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REMARKS TO WO EMPLOYEES
JANUARY 5 & 9, 1995
RESTRUCTURING THE WASHINGTON OFFICE

INTRODUCTION

Thanks for coming here today. Today we will discuss why the Forest Service is changing, the means for restructuring the Washington Office, and how we will do restructuring work.

The final restructuring framework will be completed over the next 75 days in order to meet a time line imposed by Congress. That framework will include an organization chart complete to the point where every position is clearly identified. That plan will include role statements, preliminary team charters, and so forth. We will work out those details together.

The efforts which begin today are a first step in a process that will take two years to complete. This process will require assistance of many people. Members of Congress, Department officials, professional and interest groups, and field personnel, to name just some of the principals.

I will introduce a few people to you that are key to this effort. Dave Radloff has been assigned to be the Reinvention Leader. He is now part of the National Leadership Team along with Dave Unger, the Deputies, and me.

Ron Stewart, Associate Deputy Chief for Forest Service Research, is the Team Leader for the Washington Office Restructuring Team.

The Associate Deputy Chiefs form a Board of Directors for the overall Forest Service Reinvention effort and are here today. A Washington Office Restructuring Team will be named within a week. This Restructuring Team will compile your comments, prepare options, communicate with internal and external audience, and generally execute the effort. This team will replace the self-directed team that produced the four alternatives for initial consideration the we saw in December.

When I refer to "Reinvention," I speak of the entire Forest Service--including field units. When I talk about "Washington Office Restructuring," I refer to as Washington offices' part of Reinvention in keeping with the role as national headquarters.

CHANGE OR DIE!

Thirteen months ago, in my first all-employees meeting with you, I said "change or die" and later presented the corollary, "change and live." Today, we meet to begin a process of change that will bring us into the 21st century as the leaders in conservation that we want to be.

We face many challenges. We will overcome those challenges together. They include reduced budgets, Congressional mandates to reduce Washington Office and Regional Office staffing, reorganization of USDA, seemingly ever-increasing skepticism of federal government by the American people, mandated increases in supervisor to employee ratios, orders to disproportionately reduce GS-14 and above positions, and other edicts which seem to occur with ever-greater frequency. Global markets and perspectives which have accelerated the "ripples" of change moving through our country. Adjusting to this instability is complicated by the dramatically shifting paradigms in natural resource management.

It is not just the Forest Service going through such changes. The entire government is being dramatically changed altered by several interacting factors. It is appropriate to examine some of the reasons.

The civilian work force is declining dramatically -- dropping 272,900 government-wide, the Forest Service share is to go from the present level of 40,612 to to 37,523 FTEs by 1999. This is on top of a decline of some 4,000 since 1992. Reductions are targeted in several categories such as personnel involved in policy making in the WO and administrative and supervisory staff throughout the agency. We are supposed to reduce to 1,003 personnel at grade 14 and above by the end of FY95. The Washington Office share off these reductions is to drop at least 25% from FY92 levels. To make the minimum 25% cut, the FTE count must be not more than 680 by 1999. The current FTE count is 850.

Budgets continue to decline. In facing up to the Nation's \$4 trillion deficit, the Forest Service is helping by spending less. Budgets have been generally "flat" for the past several years. This simply means, when inflation is considered, that the Forest Service budget is and will continue, for the foreseeable future, to decline at a rate of 3-5 percent per year. Congressional committees are considering recisions of over \$100 million for the Forest Service for 1995 with similar cuts in the 1996 budget.

Public expectations seem to be changing. Political pundits describe the recent elections as indicative of the people's desire for a changed approach to federal government. People are described as wanting a smaller, more efficient federal government that is more responsive to their needs. It is difficult to not agree. Such agrees with our basic premises set forth in the Reinvention report.

There have been significant effects of law and legal challenges on the way the Forest Service does business. Much has been learned from a series of court cases involving the Endangered Species Act and the National Forest Management Act. Our recent victory in the Ninth Circuit Court on the President's Forest Plan for the federal forests, in the Pacific Northwest is an indicator of what works and where we can go to have a firm basis for our management. Recent set-backs in the Pacific River cases in eastern Oregon and Washington and the Columbia Basin have brought forth similar lessons.

The national policy to undertake ecosystem management changes the way we do things. Our scientific knowledge and technological strengths now make it possible to assess, monitor, analyze, and manage with an ecosystem view. This is something our forbearers only eagerly anticipated.

The Forest Service faces vast changes in our work as priorities and budgets have shifted away from production and targets to land condition and ecosystem management. In the face of these challenges -- most far beyond our ability to control -- we have the will to change and live!

How will this be done? As a way of gaining insight from the experience of others in government and private industry that have gone through the reinvention experience. I have read a number of books on the subject recently. A list of such books and articles is attached to the handout you have received here today.

The January 1st's Washington Post "Business" section summed up the basics to be gleaned from these sources nicely. Perhaps you saw Steven Pearlstein's article, "Two at the Top: '95's Odd Couple, A Pruning Primer as Gingrich and Company Prepare to Cut,,, ". It had eight messages: "Be Bold, Arbitrary is Okay, Decide Your Direction, Reorganize the Work, Change Personnel Rules, Nurture the Survivors, Outsourcing Works, and Honor the Risk Taker."

First Message: Be Bold

I have called for each team that has served in the progressive attention Reinvention to "be bold." I told them not to stop at timid half-measures and to settle for incremental changes. Instead, they were instructed to reach for truly sweeping changes -- for such change is essential. Those teams have done that. Together, we will continue on course to the future.

Second Message: Arbitrary is Okay

I have said we will avoid "no-brainers" during reinvention such as across-the-board percentage staff or budget reductions. We will not do those things for to continue on such course merely produces debilitation and general mediocrity. We will spend the next 75 days consulting with you to help to, simultaneously, prevent "no-brainers" and how to emphasize areas of our mission that are most critical. This implies doing "less with less" while concentrating our efforts on being the very best at those things we do emphasize.

On the other hand, at some point over the next 75 days the National Leadership Team will decide the future structure of the WO. Inevitably such decisions will seem arbitrary to some of those who do not like the decisions. But, believe me, by then, you will have been listened to and heard -- if you take advantage of the opportunity to participate. The National Leadership Team will reflect on and help address the personal or professional problems that arise from restructuring the WO. But, make no mistake, a change in WO purpose, culture, structure, role, and work is already happening and will continue. The opportunity for participation is open to all of you. The time is now. In 75 days, the die will be cast.

Third Message: Decide Your Direction

I have described where we are going as an agency. This direction has been described, more and more clearly, in a series of statements. A year ago, I sent you a memo to get started. Remember it? It was the one that started, "obey the law, tell the truth..."

Three months ago, you were sent copies of Forest Service Ethics and Course to the Future which outlined what we will become as an agency. All employees had a chance to comment and contribute to that document. Leadership teams at all levels of the Forest Service already using that document as a basis for developing budgets, defining policies, and shaping communications.

In that document, a land and a service ethic was emphasized. These ethic statements -- the first such by any federal agency -- describe the core of our land values and how we approach our critically important work.

Four management priorities were set forth: protection of healthy ecosystems, restoration of degraded ecosystems, providing benefits to people, and organizational effectiveness.

One month ago, you received Reinvention of the Forest Service: the Changes Begin. This document set forth the basis for changing the purpose, culture, structure, roles, and work of the Forest Service. Twelve transformation strategies were described for consideration.

Two weeks ago, four WO restructuring alternatives that had been prepared by a self-directed team were sent to you. These suggested alternatives are the beginning for transforming my first challenge to you as Chief -- "Change or Die" -- into "Change and Live" as applied to the Washington Office.

Fourth Message: Reorganize the Work

The Reinvention document and the four restructuring alternatives both call for doing work in new ways, including: new agency ethics and goals; enhanced teamwork at all levels; reengineered work processes; internal enterprise teams; budget reforms; new and refreshed partnerships; customer-service standards; and emphasis on meeting employee personal needs that affect on-the-job performance. The National Leadership Team wants and needs your ideas about how we can meet our legal and ethical mandates in new and improved ways with significantly reduced resources.

Fifth Message: Change Personnel Rules

Of course we do not call all of the shots in managing personnel. Vice-President Al Gore's National Performance Review has called for changes at the Office of Personnel Management. Many other efforts are going on outside the Forest Service and, therefore, outside of our direct influence. But there is one thing on which we need to focus. The Leadership Team will strive to make personnel actions work for us, and for you individually, to the greatest extent possible. We have already shown how we can get through major changes -- including downsizing of 4,000 positions in two years -- without

Reduction in Force while placing highly qualified people in appropriate jobs. We will show that caring and effectiveness again, here and elsewhere where essential changes occur.

Sixth Message: Nurture the Survivors

I don't know how well the term "survivors" applies to our restructuring situation because, if I have my way, and we all work together, no one is going to get "RIFed" or carelessly cast aside. But that commitment cannot be recognized unless we work together effectively on a new WO structure with respect and care for one another foremost in our minds.

Working relationships are going to change. Some of you who have never worked on teams to any significant degree will do so soon on a full or part-time basis. Some of you who are now supervisors will no longer be supervisors. Some of you will be doing very different work in different ways as business processes change and new technology enters the work place. Those kinds of things are both threatening and exciting.

But, here's what I'm after: as I pledged at Houston, and many times before and since, I want every person in this outfit to be a conservation leader for the 21st century--the best-trained, best-motivated, most professional employees in the federal service. This will require what has come to be called nurturing. The National Leadership Team will see that happen, before, during, and after restructuring and reinvention.

Seventh Message: Outsourcing Works

When the Post used the term "outsourcing," it was in reference to contracting with others to get the highest quality, and the fastest, and lowest cost service or product. Reinvention calls for "internal enterprise teams" to provide the Forest Service with successful "insourcing." Such teams are already appearing. Some provide on-site support such as the Creative Services Team in PAO. Others appear, do their jobs, and then disband. An example is the WO Restructuring Team that prepared the report you received on December 23.

Eighth Message: Honor the Risk Taker

Remember the first message that exhorted "Be Bold." That's a message for everybody. Be bold in your thinking. Be bold in your actions. It's up to all of our leaders--you and me--to ensure that the bold who make the effort to help achieve our restructuring and Reinvention goals are rewarded and honored.

Managers, honor those risk takers! Lead by enabling their leadership. Cut off those, often-unintended, messages that inhibit people from taking risks and from thinking and taking actions that can make a significant positive difference in restructuring and reinvention. Don't preach risk and bold change and then reward practices, approaches that have "make no mistakes" written all over them. If our folks fail in bold actions, help them up, dust them off, wipe their faces, and get them back into the action.

WORKING TOGETHER ON RESTRUCTURING THE WASHINGTON OFFICE

First, it is critical to understand the goal for the effort. The restructuring of the WO to attain improved operational efficiency and effectiveness will occur in an approach consistent with concepts contained in Reinvention of the Forest Service: The Changes Begin and Forest Service Ethics and Course to the Future. We want a work place where people will want to come to work every day and for a career.

The "WO Restructuring Report" (December 1994) will be used as a reference. We will also meet requirements of USDA Streamlining Plan and the Under Secretary, Natural Resources and Environment Administrative Consolidation Plan that have been given to us from "across the street" and describes our contribution to Team USDA.

These goals will not be appropriately attained unless I gain and keep your trust, your understanding, and your commitment and vice versa. For this to occur we must consult frequently.

As we move forward, I ask that you work with the National Leadership Team, and with one another to:

- quickly grasp essential restructuring elements;
- talk back and keep me honest -- help us ensure that the National Leadership Team, Reinvention Leader, and the WO Restructuring Team keep their commitments to you;
- help recognize individual contributions by telling me who is making outstanding contributions to our efforts;
- actively seek to solve on-the-job and related personal problems caused by restructuring;
- and, help other employees and interested stakeholders to understand what we are doing and why.

As I mentioned in my December 23 memo, we will use the following criteria in making decisions about a new structure:

- facilitation of teamwork;
- facilitation of ecosystem management;
- performance of required responsibilities;
- retention of needed expertise;
- opportunity for effective interaction with external customers;
- decentralization of work performed for the field to the field;
- and reductions of WO staff at least 10-20% from October 1992 levels

You will notice that the target for reduction of WO staff was 10-20% on 23 December 1994. But, today, that picture has changed in reaction to intervening events and the target is now a minimum of 25%. In addition, the National Leadership Team is asking for serious work on options and idea that would involve 50% reductions or even more.

Such reductions cannot be achieved without changing the ways we operate. We must examine the work we do and the customers we serve. How the work is to change, who is to do it, and how the customers will continue to be served?

And, to some degree, we must decide what we will not do -- how we will do "less with less."

The simple reason for stretching thinking to reductions of 25% and more is that both the President and the new Congress are calling for greater spending reductions. For the longer term, the Republican Congress is calling for a "balanced-budget" amendment to the Constitution which, if ratified by the states, would further accelerate budget cuts. It is essential that the needed flexibility for response needs to be built into our structure of the future.

Let us examine the four alternatives sent to you December 23. These are but a first cut, but each alternative has some good ideas that can help with our consideration as we head towards a restructured Washington Office. We will use these alternatives as a starting place for development of a final decision.

The first alternative is closest to today's Forest Service structure and follows basic elements from the Reinvention of the Forest Service Report. This alternative relies on "issue teams" that cross all deputy areas. Included are both permanent and ad hoc teams. The permanent teams have budget responsibilities.

The second alternative follows guidance from the Reinvention report and adds strategic goals from the Forest Service Ethics and Course to the Future document. You will note that it also relies on teams, drawing from four deputy areas. A team administrator runs the team system for the National Leadership Team.

The third alternative is more carefully aligned with the "Course to the Future" document. This design involves two associate chiefs in charge for corporate programs and corporate functions. There are four deputies and a team administrator runs team operations for the National Leadership Team.

The fourth alternative is very different from the other three. It involves only two levels, headed by a Board of Directors. The concept involves a very small WO staff, acting in a clearinghouse role and depending on high-quality corporate information programs being in place.

Towards the back of the report, there is a helpful section called "discussion of alternatives." In it are side-by-side comparisons of the four alternatives. You will have to make your own comparisons based on the decision criteria which were not available when the self-directed team was at work.

The National Leadership Team asks you to investigate and analyze the report sent to you on December 23. We will be happy to discuss contents of the report today. But, I suspect that will not be fruitful until you have had the opportunity to study the report and discuss it with your colleagues.

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