



UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

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GENERAL GOVERNMENT
DIVISION

SEPTEMBER 30, 1981

B-204978

The Honorable William F. Bolger
Postmaster General



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Dear Mr. Bolger:

Subject: Postal Service Employee Development Programs
Need Better Management (GGD-81-107)

We recently completed a limited review of programs providing training or developmental experience to Postal Service employees and found that (1) program instructions were not always followed and (2) some programmatic changes are needed. Weaknesses included:

- Some postal career executive candidates received no developmental training and experiences.
- Candidate lists for officer-in-charge assignments were not properly maintained or used.
- Employee performance evaluations were not always prepared.
- Some significant program costs were not accumulated.

OBJECTIVES, SCOPE, AND
METHODOLOGY

The objective of our review was to determine if management controls over programs which provide training or developmental experiences to postal employees should be strengthened. We made our review at Postal Service Headquarters; the Eastern (Philadelphia) and Central (Chicago) Regions; district offices in Indianapolis, Indiana, and Columbus, Ohio; and management sectional centers in Indianapolis, Indiana, and Cincinnati, Ohio, between January and April 1981.

At each location visited we interviewed postal officials and reviewed pertinent postal instructions, program guidelines, and cost data. We emphasized the extent of management control over the programs and compliance with postal instructions. Random

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sampling was used only in the case of Postal Career Executive Service (PCES) candidates where we selected for review 50 1/ candidates each from the Eastern and Central Regions. Because of the limited nature of our work, we cannot make any overall projections of problems identified.

Information on the objectives of four programs reviewed is included in Enclosure I.

DEVELOPMENTAL PLANS, TRAINING, AND
ASSIGNMENTS NOT PROVIDED FOR SOME
PCES CANDIDATES

Development plans were apparently not prepared for over 30 percent of the candidate files reviewed--17 of 42 in the Eastern Region and 13 of 43 in the Central Region. Postal Service instructions place PCES developmental responsibilities on both the candidate and the supervising PCES executive. A candidate is required to prepare a PCES development planning worksheet which sets forth short term (1 to 5 years) career goals and developmental activities needed to achieve the goals. PCES executives are supposed to review the completed worksheets and furnish guidance and assistance in setting and achieving career goals to the candidates under their supervision.

Information we reviewed in early 1981 indicated that 12 of 42 Eastern Region candidates and 14 of 43 Central Region candidates, placed on the list in 1979, received no developmental assignments. Prior to October 1980 each PCES candidate was supposed to receive at least one developmental assignment each year. In October 1980 the time frame for receiving at least one developmental assignment was extended to 2 years. Any candidate who does not fulfill developmental requirements is supposed to be removed from the list unless the Director, Office of PCES, waives the requirement.

Even in those cases where the files indicated developmental activity, we were often not able to determine whether it met an identified developmental need for that candidate or minimum developmental requirements for PCES candidates. For example, in many cases we were able to determine that a candidate received some training or was assigned to a task force but could not determine the specific developmental need addressed, the length of the assignment, or whether it was full time.

1/Because of transfers, retirements, etc., we actually reviewed the files of 42 candidates from the Eastern Region and 43 candidates from the Central Region.

At the time of our review neither region had established program controls to ensure that PCES executives were meeting their responsibilities in the development of PCES candidates. The Eastern Region's Employee Development Branch had oversight responsibilities and maintained central files which were often empty or poorly maintained. The Central Region had no central files, and records maintained by some PCES executives showed a situation similar to that in the Eastern Region, that is, a lack of, or poorly maintained records.

In some instances PCES executives were making a sincere effort to fulfill their PCES candidate development responsibilities. For example, a PCES executive supervising 10 candidates in the Central Region kept detailed records on each candidate, including a comprehensive program data file, a worksheet showing each candidates' overall developmental needs, and accomplished and planned development.

We believe that providing developmental opportunities is made more difficult by the large number of candidates in the program. We could not find documentation establishing the optimum size of the PCES candidate program. As of March 31, 1981, there were 937 PCES candidates on the list and the Service intends to increase that number by over 100 during 1981. On the basis of the number of PCES positions (864) and the number of candidates selected to fill PCES vacancies over an 18-month period (144), we believe that over 1,000 candidates may not be needed for an effective program.

The PCES program instructions provide that applicants who "have the highest potential to make significant contributions to the Postal Service as PCES executives" should be placed on the candidate list. Candidates not selected for a PCES position within 3 years are supposed to be dropped from the program but can elect to remain on the list 1 additional year. Originally the Service intended to limit the number of PCES candidates to around 300. We were told by program officials that this number was allowed to increase because management officials believed there would be serious morale problems if large numbers of employees were informed they were not qualified for executive positions. While this may be true, raising false expectations could also cause serious morale problems. For example, we were told by one PCES candidate that if he did not have a legitimate chance for a PCES position, he would rather not be a candidate.

Postal management may be correct in judging that over 1,000 PCES candidates are needed to provide a competent force of postal career executives capable of successfully leading the Postal Service. If so, program controls should be established to assure that developmental needs are identified and fulfilled for all candidates placed on the list.

We noted that the October 1980 program instructions added a requirement that executives annually report the development activities begun or completed by candidates during the preceding fiscal year to the Office of PCES. Enforcement of this requirement will add needed accountability to the program.

OIC CANDIDATE LISTS NOT
PROPERLY MAINTAINED OR USED

Officer-in-Charge (OIC) candidate lists were not properly maintained and were not always used to fill OIC assignments as required by program instructions. For example, the Central Region had no OIC candidate list for high level executive positions (pay grades 26 to 30). Eastern Region lists were not current; of the 109 names on the list for levels 22 and above, 61 of the applications were dated prior to 1978.

Numerous employees selected for OIC assignments were not on the OIC candidate lists. For example, at the Eastern Region we identified 16 OIC assignments at levels 22 and above approved during 1980 and found that 15 of the employees selected were not on OIC candidate lists. Similarly, at the Indiana District Office 5 of 14 employees assigned at levels 18 and above during fiscal year 1980 were not on the OIC candidate list.

Postal instructions for maintaining OIC candidate lists do not require that applications be screened or ranked. As a result, the lists become larger than needed to fill vacancies, contain candidates not recommended by supervisors, and are not always used to make assignment selections. For example, during fiscal year 1980 the Indiana District made only 14 OIC assignments at levels 18 through 24 but had 103 names on the candidate list.

Central Region officials informed us that even though all applicants are placed on candidate lists, candidates are screened when selections are made and only those most qualified are chosen. In our opinion, placing every applicant on the candidate lists creates an administrative burden if the lists are kept current and may needlessly raise some applicants' expectations.

EMPLOYEE PERFORMANCE EVALUATIONS
OFTEN NOT PREPARED

A written performance evaluation was not always prepared for each employee completing a developmental assignment, as required by program guidance. We noted that

--performance evaluations were often not prepared
for employees completing OIC assignments,

- one-third of the case files on the Management Associate Program lacked required performance profile reports, and
- only 9 of 28 PCES candidates who completed a temporary assignment received a performance evaluation.

In our opinion, program managers should insist on a performance evaluation for each employee completing a developmental assignment because the evaluations provide essential information on individual accomplishments and impact on future assignments and advancement opportunities.

PROGRAM COST NOT CONTROLLED

Cost data was available for only one of the four developmental programs reviewed--the Management Associate Program which is managed and funded by Postal Service Headquarters. This data indicated training and development, especially away from the employee's permanent duty station, was expensive. During fiscal year 1980 the average cost of travel and training was over \$7,200 per participant.

Available data on other programs reviewed indicate that travel cost could be substantial. We identified several assignments lasting up to 4 months (see enc. II) at locations too distant for overnight return to permanent duty station. Travel cost at such locations would most likely average over \$50 per day, excluding transportation.

Program managers also did not always maintain data on assignment length and did not obtain the required approval for prolonged temporary assignments. For example, program guidelines state that employees are not permitted to serve in a temporary assignment at a higher grade for more than 90 calendar days unless approval is granted in advance by the Regional Postmaster General. Indiana district officials, however, could not locate approval letters for six assignments we identified which exceeded the 90 calendar day limitation during fiscal year 1980.

In view of the cost-conscious nature of the Postal Service it was somewhat surprising to find so little concern about the cost of programs which involve extensive travel. We recognize that it may not be practicable to budget for and accumulate total costs on the OIC program because of extensive and short term use of the program. We believe, however, that controls which require that lengthy assignments be justified should be strictly enforced. We also believe that more management attention should

be focused on the PCES candidate program by requiring budget and cost reporting. The Service has cost data on the development of midlevel managers under the Management Associate Program. We believe controlling the cost of developing executives should be equally important.

CONCLUSIONS

Postal Service management needs to be more concerned about the administration of development programs. Steps should be taken to assure compliance with program guidelines and to assess the need for additional program controls and data.

Some PCES candidates received no developmental assignments and/or did not prepare development plans. The rolls may contain too many candidates for an effective program.

Postal instructions for maintaining OIC candidate lists do not require that applications be screened or ranked. Thus, the lists often become very large and are not used to select OIC's.

Employees completing developmental assignments do not always receive written performance evaluations. Because evaluations provide essential information affecting employee assignments and advancement opportunities, controls are needed to ensure evaluations are prepared.

Cost data was available for only one of the four programs reviewed, the Management Associate Program. Costs for other programs appear substantial, but program managers did not control travel or transportation expenses and did not always control the length of assignments.

RECOMMENDATIONS TO THE POSTMASTER GENERAL

To provide improved training and developmental opportunities for employees and closer supervision of the programs, we recommend that action be taken to:

- Reduce the number of Postal Career Executive Service candidates to a manageable size consistent with Service requirements and ensure that each candidate receives appropriate development.
- Clarify postal instructions for maintaining OIC candidate lists to require that candidates be screened and ranked and ensure that lists be used to fill vacancies suitable for employee development.

- Ensure that performance evaluations are prepared for each employee completing a developmental assignment.
- Improve management control over the length of OIC assignments and require budget and cost reporting to control the cost of PCES candidate development.

AGENCY COMMENTS

In commenting on a draft of this report the Assistant Postmaster General, Employee Relations Department, informed us that:

- A plan is currently under development which will reduce the size of the PCES candidate pool over the next several years while ensuring that the quality and potential of candidates is increased.
- A tracking system will be established to determine the types of developmental activities given PCES candidates and to ensure that each candidate's performance is evaluated at the end of each assignment.
- OIC assignments are under review and new systems will be implemented to further control their administration (i.e., selection, length, and cost.)
- Guidelines have been issued on evaluation requirements for programs controlled at the region and local level and the need for evaluations will be reinforced by periodic audits.
- A cost system has been established for the PCES candidate program to provide Postal Service headquarters with periodic summary data on salary, travel, training, and relocation costs.

The Assistant Postmaster General added that any criticism of the PCES candidate program should be tempered by the fact that the program, established in April 1979, is in the initial stages of evolution and the impact of the developmental aspects of the program cannot yet be predicted.

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Copies of this report are being sent to the Chairmen, House Committee on Post Office and Civil Service; Senate Committee on Governmental Affairs; House Committee on Government Operations; and the House and Senate Committees on Appropriations.

As you know, section 236 of the Legislative Reorganization Act of 1970 requires the head of a Federal agency to submit a written statement on actions taken on our recommendations to the Senate Committee on Governmental Affairs and the House Committee on Government Operations not later than 60 days after the date of the report and to the House and Senate Committees on Appropriations with the agency's first request for appropriations made more than 60 days after the date of the report.

We appreciate the cooperation and courtesies extended to our representatives during the course of their work.

Sincerely yours,



William J. Anderson
Director

Enclosures - 2

POSTAL SERVICE EMPLOYEE DEVELOPMENT PROGRAMSINTRODUCTION

Postal Service employee development programs are intended to (1) ensure a ready supply of qualified employees for promotion to various levels of management, (2) provide on-the-job training, (3) provide supervisory experience, and (4) cross-train midlevel supervisors. The objectives of the four programs we reviewed are summarized below.

Postal Career Executive Service
(PCES) Candidates

This program seeks to identify and develop employees who "have the highest potential to make significant contributions to the Postal Services as PCES executives." As of March 31, 1981, there were 937 PCES candidates with selection of an additional 100 expected during 1981. While the Office of PCES, Postal Service Headquarters, selects the candidates and keeps the administrative records, responsibility for candidate development is decentralized and rests with the candidate's immediate supervisor. Names normally remain on the list for 3 years. At the end of the 3-year period, candidates have the opportunity to extend their retention on the list for an additional year. The Service does not collect information on the cost of developing candidates.

Officer-in-Charge (OIC)

Officer-in-Charge assignments are used to quickly fill vacant postmaster positions on a temporary basis when there is an operational need. Program instructions state that "within the limits of operational needs, these assignments will be used as career development opportunities, providing on-the-job training in postal line management." Overall management responsibility is with the next organizational level above the office which controls the vacant position. The Service does not accumulate information on the number of OIC assignments or maintain cost data.

Management Associate

The objective of this program "is to assure a continuing influx of innovative management thought which has been tempered by practical line postal experience." A group of high potential individuals are trained to move quickly into midlevel management positions. Overall program direction and administration is the responsibility of the Program Manager, Special Management Programs, Postal Service Headquarters. While there are 80 authorized positions, the number of program participants averaged about 50 during fiscal year 1980, costing about \$1.6 million.

Management Trainee

The purpose of this program is to provide developmental assignments in many facets of Postal Service operations for high-potential craft personnel and lower level supervisors. Developmental assignments and subsequent placements are generally at the installation sponsoring the management trainee. As of February 1981 there were 130 nonbargaining and 130 craft employees participating in the program. The Service had no data on overall program cost.

Examples Of Developmental
Assignments At Distant Locations

<u>Temporary Assignment</u>	<u>Location</u>	<u>Permanent Location</u>	<u>Approximate Distance</u>	<u>Dates</u>	
				<u>From</u>	<u>To</u>
Postal Operations' Analyst	Philadelphia, PA.	Pittsburgh, PA.	288	11/05/79	(a)
Management Sectional Center Director, Employee and Labor Relations	Norfolk, VA.	Harrisburg, PA.	294	10/03/80	(a)
Special Projects	Philadelphia, PA.	Utica, N.Y.	261	10/20/80	(a)
Distribution Procedure Specialist	Philadelphia, PA.	Pittsburgh, PA.	288	12/11/80	(a)
Management Sectional Center Director, Employee and Labor Relations	Harrisburg, PA.	Pittsburgh, PA.	189	9/19/80	(a)
Management Sectional Center Manager	Rochester, N.Y.	Baltimore, MD.	326	11/10/80	(b)
Management Sectional Center Manager	Bowling Green, KY.	Dayton, OH.	265	5/16/80	8/20/80
Officer-in-Charge	Shawnee Mission, KS.	Toledo, OH.	691	4/19/80	9/15/80
District Director, Mail Processing	Columbus, OH.	Louisville, KY.	209	9/01/80	12/15/80
Manager, In-plant Distribution	Washington, D.C.	Chicago, IL.	671	<u>c</u> /11/ /79	<u>c</u> /8/ /79
Officer-in-Charge	Dupo, IL.	Chicago, IL.	290	4/10/80	7/17/80
District Director, Employee and Labor Relations	Milwaukee, WI.	Indianapolis, IN.	268	6/16/80	8/29/80
Manager, Employee Services Branch	Philadelphia, PA.	Pittsburgh, PA.	288		
Mail Processing	S. cuse, N.Y.	Philadelphia, PA.	255		

a/We could not determine if/when the assignment ended from information in the files.

b/Ongoing as of 2/10/81.

c/Complete assignment dates were not available.