



# Defense Civilian Personnel Advisory Service

## WORKFORCE RESHAPING GUIDE

DoD Manager's Guide for Civilian Restructuring and Downsizing  
November 2019

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## 1.0 PURPOSE AND BACKGROUND

This guide provides basic information to you as a manager who is, or will be, considering or preparing for the possibility of restructuring or downsizing the civilian workforce for which you have responsibility. When workforce reshaping actions are taken without measures to ensure compliance with applicable laws, regulations, formal agency policies, and negotiated bargaining agreements, undesired outcomes may occur such as unfair labor practices, congressional inquiries, grievances, and other formal complaints. This guide identifies tools, resources, and procedures for effectively managing workforce reshaping actions in a manner that meets all statutory and regulatory requirements and results in the best possible outcomes for the Department of Defense (DoD) and for impacted employees. This guide aids in preparing you to discuss workforce reshaping with your servicing human resources office (HRO) and addresses questions you may have about reshaping actions. It also provides you with a better understanding of your role and accountability in the workforce reshaping process. The information contained herein does not establish, revise, replace, or supplement requirements as established by legal or regulatory authority, nor does it revise or replace DoD policy or procedure. Also, be aware that this guide is not intended to be all-inclusive. Your supporting HRO will provide you with thorough workforce restructuring advice and assistance on the following types of actions:

- Furlough
- Reduction in Force (RIF)
- Reorganization/Realignment
- Management Directed Reassignment (MDR)
- Transfer of Function (TOF)
- Transfer of Work (TOW)

For more specific operational procedures designed to ensure that reshaping efforts comply with merit system laws and regulations, please review Office of Personnel Management (OPM) Reshaping Handbook, March 2017; [https://www.opm.gov/policy-data-oversight/workforce-restructuring/reductions-in-force/workforce\\_reshaping.pdf](https://www.opm.gov/policy-data-oversight/workforce-restructuring/reductions-in-force/workforce_reshaping.pdf).

## 2.0 COORDINATION AND CLEARANCE REQUIREMENTS

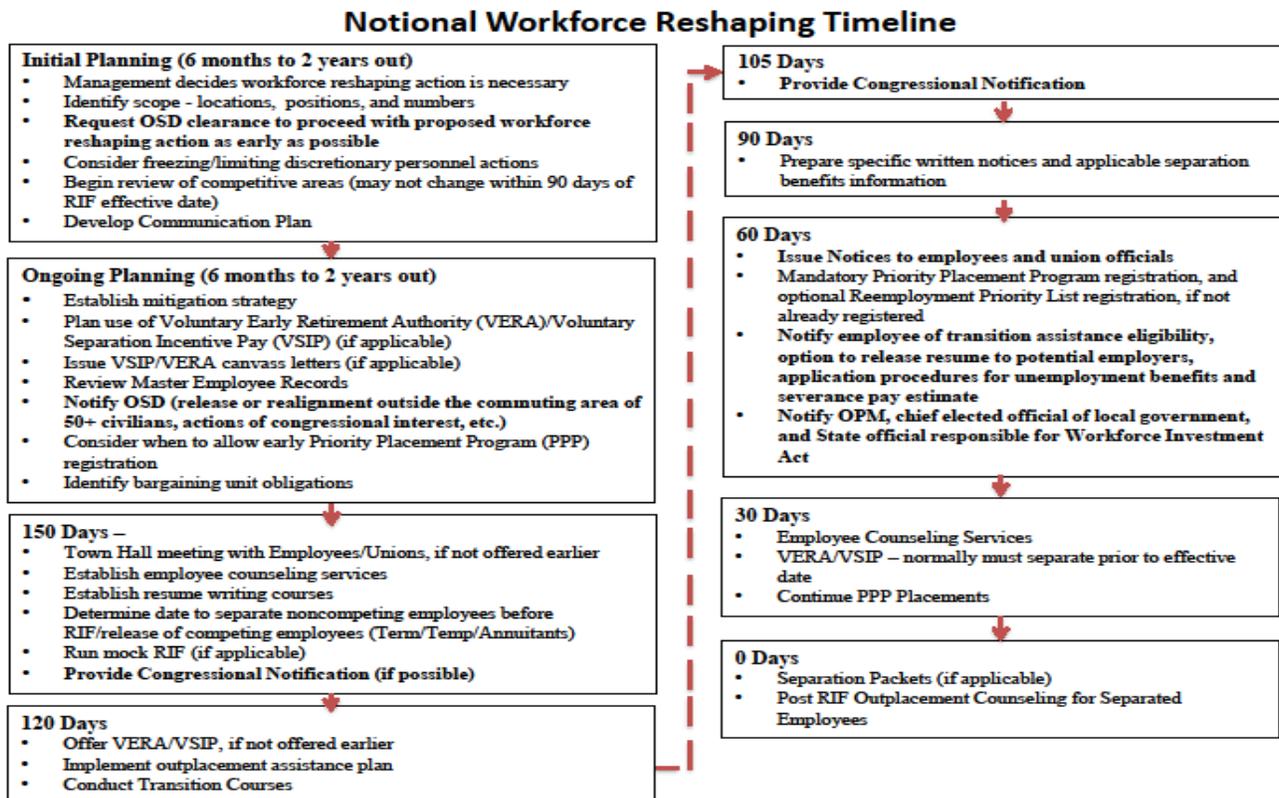
It is important that you be aware that workforce reshaping actions are subject to certain coordination and clearance requirements as required by Federal regulations and DoD policy. These requirements are outlined in DoD Instruction 1400.25, Volume 351, "Coordination and Clearance Requirements for Personnel Reductions, Closures of Installations and Reductions of Contract Operations in the United States." You should work with your HRO during the planning phase, to ensure that the necessary coordination and clearances are obtained throughout the course of your workforce reshaping effort. For your awareness, key requirements are listed below.

- Office of the Under Secretary of Defense for Personnel and Readiness clearance must be obtained as early as possible for all proposed workforce restructuring and drawdown actions.

- The Office of the Secretary of Defense must be notified when workforce reshaping actions involve: release of 50 or more civilian employees during a fiscal year at an installation, facility, or activity; closure or reductions expected to be of interest to members of congress and the public; realignment of 50 or more civilian employees outside the local commuting area; or the substantial reduction of contract operations or contract employees involving 100 or more people in a fiscal year.
- Congress must be notified at least 45 days prior to any involuntary reduction or furlough of civilians, in accordance with the Deputy Secretary of Defense Memorandum, "Policy and Procedures for Reductions in Force in the Civilian Workforce," January 19, 2017, and title 10, United States Code, section 1597.
- When 50 or more employees in a competitive area receive separation notices, written notification must be provided to the State, the chief elected official(s) of the local government within which the separations will occur, and OPM.

The Notional Workforce Reshaping Timeline in section 3.0 illustrates how the coordination and clearance requirements detailed above should occur within the course of planning for and executing workforce reshaping actions.

### 3.0 NOTIONAL WORKFORCE RESHAPING TIMELINE



## 4.0 PLANNING TO REORGANIZE THE WORKFORCE

There are times when you may find the need to reshape the workforce based on emerging missions or changes to existing mission requirements. Shifts in mission requirements may be driven by DoD Component strategies and initiatives, resource fluctuations, legislation, and other variables. Whenever these factors drive changes to manpower requirements, the best outcomes happen when workforce reshaping is accomplished with advanced planning and effective communication. It is imperative that such decisions result in the continued ability to best execute the national security mission.

Effective workforce planning and position management should be used to guide the reshaping of the organization's structure. Making early decisions about how the organization should be structured will help you and your HRO determine the type of workforce reshaping actions that will be necessary and identify a strategy to mitigate the impact of such actions when possible. Reshaping efforts may include the following types of actions:

- **Furlough** – The placement of an employee in a temporary nonduty, nonpay status because of lack of work or funds, or other nondisciplinary reasons.
- **Reduction in Force (RIF)** – An objective, systematic process whereby employees compete to retain jobs when an agency is obliged to demote, separate, or furlough one or more employees because of lack of work, shortage of funds, or reorganization.
- **Reorganization** – The planned elimination, addition, or redistribution of functions or duties in an organization.
- **Management Directed Reassignment (MDR)** – An agency directed lateral reassignment of an employee from one position to another that may occur within or outside the employee's commuting area.
- **Transfer of Function (TOF)** – The movement of work from one competitive area to another and the function ceases being performed in the losing area and continues in an identical form in the gaining competitive area; or the movement of the entire competitive area to a different local commuting area.
- **Transfer of Work (TOW)** – The movement of work which does not meet the definition of TOF. The TOF Determination Decision Logic Table (Appendix A), along with your servicing HRO, will help you determine your reshaping effort.

## 5.0 KEY CONSIDERATIONS

As you prepare to undertake any workforce reshaping effort, you must review, analyze, and prioritize mission requirements based on the variables driving the need to reshape the workforce. It is your responsibility to work with your HRO to carefully plan workforce reshaping to balance business and human resource considerations, including the benefits and entitlements due to individuals affected, and

compliance with the appropriate statutory and regulatory guidance. Your awareness and understanding of the available tools and transition programs will enable you to effectively manage your workforce through the reshaping process.

Consider the following:

- What is driving the need to reshape the workforce (e.g., budgetary shortfall, privatization of work, change in program priorities, mission transferred to another organization)?
- How much time is there to accomplish workforce reshaping actions? Is there a specific effective date? How long will current mission capabilities need to be sustained?
- Why is the current or emerging mission changing?
- What are the knowledge, skills, and abilities needed for the current and future work of the organization?
- What positions (by series, grade, and location) are required to perform the current and emerging mission?
- What positions (by series, grade, and location) will no longer be required to support the mission?
- Can current staff be trained to support the emerging mission?
- What is the projected attrition for the period leading up to the expected reshaping action?
- Are there projected accessions and is there a need to temporarily discontinue hiring?



### **5.1 Consider All Appropriate Options to Lessen the Impact of Restructuring**

Managers should explore all available options to minimize or even avoid reducing staff. There are multiple options available that may help mitigate the impact of reshaping efforts and those options should be thoroughly discussed with your servicing HRO in order for you to maintain mission requirements. Some available options include the following:

- Freeze hiring and promotion actions;
- Job changes or retraining;
- Voluntary Early Retirement Authority (VERA)/Voluntary Separation Incentive Payments (VSIP);
- Termination of temporary employees;
- Reduction in work hours;
- Curtailment of discretionary spending; and

- Other Pre-RIF placement activities for employees eligible for placement assistance and referral programs.

## 5.2 Consider If There Are Any Labor Obligations

While management has the right to reshape its workforce, including running a RIF, many aspects of the impact and the implementation of such efforts are negotiable. Management must fulfill any collective bargaining obligations and should consult with their local Labor Management and Employee Relations (LMER) office prior to announcing a reshaping effort. LMER staff will provide professional advisory services in collective bargaining agreement (CBA) interpretation and various aspects of interaction with union officials and bargaining unit employees. LMER will assist management in better understanding their responsibilities and the procedures the DoD will take in the event of workforce reshaping. Procedures may differ slightly based on the local CBA. It is a manager's responsibility to know the positions and employees covered by a bargaining unit.

You should work closely with your HRO to ensure appropriate and timely obligations are being met in accordance with established procedures.

For DoD-directed reform activities that impact civilian employees, the DoD is required to consult with labor unions holding national consultation rights (NCR) before substantively changing conditions of employment. Twelve unions have been granted NCR in DoD:

- American Federation of Government Employees;
- Association of Civilian Technicians;
- Federal Education Association;
- International Association of Firefighters;
- International Association of Machinists & Aerospace Workers;
- International Federation of Professional & Technical Engineers;
- Laborers International Union of North America;
- Metal Trades Department;
- National Association of Government Employees;
- National Association of Independent Labor;
- National Federation of Federal Employees; and
- Seafarers International Union.



If a reform activity is DoD-directed, coordinate with the DCPAS Labor and Employee Relations Directorate to satisfy labor obligations.

### 5.3 Consider the RIF Moratorium

RIF notices may not be issued to DoD civilian employees between December 15, through January 3, of any year. As you work with your HRO to identify the necessary actions and timelines for workforce reshaping, be aware of this moratorium and adjust your timeline as appropriate.

### 5.4 Consider Using Workforce Reshaping Tools

DoD has statutory authority to use VSIP and VERA to voluntarily separate eligible employees from service for the purpose of reducing or restructuring the workforce to meet mission objectives. When properly used, these tools can lessen the impact of downsizing or restructuring by preventing the need to involuntarily separate affected employees. Your HRO can provide detailed guidance on these authorities and the process required to identify those who might be eligible.

### 5.5 Consider Available Transition Assistance Programs

In managing workforce reshaping actions, a primary concern is to minimize the negative impact on employees to the maximum extent possible. Transition assistance programs can provide relief when employees are identified for separation due to reshaping actions. Agencies are required by regulation to provide career transition services to all employees who are surplus or displaced because of downsizing or restructuring. In addition to local placement assistance provided by each Component, the following are transition assistance programs available to DoD employees impacted by workforce reshaping actions. Your servicing HRO can advise on the details for each transition assistance program.

- **DoD Priority Placement Program (PPP):** The PPP is a mandatory placement program used to place displaced employees when they are determined to be well-qualified into vacant positions within DoD. The PPP enables DoD to maintain a relatively stable workforce during base realignment and closure, RIF or realignment, and minimizes the adverse effect of these actions on employees. Employees are eligible to be registered in the PPP upon receipt of a specific RIF notice or notice of separation due to declination of a TOF, TOW, or MDR offer outside of the commuting area. Displaced employees who are eligible for severance pay will be mandatorily registered in the PPP when they receive a notice of separation due to RIF, TOF, TOW or MDR. Installation Commanders may authorize early registration up to 1 year prior to the proposed effective date of the RIF or other workforce reshaping action. Requests for up to 2 years of early registration may be submitted to the Defense Civilian Personnel Advisory Service (DCPAS) Workforce Shaping Office.
- **Reemployment Priority List (RPL):** RPL is the mechanism agencies use to give reemployment consideration to former competitive service employees separated by RIF. RPL registrants receive priority consideration over certain outside job applicants and, if the hiring manager chooses, RPL registrants may be considered before some internal candidates. Displaced employees may request registration in the RPL upon receipt of a specific RIF notice, and may be registered in the PPP and RPL simultaneously if eligible for both programs.

- **Interagency Career Transition Plan (ICTAP):** ICTAP provides displaced DoD employees selection priority over other candidates for positions in non-DoD Federal agencies. Displaced employees may exercise their ICTAP eligibility when they apply for job vacancy announcements open to ICTAP eligibles and include a copy of their notice of RIF separation as proof of eligibility.

## 5.6 DoD Manager's Workforce Reshaping Checklist

The DoD Manager's Workforce Reshaping Checklist is a useful tool for working through the restructuring process. This checklist is designed to help you understand the process including preplanning, approvals, and other actions you may need to take; not all steps will apply in all cases. There may be some steps unique to your DoD Component. As such, it is important that you work with your servicing HRO from the earliest stages of workforce reshaping planning and throughout the process.

The DoD Manager's Workforce Reshaping Checklist (Appendix B) should be used in conjunction and in coordination with your servicing HRO. Your HRO will provide the specific implementation plans and support necessary to affect your workforce reshaping actions.

## 6.0 COMMUNICATION STRATEGY

You should consult with your HRO, Public Affairs, Legislative Affairs, and other key offices to establish an effective communication strategy. The agency's goal should be to develop a coordinated communication plan that will provide timely, accurate, and complete information to all parties. Effective, open communication with employees, their immediate supervisors, management officials, and other stakeholders (including labor unions) can minimize loss to organizational productivity.

Working through your HRO, you'll be able to provide employees with access to pertinent information concerning workforce shaping procedures, programs available to surplus or displaced employees, and employee benefits such as retirement, health benefits, and life insurance. Potential methods of communication include:

- Written communication, which is the best way to provide a record of accurate information; options include scheduled bulletins, brochures, pamphlets, newsletters, and e-mail;
- Direct personal communication, which provides a personal approach to disseminating the information and answering a diverse range of questions; options include large groups, small groups, and organization or subject-based groups; the DCPAS Workforce Shaping Office is available to provide workforce briefings on RIF, realignment, and transition assistance programs.

## 7.0 FREQUENTLY ASKED QUESTIONS

- 7.1 What considerations should occur in my organization when determining the need for workforce reshaping?**  
You have the responsibility to determine your mission-based workforce requirements, define its priorities, and apply available resources in order to best meet mission requirements. You are also responsible for deciding what positions are to be abolished, whether a RIF or TOF is necessary, and (if applicable) when a RIF will take place. This includes deciding which positions are required after a reorganization or other organizational change, where the positions are to be filled, abolished, or vacated.
- 7.2 What would be the basis for determining that a RIF is necessary?**  
When an agency must abolish positions that result in separating or demoting an employee due to a lack of work, shortage of funds, or reorganization, the agency must use RIF regulations to effect those personnel actions.
- 7.3 What are alternatives to RIF?**  
Reasonable options to mitigate the size of a proposed RIF include job changes or retraining, the use of VERA/VSIP, hiring freezes, termination of temporary employees, reduction in work hours, curtailment of discretionary spending, and other pre-RIF placement options for employees eligible for placement assistance and referral programs. Use of any such option shall be consistent with applicable policies and procedures.
- 7.4 What if I have a solid employee whose skills are only applicable in my area, but I do not want to see the employee leave?**  
Retraining staff can help those staff that may be affected by RIF. Assess your mission requirements, evaluate your current workforce and their skills and competencies. Discuss the possibilities of retraining with employees and your servicing HRO. Instead of losing solid employees, you might take the opportunity to retrain and retain them.
- 7.5 What steps should be followed once it is determined necessary to proceed with a RIF?**  
Once it is determined that your organization will proceed with a RIF, consult with your servicing HRO to finalize the timing and scope. The HRO can advise managers regarding the current competitive areas, creation of retention registers, any labor obligations, a timeline for conducting the RIF, and provide technical guidance on the impact of decisions that you must make before issuing RIF notices to employees.
- 7.6 What support is available to displaced employees?**  
Transition assistance programs can provide relief when employees are identified for separation due to the reshaping action. Agencies are required by regulation to provide career transition services to all employees who are surplus or displaced because of downsizing or restructuring. Your servicing HRO can provide the details for each transition program that will be available to any displaced employee. Also, the DoD Displaced Employee Guide provides basic information concerning the right to reemployment consideration, career transition assistance, and benefits and entitlements for employees adversely affected by RIF or TOF outside of the commuting area. A copy of the guide must be provided to displaced employees with their specific notice of separation or change to lower grade.

## 8.0 REFERENCES

This guide should be used in conjunction with the following guidance, as applicable:

- Title 10, United States Code, Section 1597(e);  
<https://www.govinfo.gov/app/details/USCODE-2010-title10/USCODE-2010-title10-subtitleA-partII-chap81-sec1597/summary>
- Title 5, Code of Federal Regulations, Part 351, Reduction in Force;  
<https://www.govinfo.gov/content/pkg/CFR-2011-title5-vol1/pdf/CFR-2011-title5-vol1-part351.pdf>
- Office of Personnel Management Workforce Reshaping Handbook, March 2017;  
[https://www.opm.gov/policy-data-oversight/workforce-restructuring/reductions-in-force/workforce\\_reshaping.pdf](https://www.opm.gov/policy-data-oversight/workforce-restructuring/reductions-in-force/workforce_reshaping.pdf)
- DoD Instruction 1400.25, Volume 351 – DoD Civilian Personnel Management System: Coordination and Clearance Requirements for Personnel Reductions, Closures of Installations and Reduction of Contract Operations in the United States;  
<https://www.esd.whs.mil/Portals/54/Documents/DD/issuances/140025/1400.25-V351.pdf>
- Deputy Secretary of Defense memorandum, “Policy and Procedures for Reductions in Force in the Civilian Workforce,” January 19, 2017; and  
<https://dod.defense.gov/Portals/1/Documents/pubs/OSD000467-17-RES-Final.pdf>
- Relevant Collective Bargaining Agreements (CBA) and Major Command Directives and/or Guidance.

## APPENDIX A: TOF DETERMINATION LOGIC TABLE

Transfer of Function Determination Decision Logic Table					
	<i>A</i>	<i>B</i>	<i>C</i>	<i>D</i>	<i>E</i>
	If	And	And	And	THEN
1	The identifiable and continuing function ceases in the losing competitive area	The same function reappears in the gaining competitive area(s)	Function will be performed by competing employees in the gaining competitive area	The identical function (class of activity) is not performed in the gaining competitive area(s) at the time of transfer	TOF rules apply. Impacted employees have the right to transfer with function if alternative is separation or downgrade in the losing competitive area.
2				The identical function (class of activity) is performed in the gaining competitive area(s) at the time of transfer	Does not meet the definition of TOF. TOF rules do not apply.
3			Function will not be performed by competing employees in the gaining competitive area	N/A	
4	The competitive area in which the identifiable and continuing functions are performed moves	The same competitive area, with the identifiable and continuing functions, is established in another commuting area	Function will be performed by competing employees in the gaining competitive area	The identical function (class of activity) is not performed in the gaining competitive area(s) at the time of transfer	TOF rules apply. Employee has right to transfer with function if alternative is separation or downgrade in the losing competitive area.
5				The identical function (class of activity) is performed in the gaining competitive area(s) at the time of transfer	Does not meet the definition of TOF. TOF rules do not apply.
6			Function will not be performed by competing employees in the gaining competitive area	N/A	

## APPENDIX B: MANAGER'S WORKFORCE RESHAPING CHECKLIST

Action	Date
Notify Human Resources Office (HRO) of potential need for workforce reshaping	
Begin initial planning by reviewing, analyzing and prioritizing new mission requirements	
Determine what personnel resources will be required to accomplish the mission	
Determine what type of workforce shaping action is necessary (RIF, TOF, TOW, MDR)	
Identify scope, locations, positions, and numbers impacted	
Through the HRO, request Office of the Secretary of Defense (OSD) clearance to proceed with proposed workforce reshaping action	
Implement hiring freeze for discretionary personnel actions	
Review competitive areas	
Develop communications plan	
Work with Labor and Employee Relations Office to begin union notification	
Establish mitigation strategy	
Plan use of Voluntary Early Retirement Authority (VERA) and/or Voluntary Separation Incentive Pay (VSIP)	
Have personnel records reviewed for accuracy	
Through the HRO, notify OSD of release or realignment outside the commuting area of 50+ civilians, or when actions may be of congressional interest	
Consider if early Priority Placement Program (PPP) registration is necessary to mitigate potential involuntary separations; obtain commander authorization for early registration	
Work with HRO to schedule workforce briefings and registration appointments	
Identify bargaining unit obligations	
Hold Town Hall meetings with employees/unions	
Establish employee counseling and resume writing services	
If necessary to separate non-competing employees (temporary, term, annuitants), work with HRO to determine separation date	
HRO runs mock RIF to identify projected separations	
Offer VERA/VSIP	
Work with HRO to provide Congressional notification	
Once mitigation tools are applied, HRO runs RIF and prepares specific notices	
HRO schedules employee counseling appointments to issue notices and register in PPP if not previously registered; provide DoD Displaced Employee Guide to each affected employee	
HRO notifies the Office of Personnel Management, chief elected official of local government and State official responsible for Workforce Investment Act	
Employees approved for VERA/VSIP must separate prior to effective date of RIF or realignment (TOF/TOW/MDR)	
Effective date of action	

## DEFINITIONS

### **Competitive Area (title 5, Code of Federal Regulations, section 351.402)**

The boundaries within which employees compete for retention under the RIF regulations. The competitive area includes all employees within the organizational unit(s) and geographical locations(s) that are included in the competitive area definition.

### **Competitive Level (title 5, Code of Federal Regulations, section 351.403)**

A competitive level for reduction in force consists of all jobs in a competitive area which are in the same grade (or occupational level) and classification series, and which are similar enough in duties, qualification requirements, pay schedule, and working conditions so that an agency may reassign the incumbent of one position to any of the other positions in the level without undue interruption.

### **Displaced Employee**

A current career or career-conditional competitive service employee in tenure group I or II who holds a position at General Schedule level 15 or below (or equivalent), and has received:

- A specific notice of separation or change to lower grade by RIF; or
- A written notice of proposed removal (including a final decision) by adverse action for declining a directed reassignment, transfer of function, or other similar reason, outside of the employee's current local commuting area.

### **Local Commuting Area**

The geographic area that usually includes one area for employment purposes, as determined by the agency. The local commuting area includes any population center (or two or more neighboring centers) and the surrounding localities in which people live and can reasonably be expected to travel back and forth every day to their usual employment. Each agency has the right and the responsibility to define local commuting areas and apply this definition. The OPM has not established a mileage standard to determine when two local duty stations would be included in the same local commuting area.

### **Realignment**

The movement of an employee and employee's position when an organization change (such as reorganization or transfer of function) occurs, the employee stays in the same agency, and there is no change in the employee's position grade or pay.

### **Reassignment**

The change of an employee from one position to another without promotion or change to lower grade, level, or band.

### **Retention Register**

Applies the five DoD retention factors (i.e., rating of record, tenure group, average score, veterans' preference, and SCD-RIF) to the competitive level. The retention register lists all competing employees in the order of their relative retention standing in a single competitive level.