



Report In Brief

MARCH 25, 2015

Background

The International Trade Administration (ITA) was created in 1980 and works to strengthen the competitiveness of U.S. industry, promote trade and investment, and ensure fair trade through the enforcement of U.S. trade laws and agreements.

In early 2011, as part of a strategic review, ITA management began discussions to reorganize the agency to better achieve its mission. A reorganization plan was proposed that would consolidate ITA's four major operating units into three. In November 2012, the Department submitted a reprogramming request to Congress to implement this plan, and it was approved in spring 2013. An administrative reorganization of ITA subsequently took place on October 17, 2013.

Why We Did This Review

We conducted this review in response to a requirement in a fiscal year (FY) 2014 Senate Appropriations Committee's Report. Our objectives were to (1) identify management and leadership challenges that might hinder the consolidation effort, (2) evaluate whether resource changes as a result of the consolidation are aligned with ITA's strategic priorities and sufficient for providing services to ITA's customers, and (3) assess the status of ITA's consolidation.

We reviewed ITA documentation related to consolidation planning; interviewed ITA staff; and conducted an online survey of ITA employees 6 months after the administrative reorganization took place, in order to gauge their opinions about this change.

INTERNATIONAL TRADE ADMINISTRATION

ITA Management Should Address Significant Challenges Related to Its Recent Consolidation

OIG-15-021-I

WHAT WE FOUND

One year into its consolidation, ITA's efforts to achieve operational goals related to its consolidation remain ongoing and are largely uncoordinated, and concerns involving new roles and responsibilities and employee engagement remain.

Planning for the consolidation did not follow best practices for organizational change management, thus delaying operational improvements:

- Leadership changes in the period leading up to and just after the October 17, 2013, administrative reorganization hindered effective governance over the consolidation.
- Incomplete operational planning has led to some employees being unclear about their roles and responsibilities.
- The rationale for moving the Trade Promotion Programs group to ITA's Industry and Analysis unit was unclear, limiting its effectiveness.
- ITA staff reported increased levels of management as a result of the consolidation.
- ITA recognizes consolidation challenges, but is slow to resolve them.

ITA's approach to employee engagement resulted in dissatisfaction with communication and feedback.

Respondents to OIG's survey noted increased collaboration as a result of the consolidation.

In addition, we found that while ITA realized \$8 million in consolidation savings, nearly one-half of that was from the elimination of program-specific, rather than overhead, positions:

- All of the eliminated positions came from the two former operating units claiming insufficient resources prior to consolidation.
- ITA did not execute its Office of Strategic Planning's plan for potential cost savings.
- High-growth emerging markets have gained resources since the consolidation.

WHAT WE RECOMMEND

We recommend that the Under Secretary for International Trade:

1. develop a comprehensive project plan to manage remaining consolidation activities and monitor progress until completion,
2. prioritize the development of revised performance plans and training for employees who were affected by the consolidation,
3. develop an employee engagement plan that solicits and incorporates employee feedback and communicate the changes to ITA staff, and
4. conduct a workforce analysis of headquarters programs to determine the appropriate level of resources.