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UNITED STATES GENERAL ACCOUNTING OFFICE  
WASHINGTON, D.C. 20548

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HUMAN RESOURCES  
DIVISION



OCT 18 1976

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The Honorable  
The Secretary of Health,  
Education, and Welfare

Dear Mr. Secretary:

As part of our ongoing review activities, we studied certain management practices at the National Institute of Education (NIE). Part of our effort was to identify discrepancies or areas of weakness in personnel and manpower functions, such as those reported in our letter of August 13, 1976, to the Director of NIE:

- Employee development and training.
- Employee performance ratings.
- Monitoring the use of consultants.

Congressional interest in manpower planning systems development was evident during the fiscal year 1973 appropriations hearings before the House Appropriations Subcommittee on Labor, Health, Education, and Welfare. During those hearings, Department officials said that a manpower utilization unit had been established in the Office of the Secretary and that a manpower management system would be established in each Department agency. NIE has not successfully developed a manpower planning system and more work is necessary to establish such a system.

We worked primarily at NIE's Office of Administration and Management, and the results of our work were discussed with the Director and other NIE officials on April 30, 1976.

In his letter of May 24, 1976, the Director of NIE informed us of current or anticipated actions to correct the deficiencies that were found. He also said that although a manpower planning system had not been developed, it had been

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a concern of NIE for some time. The Director also stated that NIE has a continuing commitment to establish a manpower planning system in order to satisfy any requirements imposed from outside NIE and to assist in the effective management of personnel resources.

NEED FOR A MANPOWER PLANNING SYSTEM

The development of a Department-wide planning system gained new emphasis in the fall of 1973 when the Under Secretary of Health, Education, and Welfare had difficulty in defending HEW's fiscal year 1975 manpower budget. One objective of a manpower planning system is justification of the budget based on productivity data.

According to HEW officials, other major benefits of a manpower planning system include

- the objective allocation of current personnel resources to support new goals,
- the more productive utilization of employees, and
- improved manpower ceiling management.

NIE EFFORTS TO DEVELOP A MANPOWER PLANNING SYSTEM

On March 20, 1974, the Under Secretary of Health, Education, and Welfare directed the Acting Assistant Secretary for Education to develop plans, by April 22, 1974, for a manpower planning system within the Education Division of which NIE is a part. The goal was to

- reallocate positions for higher priority tasks during fiscal year 1975,
- expand work measurement and productivity,
- increase the number of positions included in utilization surveys,
- rejustify through zero base analyses, fiscal year 1975 staffing increases, and
- establish a permanent staff to apply these objectives.

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NIE decided to select a small outside firm to develop its planning system since the expertise was not believed to be available within NIE and the job did not seem too involved. NIE contracted with the Small Business Administration's (SBA's) "8A" program for socially or economically disadvantaged firms, and on May 8, 1974, SBA, based on NIE's nomination, subcontracted with a minority-owned firm to develop the system. Total cost for work performed under the three-phased contract was about \$94,000. A report based on the work done under the contract was submitted to NIE in December 1974 and dealt mainly with the systematic development of information needed for effective personnel and workload planning within NIE.

Office of Management Planning and Technology officials evaluated the contractor's report in February 1975 and made the following remarks:

- The planning system developed for NIE does not fulfill manpower management program criteria.
- The report relies on unwarranted assumptions.
- The proposed system does not provide for an ongoing manpower control reporting system which would enable decisions on
  1. actual and anticipated workloads,
  2. productivity and performance indexes, and
  3. quality of output or achievement of goals.

This evaluation, however, was not made known to NIE until March 1976.

NIE officials said that the planning system developed under this contract is not being used. Further, no other planning system has been developed.

In his May 24 letter to us, the Director of NIE said in the past 2 months his staff had (1) several meetings with the Office of Management Planning and Technology, (2) hired a consultant to help design the planning system, and (3) reactivated a management committee made up of representatives from each major NIE program unit which will work closely with the staff responsible for the planning system. The letter also said NIE is developing a planning system to accomplish two broad objectives

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"\* \* \* (1) to provide outside agencies with manpower and workload data which they have specifically requested and (2) to establish a system which will improve NIE's ability to manage and control its programs and manpower resources."

CONCLUSION

NIE is moving in the right direction with its emphasis on the development of a manpower planning system. We believe that this, combined with guidance from your office, could result in the establishment of the long-delayed planning system which would improve NIE's personnel management.

RECOMMENDATION


We recommend that you provide whatever guidance and take whatever steps are necessary to assure that NIE develops an effective manpower planning system at reasonable cost and without further delay.

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As you know, section 236 of the Legislative Reorganization Act of 1970 requires the head of a Federal agency to submit a written statement on actions taken on our recommendations to the House and Senate Committees on Government Operations not later than 60 days after the date of the report and to the House and Senate Committees on Appropriations with the agency's first request for appropriations made more than 60 days after the date of the report.

We are sending copies of this letter to the Director, Office of Management and Budget; the Senate and House Committees on Appropriations and Government Operations; the House Appropriations Subcommittee on Labor, Health, Education, and Welfare; the Assistant Secretary for Education, HEW; the Director, HEW Audit Agency; and the Director, NIE.

Sincerely yours,

  
Gregory J. Ahart  
Director