program office with a vested interest in its field counterpart than a separate office with no program responsibilities. Further, the headquarters program office's ability to implement line management responsibilities was important for effective management.

The study group also considered recommending that non-defense operations office managers report to an Assistant Secretary. However, the Department was undergoing a change at the Secretarial level, and the incoming Secretary was also expected to propose some changes. As a result, the study group decided to recommend maintaining the status quo for the non-defense operations offices rather than propose changes which could conflict with the incoming Secretary's changes.

ENERGY RESEARCH ADVISORY BOARD STUDY

The Energy Research Advisory Board, consisting of DOE representatives, is a standing board that advises DOE on energy research matters.

The purpose of the Energy Research Advisory Board Study was to assess the effectiveness of project management and make recommendations for improvement. In conducting the review, the study group examined several case studies which were representative of all programs and projects within DOE. In addition, the group investigated organization and management problems in DOE projects.

The November 1979 report concluded the need to more clearly define management responsibilities. In addition, the report noted that the office with management responsibility must control the resources necessary for effective program or project execution.

DESM 79-1

The objective of the DESM 79-1 review was to identify any changes necessary to tighten and simplify procedures, establish clear lines of authority, ensure appropriate delegation of authority, and establish management accountability for project activities.

The study was conducted by representatives from each program Assistant Secretary, the Office of Energy Research, major departmental staff offices, an operations office, and a regional office. The group focused on the following areas:

- Roles, responsibilities, and authorities for projects within DOE headquarters.
- Roles, responsibilities, and authorities for project management within field offices.
- Project documentation.
- Project reporting and reviews.

The January 1980 report stated that DOE headquarters managers are accountable for the success of the overall programs of which specific projects may be an essential part. However, the report recommended that field office managers be in a direct "line management" role for projects. Accordingly, the report recommended that project managers report to the field office manager.

DOE RESPONSES TO RECOMMENDATIONS FOR IMPROVEMENT

DOE has taken several steps in response to recommendations contained in the various studies which we reviewed. As stated earlier, DESM 79-1 and DESM 79-3 were performed in response to recommendations contained in the Coopers and Lybrand Study. The two studies examined in greater detail issues addressed by Coopers and Lybrand. The Energy Research Advisory Board Study addressed similar issues. All contained recommendations for improvement.

The studies' recommendations which are relevant to our review may be summarized as follows:

--DOE must clearly define management roles, responsibilities, and authority.

--Responsible managers must be able to control critical resources needed for effective management.

In response to these recommendations, DOE issued its Project Management System Handbook in May 1980. The handbook defines management roles, responsibilities, and authorities for all levels, from the program Assistant Secretary to the project manager. In addition, the handbook discusses management tools necessary for effective project management.

Most of the recommendations dealing specifically with organization and reporting relationships were contained in DESM 79-3. The recommendations were still under review and consideration when the 1980 national elections resulted in a change in administration. Since then, the recommendations have not been acted on.

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U.S. GENERAL ACCOUNTING OFFICE

REVIEW OF DOE HEADQUARTERS/FIELD
ORGANIZATIONAL STRUCTURE

This questionnaire focuses specifically upon the relationships between DOE's Field and Headquarters. For the purposes of this survey, field refers to DOE's eight operations offices and 10 offices of the regional representatives (regional offices).

BACKGROUND INFORMATION

1. Excluding military service, how long have you worked for the Federal Government? (Check one.) (4)
 1. ☐ Less than 1 year
 2. ☐ 1 - 3 years
 3. ☐ 4 - 6 years
 4. ☐ 7 - 10 years
 5. ☐ 11 years or more
2. Consider the Department of Energy since its establishment in 1977. Do not consider Department of Energy predecessor agencies. How long have you worked for the Department of Energy? (Check one.) (5)
 1. ☐ 12 months or less
 2. ☐ 13 - 24 months
 3. ☐ 25 months or more
3. Have you been employed by any other Federal agencies besides the Department of Energy or its predecessor agencies? (Check one.) (6)
 1. ☐ Yes (GO TO QUESTION 3A)
 2. ☐ No (GO TO QUESTION 4)
- 3A. How many other Federal agencies have employed you? (7-8)

Record number _____
4. How long have you been in your current position? (Check one.) (9)
 1. ☐ Less than 6 months
 2. ☐ 6 - 12 months
 3. ☐ 13 - 24 months
 4. ☐ 25 months or more

THE NEGOTIATION PROCESS

In this section, we would like to know about the negotiation process, if any, which occurs between Headquarters and the field offices over the tasks which the field offices perform and the resources allocated to these tasks.

5. Does your office engage in a field-headquarters negotiation process over the relative importance of various projects and the assignment of personnel and other resources to them? (Check one.) (10)
 1. ☐ Yes (GO TO QUESTION 5A)
 2. ☐ No (GO TO QUESTION 7B)
- 5A. How often does your office engage in this negotiation process? (Check one.) (11)
 1. ☐ Rarely
 2. ☐ Sometimes
 3. ☐ As often as not
 4. ☐ Often
 5. ☐ Very often
6. Overall, of what benefit, if any, has the negotiation process been to the work performed in your office? (Check one.) (12)
 1. ☐ Of very great benefit
 2. ☐ Of great benefit
 3. ☐ Of moderate benefit
 4. ☐ Of some benefit
 5. ☐ Of little if any benefit
7. Consider the role of your office in the negotiation process. Which group, if any, has the most influence on the final decisions reached in the negotiation process? (Check one.) (13)
 1. ☐ Field office
 2. ☐ Both have equal influence
 3. ☐ Headquarters
 4. ☐ No basis for judgment

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7A. Consider the work performed in your office. In your opinion, which group should have the most influence on the final decisions in the negotiation process? (Check one.) (14)

1. ☐ Field office
2. ☐ Both should have equal influence
3. ☐ Headquarters
4. ☐ No opinion

7B. Consider the work performed in your office. In your opinion, should this negotiation process occur more often, in a similar amount or less often than it does now? (Check one.) (15)

1. ☐ More often
2. ☐ In a similar amount
3. ☐ Less often
4. ☐ No opinion

DUPLICATION OF JOB FUNCTIONS AND ACTIVITIES

8. Given your experiences, would you say that at least some of the work performed in your office is duplicated in the field? (Note: If field employee answer in terms of headquarters duplication.) (Check one.) (16)

1. ☐ - Yes (GO TO QUESTION 8A)
2. ☐ No (GO TO QUESTION 10)

8A. Consider the work performed in your office. How often would you say that tasks performed in your office are duplicated in the field/headquarters? (Check one.) (17)

1. ☐ Rarely
2. ☐ Sometimes
3. ☐ As often as not
4. ☐ Often
5. ☐ Very often

9. In your opinion, is this duplication necessary? (Check one.) (18)

1. ☐ Yes, all of the time
2. ☐ Yes, most of the time
3. ☐ Yes, some of the time
4. ☐ No, rarely if at all

9A. Listed below are a number of possible reasons why unnecessary duplication between the field and headquarters may occur. To what extent, if at all, do these reasons account for the duplication which occurs with regard to the work performed under your supervision? (Check one column for each row.)

Reason	Extent to which these factors account for unnecessary duplication				
	To a very great extent	To a great extent	To a moderate extent	To some extent	To little or no extent
1. Field responsibilities are not clearly defined	1	2	3	4	5
2. Management information systems do not operate effectively					
3. HQ must duplicate because the Field is not performing effectively					
4. Field must duplicate because HQ is not performing effectively					
5. There are too few reporting relationships between HQ and Field					
6. There are too many reporting relationships between HQ and Field					
7. Other (please explain)					

APPROVAL PROCESS

10. On the average, how many levels at Headquarters and in the field must approve the work under your supervision involving major projects or jobs?

Record number at Headquarters _____ (26-27)

Record number at field _____ (28-29)

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- 10A. In your opinion, on the average how many levels at Headquarters and in the field should approve the work under your supervision involving major projects or jobs?

Record number at headquarters _____ (30-31)

Record number at field _____ (32-33)

- 10B. Do you feel that the number of managerial levels at Headquarters involved in approving your work influences the work under your supervision at all? (Check one.) (34)

1. ☐ Yes (GO TO QUESTION 10C)

2. ☐ No (GO TO QUESTION 10D)

- 10C. In general, how does the number of managerial levels at Headquarters influence the work under your supervision? (Check one.) (35)

1. ☐ In a positive manner

2. ☐ Neither--negative as often as positive

3. ☐ In a negative manner

- 10D. Do you feel that the number of managerial levels in the field involved in formally or informally approving the work under your supervision influences the work at all? (Check one.) (36)

1. ☐ Yes (GO TO QUESTION 10E)

2. ☐ No (GO TO QUESTION 11)

- 10E. In general, how does the number of managerial levels in the field influence the work under your direct supervision? (Check one.) (37)

1. ☐ In a positive manner

2. ☐ Neither--negative as often as positive

3. ☐ In a negative manner

11. Approximately, how many months does it normally take to put a new major project or job into place and make it fully operational after a management agreement has been reached?

Record number of months _____ (38-39)

- 11A. In your opinion, approximately how many months should it take, on the average, for headquarters and field to put a new major project into place and make it fully operational after a management agreement has been reached?

Record number of months _____ (40-41)

12. Approximately, how many months does it normally take for headquarters and field to reach a management agreement for a project or job to begin?

Record number of months _____ (42-43)

- 12A. In your opinion, approximately how many months should it take, on the average, for headquarters and the field to reach a management agreement for a project or job to begin?

Record number of months _____ (44-45)

13. Does the Field ever reprioritize the projects that Headquarters has already prioritized? (Check one.) (46)

1. ☐ Yes, all of the time

2. ☐ Yes, most of the time

3. ☐ Yes, some of the time

4. ☐ Yes, but rarely

5. ☐ No, never

CONFLICT

14. To the best of your knowledge, does any conflict exist between your office and the field? (Check one.) (47)

1. ☐ Yes (GO TO QUESTION 14A)

2. ☐ No (GO TO QUESTION 16)

- 14A. Does this conflict have any influence on the work which you supervise? (Check one.) (48)

1. ☐ Yes (GO TO QUESTION 14B)

2. ☐ No (GO TO QUESTION 15)

- 14B. In general, how does this conflict influence the work which you supervise? (Check one.) (49)

1. ☐ In a positive manner

2. ☐ Neither--as often negative as positive

3. ☐ In a negative manner

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15. Listed below are various types of conflict that may occur between headquarters and the field. Please indicate how often, if at all, these types of conflict occur within your office. Also indicate to what extent, if any, the conflict hinders the work which you supervise.

Conflict between headquarters and field over . . .	Occurs					Extent To Which It Hinders Work					
	Never 1	Rarely 2	Sometimes 3	Often 4	Very often 5	To little or no extent 1	To some extent 2	To a moderate extent 3	To a great extent 4	To a very great extent 5	
1. the program and goals and objectives											(50-51)
2. decisionmaking authority											(52-53)
3. the manner in which programs are to be implemented											(54-55)
4. the assignment of field personnel to various projects											(56-57)
5. the assignment of resources (other than personnel) to various projects											(58-59)
6. Other (please explain)											(60-61)

HEADQUARTERS AND FIELD CONSISTENCY

16. In general, how consistent or inconsistent are the formal (written) policies, procedures, directives and regulations of headquarters and the field? (Check one.) (62)

1. ☐ Very consistent
 2. ☐ Consistent
 3. ☐ Marginally consistent
 4. ☐ Inconsistent
 5. ☐ Very inconsistent

- 16A. Does this consistency or inconsistency influence the work which you supervise? (Check one.) (63)

1. ☐ Yes (GO TO QUESTION 16B)
 2. ☐ No (GO TO QUESTION 17)

- 16B. In general, how does this consistency or inconsistency influence the work you supervise? (Check one.) (64)

1. ☐ In a positive manner
 2. ☐ Neither--negative as often as positive
 3. ☐ In a negative manner

17. In general, how consistent or inconsistent are the actual implementations of policies, procedures, directives and regulations of headquarters and the field? (Check one.) (65)

1. ☐ Very consistent
 2. ☐ Consistent
 3. ☐ Marginally consistent
 4. ☐ Inconsistent
 5. ☐ Very inconsistent

- 17A. Does this consistency or inconsistency influence the work which you supervise? (Check one.) (66)

1. ☐ Yes (GO TO QUESTION 17B)
 2. ☐ No (GO TO QUESTION 18)

- 17B. In general, how does this consistency or inconsistency influence the work which you supervise? (Check one.) (67)

1. ☐ In a positive manner
 2. ☐ Neither--negative as often as positive
 3. ☐ In a negative manner

APPENDIX V

MANAGERIAL TURNOVER

18. How would you describe the turnover rate of assistant secretaries and other politically appointed managers at headquarters? (Check one.) (68)
1. ☐ Very low
 2. ☐ Low
 3. ☐ About right
 4. ☐ High
 5. ☐ Too high
 6. ☐ No basis to judge
- 18A. Does the turnover rate of assistant secretaries and other politically-appointed managers at headquarters influence the work under your supervision? (Check one.) (69)
1. ☐ Yes (GO TO QUESTION 18B)
 2. ☐ No (GO TO QUESTION 19)
- 18B. In general, how does the turnover rate of assistant secretaries and other politically-appointed managers at headquarters influence the work under your supervision? (Check one.) (70)
1. ☐ In a positive manner
 2. ☐ Neither--negative as often as positive
 3. ☐ In a negative manner
19. How would you describe the managerial turnover rate of Government career managers at Headquarters? (Check one.) (71)
1. ☐ Too low
 2. ☐ Low
 3. ☐ About right
 4. ☐ High
 5. ☐ Too high
- 19A. Does the managerial turnover rate of Government career managers at headquarters influence the work under your supervision? (Check one.) (72)
1. ☐ Yes (GO TO QUESTION 19B)
 2. ☐ No (GO TO QUESTION 20)

APPENDIX V

- 19B. In general, how does the managerial turnover rate of Government career managers at headquarters influence the work under your supervision? (Check one.) (73)
1. ☐ In a positive manner
 2. ☐ Neither--Negative often as positive
 3. ☐ In a negative manner

CONTROL OF PERSONNEL AND OTHER RESOURCES

20. To what extent, if at all, do you control the work of headquarters staff assigned to your projects? (Check one.) (74)
1. ☐ To little or no extent
 2. ☐ To some extent
 3. ☐ To a moderate extent
 4. ☐ To a great extent
 5. ☐ To a very great extent
 6. ☐ No HQ staff assigned to my projects
21. Do you always have sufficient staff to effectively carry out the work under your supervision? (Check one.) (75)
1. ☐ Yes (GO TO QUESTION 22)
 2. ☐ No (GO TO QUESTION 21A)
- 21A. How often do you find that you do have sufficient staff? (Check one.) (76)
1. ☐ Rarely
 2. ☐ Sometimes
 3. ☐ As often as not
 4. ☐ Often
 5. ☐ Very often
22. Do you always have sufficient resources (other than staff) to effectively carry out the work under your supervision? (Check one.) (77)
1. ☐ Yes (GO TO QUESTION 23)
 2. ☐ No (GO TO QUESTION 22A)
- 22A. How often do you find that you have sufficient resources? (Check one.) (78)
1. ☐ Rarely
 2. ☐ Sometimes
 3. ☐ As often as not
 4. ☐ Often
 5. ☐ Very often

APPENDIX V

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PERFORMANCE EVALUATION

23. To the best of your knowledge, does headquarters formally evaluate projects in the field offices? (Check one.) (79)

1. ☐ Yes, all of the time (GO TO QUESTION 23A)
2. ☐ Yes, most of the time (GO TO QUESTION 23A)
3. ☐ Yes, some of the time (GO TO QUESTION 23A)
4. ☐ No, rarely if ever (GO TO QUESTION 24)

23A. Approximately what percent of the projects done in the field offices are formally evaluated by headquarters? (80-81)

Percent _____%

23B. In your opinion, approximately what percent of projects done in the field offices should be formally evaluated by headquarters? (82-83)

Percent _____%

23C. To the best of your knowledge, to what extent, if at all, do the field offices follow the recommendations made by headquarters with regard to these formal evaluations? (Check one.) (84)

1. ☐ To little if any extent
2. ☐ To some extent
3. ☐ To a moderate extent
4. ☐ To a great extent
5. ☐ To a very great extent

24. Consider the work under your supervision. Does headquarters ever evaluate your own individual performance either formally or informally? (Check one.) (85)

1. ☐ Yes (GO TO QUESTION 24A)
2. ☐ No (GO TO QUESTION 25)

24A. How often does headquarters evaluate your performance? (Check one.) (86)

1. ☐ Rarely
2. ☐ Sometimes
3. ☐ As often as not
4. ☐ Often
5. ☐ Very often

25. Consider the field employees doing work for you. Does headquarters ever evaluate their individual performance formally or informally? (Check one.) (87)

1. ☐ Yes (GO TO QUESTION 25A)
2. ☐ No (GO TO QUESTION 26)
3. ☐ No field employees working for me (GO TO QUESTION 26)

25A. How often does headquarters evaluate the performance of field employees doing work for you? (Check one.) (88)

1. ☐ Rarely
2. ☐ Sometimes
3. ☐ As often as not
4. ☐ Often
5. ☐ Very often

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PROBLEM AREAS

26. Listed below are the fourteen major issues which we have addressed. Please indicate the extent to which each of these issues created problems with the work under your supervision.

Issue	Extent to which the issue creates problems					
	1	2	3	4	5	
1. Negotiation process						(89)
2. Duplication						(90)
3. The approval process						(91)
4. Conflict						(92)
5. Headquarter and field consistency						(93)
6. Managerial turnover of career managers						(94)
7. Managerial turnover of politically- appointed managers						(95)
8. Sufficiency of staff						(96)
9. Adequacy of resources						(97)
10. Control of staff						(98)
11. Control of resources						(99)
12. Performance evaluation of managers and employees						(100)
13. Reprioritization of projects by Field						(101)
14. Performance evaluation of projects						(102)
15. Other (please explain)						(103)

THE MOST SIGNIFICANT PROBLEM AREA

27. In this questionnaire, we have examined 14 problem areas (plus an "other" category) listed in Question 26. Please identify the most significant problem area in terms of its impact on your own work, explain why it is the most significant problem area, and give examples if possible. In addition, please discuss any other issues that you feel should be highlighted.

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LIMED
-8