



USAID STAFFING

ISSUE

USAID lacks the staff resources to carry out its mandate and functions, leading recent administrations to circumvent the agency when faced with a new opportunity or challenge. AID lacks both the numbers and technical skills required to function in its prior role as a premier development agency. Restoring this capability is constrained by a failure within the U.S. government to acknowledge that the ability to maximize the impact of U.S. assistance is directly related to the capability to manage those resources, the absence of a vision and strategic plan for human resources, and inadequate capacity to hire and train staff. Staffing inadequacies too often are dealt with through contract “workarounds” that are inefficient and costly, and can create a “them vs. us” mentality in the workforce.

BACKGROUND & ANALYSIS

The number of employees at USAID has dropped from 4,300 in 1975, to 3,600 in 1985, to 3,000 in 1995. As of September 2007, USAID was staffed with 2,417 direct hire staff (1,324 foreign service officers and 1,093 civil servants) and 908 staff with limited appointments (628 personal services contractors and 280 Pasas, Rasas, and others). In addition, the agency employed 4,557 Foreign Service nationals at missions overseas. While staffing levels have declined, program responsibility has increased from approximately \$8 billion in 1995 to approximately \$13 billion in 2007 (in 2005 dollars). USAID has set a target of a contracting officer managing a range of \$10-14 million per year, but the current level is at an average of \$57 million.

There are inadequate numbers of experienced career officers; as a result, management oversight of programs is at risk. Fifty percent of Foreign Service officers were hired in the last 7 years. One hundred percent of Senior Foreign Service officers will be eligible to retire in 2009. Of 12 Career Ministers, six will reach the mandatory retirement age of 65 in 2010. Mid-career Foreign Service officers in their mid-40s have less than 12 years of service. Until 2007, 70-80 members of the Foreign Service would leave the service annually, 85% for retirement; that rate has fallen to 45-55%. Of 122 new hires in 2007, only 10% were experienced mid-career hires. While the Foreign Service union recognizes the need for mid-career hires, its membership has responded negatively to hiring at the level of FS 03 and 02.

USAID partially meets staffing needs through over 900 “temporary” employees (hired through personal service contracts, inter-agency transfers, and other mechanisms), with different salary scales and contract arrangements. These personnel system “workarounds” – some 23 different modes of hiring – create inefficiencies and are costly (PASA overheads range from 23-38%). The Foreign Service Act restricts AID to only 25 PSCs in Washington. Contract personnel lack “inherently governmental authorities” and



are treated as lower-class employees. Some would opt for permanent status if given the choice, but AID lacks OE and/or conversion authority, and they would have to compete for their current positions.

USAID has lost the ability to hire additional and support existing staff. The HR office is geared to bring in 40 new hires a year, but at least for a few years is projected to process several hundred new hires annually. USAID lacks a full-time Career Development Executive to build career paths and link assignment opportunities to those paths, or sufficient staff to build the training function (in 1990, HR training had 6 secretaries; today, there are 6 staff in total in the training division). DOD maintains a 10% float (for training and placing staff in other agencies and organizations). AID has float of ½ of a percent, little training, and is unable to take opportunities for placing staff in other agencies and organizations.

The distinction between operating expense and program funds is a distinction not replicated in other foreign affairs agencies. It reflects a lack of trust by Congress, a failure to appreciate that much of USAID staff are part of the process of delivering development (not just overhead), and significantly constrains operational flexibility. Certain functions are understaffed (40 of 140 contracts positions are vacant).

The small size of USAID contributes to GS attrition due to limited upward mobility. USAID hires, trains and loses qualified civil servants to larger USG agencies – “mass exodus of GS 12-14s.” Approximately 80 GS staff depart every year, 85% to other government agencies.

AD (Administrative Determination) placement has been politicized and needs to be returned as an authority to hire individuals with needed technical and managerial skills.

Once commissioned, Foreign Service officers can leave the agency for several years and come back under reappointment, but they must return at the same level as when they departed. Rehired FS officer annuitants, a potentially rich pool for special projects, are disadvantaged at having their annuity frozen during their period of reemployment.

There are major constraints on filling staffing needs overseas: money, bodies, space, security, and NSDD 38 (ambassador approval of USG positions in-country).

As a result of Consolidation of Administrative Services, FSNs performing administrative functions in USAID missions have been reduced in numbers. Also, direct hire FSNs have no reemployment rights if they leave for national service or serve USAID as TCNs.

The Agency and the Administration recently have recognized many of these shortcomings, and in 2008 instituted the Development Leadership Initiative (DLI) to hire 120 new Foreign Service staff in 2008, 300 in 2009, and additional hiring in subsequent years, toward a target of more than doubling the number of Foreign Service officers by



2012. In addition, USAID is ramping up training, instituting competency-based promotion precepts, and a “USAID online University” to consolidate in one locale all USAID training opportunities. The training budget was \$10.3 million in 2008 and is proposed at \$20 million for 2009 and \$25 million for 2010. The DLI has some training built into it; central bureaus provide some program-funded training.

RECOMMENDATIONS

Build on Recent Initiatives – DLI program to double the number of FS officers to 2250 by 2012; competency-based promotion precepts; “USAID online University”.

Strategic Plan – Develop a USAID HR strategic plan that ties the number and capabilities of staff to a new Executive/Congressional accord on objectives, priorities, and the type of organization and program management that best meets U.S. foreign assistance needs in the 21st century. The plan should identify staff training and development requirements. If rapid staff and training build-up is required, consider time-limited outsourcing.

Float – Like the military, USAID should have a designated float, e.g., 10%, of staff that are engaged in professional development: training; advanced education; assignment to other governmental, international, and private-sector organizations.

Career Development – AID should have integrated career maps, competency models, and training plans to effectively develop employee skills and knowledge. Training and development opportunities should address technical, management, and leadership skills for both FS and CS staff.

Operating Expenses – Eliminate OE as a funding category. Set a notional percentage for administrative expense. Acknowledge that the work of many AID employees is devoted to advancing the agency’s policies and programs and is part of the development process, not just administrative overhead.

Hiring Authorities – Consolidate hiring authorities into a smaller but more flexible set.

Tap into Outside Skills and Knowledge – Knowledge and skills advance faster than any single organization can keep pace with. AID needs the most advanced and current knowledge and information. It can access those through: professional staff development; a fellows program that brings academic, research, and private-sector experts into staff jobs for 6 months to 2-5 years; and contracting for particular skills (but through carefully developed mechanisms, not the current maze of work-arounds).

Employment Incentives – In recognizing that career paths in the 21st century are no longer for an individual to work for the same organization for his/her entire career, that demands of family and professional experience can require an interregnum in one’s



employment, and that periodically the agency will have a need for additional advanced skills and capabilities, USAID needs the authority to establish personnel policies that are more flexible, such as allowing an employee to take a break from service without disadvantaging his/her career and providing incentives for employees to remain in or return to service (e.g., ability to return at a higher grade if appropriate competencies and experience can be demonstrated; limited term appointments for reemployed SFS annuitants with no loss of annuity).