

Approved for Release

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Date

**DEPARTMENT OF COMMERCE
OFFICE OF HUMAN RESOURCES MANAGEMENT**

HUMAN RESOURCES (HR) BULLETIN #252, FY21

SUBJECT: Reorganization Requests

EFFECTIVE DATE: Upon release

COVERAGE: This bulletin applies to all bureaus/operating units (OUs) in the Department of Commerce (Department).

PURPOSE: The bulletin provides Department-wide policy on requesting approval for all bureau/OU reorganizations, regardless of whether the reorganization impacts offices at or below the Department Organization Order (DOO)¹ level, or the reason for the reorganization, including congressional mandate; defines “reorganization”; provides the Office of Human Resources Management’s (OHRM) role and the criteria for review; provides implementation guidance; and contains general position management guidance that managers may consider when developing a new organizational structure. The bulletin does not replace or negate Department Administrative Order (DAO) 200-7, “Department Organization Order Series.”

POLICY: For this bulletin, the term “reorganization” means the action or process of changing the way in which a bureau/OU is structured, and is synonymous with terms such as realignment, restructuring, reshuffle, rearrangement, etc.

The role of OHRM in bureau/OU reorganizations is to review requests from a position management perspective and consider the impact on affected employees and other bureaus/OUs, if any. In addition, OHRM establishes new organizational codes, and updates current codes in the National Finance Center (NFC) as necessary.

All reorganizations **must** be approved by the Director for Human Resources Management and Chief Human Capital Officer (Director) prior to implementation.

Changes that affect positions in the Senior Executive Service (SES), Scientific or Professional (ST), or Senior Level (SL) such as newly established, revised, or abolished positions, must be

¹ Department Organization Orders (DOOs) are used to prescribe the basic management structure and organizational arrangements of the Department of Commerce. DOOs are issued for each Secretarial Officer, Departmental Office, and Operating Unit of the Department of Commerce.

reviewed by the Office of Executive Resources (OER) and approved by the Chief Financial Officer and Assistant Secretary for Administration (CFO/ASA), through the Director.

Note: While Voluntary Early Retirement Authority (VERA) and Voluntary Separation Incentive Payments (VSIPs) are usually part of a reorganization implementation plan, VERA/VSIP requests are covered under a different process, and must be approved by the Office of Personnel Management (OPM), through the Director. OPM's VERA and VSIP templates can be found at www.opm.gov.

I. Reorganization Approval Requests

Approval Requirements – All requests for a reorganization must be approved by the Director prior to implementation.

Actions affecting employees or positions in the SES, as well as employees or positions in the ST or SL, must be approved by the CFO/ASA prior to effecting the changes. CFO/ASA approval will be obtained through the Director.

Documentation – Reorganization requests must contain the following documents:

1. Justification Memorandum. A memorandum must be submitted to the Director, through the Servicing Human Resources Office (SHRO), signed by the Principal Human Resources Manager (PHRM), that explains the reason/business case for the reorganization. The business case must include a comprehensive description of the structural changes, as well as the impacts to the affected employees. It should include any relevant facts that describe improvement in management and/or efficiency of operations that will result from the reorganization, and whether the reorganization will affect an existing DOO or DAO².
2. Organizational Chart. The bureau/OU must provide the current organizational chart and the proposed organizational chart that show the new structure, including reporting relationships, the names of each office, as well as known vacant positions within each office, for both current and proposed charts.
3. Cross Walk of Impacted Employees. The bureau/OU must provide an organizational cross walk for each impacted employee that includes: the name of the employee, current official title, occupational series, grade/band, full performance level in the current structure, supervisory status, bargaining unit status, and the same information in the new structure. The cross walk may be submitted in any written format as long as it is clear and includes the above information.
4. Congressional Reprogramming Approval. The bureau/OU must provide a written statement (email is sufficient) from the Department's Director of the Office of Budget confirming that the reorganization request does not require reprogramming approval from Congress. If reprogramming approval is required from Congress, the bureau/OU is responsible for providing

² Department Administrative Orders (DAOs) are used to document and mandate continuing policies, standards requirements, and procedures prescribed by the Office of the Secretary for Department-wide application or for application to two or more major program areas of the Department. The DAOs cover substantive program matters as well as administrative, management, legal, or special staff functions.

a copy of the request that was given to the appropriate congressional committees, as well as their subsequent written approval.

5. Organizational Codes. The bureau/OU must provide both the current and new organizational codes associated with each office affected by the reorganization. The new organizational codes may not be implemented until the reorganization request is approved by the Director. The SHRO should work with OHRM's NFC Liaison to update the NFC database to reflect the new organizational codes and eliminate the abolished codes, and as appropriate, change the names of offices in already established codes upon approval of the reorganization.

6. Updated Position Descriptions (PDs) for SES, SL, and ST Positions. The bureau/OU must work with their SHRO on updating/revising/creating new SES, SL, or ST positions as a result of the reorganization. The updated PDs and corresponding CD-516, "Classification and Performance Management Record" do not need to be included in the reorganization request; however, the request should explain the status of the updated PDs (i.e., working with the SHRO on drafting; currently in the approval process; or approved).

7. Updated PDs for the Federal Wage System (FWS), General Schedule (GS), Alternative Personnel Management System (APMS), and Commerce Alternative Personnel System (CAPS). The bureau/OU must work with their SHRO on updating/revising/creating new PDs, adhering to the designated classification authority for the position(s). Updated PDs and the corresponding CD-516, "Classification and Performance Management Record" do not need to be included in the reorganization request.

8. Updated Department Organization Order and/or Department Administrative Order. The bureau/OU must update any DOOs and/or DAOs affected by the proposed reorganization, and include a copy in the reorganization request. If the updated DOO and/or DAO is not completed, the request needs to provide a status on the update and an approximate date of when the affected Orders will be updated. Reorganizations that require congressional approval must receive this approval first before the updated DOO and/or DAO can be effected.

II. OHRM Written Decision

OHRM will review the reorganization request package and provide a written response to the appropriate PHRM, and to the requesting bureau/OU point of contact, as appropriate, as well as to the OHRM NFC Liaison (in order to establish the new NFC organizational codes if needed). The PHRM will coordinate the implementation of the reorganization with the bureau/OU.

Any actions requiring a change to the reporting relationships and/or duties of members of the SES, or SL, ST positions will require additional approval of the CFO/ASA, through the Director.

Bureaus/OUTs may not begin implementation of their reorganization until written approval from OHRM is received, and all applicable labor-management obligations are met.

The SHROs are responsible for executing or assisting the bureau/OU, as applicable, with all necessary personnel actions required as a result of a reorganization.

III. Position Management Guidance

Position management is the systematic process that managers/supervisors apply when designing an efficient and economical organization. Through this process, they determine how many positions are needed, how jobs should be designed, and how to build the organizational structure needed to accomplish the mission and functional assignments of the bureau/OU. Managers/supervisors assign specific duties to each position in their organization(s); how they distribute the duties among the different positions ultimately determines the title, occupational series, grade/band, and full performance level of each position.

Position Management Principles – These principles should be considered when designing an organization and establishing, revising, and classifying positions:

- Avoid overlap in duties and functions, unnecessary positions, or fragmentation of the work process.
- Align positions to be consistent with the organization’s mission.
- Design positions to be consistent with the duties and level of work to be performed.
- Ensure supervisory positions meet all of the “supervisory” classification requirements for the designated pay plan (i.e., GS, NIST APMS, and CAPS).
- Avoid over layering of supervisory positions.

A number of common obstacles exist in position management that can impact the efficiency of an organization’s structure. Appendix A (attached) describes some common obstacles, their impacts, and factors to consider when designing an organizational structure.

Supervisory Positions – In order for a position to be classified as “supervisory,” the position must meet all of the “supervisory” classification requirements, including spending at least 25 percent of the time supervising subordinate employees.

There is no designated supervisor-to-employee ratio. However, the number of supervisors should be kept to the lowest number needed to efficiently and effectively manage the organization and accomplish the mission.

An individual “supervising” only one individual does not meet the 25 percent threshold.

Position Descriptions – Once managers/supervisors have designed an efficient and economical organization, they must create PDs for new positions, and revise existing PDs as needed, to include job information significant to the classification of the position. PDs can be created and/or revised either before OHRM approval of the reorganization, or after approval, but PDs will be required for implementation. Bureaus/OUTs should consider the following factors as they determine when to create and/or revise PDs: the number of PDs to be created and/or revised and the level of effort needed; the implementation time line upon approval, etc.

When revising existing PDs, managers/supervisors should consult with their SHRO, as changes in duties performed by employees may affect the final classification, including grade/band level and full performance level of a position(s). Also, there may only be minor revisions that can be

made through “pen and ink” changes to a GS or FWS PD,³ which do not require an entire rewrite and classification of a current PD.

Common factors requiring PDs to be revised include:

- An increase or decrease in the scope and/or level of general duties and responsibilities;
- An increase or decrease in the knowledge, skills, and abilities required to perform the duties of the position;
- The addition or deletion of major duties; and
- A change in the degree of supervision received.

Factors that are **not** significant changes for revising existing PDs may include:

- Quantity/volume of work produced;
- Quality of work produced;
- A temporary change in assignments for training, or to meet an emergency situation;
- Work performed in the temporary absence of another employee; and
- Change in methods/procedures.

OFFICE OF POLICY AND BENEFITS: OPBservices@doc.gov

³ “Pen and ink” changes are not applicable to the National Institute of Standards and Technology’s Alternative Personnel System (APMS) and the Department of Commerce Alternative Personnel System (CAPS) as changes to a PD in the respective Automated Classification System generates a new PD.

Appendix A

Position Management Obstacles, Impacts, and Considerations

Obstacle	Description	Impact	Considerations
Fragmentation	Organization split into many small segments	<ul style="list-style-type: none"> • Requires more supervisory positions • Restricts employee development • Interferes with communication • Over-specialization 	<ul style="list-style-type: none"> • Are all functional areas needed? • Can functions be reasonably combined? • Can employee skill sets be broadened? • Is specialization required?
Layering	Too many levels existing in the chain of command	<ul style="list-style-type: none"> • Interferes with communication • Restricts lower-level management and employee responsibility • May lead to over-management of employees 	<ul style="list-style-type: none"> • What is the supervisor-to-employee ratio? • Is it possible to achieve an increase in productivity with fewer layers of supervision? • Is each supervisor supervising 25% of their time? • If applicable, does the managerial workload support establishment of a Deputy?
Unnecessary positions	Use of more staff than necessary to accomplish the mission of the organization	<ul style="list-style-type: none"> • Leads to redundancy in work • Expensive to the organization 	<ul style="list-style-type: none"> • How many supervisory and staff positions are needed? • Are there any positions that are “carry over” positions from previous structures or mission requirements that are no longer needed? • Are there duplicative positions performing the same work that are not needed? • Are staff assistant functions needed, or can they be shifted to another line position?

Obstacle	Description	Impact	Considerations
Narrow span of control	More supervisors than necessary	<ul style="list-style-type: none"> • Limits initiative and responsibility • Is expensive 	<ul style="list-style-type: none"> • Are duties and responsibilities appropriately delegated? • See the section on “Layering” • Would team lead positions be more efficient versus supervisory positions?
Job dilution	Lower level work performed by higher grade employees	<ul style="list-style-type: none"> • Results in lower employee morale • Is inefficient • Is expensive 	<ul style="list-style-type: none"> • Are employees working at their grade/band level 50% or more of the time? • Are positions established at appropriate grade/band levels? • Does the right mix of clerical or assistant work with technical, administrative, or professional-level work exist?
Mismatched strengths and workload	Skill sets of employees not matched with the work needed to be performed	<ul style="list-style-type: none"> • Skill sets not aligned with employees • Is expensive • Is inefficient 	<ul style="list-style-type: none"> • Can work be consolidated, reassigned, or changed and positions abolished or added?
Missing career progression	No path of progression from lower level grades/bands to higher level	<ul style="list-style-type: none"> • Lower employee morale • Higher attrition rates 	<ul style="list-style-type: none"> • Is there a line of career progression from entry level, through journeyman level, to expert level? • Does the organizational structure support succession planning through its career progression structure?

Appendix B

OHRM Reorganization Checklist

This reorganization checklist details the requirements outlined in Human Resources (HR) Bulletin #252, FY21, [Reorganization Requests](#), along with best practices at the Department. This is **not** a comprehensive list of all activities related to a reorganization, rather it is a tool to assist in the submission of a complete package for OHRM approval. Reorganization package responses are reviewed and prepared by the Office of Policy and Benefits, Office of Human Resources Management (OHRM).

Prepare Reorganization Package

Bureaus and Operating Units (OU) that are reprogramming funds for certain purposes must notify Congress by submitting a Notification of Proposed Changes (i.e., 505) to the Hill. If notification is not required, a Notification Statement in the proposal is required if Required

Bureaus/OUTs must draft justification memorandum with reason/business case, description of structural changes, impact on employees, improvement/efficiency that will result, and impact on the existing Department Organizational Order (DOO). Justification memorandums are best when all organizational codes that are being established, renamed, and/or abolished are identified upfront. Requests for new organizational codes may be included in the justification or provided in a corresponding email to the Department. Before and after organizational charts must be submitted to demonstrate the requested change.

- ☐ Draft Justification Memo
- ☐ Generate or Request New Organizational Codes and Identify Codes Being Abolished or Eliminated
- ☐ Create Before/After Organizational Charts

The bureau/OU must work with their Servicing Human Resources Office (SHRO) on updating/revising/creating new Position Descriptions (PDs), if applicable, adhering to the designated classification authority for the position(s). Updated PDs do not need to be included in the reorganization request; however, please note that the positions have been reviewed.

- ☐ PD Review

Create a crosswalk (e.g. in Excel) to address organizational changes and meet processing requirements. All positions changing organizational structure must be listed in the crosswalk.

- ☐ Create Crosswalk/Processing Chart
 - Name, Title, Occupational Series, Grade/Band, Full Performance Level, Supervisory Status, Bargaining Unit Status, and if any of these are changing
 - Current Organizational Code, Current Organizational Title
 - Employee ID, New Organizational Code, New POI, Reports to Position Number*

*Requirements of Enterprise Services for processing.

The bureau/OU must update any DOOs and/or Department Administrative Orders (DAOs) if they are impacted and include a copy in the request. If the updated DOO and/or DAO is not completed, the request needs to provide a status/approximate date of implementation. Reorganizations that require Congressional approval must receive Congressional approval first before the DOO and/or DAO can be updated. Please note if there is no impact on the DOO or a DAO in your request.

☐ DOO Review

SES Position Preparation (if applicable)

If SES, SL, and ST positions are impacted, the bureau/OU must work with their SHRO on updating/revising/creating new SES, SL, or ST positions as a result of the reorganization. The updated PDs does not need to be included in the reorganization request; however, the request should explain the status of the updated PDs (i.e., working with the SHRO on drafting; currently in the approval process; or approved). Bureaus must update PDs and assemble position packages, if applicable, to the Office of Executive Resources at ExecutiveResources@doc.gov.

☐ Update SES PDs

- New PDs
 - Major Duties
 - Professional Technical Qualifications (PTQs) (3 are required and they denote what is needed to be successful)
 - Cover Sheet
 - Position Sensitivity Tool
 - Qualification Standards

☐ Assemble SES Position Package

- Justification
- Old PDs
- New PDs
- Org Chart
- CD-79 Security Clearance Paperwork

The Office of Executive Resources works with the Chief Financial Officer and Assistant Secretary for Administration (CFO/ASA) to review and approve changes.

☐ SES Changes Reviewed/Approved

OHRM Review and Approval

The Office of Budget provides a review and confirms congressional notification status to OHRM.

☐ Budget Review

OHRM reviews all materials including justification, organizational charts, crosswalks, etc. and provides response memo to the bureau/OU from the Chief Human Capital Officer/OHRM Director. Requests should be sent to OPBServices@doc.gov.

☐ OHRM Response

Post-OHRM Approval Action

Bureau/OU will need to work with their servicing HR provider (e.g. Enterprise Services), the Office of Privacy and Open Government if DOO updates are needed, the GovTA manager to ensure flow to the system if necessary, and the Office of Financial Management to establish codes used in OFM and a CAPS Pay Pool if necessary.

Bureau/OU to work with servicing HR provider (e.g. Enterprise Services) on establishing codes. Allow time for processing, and update DOO if needed.

- ☐ Establish Organizational Codes in NFC
- ☐ (ES) Processing (takes up to 6 weeks)
- ☐ Abolish Organizational Codes in NFC
- ☐ Update DOO (if needed)

Bureau/OU to work with GovTA manager on creating new organizations in GovTA.

☐ GovTA Migration

Bureau/OU to work with the Office of Financial Management in establishing new CAPS pay pools.

☐ Establish CAPS Pay Pool (if needed)