



Highlights of [GAO-09-738](#), a report to the Subcommittee on Oversight of Government Management, the Federal Workforce and the District of Columbia, Committee on Homeland Security and Governmental Affairs, U.S. Senate.

Why GAO Did This Study

In 2004, the Department of State (State) Inspector General (IG) concluded that State’s three-bureau structure for conducting arms control and nonproliferation policy did not adequately address post-September 11 challenges, including possible terrorist use of weapons of mass destruction. The IG also noted that State had yet to formalize the responsibilities of the three bureaus in its Foreign Affairs Manual (FAM), which sets out agency organization and functions. Between late 2005 and early 2006, State created a new two-bureau structure to better address these issues and improve efficiency

GAO was asked to assess the extent to which State addressed (1) the objectives of its 2005-2006 reorganization and (2) key reorganization practices. For this effort, GAO reviewed State documents pertaining to the reorganization and staffing data for the affected bureaus in the periods before and after the reorganization and interviewed former and current State officials in Washington, D.C.

What GAO Recommends

GAO recommends that State (1) formally delineate in the FAM the roles of the two new bureaus and (2) direct that key transformation practices and steps be incorporated into the FAM. State agreed with our conclusions and recommendations and the Undersecretary for Management has directed that GAO’s key practices be adopted by State when undertaking organizational changes.

To view the full product, including the scope and methodology, click on [GAO-09-738](#). For more information, contact Joseph Christoff, at 202-512-8979 or christoffj@gao.gov.

STATE DEPARTMENT

Key Transformation Practices Could Have Helped in Restructuring the Arms Control and Nonproliferation Bureaus

What GAO Found

State cannot demonstrate that the 2005-2006 restructuring of its Nonproliferation, Arms Control, and Verification and Compliance bureaus achieved all of its objectives because it did not clearly define the objectives and lacked metrics to assess them. State’s objectives were to enable it to better focus on post - September 11 challenges; reduce bureaucratic inefficiencies and top-heavy management; and eliminate overlap. State sought to achieve its first objective by creating new offices and roles to address terrorism and counterproliferation issues. To meet its second objective, State merged three bureaus having 30 offices and functions into two bureaus having 26 offices and functions and freed up staff slots for these new roles, but problems with workload mismatches persisted after the reorganization as State employees noted it left some offices overworked and some offices underworked. State cannot demonstrate that it met its third objective, reducing top-heavy management, as its goals were undefined. Although it reduced the number of senior executives from 27 to 20 and reduced office directorships, the overall number of higher-ranking employees increased from 91 to 100 and executive office staff increased from 44 to 50. Moreover, concerns about mission overlap persist, in part because bureau roles remain undefined in the FAM.

State’s reorganization addressed few of the key practices for organizational mergers and transformations that GAO developed in 2002. These practices are found to be at the center of successful mergers and transformations. As illustrated below, State generally addressed one key practice, partially addressed two, and did not address the remaining five. For example, State did not address establishing coherent mission and strategic goals because it did not define an end state with measurable goals, nor did it devise a means to gauge progress toward such goals or assess the results of actions taken. As a result, State lacks reasonable assurance that the reorganization achieved its objectives or that it can identify any lessons learned.

Extent to Which State’s 2005-2006 Bureau Reorganization Addressed Key Practices for Organizational Transformations and Mergers

Practice	Addressed?
Ensure top leadership drives the transformation	<input checked="" type="radio"/>
Dedicate an implementation team to manage the transformation process	<input type="radio"/>
Establish a communications strategy to create shared expectations and report progress	<input type="radio"/>
Involve employees to gain their ideas, as well as ownership over the transformation	<input type="radio"/>
Focus on a set of key principles and priorities at the outset of the transformation	<input type="radio"/>
Set implementation goals and a timeline to build momentum and show progress from day one	<input type="radio"/>
Establish a coherent mission and integrated strategic goals to guide the transformation	<input type="radio"/>
Use the performance management system to define responsibility and assure accountability for change	<input type="radio"/>

Generally addressed Partially addressed Not addressed

Source: GAO.