

**Organizational Review of the Missions, Roles and Responsibilities  
Of MSC's and HQ USACE  
10 October 2002**

**Executive Summary**

The USACE organizational structure at the MSC (Major Subordinate Command) and Headquarters levels is inconsistent with, and does not support, the USACE business process and the learning organization doctrine. Recommend that USACE develop an organization model for 10 years in the future, e.g., USACE 2012, and immediately take steps toward achieving this ideal future. This ideal future will be used to define and align the missions, functions, business processes and stakeholder relationships of USACE. Process will then drive structure and all other elements of our culture.

The primary functions of the Headquarters are strategic policy and program development. Maintaining relationships with the Administration and the Congress is a key role. The HQUSACE structure should reflect these external, as well as the internal roles necessary to assure the efficient and timely delivery of civil works and military projects to the Nation.

MSC's best perform functions that are regional in nature and support Regional Business Center (RBC) operations. Command and Control, Regional Interface, Program Management and Quality Assurance continue to be legitimate functions as they are closer to customers and work-in-progress. In addition, the roles of HQ and MSC's need to be better defined and modified to support the Project Management Business Process (PMBP). Where there is duplication of functions, assignment of responsibility should be determined. It is counter productive today to perform all functions at all levels of the Command, which adds expense, complication and delay to helping our customers succeed and implementing the Federal stewardship role.

Allocation of 8 FTE's from HQUSACE to MSC's is not recommended until an integrated plan, strategic logic, and ideal future (USACE 2012) is developed.

## Organizational Review of the Missions, Roles and Responsibilities Of MSC's and HQ USACE

### Introduction

The U.S. Army Corps of Engineers (USACE) Executive Direction and Management (ED&M) funding has been essentially level since 1994. Funding in constant dollars has effectively decreased 30 percent. In response to declining resources, USACE has conducted numerous organizational studies, reduced the number of division offices, refined MSC (Major Subordinate Command) missions and functions, conducted bottom-up-reviews and conducted sporadic functional area assessments. These efforts reduced the number of ED&M funded positions by over 500 authorized Full Time Equivalent's (FTE's) over the past eight years. These staff reductions have allowed USACE to operate within available funding.

Past efforts to reconfigure USACE headquarters organization(s) have resulted in incremental changes within the framework of the existing structure. Even where structural changes resulted, the net result was a basic shifting of functional responsibility from one organization to another. There have been no integrated, holistic approaches developed that define what the USACE headquarters organization(s) should look like to serve the Army and the Nation 10 years from now, let alone into the 21<sup>st</sup> century.

USACE is currently instituting new corporate business processes and focusing on changing our culture to become a learning organization. Rather than designing a headquarters organization(s) that support our business process and desired culture, the business process has been superimposed on top of the existing organizational structure creating dysfunctional and duplicative processes, competition for resources and confused roles among the staff at all levels.

USACE needs to choose whether to continue on this cycle of annual incremental change, to seek more resources to sustain the existing structure or to develop an organizational model that aligns resources with our business processes and cultural ideal future. Our decision should be based on missions, functions, and stakeholder relationships with an organizational structure that is aligned with our overarching strategy, skills, shared values, stakeholder values, and leadership style.

Three excerpts from the USACE Learning Organization Doctrine are relevant:

*“Initiatives focused solely on organizational structure will likely have limited success without aligning the other dynamics within the culture.”*

*“The manufacturing era required bureaucratic stovepipes of experts to mass produce standardized products. This industrial bureaucratic logic was based upon making procedures ever more efficient, work fragmented into specialized parts and (executed in) hierarchical organizations.”*

*“Today is defined by knowledge/service mode of production. This logic requires interactive teamwork, strategic alliances, integration of knowledge, and co-producing solutions with customers to help them succeed.”*

USACE has provided invaluable service to the Nation for more than 225 years. From the development of our inland waterways that opened the country to trade, to the environmental restoration efforts of the last three decades, USACE has responded to the nation's needs. As times and circumstances have changed, the Corps has changed. To remain vital and relevant in our service to the Nation, we must adjust to today's reality and further change.

### **The Issues**

Following a series of discussions among USACE senior leadership concerning allocation of ED&M resources between HQUSACE and MSC's, the Deputy Commanding General (DCG) chartered a Project Delivery Team (PDT) to:

*"Focus on the total business process of the MSC headquarters in the operational environment of PMBP and review the roles of the MSC headquarters in relation to HQ USACE and the districts."*

The DCG asked the team to answer several specific questions and to make recommendations. Specifically:

- Are the divisions adequately resourced to perform their missions as currently structured?
- Should USACE:
  - Provide one additional FTE to each division in fiscal year 2003,
  - Wait until additional FTEs are identified to provide more than one to MSC's, or,
  - Recommend that the divisions are adequately staffed and that no additional FTEs be provided.
- Identify areas for further study and in-depth analysis.

The PDT was comprised of nine military and civilian members from HQUSACE and MSC's. The team drew upon its own experiences and perspectives and sought input from MG Van Winkle (DCG), MG (Ret.) Russell Fuhrman, COL Joseph Schroedel (Chief of Staff), Congressional staff members, and HQUSACE subject matter experts.

### **History**

The PDT reviewed previous organizational reviews that took steps to realign USACE to adjust to our future missions, specifically:

- Division Organizational Guidelines Task Force Report (The Witherspoon Study) dated 27 January 1995.
- LTG Ballard's organizational modification of the MSC HQ's
- The Division Office Analysis Task Force Report dated October 2000.
- The MSC Synchronization Team Report dated 5 January 2001.

This review was valuable to understand the assumptions and the perspectives and to evaluate whether these efforts were successful. All previous efforts were well thought out with sound recommendations within the context of their scope of analysis. Initially, this PDT began to develop specific structural suggestions for the MSC's, similar to the methodology used in previous efforts. It soon became readily apparent that what was needed was a broader look at the MSC's and HQs missions, functions, roles and responsibilities. The one stark learning point was that structural change alone was insufficient without a holistic evaluation of the entire system and the effective management of the interactions within the system. By 'system' we mean the culture of the Corps as defined as a 7 S social system in the Learning Organization Doctrine.

### **Problem Statement:**

Having understood the work that preceded the current initiative, the PDT developed the following problem statement:

*Funding is insufficient to support current MSC and HQ structure. Current structure is inconsistent with the Learning Organization Doctrine and our Project Management Business Process (PMBP).*

### **Assumptions and Facts:**

1. The corporate business process as provided in ER 5-1-11 is our doctrine. The central tenet of PMBP is project-focused teamwork using multidisciplinary teams. The teams draw upon the diverse resources of USACE, are not limited by geography or organizational boundaries, and use the best corporate strategy to meet the Nation's water resources and military construction needs.
2. Organizations exist to accomplish missions.
3. Project Delivery Teams (PDT's) are the primary work unit used to deliver products and services to our stakeholders.
4. The primary missions of the districts are to plan and execute projects, interface with and learn from local and regional stakeholders, support PDT's, and assure the delivery of quality products, whether a study, a construction project or service.
5. The primary function of the MSC is to extend and assist the Chief of Engineers' Command and Control of USACE in an effective and efficient manner. MSC's are assigned those functions the Chief cannot effectively accomplish from HQUSACE or by delegating more authority to Districts. The MSC's accomplish this by operating the RBC in support of the districts while performing the functions of Command and Control, Regional Interface, Program Management, and Quality Assurance.
6. The primary functions of HQUSACE are Command and Control, Program Management, National Interface and Strategy, and development of Policy and Guidance.

7. The USACE ED&M budget has been level since 1994 with no indication this will change in the near future.
8. Labor costs will continue to rise due to inflation, an aging workforce, and the gradual change from the Civil Service Retirement System (CSRS) to the Federal Employees Retirement System (FERS). Current CSRS fringe benefits are 13.6% compared with 29.8% for FERS.
9. We are committed to become a learning organization. This requires moving out of the industrial-bureaucratic hierarchical culture. There is no need to duplicate all functions at all levels. The knowledge-service mode of work today requires a new organizational culture. Empowerment and delegation of decision making to the lowest level of the organization is desirable.
10. All structuring scenarios must conform to current HR regulations in the short term. If relief or changes are required, USACE will take steps to drive that change.
11. There will be no near term changes (next 10 years) in basic macro structure, e.g., 41 districts, ERDC, centers, 8 divisions, and 1 HQ. The final architecture that is developed should be flexible enough to accommodate structural change at some future date.
12. USACE will continue to work with the Administration, Congress and stakeholders to improve business processes and will aggressively support the President's Management Agenda to focus energy and talent on improving core competencies to better serve the nation.

### **Findings:**

Based on the evaluation of existing material, internal group discussions, and interviews with mentors, we found the following:

#### **Headquarters**

1. The SECARMY approved HQUSACE functions of Command and Control, Program Management, National Interface and development of Policy and Guidance are still relevant and appropriate functions at this level.
2. HQUSACE is a functional organization and is not aligned to support our core business process (PMBP) or to become a learning organization. There is no cross-organizational integrating function below the Chief of Staff and few incentives or operating principles to encourage collaboration across organizational or functional boundaries. The current hierarchical structure does not meet today's needs.
3. We do not follow corporate business process (ER 5-1-11) doctrine at all levels of the organization. The basic work unit of a district is a team (PDT); some elements within MSC and USACE headquarters are also beginning to form into teams. We need less emphasis on individual functions in HQUSACE and more emphasis on teams but must stop short of building a PMBP bureaucracy.
4. We should not treat USACE as a closed system. HQ USACE should not organize solely to satisfy internal, functional considerations – this is what a bureaucracy does.

We need to look at how HQ USACE interacts with Congress, the Administration and national stakeholders. Our future depends on how well we serve the American people.

5. HQUSACE must be strategic in its operations and in developing relationships at the national level with elected and appointed officials, other agencies and stakeholders. The HQUSACE must be open, accessible, direct and honest.
6. Technical expertise in the Corps must be maintained. Further studies should be undertaken to define what technical expertise the Corps needs to maintain and where technical expertise should be located, (e.g., District, regional, MSC, center, etc.), With today's telecommunications and network technology geographic location is no longer the factor it once was. Today's culture and structures take little account of the virtual.

## **Districts**

Primary purpose is mission planning, execution and stakeholder/customer interface at the local level and for the purposes of this study, the districts were assumed to be implementing PMBP and making necessary adjustments to the system.

## **Division HQ's**

1. The primary role of MSC HQ is to extend HQ span of control, operate the regional business center and to interface with regional stakeholders. From the Witherspoon Report, *"the value added by division offices is high. Divisions Perform critical QA, PM, RI and C<sup>2</sup> Functions. Quality assurance is critical and most effectively performed by division. Critical QA functions are necessary to provide the technical base needed to support PM, RI and C<sup>2</sup> Functions."*
2. Divisions have evolved into mini-headquarters with the same functional elements that exist in HQ USACE. A full suite of functional elements is not necessary and may actually divert leadership attention hindering the efficient and effective conduct of higher priority, MSC functions.
3. MSC Missions and Functions. The team summarized and evaluated the missions and functions of each division office in today's culture and found the following.
  - a. Command and Control. MSC's should be designed as regional extensions of the Corps Headquarters. Just as districts are the operating arms of the regional business center, the MSC should be redefined as the regional operating arm of HQUSACE. Currently each MSC is a mirror image of HQ with all organizational elements represented. With modern telecommunications and transportation capabilities, it is not necessary or desirable for MSC's to be the pass-through of guidance and data between HQ and districts. Regional staff should add value by performing functions that are best performed in the region.
  - b. Regional Interface. This is a value-added function that should remain located within the region. If the MSC commander and staff were relieved of the internal

bureaucratic processes that consume much of their time and are redundant with HQUSACE responsibilities, the MSC staff would have more time and resources to focus on the vital regional interface function.

- c. Program Management. This is a value added regional function that should remain. The MSC's know the programs of their districts and are able to assimilate and prioritize competing needs among available resources. District or Regional Support Teams have potential to add value to facilitate and enable district execution. Teams are a way of making all functional elements part of the mainstream business process. This function could not be easily or effectively performed at the Headquarters level.
- d. Quality Assurance. To maintain the public trust, Corps reports, work products and projects must meet the highest possible standards. With our credibility unquestioned, our value and ability to serve the nation can be fully realized. Despite the importance, implementation of quality management within MSC's has been inconsistent. The roles of the MSC are often misunderstood and are the one area in the Witherspoon report that needs changing. Quality Assurance has been the source of much frustration with the elimination of Technical Review in the Divisions. We have a large number of FTE tied up in this area that could be the source of significant resources if we could get the function right. Quality assurance at the MSC should be redefined to include the following functions:
  - i. Focus on business and quality management processes, not technical details. Strengthen the Independent Technical Review (ITR) process by ensuring that review team members are qualified and that reviews are truly independent to avoid conflict of interest concerns.
  - ii. Verify that quality objectives are adequately defined in district Project Management Plans and that PMP's include performance and learning measurement standards.
  - iii. Assure that districts have the necessary tools and skills to implement the PMBP and facilitate training, when needed.
  - iv. Provide districts access to technical expertise when required. Technical expertise does not need to reside in the MSC or even within the RBC. MSC's can serve a vital role by being a resource for facilitating technical transfer between the districts, laboratories, centers, and regions to better support PDT's.

### **Higher Echelon Views**

The Commanding General is accountable and has broad discretion in the use of ED&M funding to accomplish the mission of the organization. The use of ED&M funds should be directly linked to mission accomplishment. However, congressional staff and the administration should be consulted prior to making organizational changes that affect the interaction of higher echelons with HQUSACE.

## **Conclusions:**

1. Need to stop taking cuts incrementally from the existing organizational structure.
2. Need to define our ideal future - what HQ and MSC's should be in 10 years. Then, keeping our people in mind, take steps towards implementation. The long-term look must not only take into account the structure, but the entire culture under the 7-S model. The 7 S's are a dynamic interactive social system (culture) that must be aligned to achieve the ideal future starting now. Without an ideal future definition, the 7 S's are just a checklist. HQ and MSC's missions and functions need to be redefined and aligned with our core missions, functions and business processes, which will then drive structure. Annually review and periodically adjust the target organization based upon changing conditions.
3. HQUSACE's role is to develop policy and perform program management. This role is essentially strategic, not operational. This strategic role is critical and central to the viability of the Corps of Engineers. The district's role is to operate, plan and execute. The role of the MSC must be defined in terms of how it adds value to the process. The MSC Commander is the Chief's representative in a geographic region of the country/world. The MSC staff and responsibilities should be adjusted accordingly. The current structure of USACE is based on an outdated bureaucratic model, which relies on hierarchy and individual functions. Not all functional elements need to be represented at all levels.
4. Any change must address the primary functions of the HQ and the MSC's. Internal changes must be made within the context of PMBP and the learning organization and therefore facilitate the external role of interactions between HQUSACE, Congress, the Administration and other national entities.
5. The organizational structure and budget need to be directly connected to and focused on mission accomplishment. Cultural issues such as increased empowerment, performance ratings, promotions, and awards also need to be directly connected to and focused on mission accomplished.
6. Redundancies in the structure may not only be expensive, but may be taking resources away from some of the critical functions that should be performed.
7. There may be some key learning points USACE can gain from more in-depth review of leadership and functional roles in private-industry headquarters, business units and field units and translating these into models for USACE.

## **Recommendations**

1. MSC/HQ Resourcing. Are the divisions adequately resourced to perform their missions as currently stated and structured? No. The MSC's and the HQ are only funded at 90% of their stated needs.
2. Eight FTE transfer. It is illogical to reallocate resources until it is determined where they are needed. Allocation of 8 FTE's from HQUSACE to MSC's is not recommended until an integrated plan (USACE 2012) is developed.

3. Areas for Further Study and In-Depth Analyses. Recommend that the Chief of Engineers immediately commission an independent study team to:
- a. Develop by 1 February 2003 an organization model incorporating the vision of the Corps 10 years in the future, i.e., USACE 2012. This ideal future is more systematic, specific, detailed and articulated than short vision statements and lists of Campaign Plan tasks. The team should consist of senior USACE civilian managers and military personnel under the leadership of a senior executive with the assistance of an outside facilitator or consultant. Solicit input from HQDA, OASA (CW), sponsors, stakeholders and the administration.
  - b. The ideal future should define the missions and stakeholder relationships of both HQUSACE and the MSC's to align with our core functions and business processes. Process will then drive structure. Structure is the last S that should be addressed, whereas in bureaucratic thinking it is the first one.
  - c. Eliminate duplications of functions and assign responsibilities. Redundancy, overlap and efforts that do not support mission accomplishment should be eliminated.
  - d. Define what technical expertise the Corps needs to maintain and where technical expertise should be located, (e.g., District, regional, MSC, labs, center, etc.).
  - e. Evaluate the concept of District or Regional Support Teams for incorporation at the MSC level.
  - f. Define MSC and HQ staffing in terms of workload and type to ensure resources is adequate to effectively accomplish the mission and are equitably distributed.
  - g. Integrate into the regular leadership process at the highest levels continuous organizational alignment, which includes structure, in light of changing conditions and strategies. In this way, USACE becomes a continuously learning organization, adapting and self-organizing to the changing economic and national context, mission requirements, not to short-term resources available.
  - h. Implement USACE 2012 -- answering the strategic question: what do we have to do today to achieve our ideal future tomorrow?