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# *Office of Inspector General*

# *Audit Report*

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## **FHWA'S WORKFORCE PLANNING PROCESSES GENERALLY ALIGN WITH BEST PRACTICES, BUT SOME COMPONENTS ARE INCONSISTENTLY IMPLEMENTED OR LACK MAP-21 CONSIDERATION**

*Federal Highway Administration*

*Report Number: MH-2014-058*

*Date Issued: June 19, 2014*





# Memorandum

U.S. Department of  
Transportation

Office of the Secretary  
of Transportation  
Office of Inspector General

Subject: **ACTION**: FHWA's Workforce Planning  
Processes Generally Align With Best Practices,  
but Some Components Are Inconsistently  
Implemented or Lack MAP-21 Consideration  
Federal Highway Administration  
Report Number MH-2014-058

Date: June 19, 2014

From: Thomas E. Yatsco   
Assistant Inspector General for  
Surface Transportation Audits

Reply to  
Attn. of: JA-30

To: Federal Highway Administrator

The Federal Highway Administration (FHWA) is responsible for overseeing approximately \$75 billion in Federal funds provided to the States in fiscal years 2013 and 2014 for infrastructure projects. FHWA's strategic plan states that the Agency's primary focus is to improve highway system performance, particularly its safety, reliability, effectiveness, and sustainability. To accomplish this mission and oversee States' use of Federal highway funds, FHWA maintains a workforce of about 2,900 staff widely distributed across headquarters offices, 52 division offices, and other field offices across the country.

In recent years, Congress and the Administration have called on Federal agencies to improve accountability in their operations and ensure efficient use of resources, including their workforces. The Moving Ahead for Progress in the 21st Century Act<sup>1</sup> (MAP-21) also established new requirements for FHWA, including a focus on measuring progress toward national transportation goals and consolidating programs.

Given these requirements and growing demands on FHWA's workforce, we reviewed FHWA's processes for assessing its workforce needs. Specifically, we determined whether (1) FHWA's workforce planning processes generally align with best practices and (2) FHWA has evaluated the workforce impacts of MAP-21.

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<sup>1</sup> Pub. L. No. 112-141 (2012).

We conducted our work in accordance with generally accepted Government auditing standards. As part of this audit, we selected a stratified random sample of 15 out of 75 FHWA offices (20 percent) in 10 States and Washington, D.C. Exhibit A provides further details about our scope and methodology.

## **RESULTS IN BRIEF**

FHWA's workforce planning processes generally align with six best practices identified by the Government Accountability Office (GAO). Specifically, they (1) align with FHWA's strategic plan, (2) involve stakeholders, (3) identify workforce gaps, (4) include strategies to address those gaps, (5) stress human capital flexibilities to support workforce strategies, and (6) include means to monitor and evaluate progress. However, we found that FHWA offices were inconsistent in preparation of their workforce plans and interpretation of employee survey results. Individual office workforce plans are critical because most of FHWA's employees are widely dispersed throughout the country. Yet, the plans we reviewed varied in substance, ranging from very detailed documents to a one-page document. We also found that not all regional managers considered the plans to be mandatory. Additionally, while FHWA used employee survey results to obtain feedback on human resources (HR) and workforce concerns, its individual offices use varying thresholds to determine when a survey result warrants management attention. Without a consistent approach, FHWA has less assurance that its individual offices have sufficient workforce plans or effectively address identified HR and workforce issues.

Despite the significant changes MAP-21 brought to FHWA's programmatic structure, the Agency has not conducted a comprehensive assessment of MAP-21's impact on its workforce. FHWA officials stated that major staffing changes are not needed in part because MAP-21 consolidated rather than eliminated programs and the related duties remain the same. However, FHWA officials did not provide us with any documented rationale, such as a comprehensive workforce assessment on the impact of consolidations, to support this statement. FHWA officials also stated that they have not developed or acquired any new skills in response to MAP-21 at this time but said the Agency has several rulemakings in progress that will clarify the Federal role in implementing MAP-21 provisions and help FHWA to determine whether and to what degree new skills are needed. Finally, the Agency has not finalized its fiscal year 2014 final annual agency-wide workforce plan that was due on October 1, 2013.

We are making recommendations to improve FHWA's individual office workforce plans, promote consistent interpretation of employee survey results, and evaluate the impact of MAP-21 on its workforce.

## BACKGROUND

GAO<sup>2</sup> worked with the Office of Personnel Management (OPM) to develop best practices for workforce planning, as shown in table 1.

**Table 1. GAO's Workforce Planning Best Practices**

Number	Best Practice
1	Align workforce planning with strategic planning and budget formulation
2	Involve managers, employees, and other stakeholders in planning
3	Identify critical occupations, skills, and competencies and analyze workforce gaps
4	Develop strategies to address workforce gaps
5	Build capacity to support workforce strategies
6	Monitor and evaluate progress

Source: GAO

In April 2011, the U.S. Department of Transportation (DOT) and OPM issued an on-site HR accountability review of FHWA. The DOT-OPM team found that FHWA's human capital programs, policies, and procedures met the Human Capital Assessment and Accountability Framework (HCAAF<sup>3</sup>) standards. According to GAO, the workforce planning best practices we used for our report are in alignment with HCAAF. FHWA's workforce planning model has a number of components, including a strategic plan, strategic implementation plan, strategic human capital plan, annual agency-wide workforce plan, and individual office workforce plans.

On July 6, 2012, President Obama signed MAP-21, the latest surface transportation authorization, into law. Under MAP-21, changes to performance management will impact FHWA programs by focusing on national transportation goals, increasing the accountability and transparency of the Federal-Aid Highway Program, and modifying project decision making through performance-based planning and programming. MAP-21 also restructured core highway programs by eliminating most current discretionary programs, creating two new formula programs and a new discretionary program.

<sup>2</sup> The best practices are fully outlined in *Workforce Planning: Interior, EPA, and the Forest Service Should Strengthen Linkages to Their Strategic Plans and Improve Evaluation*, issued March 2010, GAO-10-413.

<sup>3</sup> The HCAAF identifies five human capital "systems" that together provide a consistent, comprehensive representation of human capital management for the Federal government. The HCAAF and its related standards and metrics fulfill an OPM mandate to design systems and set standards, including appropriate metrics, for assessing the management of human capital by Federal agencies. At the time we conducted this audit, OPM was developing a new standard known as the Human Capital Framework.

## **FHWA'S WORKFORCE PLANNING PROCESSES GENERALLY ALIGN WITH BEST PRACTICES, BUT SOME COMPONENTS ARE INCONSISTENTLY IMPLEMENTED**

FHWA's overall workforce planning processes generally align with each of GAO's six best practices, but individual offices lack consistency in preparing workforce plans and interpreting employee survey results to identify and address workforce issues.

### **FHWA's Workforce Planning Processes Generally Align With GAO Best Practices**

GAO identified six key workforce planning principles, which served as our benchmark for evaluating FHWA's workforce planning processes. Based on our review of key agency-wide documents and FHWA's workforce planning processes, we determined that FHWA generally adhered to these principles.

#### **Best Practice 1: Align Workforce Planning With Strategic Planning and Budget Formulation**

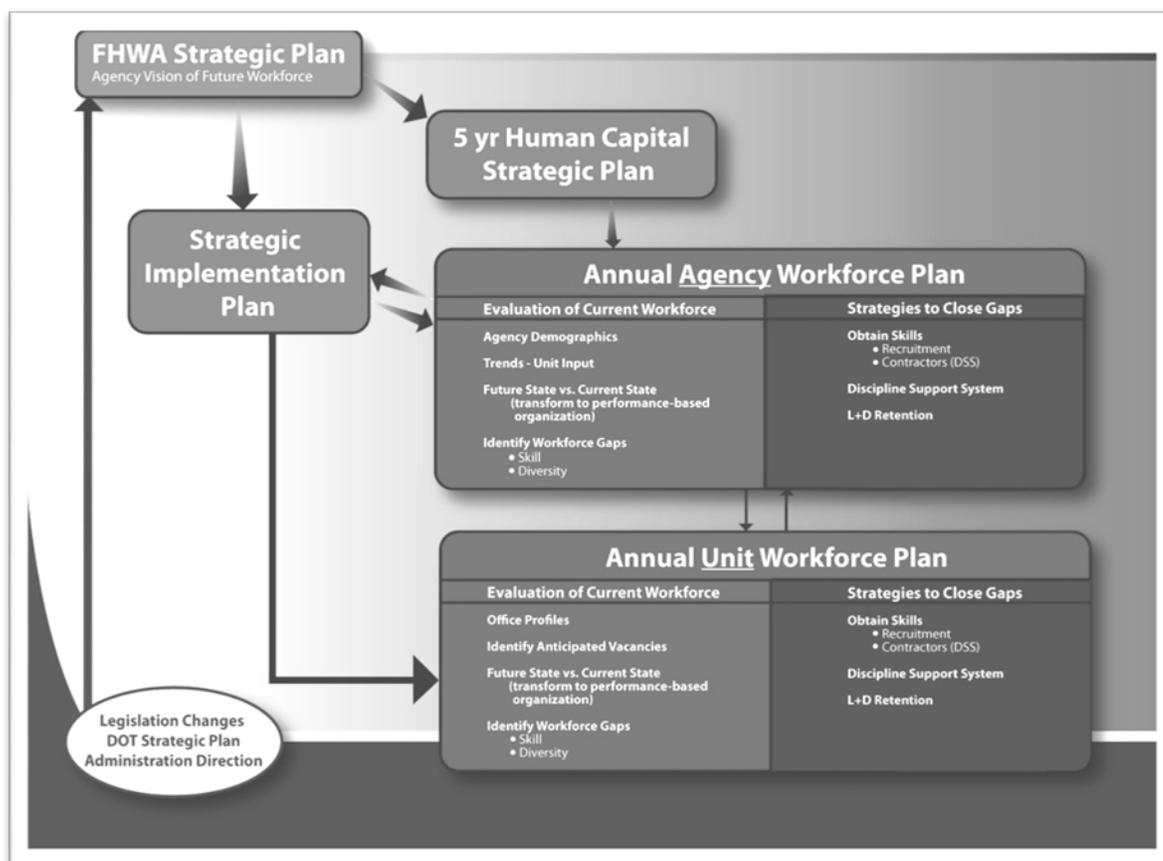
FHWA aligns its workforce planning processes with strategic planning. For example, FHWA considers workforce planning in its key agency-wide planning documents, including its strategic plan and implementation plan. See figure 1 for FHWA's workforce planning model. Specifically, FHWA's strategic plan sets the overall goals for the organization, while FHWA's implementation plan identifies actions to carry out strategic goals and objectives that are tracked through the use of performance measures.

FHWA workforce planning processes are also aligned with budget formulation for staffing issues. Although FHWA's budget office does not have a written process for determining the number of staff needed and what level of staffing the Agency's budget can support, officials stated that the Agency's Budget and HR offices collaborate on workforce planning, including setting staffing levels (see exhibit B for a breakdown of the number of full-time equivalents) and reviewing vacant positions across the country. Ultimately, FHWA's Executive Director<sup>4</sup> approves the staffing level for the Agency. In addition, FHWA's HR and Budget officials meet every 2 weeks to discuss staffing issues.

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<sup>4</sup> The Executive Director is FHWA's Chief Operating Officer and assists the Administrator in establishing policies, programs, and priorities.

**Figure 1. FHWA's Workforce Planning Model**



Source: FHWA

## **Best Practice 2: Involve Managers, Employees, and Other Stakeholders in Planning**

FHWA allows managers, employees, and other stakeholders to provide input on FHWA's workforce planning processes. Hiring managers throughout the Agency must consult with their supervisors and HR staff before making hiring and other personnel decisions. For example, an FHWA manager we interviewed stated that when vacancies occur, he consults with his supervisor to determine whether the position can be filled and how—that is, whether the same qualifications and responsibilities are still in the best interest of the Agency or whether the position's qualifications and/or responsibilities should be modified to better meet the Agency's business needs.

FHWA officials routinely meet and discuss workforce planning. For example, FHWA offices hold annual meetings with HR staff to conduct strategic workforce planning. Field HR offices meet annually to ensure consistent dissemination of HR guidance and policies across the country. FHWA's Human Resources Management Council acts as an advisor to address employees' HR concerns and makes recommendations to senior management on its findings from FHWA's

employee surveys. In addition, FHWA's Strategic Workforce Planning and Development Council focuses on addressing key workforce planning issues, including future workforce needs, identifying skill gaps in mission critical occupations, and fostering diversity. The Division Administrators' Council represents the 52 Division Offices and meets several times per year to make recommendations to senior management for HR-related policies and guidelines.

### **Best Practice 3: Identify Critical Occupations, Skills, and Competencies and Analyze Workforce Gaps**

FHWA's workforce planning processes generally identify critical occupations, skills, and competencies. Specifically, FHWA's annual agency-wide workforce plan and its multi-year strategic human capital plan provide extensive information about its workforce, workforce changes over time, succession planning, and location of its staff (see table 2 for an example).

The annual agency-wide workforce plan also identifies critical occupations and the skills and disciplines with the highest anticipated turnover. To help analyze workforce gaps, HR specialists meet annually with FHWA offices to target anticipated office hiring needs, identify whether office reorganizations are needed, identify relevant changes at the State level, and review other workforce needs and strategies of individual FHWA offices. HR staff documents these meetings and uses a standardized set of questions to conduct these annual HR meetings.

**Table 2. Permanent Employment in Fiscal Year 2012 by Occupation**

<b>Occupation</b>	<b>Number</b>	<b>Percentage</b>
Civil Engineers**	1,051	36.30%
Managers/Supervisors*	325	11.20%
Transportation Specialists**	279	9.60%
Administrative Specialists	239	8.30%
Finance/Budget Specialists**	180	6.20%
Program Management	173	6.00%
Technical/Clerical	168	5.80%
Other	166	5.70%
Engineering/Survey Technicians**	125	4.30%
Community Planner**	118	4.10%
Environmental Specialists**	106	3.70%
Human Resources Specialists*	56	1.90%
Attorneys	49	1.70%
Contract Specialists*	49	1.70%
Equal Opportunity Specialists	43	1.50%
Realty Specialists**	43	1.50%
Information Technology Spec*	39	1.30%
Other Engineers	10	0.30%
<b>Total</b>	<b>2,894</b>	<b>100%</b>

\*Government-wide Mission-Critical Occupation

\*\*FHWA Mission-Critical Occupation

Source: FHWA

#### **Best Practice 4: Develop Strategies To Address Workforce Gaps**

As part of its workforce planning processes, FHWA develops strategies for hiring, collaboration, staff development, and succession planning to help close workforce gaps. These strategies include using FHWA's Discipline Support System to aid with succession planning through seminars, webinars, competency-building activities and Share Point sites for enhanced collaboration within disciplines such as pavement and materials.

FHWA also employs human capital strategies, such as networking opportunities and hiring flexibilities. For example, FHWA human capital flexibilities include recruiting personnel through the Professional Development Program, which provides approximately 2 years of entry-level career development for college graduates with bachelor's or master's degrees. Additionally, FHWA offers an Alternate Duty Location program, which allows FHWA Headquarters personnel to fill positions in various field locations. For example, FHWA's Office of Planning,

Environment, and Realty—headquartered in Washington, DC—has over 10 participants located throughout the country in the Alternate Duty Location program and we confirmed that FHWA offices used the Alternate Duty Location program to fill positions with 90 active personnel serving under the program as of August 2013. Finally, FHWA takes efforts to address survey results. For example, in 2013, based on the employee survey results, FHWA expanded opportunities for employees to participate in the Alternate Duty Location by increasing approved geographic locations from 28 to 46.

### **Best Practice 5: Build Capacity To Support Workforce Strategies**

FHWA builds capacity to support its workforce strategies by promoting the use of the Discipline Support System and human capital flexibilities. During FHWA's annual HR meetings, HR specialists and hiring managers identify vacancies that could be filled using the Professional Development Program or other hiring flexibilities, such as veterans' authorities. FHWA's HR specialists also discuss the use of the Discipline Support System during annual HR meetings with FHWA offices. Our review further found that HR specialists use a standard consultation tool<sup>5</sup> when hiring, which includes a prompt to consider using hiring flexibilities like the ones discussed above.

### **Best Practice 6: Monitor and Evaluate Progress**

FHWA uses various plans and reports to monitor and evaluate its progress in achieving performance targets and to track workforce issues. For example, FHWA's implementation plan establishes general performance metrics for its workforce goals and objectives. FHWA personnel use progress reports and specific performance targets to track metrics. For example, our review found that in fiscal year 2012, FHWA's target for average time to fill a vacancy was 100 calendar days, but FHWA's actual average was 86 calendar days. Additionally, FHWA's annual agency-wide workforce plan includes separate performance targets for turnover rates and efforts to meet minority and gender representation benchmarks. The plan also tracks whether the Agency has sufficient staff to maintain its workforce in major disciplines. We found that FHWA managers and HR specialists also review the needs of individual office workforces during annual HR meetings. Finally, FHWA uses the employee survey results to identify Agency needs such as the expansion of the Alternate Duty Location program.

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<sup>5</sup> This document further assists FHWA hiring managers with strategic hiring practices, reviewing position descriptions, restructuring positions as needed, developing and posting vacancy announcements, and ensuring adequate diversity in the workforce.

## **FHWA Has Not Ensured That Its Individual Offices Consistently Prepare Workforce Plans or Interpret Survey Results**

While FHWA's workforce planning generally meets GAO best practices, it does not ensure consistent preparation of individual office workforce plans for effective planning. In addition, employee survey results—a tool to obtain feedback on issues and concerns—were not consistently interpreted to address HR and workforce planning issues.

Individual office workforce plans are listed as key documents in FHWA's workforce planning model. These plans are important because most of FHWA's employees are widely dispersed throughout the country. However, FHWA lacks consistent, detailed workforce plans across individual offices. Further, our review found that not all managers considered the plans to be mandatory. For example, one Director of Field Services<sup>6</sup> we interviewed required all subordinate offices to submit a workforce plan, while another Director of Field Services did not.

FHWA provides guidance on how to prepare individual office workforce plans, such as a description of current and future workforces, a gap analysis,<sup>7</sup> and a strategy to close identified gaps. However, we found offices' workforce plans varied greatly. For example, 1 office provided us with a 26-page document as its workforce plan, which covered an array of topics, including workforce profile, workforce characteristics, training assessments, and skill gap analysis. In contrast, another office provided us with a one-page organizational chart as its workforce plan with basic personnel data. Without a consistent approach, FHWA has less assurance that individual office plans include sufficient detail to allow for effective workforce planning.

We also found inconsistent use of employee survey results among FHWA offices. FHWA uses these employee surveys to obtain feedback on HR and identify workforce concerns that warrant management attention.<sup>8</sup> For example, surveys cover a wide array of topics, including job satisfaction, effective communication, and learning and advancement opportunities. However, FHWA offices do not consistently interpret employee survey results. According to the guidelines included in FHWA's 2012 survey, items that receive a score of less than 65 (out of 100) warrant additional attention. We found that FHWA offices did not consistently use 65 as the threshold—either because they were not aware of this

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<sup>6</sup> There are a total of four Directors of Field Services that report to the Executive Director at FHWA Headquarters. Each Director of Field Service oversees 13 Division Offices and is involved in hiring, promotion reviews, and approvals.

<sup>7</sup> According to FHWA, a gap analysis identifies and closes skill gaps that exist in mission critical occupations, senior executive positions, and other key positions and occupations within the Agency.

<sup>8</sup> Prior to 2013, FHWA's employee surveys were conducted annually. According to FHWA, in fall 2013, FHWA decided to conduct the surveys biannually, in part, to reduce the burden on employees. The next employee survey is due in 2015.

guideline or because they established their own thresholds (e.g., focusing instead on items with scores of 55 or lower or those that exhibit downward trends). Consequently, FHWA has less assurance that offices consistently address issues identified in the survey.

In March 2014, FHWA officials provided us with a slightly revised guideline for survey result decision making for 2013 (see table 3). However, we noticed an overlapping score range for 2013 and asked FHWA how its managers would interpret the score range. For instance, if an item scores 65, it is unclear whether FHWA managers should maintain or improve efforts considering that the number 65 repeats in the score range. According to an FHWA official, managers are allowed “flexibility” to take an action in such cases. In our opinion, FHWA’s guidelines for decision making regarding survey results are ambiguous and could undermine the purpose of having a threshold for employee survey results.

**Table 3. FHWA’s Guidelines for Survey Result Decision Making**

Score Range		FHWA Managers Should...
2012	2013	
75-80+	75-80+	Use resources elsewhere. Maintain level of performance.
65-74.9	65-75	Maintain current effort. Seek efficient, economically sound improvement.
56-64.9	56-65	Focus improvement efforts.
44-55.9	44-56	Critical area, below 50 reveals generally negative judgments. Consider system improvements.
<44	<44	Danger zone, possible area of non-compliance. Immediate attention required.

Source: FHWA

## **FHWA HAS NOT FULLY EVALUATED THE IMPACT OF MAP-21 ON ITS WORKFORCE**

Despite the significant changes MAP-21 brought to FHWA’s programmatic structure and requirements, such as program consolidations, FHWA has not conducted a comprehensive assessment of MAP-21’s impact on its workforce. MAP-21 was effective in 2012, and FHWA’s subsequent 2013 employee survey, which had an 86-percent participation rate, ranked the lack of clear internal communication for implementing MAP-21 as one of the lowest scoring items. FHWA officials stated that staffing changes are not needed in part because MAP-21 consolidated rather than eliminated programs and the related duties remain the same. However, despite numerous requests, FHWA officials did not provide us with any documented rationale that supported this statement.

FHWA’s annual agency-wide workforce plan for fiscal year 2013 discusses MAP-21 but does not provide details on the law’s workforce impacts. Specifically,

according to this document, MAP-21 required FHWA to develop and acquire new management and technical skills. However, FHWA officials stated that they have not developed or acquired any new skills in response to MAP-21 at this time but said that the Agency has several rulemakings in progress that will clarify the Federal role in implementing MAP-21 provisions<sup>9</sup> and help FHWA to determine whether and to what degree new skills are needed.

We were unable to assess the degree to which FHWA's fiscal year 2014 annual agency-wide workforce plan addresses MAP-21 or other issues because FHWA has not finalized the plan. In November 2013, FHWA officials stated that the Agency expected to issue the plan, which was due on October 1, 2013, by January 31, 2014. However, as of the date of our draft report, May 14, 2014, FHWA had not provided us with a final version of its agency-wide 2014 workforce plan for our review. Therefore, we excluded it from the scope of our work.

FHWA has taken some actions to address MAP-21 in a few specific areas. For instance, FHWA's Office of Transportation Performance Management is currently determining the Agency's role in implementing MAP-21. Specifically, FHWA is assessing what units would be responsible, what processes would need to be enhanced, and what skill sets or positions are needed. Additionally, FHWA realigned its Office of Infrastructure in recognition of new tunnel-related provisions in MAP-21.<sup>10</sup> However, these limited actions are no substitute for a comprehensive assessment of MAP-21's impact on its workforce across all offices.

## **CONCLUSION**

To meet growing workload demands and calls for greater efficiency and accountability in Government, effective workforce planning is critical. While FHWA's planning processes mirror elements of workforce best practices, more can be done to ensure process consistency in preparing individual office workforce plans and interpreting employee survey results. In addition, the Agency has not comprehensively assessed its workforce to determine the skills needed to meet these new requirements and identify the impact that MAP-21 has on its programs and personnel. Without further actions to ensure consistency and assess MAP-21's impact, FHWA has less assurance that it has assessed workforce gaps at all levels and identified plans to address them.

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<sup>9</sup> MAP-21 established the following national performance goals for FHWA programs: Safety, Infrastructure Condition, Congestion Reduction, System Reliability, Freight Movement and Economic Vitality, Environmental Sustainability, and Reduced Project Delivery Delays.

<sup>10</sup> MAP-21 requires FHWA to implement a national tunnel inspection program and tunnel inventory, which FHWA anticipates to model after the existing National Bridge Inspection Standards.

## **RECOMMENDATIONS**

We recommend the Federal Highway Administrator:

1. Conduct workforce plans for individual FHWA offices, including each Division Office, based on its guidance.
2. Require FHWA offices to address employee survey result items that fall below a clearly established threshold.
3. Finalize the fiscal year 2014 agency-wide workforce plan.
4. Complete a comprehensive assessment of MAP-21's impact on FHWA's workforce.

## **AGENCY COMMENTS AND OFFICE OF INSPECTOR GENERAL RESPONSE**

We provided a draft of this report to FHWA on May 14, 2014, and received its response on June 13, 2014. FHWA's response is included in its entirety in the appendix to this report. FHWA concurred with recommendations 1 and 3. FHWA provided appropriate planned actions and completion timeframes for recommendation 1, and we consider it resolved but open pending completion. For recommendation 3, FHWA stated it provided us with the final version of its agency-wide 2014 workforce plan in March 2014, but the copy we received was labeled as a draft; until we receive the final version or an estimated completion date, we will consider this recommendation open and unresolved. FHWA partially concurred with recommendations 2 and 4 but provided appropriate planned actions and completion timeframes, and we consider them resolved but open pending completion.

## **ACTIONS REQUIRED**

FHWA provided appropriate planned actions and completion timeframes for recommendations 1, 2, and 4, and we consider them resolved but open pending completion of the planned actions. We consider recommendation 3 open and unresolved and, in accordance with Department of Transportation Order 8000.1C, request that FHWA provide the information described above within 30 days of this report.

We appreciate the courtesies and cooperation of FHWA representatives during this audit. If you have any questions concerning this report, please call me at (202) 366-5630 or Wendy Harris, Program Director, at (202) 366-2794.

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cc: DOT Audit Liaison (M-1)  
FHWA Audit Liaison (HCFM)

## **EXHIBIT A. OBJECTIVES, SCOPE, AND METHODOLOGY**

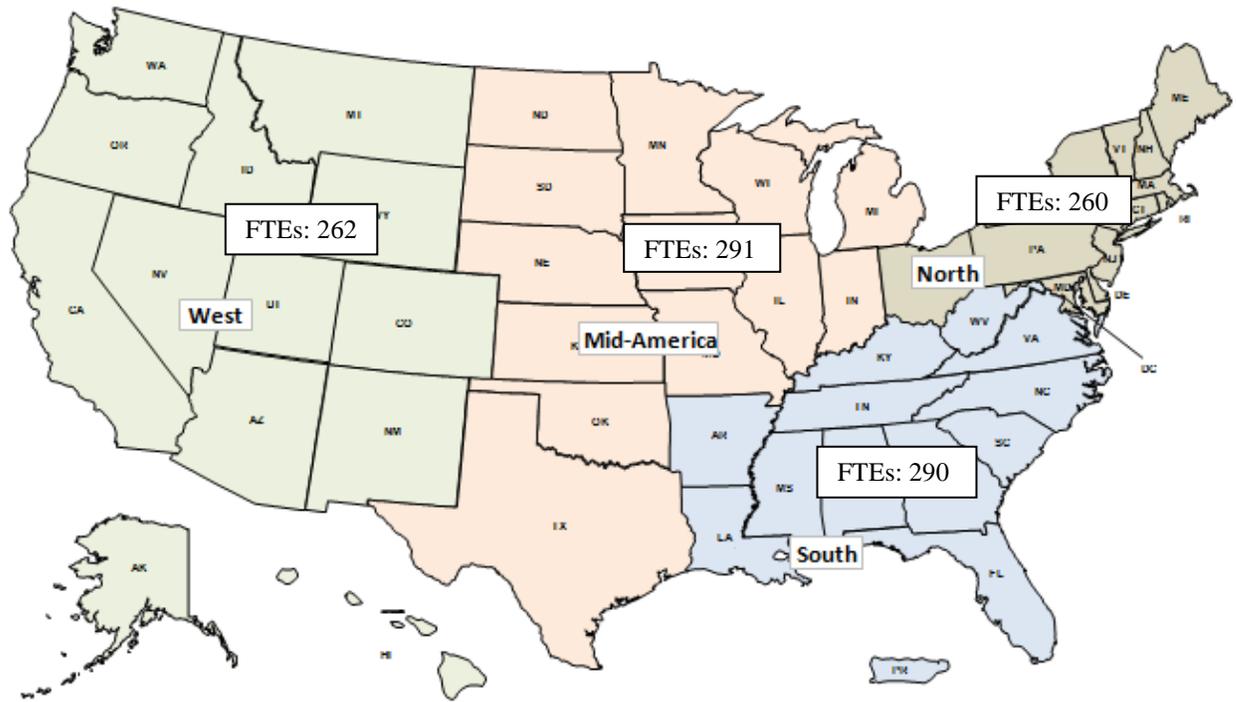
We conducted our work between January 2013 and May 2014 in accordance with generally accepted Government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Given the importance of workforce planning and new MAP-21 requirements, we performed this self-initiated audit and reviewed FHWA's processes and procedures for assessing its workforce needs. Specifically, we determined whether (1) FHWA's workforce planning processes generally align with best practices and (2) FHWA has evaluated the workforce impacts of MAP-21. We focused on determining whether FHWA's workforce planning processes and procedures are generally in alignment with best practices.

To conduct our work, we reviewed FHWA's key workforce planning documents and processes. We then worked with our statistician to develop a stratified random sample, identified workforce planning best practices based on the GAO workforce planning principles developed in conjunction with the OPM, consulted with our legal counsel regarding MAP-21 provisions, interviewed FHWA's field and Headquarters HR personnel, interviewed managers at FHWA Headquarters and field offices, and consulted with GAO personnel. Specifically, we selected a stratified random sample of 15 out of 75 FHWA offices (20 percent) in 10 States and Washington, DC as follows: Stratum 1 – selected 2 out of 12 headquarters offices, Stratum 2 – selected 8 out of 52 states and territories which equated to 9 out of 57 offices because some states and territories had more than one office (8 out of 52 Division Offices plus 1 out of 5 Resource Centers), Stratum 3 – selected 2 out of 4 Director of Field Services offices, and Stratum 4 – selected all (2 out of 2) field HR offices.

While we were able to ultimately complete this audit without scope limitation, FHWA officials did not always provide timely responses to our data requests in the course of our work. FHWA also did not issue a final version of its fiscal year 2014 annual agency-wide workforce plan that was due on October 1, 2013. FHWA officials confirmed the delay in November 2013, and stated that the Agency expected to issue the plan by January 31, 2014. We provided FHWA with a firm deadline to provide this document to us, and FHWA did not. After the deadline, FHWA provided us with a "draft" copy. Since we could not review a final version of FHWA's fiscal year 2014 agency-wide workforce plan, we excluded it from the scope of our work. We also used FHWA's employee survey results from 2012, which was the latest available information at the time of our audit.

### EXHIBIT B. FHWA'S PERSONNEL DATA: NUMBER OF FULL TIME EQUIVALENT (FTE) EMPLOYEES



Source: FHWA data as of September 2013 by Director of Field Services and Federal-Aid Division Offices.

**EXHIBIT C. MAJOR CONTRIBUTORS TO THIS REPORT**

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## APPENDIX. AGENCY COMMENTS



U.S. Department  
of Transportation  
**Federal Highway  
Administration**

# Memorandum

Subject: **INFORMATION:** Federal Highway  
Administration (FHWA) Response to  
Office of Inspector General (OIG)  
Draft Report on Workforce Planning

Date: June 13, 2014

From: Gregory G. Nadeau  
Deputy Administrator

In Reply Refer To:  
HCFB-30

To: Calvin L. Scovel III  
Inspector General (J-1)

The FHWA is honored to be named the fifth best place to work in the Federal Government according to the Partnership for Public Service's 2013 annual ranking that compares more than 300 Federal agencies and subcomponents. The Agency ranked in the top 10 percent of every workplace category, such as employee skills-mission match. This demonstrates FHWA's commitment to analyze and use the survey results as a part of its workforce planning efforts. The FHWA also appreciates the OIG's recognition that the Agency's workforce planning processes align with all six of the Government Accountability Office's best practices.

Implementation of the Moving Ahead for Progress in the 21st Century Act (MAP-21) has been a priority, and FHWA has been proactive at evaluating its current and future needs. While the consolidation that occurred with MAP-21 reduced the *number* of programs, it did not reduce the *size* of the programs, nor did it significantly impact the types of skills needed for the workforce. The FHWA is organized around core areas of expertise, such as infrastructure, safety, operations, environment, and planning. Those core areas of expertise remain key to delivering the consolidated program structure under MAP-21, which is a 2-year funding bill that includes deadlines that go well beyond its legislative timeframe – some as far out as 2017.

The FHWA has focused extensively on adapting its workforce to two of MAP-21's major areas – performance management and project delivery – and had already implemented some key efforts *prior to* MAP-21's enactment. For example, in anticipation of MAP-21, FHWA made two major organizational changes within the Office of Infrastructure by creating the Office of Transportation Performance Management to lead cross-cutting aspects of a performance-related highway program and the Office of Bridges and Structures in recognition of new tunnel-related provisions in MAP-21. The FHWA also created the Center for Accelerating Innovation to serve as a focal point for the rapid deployment of innovation into the highway community.

The FHWA uses workforce planning to fulfill commitments to meet its Organizational Excellence strategic goal to develop a diverse and collaborative workforce that will enable the Department to advance a transportation system that serves the Nation's long-term social, economic, security and environmental needs.

### **OIG Recommendations and FHWA Responses**

#### **Recommendation 1: Conduct workforce plans for individual FHWA offices, including each Division Office, based on its guidance.**

Response: Concur. The FHWA will communicate guidance to support a consistent approach to developing individual office workforce plans in addition to continuing its annual workforce planning discussions that capture important workforce planning information at the individual office level. The target date for issuing the guidance is January 31, 2015, which is before the start of the 2015 workforce planning discussions.

#### **Recommendation 2: Require FHWA offices to address employee survey result items that fall below a clearly established threshold.**

Response: Concur in part. The FHWA Headquarters and division leadership are held accountable to address employee survey results as part of their annual performance plans. The 2013 All Employee Survey results were provided to the heads of FHWA offices in December 2013. At that time, the Human Resources Management Committee communicated the threshold to help focus each unit head's development of action plans to address the low scoring items in the survey. This guidance will be reiterated in the final report of the 2013 All Employee Survey that is scheduled to be completed and released to all employees by July 31, 2014.

**Recommendation 3: Finalize the fiscal year 2014 Agency-wide workforce plan.**

Response: Concur. The FHWA finalized the FY 2014 Agency-wide workforce plan in March 2014. The final plan has been provided to the OIG. We request the OIG close the recommendation upon receipt of this response.

**Recommendation 4: Complete a comprehensive assessment of MAP-21's impact on FHWA's workforce.**

Response: Concur in part. The FHWA is currently conducting a comprehensive strategic workforce assessment with an overall goal to develop a framework for ensuring that FHWA staff resources are optimally deployed to meet its mission, improve overall workforce efficiency, and to build in flexibility, resiliency, and responsiveness. This assessment is measuring current deployment of FHWA staff by location, program area, discipline, function, and core business process. The FHWA's leadership will identify actions to implement findings of the assessment, as well as leadership responsibilities. Actions will be moved forward as resources and circumstances allow. The target date for the completion of the study is July 31, 2014.