

GAO

Report to the
Honorable Danny K. Davis
House of Representatives

February 1999

U.S. POSTAL SERVICE

Diversity in High-Level EAS Positions



General Government Division

B-281375

February 26, 1999

The Honorable Danny K. Davis
House of Representatives

Dear Mr. Davis:

This report supplements our previous letter to you in response to your request for information related to the promotion of women and minorities to high-level Executive and Administrative Schedule (EAS) management positions (EAS 17 and above) in the U.S. Postal Service (the Service).¹ As you requested, this report provides (1) information about the overall extent to which women and minorities have been promoted to or are represented in EAS 17 and above positions in the Service; (2) our observations on the methodology used by a private contractor, Aguirre International, to study workforce diversity at the Service;² (3) the status of the Service's efforts to address the recommendations contained in the Aguirre report; and (4) our analysis of whether the Service could better capture and use data to achieve its diversity objectives.

We obtained and analyzed certain Service data—employees' EAS positions, promotions, and equal employment opportunity (EEO) groups identified on the basis of gender and race/national origin—that were related primarily to the cluster-level workforce.³ We compared the representation of specific EEO groups at the cluster level at the end of fiscal year 1997⁴ with civilian labor force (CLF) data from the 1990 decennial census.⁵ According to Equal Employment Opportunity Commission standards, the percentage rate at which an EEO group is represented in an agency's workforce compared to the rate at which the group is represented in the CLF, as identified in the most recent census,

¹See U.S. Postal Service: Information About Selected Promotions of Women and Minorities to EAS Management-Level Positions (GAO/GGD-98-200R, Sept. 21, 1998).

²It's Good Business—A Study of Diversity in the United States Postal Service, Aguirre International, Oct. 27, 1997.

³A performance cluster is 1 of 85 Postal Service geographic service areas. Service employees working at performance clusters accounted for over 732,000, or about 96 percent, of the Service's almost 765,000 career-level employees at the end of fiscal year 1997. The remainder was headquarters employees (about 10,700, or about 1 percent) and area office employees (21,900, or about 3 percent).

⁴The Postal Service's fiscal year 1997 ended on Sept. 12, 1997, and conforms to the Service's 13-period accounting year. Our use of the term "fiscal year" in this report refers to the Service fiscal year.

⁵The CLF represents persons aged 16 years or more, excluding those in the armed forces, who are employed or seeking employment.

determines whether underrepresentation exists for the EEO group in that workforce. We compared the representation of women and minorities at the cluster level in EAS 17 and above positions in fiscal year 1993 with their representation in fiscal year 1997 to show any progression in terms of their representation between the 2 fiscal years. We also compared the representation of specific EEO groups among employees promoted to EAS 17 and above positions in fiscal year 1997 with their representation in those EAS positions in fiscal year 1997 before the promotions to show how the promotions reflected the comparative workforce. In addition, we compared the fiscal year 1997 representation of these EEO groups in EAS 17 and above positions with their representation in EAS 11 through 16 positions because employees in positions below EAS 16 represent the pool from which promotions to EAS 17 and above positions would most likely come.

Results in Brief

At the end of fiscal year 1997, black and Asian men and women and Hispanic men were fully represented while Hispanic women, Native American men and women, and white women were underrepresented in the Service at the cluster level when compared with the CLF. Representation of women and minorities at the cluster level in EAS 17 and above positions increased between fiscal years 1993 and 1997, with the exception of black men whose representation decreased. In fiscal year 1997, women and all minority groups, except Asian women, at the cluster level were promoted to EAS 17 and above positions at higher rates than women and minority groups were represented in those EAS positions. Despite this progress, the overall representation of women and minorities at the cluster level in EAS 17 and above positions was almost 20 percent lower than their representation in EAS 11 through 16 positions at the end of fiscal year 1997. Similar comparisons at the headquarters and area office workforce levels showed some variations regarding the representation of specific EEO groups.

Based on our own standards for the design of studies and development of methodologies to evaluate programs, we believe that the methodologies used by Aguirre International were generally reasonable, appropriate, and relevant given the parameters established for the study and the complexities surrounding the sensitive issue of diversity in such a large organization. However, we believe Aguirre's finding of a "glass ceiling" beginning at EAS 17 positions could be misleading. Aguirre based this finding primarily on a comparison of the different EEO groups' representation in various EAS levels or positions with each group's representation in the overall CLF. Since CLF data are not broken down into an appropriate pool for comparison (i.e., similar positions or levels or

individuals with relevant qualifications), we do not believe such a comparison is appropriate. Also, Aguirre did not explicitly define the term glass ceiling. We interpreted the term in the general sense—that is, an upper limit beyond which few or no women and minorities could advance—and to us no such ceiling existed based on the overall data we examined. Women and minorities were generally represented in and had been promoted to EAS 17 and above cluster-level positions for the period we reviewed.

The Service reviewed the Aguirre report and developed 23 initiatives that it believed addressed the report's major issues and recommendations. The Service found that several of the recommendations seemed to be duplicative. The Service noted that some statements in the report were confusing because it was unclear whether they should be interpreted as recommendations and that other statements appeared either to call for actions already under way or not to be justified by supporting rationale. Nevertheless, the Service believes its 23 initiatives will significantly strengthen its diversity program and address most of Aguirre's concerns. In addition, the Service believes that it is generally on or ahead of its schedule for implementing these initiatives. By the spring of 1999, the Service plans to create an ongoing monitoring process to ensure full implementation of its initiatives, which may result in revised scopes, completion dates, and implementation status for some of the initiatives.

The Service has recently developed broad goals and objectives for its diversity program, but it has not yet established specific targets and measures for determining its progress toward meeting its diversity goals and objectives. Service officials said that specific targets and measures would be established no later than March 30, 1999. In addition, the Service has not fully captured and used data to achieve its diversity objectives. Although the Service has a computer system in place to capture applicant-flow data—that is, data showing how specific EEO groups progress through its promotion process—the system has not been effectively implemented and used because not all Service units have consistently entered the data into the system. We believe that the lack of this type of systemic data showing how applicants comprising specific EEO groups progress through the promotion process hinders the identification of any barriers that might impede the progress of those groups.

Background

The Postal Service, the nation's largest civilian employer, had about 765,000 career employees at the end of fiscal year 1997. Service employees

include craft employees, the largest group;⁶ EAS; the Postal Career Executive Service (PCES); and others, such as inspectors for the Postal Inspection Service. The Service structure includes headquarters, 11 areas, and 85 performance clusters, with cluster-level employees making up about 96 percent of the Service workforce. For the purposes of this review, we focused on the cluster-level EAS workforce.

The EAS workforce consists primarily of employees in EAS 11 through 26 positions.⁷ EAS management-level positions begin at EAS 16 and include such positions as postmaster, manager of customer services, and manager of postal operations. At the end of fiscal year 1997, EAS positions totaled 80,238, or about 10 percent of total Service career-level employees. PCES, established in 1979, includes Service senior-level officers and executives in positions such as area vice presidents. At the end of fiscal year 1997, the Service had about 900 employees in PCES positions. We did not include employees in PCES positions in our analyses for this report.

According to the Service, one of its corporate goals is a commitment to employees, which includes an effort to provide equal employment opportunities to all employees, take advantage of its diverse workforce, and compete effectively in the communications marketplace. To that end, the Service created its Diversity Development Department in headquarters in 1992, which was to foster an all-inclusive business environment. The head of the Department reports directly to the Deputy Postmaster General. The Department is responsible for, among other things, actively supporting the recruitment, retention, and upward mobility of women and minorities. In addition, the Service's 1999 Annual Performance Plan includes achieving a diverse workforce as one of its goals.⁸

To determine the effectiveness of the Service's diversity development program, the Postal Service Board of Governors commissioned Aguirre International, a contractor, to undertake a 6-month study (May 2, 1997, to Nov. 2, 1997) of workforce diversity at the Postal Service. The study addressed Service personnel and supplier diversity and was issued in October 1997. The report stated that the Service was a leader in meeting affirmative action goals as well as striving for parity between its workforce

⁶Craft employees make up the bulk of Postal Service career employees, about 89 percent.

⁷Before the Service's restructuring in 1992, the EAS workforce consisted of EAS 11 through 30 positions. After the restructuring, EAS 27 through 30 positions were reclassified and included in EAS 1 through 26 positions. However, about four EAS employees were still classified in EAS 27 through 30 positions.

⁸USPS Annual Performance Plan, Fiscal Year 1999.

and the CLF. It also stated, among other things, that women and minorities appeared to be experiencing problems advancing to management jobs at EAS 17 and above positions. The Board of Governors subsequently directed the Service to develop an action plan for dealing with the diversity issues raised by Aguirre. The Service developed an action plan and briefed the Board on the plan in April 1998.

In our previous letter,⁹ we reviewed promotions to EAS 16 and above positions at four selected performance clusters. Documentation in the promotion files and our discussions with Service officials provided evidence that the Service's required promotion procedures we reviewed were followed for the 127 fiscal year 1997 promotions at these 4 sites. In addition, for 117 of these promotions, we provided statistical data on the distribution of the specific EEO groups throughout the promotion process stages—applications received, applicants considered best qualified, and applicants promoted. The specific EEO groups discussed in this report include white, black, Hispanic, Asian, and Native American men and women.

We did our work from July 1998 through January 1999 in accordance with generally accepted government auditing standards. We requested comments on a draft of this report from the Postmaster General and from Aguirre International's Director of Operations. The Postal Service's oral comments and Aguirre's written comments are discussed near the end of this letter. Further details about the scope and methodology of our review can be found in appendix I.

Representation and Promotion of Women and Minorities in EAS 17 and Above Positions at the Cluster Level

The analyses that follow show how the representation of cluster-level women and minority groups (1) compared with their representation in the 1990 CLF; (2) changed between fiscal years 1993 and 1997 in EAS 17 and above positions; (3) among those promoted to EAS 17 and above positions in fiscal year 1997, compared with their representation in EAS 17 and above positions in fiscal year 1997 (before the promotions); and (4) in EAS 17 and above positions, compared with their representation in EAS 11 through 16 positions in fiscal year 1997. We also made similar comparisons for women and minorities involving the remainder of the Postal Service workforce located at the headquarters and area office levels, as detailed in appendix II.

⁹GAO/GGD-98-200R.

Cluster-Level Women and Minority Workforce Representation in Fiscal Year 1997 Compared With the 1990 CLF

Table 1 shows that when we compared fiscal year 1997 data for the Service’s cluster-level workforce with CLF data from the 1990 decennial census, black and Asian men and women and Hispanic men were fully represented, while Hispanic women, Native American men and women, and white women were underrepresented. Specifically, black men and women comprised 11.3 and 9.6 percent, respectively, of the cluster workforce compared with their respective 5.0 and 5.5 percent representation in the CLF; Asian men and women comprised 3.5 and 1.9 percent, respectively, of the workforce compared with their respective 1.5 and 1.3 percent representation in the CLF. However, white and Hispanic women were underrepresented, comprising 22.1 percent and 2.0 percent, respectively, of the workforce compared with their respective 35.3 percent and 3.4 percent CLF representation. White men were represented in the workforce similarly to their level of representation in the CLF.

Table 1: Comparison of Service Cluster Workforce in Fiscal Year 1997 With the 1990 CLF

Workforce	White men	White women	Black men	Black women	Hispanic men	Hispanic women	Asian men	Asian women	Native American men	Native American women
Cluster	44.34%	22.09%	11.34%	9.58%	4.82%	2.00%	3.46%	1.87%	0.29%	0.22%
CLF	42.64	35.30	4.95	5.45	4.77	3.35	1.51	1.32	0.35	0.30
Ratio ^a	1.04	0.63	2.29	1.76	1.01	0.60	2.29	1.42	0.83	0.73

Legend: Bold indicates a ratio of 0.99 or lower.

^aRatios (comparison group percentage divided by base group percentage) as used in this table show the relative percentage of each EEO group within the Service clusters to the percentage of those EEO groups represented in the CLF. For example, a ratio of 1.00 indicates that the EEO group’s representation in the clusters equaled the group’s representation in the CLF. A ratio of 1.01 or higher indicates that the representation of the EEO group in the clusters was greater than the EEO group’s representation in the CLF, and a ratio of 0.99 or lower indicates that the EEO group’s representation was lower in the clusters than it was in the CLF.

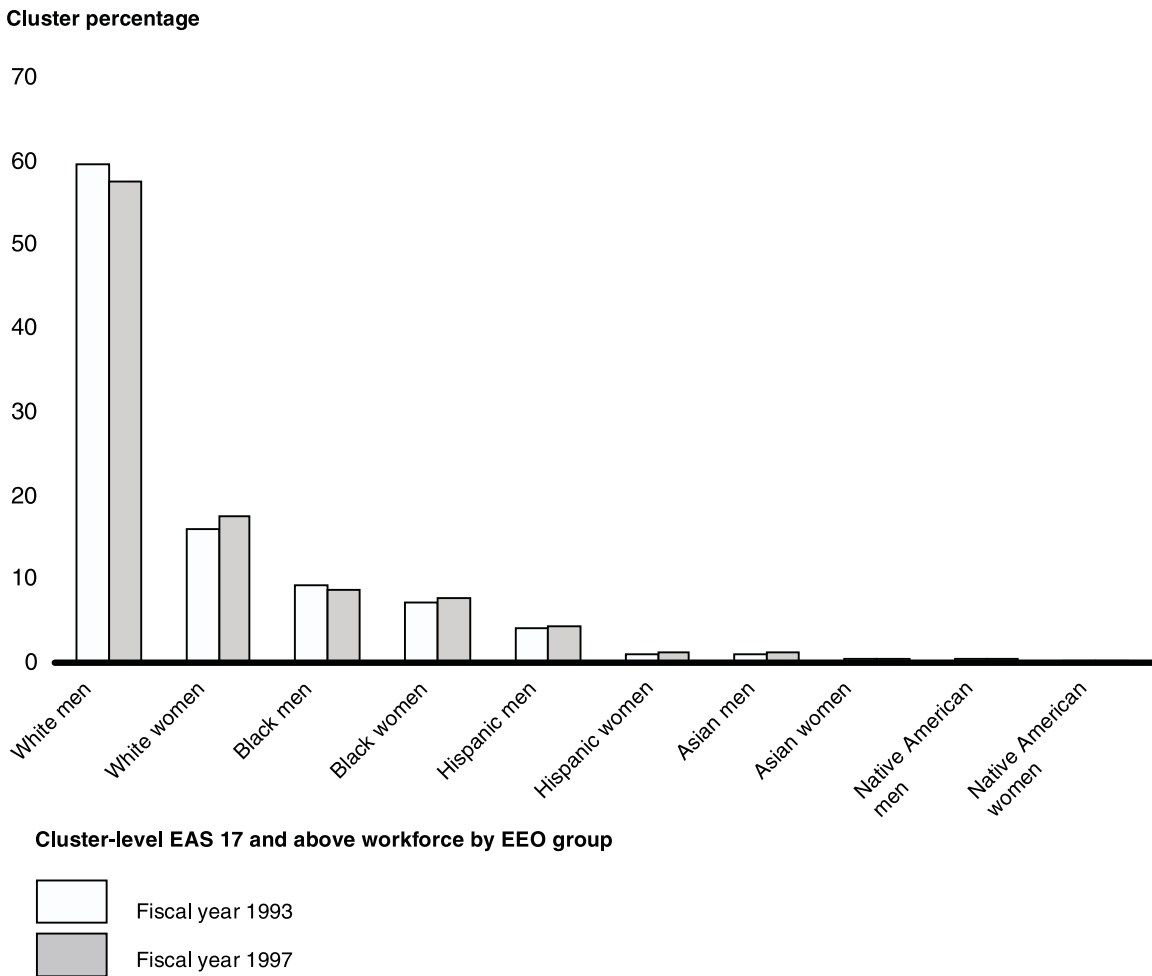
Source: GAO analysis of Service fiscal year 1997 data and 1990 CLF data.

In addition to the cluster-level workforce data presented in table 1, we analyzed similar data for the Service’s headquarters-level and area office-level workforces. Table II.1 in appendix II shows that white and Hispanic women and Native American men were underrepresented among the three workforce levels. Native American women were underrepresented among cluster employees and headquarters employees, but not among area office employees. Hispanic men were underrepresented among headquarters and area office employees, while white men were underrepresented among area office employees. Black and Asian men and women were fully represented in all three workforce levels.

Women and Minorities in EAS 17 and Above Positions in Fiscal Year 1993 Compared With Fiscal Year 1997, at the Cluster Level

Figure 1 shows our analysis of the representation of women and minorities at the cluster level in EAS 17 and above positions in fiscal year 1993 compared with fiscal year 1997. As the figure shows, generally, the representation of women and minorities increased over this period; black men’s representation decreased 0.6 percent over this period. Also, white men’s representation decreased over this period by about 2.0 percent.

Figure 1: Comparison of Cluster-Level Representation of Women and Minorities at EAS 17 and Above Positions in Fiscal Year 1993 With Fiscal Year 1997



Note: See appendix II, table II.2, for more detailed information.

Source: GAO analysis of Service data for fiscal years 1993 and 1997 for the cluster level.

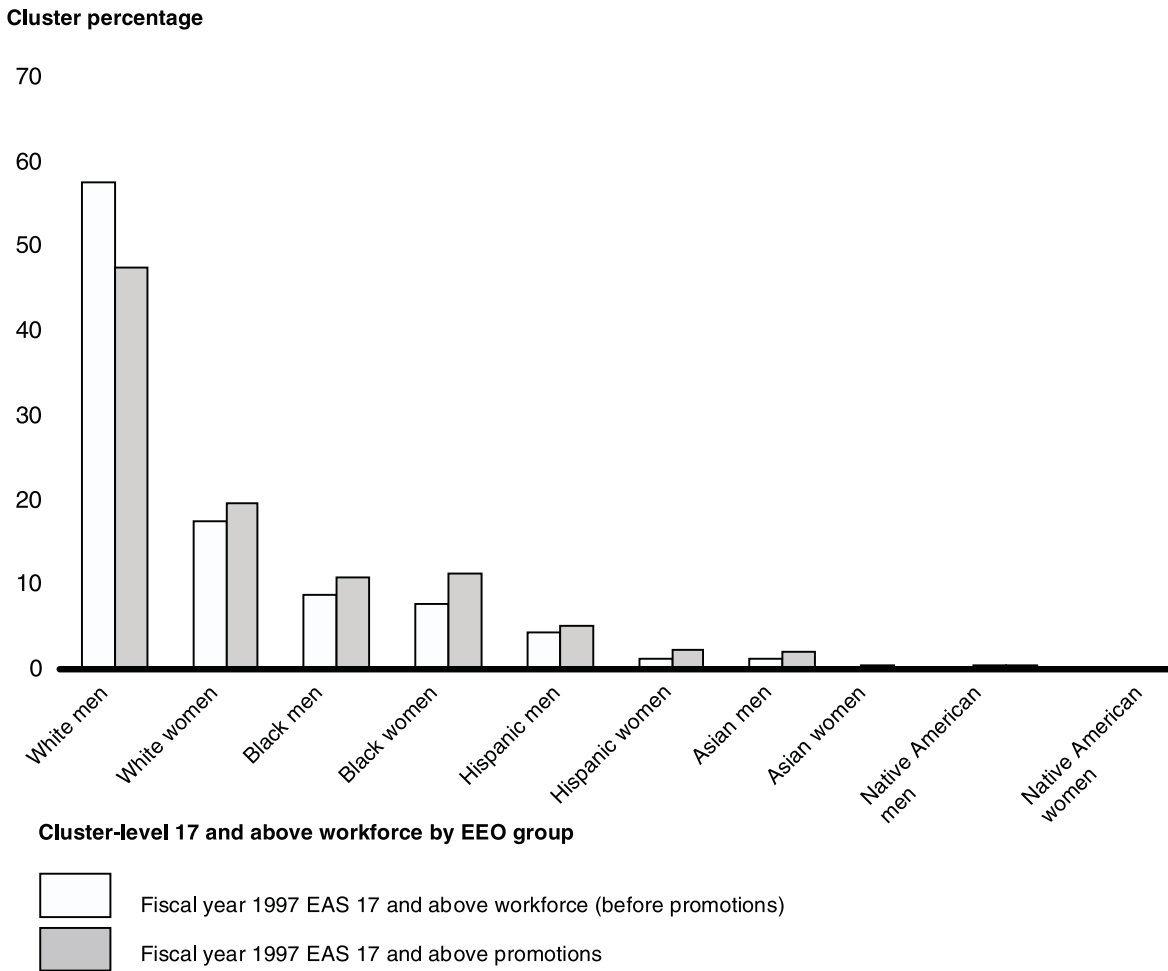
Table II.2 in appendix II shows this same type of comparison between the 2 fiscal years for women and minorities in EAS 17 and above positions at the headquarters and area office levels. At the headquarters level, in addition to the slight decrease in representation of black and white men as happened at the cluster level, representation of Native American men also showed a slight decrease. At the area office level, the representation of black men, Asian men, and Native American men all generally decreased. Also, at the headquarters and area office levels, the representation of white men decreased.

Women and Minorities Promoted to EAS 17 and Above Positions Compared With Their Representation in Those Positions for the Cluster Workforce, Fiscal Year 1997

As shown in figure 2, we compared the representation of each EEO group at the cluster level promoted to EAS 17 and above positions in fiscal year 1997 with their representation in EAS 17 and above positions at the cluster level in fiscal year 1997 before the promotions. Our analysis showed that the representation of women and all minority groups among those promoted was higher than the representation of women and minority groups in EAS 17 and above positions, with the exception of Asian women. Also, the representation of white males in promotions to these higher EAS positions was lower than their representation in the cluster-level workforce.

Table II.3 in appendix II shows the same type of information for the same period for the headquarters and area office workforce levels. At the headquarters level, representation of women and all minority groups among those promoted was higher than their representation in EAS 17 and above positions, with the exception of Asian women and black and Native American men. However, at the area office level, representation of white women; Hispanic men and women; and Native American men and women was lower than their representation in EAS 17 and above positions. Also, white men were promoted at a rate lower than their representation at the headquarters and area office levels.

Figure 2: Comparison of the Cluster-Level Representation of Women and Minorities Promoted to EAS 17 and Above With Their Representation in Those Positions (before the promotions), Fiscal Year 1997



Note: See appendix II, table II.3, for more detailed information.

Source: GAO analysis of Service fiscal year 1997 data for the cluster level.

Women and Minority Representation at EAS 17 and Above Positions Compared With Their Representation in EAS 11 Through 16 Positions, Fiscal Year 1997

Table 2 shows our last comparison, the fiscal year 1997 representation of women and minorities in EAS 17 and above positions with their representation in EAS 11 through 16 positions. We made this comparison because employees in EAS 11 through 16 positions represent the workforce pool from which selections for promotion to EAS 17 and above positions would likely be made.

Table 2: Comparison of Cluster-Level Representation of Women and Minorities in EAS 17 and Above Positions With Their Representation in EAS 11 Through 16 Positions, Fiscal Year 1997

Cluster-level EAS position	EEO group										Percentage of women/minorities
	White men	White women	Black men	Black women	Hispanic men	Hispanic women	Asian men	Asian women	Native American men	Native American women	
EAS 11-16	39.13%	34.29%	8.74%	9.85%	3.20%	1.79%	1.31%	0.93%	0.33%	0.43%	61%
EAS 17-30	57.70	17.69	8.81	7.72	4.40	1.27	1.18	0.48	0.54	0.23	42

Source: GAO analysis of Service fiscal year 1997 data.

Our analyses in table 2 show that among cluster-level employees, the overall representation of women and minorities in EAS 17 and above positions was lower than it was in EAS 11 through 16 positions in fiscal year 1997—42 percent compared to 61 percent. Table II.4 in appendix II shows variation in the representation of women and minorities in the higher EAS positions at the headquarters and area office levels compared with their representation in EAS 11 through 16 positions.

Observations on Methodologies Used in Aguirre Study

Based on our own standards for designing studies and developing methodologies to evaluate programs, we believe that the methodologies used by Aguirre International were generally reasonable, appropriate, and relevant given the established study parameters, including the 6-month time frame in which the study was to be completed and the complexities associated with addressing the sensitive issue of diversity in an organization as large as the Postal Service. In addition, limitations resulting from the study’s parameters, as well as cautions regarding the study’s findings, were noted throughout the report. However, in our review of the Aguirre report, we noted one area of concern: The report stated that it appeared that a glass ceiling impeded the progression of women and minorities to EAS 17 and above positions, but in our opinion, the report did

not explicitly define the term glass ceiling or present convincing supporting evidence.

Study Methodologies Were Generally Appropriate, With Limitations and Cautions Noted

At the direction of the Postal Service Board of Governors, the Service contracted with Aguirre International to study the Service's diversity program. The Board was specifically interested in the Service's progress in meeting its goal of creating a Service workforce as diverse as the CLF. The Board asked Aguirre to look at several areas, including hiring, promoting, training and development, and contracting. Aguirre was to complete the study within a 6-month period—May 2, 1997, through November 2, 1997. The Aguirre report stated that the study was designed to assess the effectiveness of the Service's diversity program in eight research areas, which are listed in appendix III of this report.

Methodological Approach Had Many Strengths

The approach to the study taken by Aguirre researchers involved the use of multiple research methods to research the eight questions (see app. III). Aguirre's report indicated that it had performed numerous data analyses, reviewed written policies and practices, validated a Service database, visited 10 postal sites, and conducted a survey and interviews. Such an approach allowed the issues presented in the report to be discussed from several perspectives, which in our opinion and based on our standards for performing studies and evaluations, was an acceptable methodological approach. For example, Aguirre made what we believe were appropriate adjustments to the 1990 Census CLF data to arrive at compatible postal districts for comparisons. Aguirre staff developed models and adjusted the models to allow for Service hiring requirements and restrictions, such as English language proficiency and veteran's preference. Using these data, they made numerous comparisons of the Postal workforce to the CLF.

In addition, the report indicated that Aguirre staff gathered data from various organizational levels in the Service. It indicated that the staff spoke with Service officials at headquarters and selected sites, a number of Service employees, potential Service employees, and contractors to obtain their perspectives on diversity-related issues in the Service. Aguirre staff also visited selected Service sites and conducted employee surveys and interviews. They arranged focus group discussions with community residents who were viewed as potential employees to gather information about, among other things, their views on barriers to diversity at the Service. They also held focus groups with and interviewed potential contractors to explore the extent to which any known barriers might impede contractors, especially minority-owned contractors, from obtaining Service business. In addition, the Aguirre report referred to

Parameters of Study Resulted in Limitations to Interpretation of Its Findings

organizations with success in the area of diversity and used internal benchmarking to report “promising practices” within the Service.

Certain study parameters set by the Board of Governors, such as the time frame for the study and the preselection of certain sites, resulted in numerous study limitations. The Aguirre report clearly noted these limitations in appropriate sections, citing appropriate cautions for readers regarding the study’s findings.

According to the Aguirre Project Director, the 6-month period for the study that was set by the Board of Governors affected the manner in which the study was implemented in a number of ways. She said Aguirre wanted to further analyze the data but ran out of time. She also said that interviews and discussions with Service employees, potential employees, and potential contractors were limited in that Aguirre staff spoke only with individuals located near the sites they visited. Thus, the views of these individuals may not represent the views of similar individuals at other Service sites.

Finally, the Aguirre report recognizes the information obtained from Aguirre’s visits to postal sites may not be typical of Service sites throughout the country. The Board selected the first 5 of the 10 sites visited because these sites had known diversity problems or were of special interest to particular Board members. This resulted in a highly urban sample of sites. Aguirre attempted to balance these sites by selecting five others based on demographics that were more rural and, according to Aguirre and Service officials, that had achieved some success in the area of diversity. However, even this larger sample of 10 sites had African-American representation that was twice that of the other 75 performance clusters that were not selected for review. Indeed, the report cautioned readers that the views of individuals at these sites could not be generalized to the Service as a whole. As a result, the findings from the site visits may be more indicative of specific sites selected rather than the status of the Service overall.

Report’s Glass Ceiling Finding Could Be Misleading

Aguirre stated in its report that it appeared that a glass ceiling existed at positions beginning at EAS 17 for women and minorities. Aguirre did not explicitly define the term glass ceiling. Further, Aguirre officials told us that Aguirre based its finding of the glass ceiling primarily on its analyses of fiscal year 1996 data and comparisons of that data with the CLF and secondarily on discussions it had with Service employees. Specifically, Aguirre compared the level of women and minority representation at the various levels or positions within the EAS with their representation in the

CLF. Because the representation of women and minorities in positions beginning at EAS 17 was less than their representation in the CLF, Aguirre stated that it appeared that a glass ceiling began at EAS 17 positions.

In addition, the Project Leader for the Aguirre study told us that although Aguirre's finding of a glass ceiling was supported primarily by its analyses and comparisons of data, the finding was also supported by the views of postal workers, many of whom perceived that barriers existed to the promotion of women and minorities to higher EAS and PCES positions. She said that the views of the Service employees Aguirre interviewed were consistent—that is, barriers, such as a perceived “old boy network,” prevented women and minorities from progressing to EAS 17 and above positions. However, she acknowledged, as did the Aguirre report, that the views expressed by these individuals at these sites could not be generalized to the entire Service workforce.

We do not believe that it is appropriate to compare the EEO group representation in specific EAS positions or levels in the Service with the CLF because CLF data are not, nor were they intended to be, broken down into an appropriate pool of employees for such a comparison (i.e., similar positions or levels, as well as individuals with appropriate qualifications for those positions). Both the Aguirre Project Director and Project Leader for the study told us that Aguirre used the comparison with the CLF because the Service asked them to. Nevertheless, the Service also disagreed with Aguirre's glass-ceiling finding on the basis of its comparison of women and minorities in specific EAS positions with the general CLF.

Further, we believe that the use of the term glass ceiling in the Aguirre report could be misleading, particularly if the term were to be interpreted by readers in a general sense—that is, an upper limit beyond which few or no women and minorities could pass. Under this definition, and according to our review of workforce and promotion data for EAS 17 and above cluster-level employees in fiscal year 1997, no glass ceiling existed. For example, as shown in table 3, we found that for the cluster level, women and minorities were present in all positions and had been promoted to most of those positions. In addition, the percentage of women and minorities being promoted into these higher EAS positions was generally greater than was their representation in the same positions in fiscal year 1997 (before the promotions). For example, for EAS 17 positions, women and minorities comprised about 54 percent of the positions and received about 58 percent of the promotions. However, both our analyses and Aguirre's suggest that opportunity may exist for the Service to increase the

diversity of its workforce in the higher EAS positions, even though a glass ceiling does not appear to exist. For example, women and minorities were often less represented in the EAS 17 and above positions than they were in the EAS 11 to 16 positions.

Table 3: Women and Minority Workforce and Promotion Representation at EAS 17 and Above Positions for Cluster-Level Employees, Fiscal Year 1997

EAS position	Number of employees in EAS position	Percentage of women/minorities represented in EAS position	Number of employees promoted to EAS position	Percentage of women/minorities promotions to EAS position
17	3,820	53.51%	160	57.50%
18	6,090	40.49	250	54.40
19	2,036	47.25	135	50.37
20	3,510	35.93	120	48.33
21	2,435	36.83	93	53.76
22	1,636	38.02	38	50.00
23	437	32.95	11	54.55
24	739	49.66	22	36.36
25	283	40.99	10	30.00
26 ^a	64	40.62	N/A	N/A

Legend: N/A = Not applicable; no promotions were made in fiscal year 1997.

^aTable does not include data for the four employees still classified in EAS 27 through 30 positions after the Service's restructuring in 1992 (see footnote 7).

Source: GAO analysis of Service end of fiscal year 1997 data.

Service Progress in Implementing Aguirre's Diversity Program Recommendations

Service officials stated that the Aguirre report was intended to provide an impression of the overall state of diversity in the Postal Service. In that context, Service officials said that they have accepted the report's basic message that the Service needs to strengthen its diversity program and have developed and begun implementing a plan to do so. They said that although it was difficult to determine the exact number of recommendations contained in the Aguirre report, they believe the actions they have under way or planned will address the major issues, concerns, and recommendations Aguirre reported. Service officials also said that their initiatives would result in ongoing changes in the way that the Service incorporates diversity into its operations.

Service Developed 23 Initiatives to Address Aguirre Report's Major Issues and Recommendations

The Service developed 23 initiatives designed to improve its diversity program and address what it believed to be the Aguirre report's major issues, concerns, and recommendations. As of December 1998, the Service reported that it had completed implementation of nine of the initiatives and was on schedule for completing the remaining initiatives, with the exception of two initiatives for which completion would be delayed. We did not verify the accuracy of the Service's estimate of the completion status of initiatives in process nor did we evaluate whether any of the initiatives would resolve the concerns raised by Aguirre. When Service

officials reported that a new policy or process had been established to partially or fully address 1 of its 23 initiatives, we obtained available documentation confirming the new policy or process.

The Service organized its 23 diversity initiatives into 6 functional groups. Table 4 shows these six groups, the specific initiatives established within each group, Service estimates of the status of its efforts to implement the initiatives, and target completion dates for implementing the initiatives. The projected completion dates shown in the table are those initially established by the Service. As of December 1998, the Service reported that it was progressing in its implementation of the 23 initiatives. The Service reported that nine initiatives had been completed, and seven were 90 to 99 percent complete. Of the remaining initiatives, three were estimated to be 80 percent complete, and four ranged from 30 percent to 50 percent complete. Service officials said that initiative 22—using supplier diversity data to measure the success of the Supplier Diversity Program—will be partially delayed because of the need to focus resources on resolving the Year 2000 computer system issue. Also, initiative 23—establishing accountability for complying with the Supplier Diversity Program for all Service employees making purchases—will require more time than initially established so that discussions with buyers on issues associated with accountability for supplier diversity can occur.

According to Service Diversity Development officials, their statement that initiatives were 100-percent complete indicated that, in some cases, a policy, process, procedure, or plan had been developed and approved but that the relevant actions covered by the policy, process, procedure, or plan were still ongoing. However, for other completed initiatives, no further actions were to be taken. For example, for initiative 1, after a new Diversity Development policy statement was issued, no further actions to implement this initiative were considered necessary. This was also the case for initiatives 2 and 3—revising the Diversity Business Plan and establishing a Diversity Oversight Group. However, for initiatives 4 (evaluating the current Diversity Development Organization and staff and establishing appropriate headquarters and field staffing), 6 (establishing an economic incentive for attaining diversity targets), 16 (expanding Supplier Diversity Program communications), 18 (linking local buying to the commitment for the Supplier Diversity Program), and 20 (making it easier for suppliers to participate more effectively in the postal purchasing process), actions associated with these initiatives were still under way. Likewise, some other initiatives may involve additional action after the Service designates them 100-percent complete.

Service Diversity Development officials said that they plan to monitor the implementation of new policies, processes, procedures, or plans covered by the 23 initiatives, at least on a quarterly basis, until they become standard operating procedures. Service officials also told us that they expected the monitoring process to be operational by the spring of 1999 and that, consequently, the scopes, completion dates, and implementation status for some of the initiatives could change.

Table 4: Implementation Status of Postal Service Initiatives as of December 31, 1998

Initiative number	Description of group/initiative	Status of implementation	Projected completion date
Group 1 – Policy, Structure, and Staffing			
1	Issue a new Diversity Development corporate policy statement clearly defining diversity and referencing supplier diversity and explaining how diversity can support achievement of <i>CustomerPerfect!</i> goals	100%	7/31/98
2	Revise the Diversity Business Plan (May 1997) to incorporate the new diversity policy statement and integrate it with <i>CustomerPerfect!</i> goals	100	7/31/98
3	Establish a Diversity Oversight Group to review recommendations and check that goals are progressing	100	6/30/98
4	Evaluate the current Diversity Development Organization and staff and establish appropriate headquarters and field staffing to meet goals based on the new policy statement	100	11/1/98
Group 2 - Goal Setting and Accountability			
5	Mainstream the management of diversity under <i>CustomerPerfect!</i> umbrella	80	4/1/99
6	Establish an economic incentive for attaining diversity targets	100	4/1/99
Group 3 – Recruitment and Outreach			
7	Promote the Service as an equal opportunity employer and a good company for employment	98	6/30/99
8	Develop a job applicant database to access and track data pertaining to underrepresented groups	98	2/1/99
9	Develop a comprehensive recruitment process for local implementation that is focused on underrepresented groups	90	12/1/98
10	Improve support for new employees during probationary periods to increase retention success (Pub. 42 revision)	100	12/31/98
Group 4 – Promotion and Outreach			
11	Expand the Executive and Corporate Succession Planning process to promote entrance and continued advancement in PCES for underrepresented groups	80	12/31/98
12	Establish a Career Management Program to promote advancement from initial- to mid-level EAS positions	95	12/31/98
13	Create a greater diversity focus in selection processes, including promotions, task force participation, temporary assignments, and review boards	90	10/1/98
Group 5 – Education and Communications			
14	Evaluate current Postal Service training and develop diversity modules to be integrated in selected training curricula	30	6/1/99
15	Develop a strong and effective communication plan to promote and disseminate a clear diversity message to all levels of the Postal Service using available internal media	95	12/31/98
Group 6 – Purchasing and Supplier Diversity			
16	Expand Supplier Diversity Program communications	100	12/31/98
17	Expand Purchasing and Materials Supplier Diversity Operating Plan (fiscal years 1998-2002) and continue implementation	98	12/31/98

Initiative number	Description of group/initiative	Status of implementation	Projected completion date
18	Link local buying (e.g., credit cards and local service contracts) to the commitment for the Supplier Diversity Program	100	12/31/98
19	Improve subcontracting participation to include more women and minorities	35	5/1/99
20	Make it easier for suppliers to participate more effectively in the postal purchasing process	100	9/30/98
21	Provide supplier diversity training to Purchasing and Materials personnel and other employees participating in local buying	47	5/1/99
22	Use supplier diversity data to measure the success of the Supplier Diversity Program	50	5/1/99
23	Establish accountability for complying with the Supplier Diversity Program for all employees making purchases for the Postal Service	80	3/31/99

Source: GAO analysis of data provided by the Service's Manager of Diversity Development and Vice President of Diversity Development.

Aguirre Recommendations Sometimes Difficult to Discern

Service officials said that the Board of Governors did not request that they address all of Aguirre's recommendations. Rather, they were asked to develop initiatives that they believed would help improve diversity at the Service and result in improvements in the way that the Service incorporated diversity in its operations, thereby improving Service diversity overall. They said that they believed their initiatives have addressed Aguirre's major issues, concerns, and recommendations. Service officials noted that determining the exact number of Aguirre's recommendations was difficult because recommendations were noted in several locations in the report and many of them appeared to be duplicative. Service officials also noted that it was sometimes unclear as to whether Aguirre's statements were intended as recommendations or just observations.

We also found it difficult to determine with precision the number of specific Aguirre recommendations for the same reasons the Service cited. For example, in chapter 5 of its report, Aguirre stated that the Service may want to do further study of the employees it classifies as American Indian/Alaskan Native since many of the employees in this category consider themselves to be something else. It is not clear whether Aguirre intended this statement to be a recommendation or an action the Service could consider. Also, the Service's initiative 1 as shown in table 4 was designed to address five different Aguirre recommendations, all of which seemed to be directed at the same concern—developing and issuing a clear corporate policy on diversity. Service officials said that other recommendations by Aguirre called for actions that the Service was already taking or planned to take. For example, Aguirre recommended that the Service define the attrition rate that can be predicted using age and past performance for trainers and EEO experts. The Service said that this information would be available from its New Workforce Planning Model, which was already in the design phase of development.

Service officials said that several of Aguirre's recommendations seemed to be based on inaccuracies or misstatements about current Service policies and procedures. For example, Aguirre reported that the Service usually selects bidders with the lowest price. Aguirre recommended that bidder selection should consider other criteria, such as quality of the processes and products, as well as price. Service officials told us that they did not accept this recommendation because it is already their general policy to make awards based on "best value" not lowest price. Further, Service officials said that for some of Aguirre's recommendations, they found no basis or rationale and did not plan to implement them at this time. For example, Aguirre recommended that a minimum of 7 percent of the Service's total contract dollars be awarded to minority suppliers. Service officials said that they did not find any supporting rationale for this recommendation, and they believed that the Service's current goal of 6 percent of total contract dollars to be awarded to minority businesses by 2002 was appropriate.

Capture and Better Use of Data to Achieve Diversity Goals

The Service collects a variety of diversity-related data and has a number of initiatives under way in response to the Aguirre report that are designed to improve its data collection methods and use as well as to enhance its ability to meet its diversity goals and objectives. The Service is also in the process of establishing targets and measures to use in assessing its progress toward meeting its diversity goals and objectives. However, the Service does not have reliable data on the flow of applicants through its promotion processes that would help it to identify and remove any barriers to the promotion of women and minorities.

Service Initiatives to Improve Data Collection and Usage in Response to Aguirre Report Recommendations

The Service collects a wide variety of diversity data that are primarily related to its program areas, such as Purchasing and Materials. Managers of these program areas, in coordination with the Service's Diversity Development Department, are to use these data to help achieve program goals and Service diversity goals. For example, the Purchasing and Materials Department is to collect data on the dollar size and number of contracts awarded to women and minority-owned businesses. The Aguirre report, while acknowledging that the Service collects a substantial amount of diversity-related data, made a number of comments, observations, and recommendations to the Service related to gathering, using, and monitoring such data. At least 5 of the Service's 23 initiatives (initiatives 5, 6, 8, 18, and 22) involve some of the issues raised by Aguirre about gathering and using diversity-related data. For example, Aguirre observed that the Service did not systematically track credit card purchases by gender or EEO group and thus data on the differential impact of the credit card program on women and minority contractors are not available. The

Service plans to address this issue through initiative 18, which is aimed at improving supplier diversity.

Establishing Diversity Targets and Measures

In November 1998, the Service released its 1999 Annual Performance Plan related to its performance goals, objectives, and associated measures as part of its implementation of the Government Performance and Results Act of 1993 (Results Act). Within the plan, the Service identified a goal of improving employee and organizational effectiveness. The plan also stated that one of the subcomponents of that goal was the strategy to “manage and develop human capital.” Under that strategy, the plan identified the need to “achieve a diverse workforce.” Further, the Annual Performance Plan stated that based on the Aguirre study’s findings and recommendations, the Service had prepared a diversity development action plan¹⁰ to promote the hiring of women and minorities, improve recruitment hiring and promotion activities, and develop indicators to measure progress linked to this strategy.

In addition, the Service’s Diversity Business Plan, dated December 3, 1998, supports the Service’s strategic plan.¹¹ The business plan contains four principal diversity objectives, which, according to Diversity Development officials, are to be used in partnership with other organizational functions to develop programs and initiatives that will help achieve Service diversity goals. The four objectives are (1) articulate a clear diversity message; (2) ensure the representation of all employee groups in all levels of Postal Service employment; (3) create a work environment that is free from discrimination and sexual harassment; and (4) establish and maintain a strong, competitive, and diverse supplier base.

According to the Manager of Diversity Policy and Planning, now that the business plan has been approved, the Service is in the beginning stages of developing specific targets and measures that would help the Service track its progress in meeting its diversity goals and objectives. According to the Service, methods to evaluate and measure success will be completed no later than March 30, 1999. Along with the establishment of diversity goals and objectives, the establishment of specific targets and measures will help the Service to focus the efforts of its numerous organizational units, achieve accountability, gauge progress, and meet goals.

¹⁰Postal Service’s Diversity Improvement Opportunity, Suggested Courses of Action, Mar. 12, 1998.

¹¹Diversity Development, The Diversity Business Plan, Dec. 3, 1998.

Requirement to Capture and Use Promotion Applicant-Flow Data Was Not Enforced

Although the Service has had a requirement for many years that its managers are to collect applicant data for EAS promotions and enter that data into a central electronic database, according to the Service, most locations have fallen behind in entering these data into the system. Thus, the Service has not been in the best position to analyze data on women and minorities as they move, or do not move, through the Service's promotion process or to determine if and for what reason impediments or barriers exist to the promotion of women and minorities to higher levels of responsibility in the Service, generally, and within the EAS, specifically.

The Vice President of Human Resources, in February 1997, sent a memorandum to area and district human resource managers reminding them that the requirement to collect applicant-flow data was still effective. She noted that such information was critical to Service efforts to examine the promotion process for continuous improvement. Although recognizing that managers were facing various priorities, she asked that managers develop a plan for collecting and entering past applicant data into the Promotion Report System. She also noted that this automated system was the source of data for the Applicant Flow Tracking System (AFTS), a system vital to the Diversity Development Department's responsibility for reporting promotion demographics.

According to a manager in the Service's Human Resources Department, the Service has had a centralized, computer-based tracking system in place for the last 10 years—the AFTS—which is to track diversity data related to promotions within the Service. He acknowledged, however, that participation in this system varies across Service units. Some units have consistently entered the data into the AFTS as required, while others have never entered the data. Another manager in Human Resources said that this inconsistent use of the AFTS and subsequent incomplete data in the system have occurred because unit managers have few incentives to see that the data are entered into the system because the system is not tied to any essential information system, such as accounting and payroll or the employee master file. In addition, he said that there have been few or no consequences to these managers for not doing so.

Because of the unreliability of the AFTS database, the Service has to use the Employee Master File and a separate personnel action database to obtain race, ethnicity, and gender data for those applicants who are promoted; the Service cannot readily compile and use this information on applicants seeking promotion. A reliable and complete database on all applicants would (1) provide an essential baseline against which to assess the promotion progress of specific EEO groups and (2) help the Service

identify and remove or reduce the impact of barriers to the promotion of women and minorities. For example, during our initial review in response to your request, we noted that there were no Hispanic women applicants for promotion to EAS levels 17 and above in the Service's Atlanta performance cluster in fiscal year 1997.¹² The Service could use this type of information to (1) determine whether any problems or barriers existed in the cluster that had caused this situation, and if so, (2) take appropriate corrective action.

Conclusions

In fiscal year 1997, overall women and minority representation in the Service's cluster-level workforce did not parallel that of the 1990 CLF. Relative to their representation in the CLF, several specific EEO groups were fully represented, while others were underrepresented. Also, in fiscal year 1997, women and minorities were generally promoted to EAS 17 and above positions in percentages higher than or close to their workforce representation in the three workforce levels—cluster, headquarters, and area offices. As of September 1997, women and minorities were present in all EAS 17 and above positions and generally had been promoted to EAS 17 and above positions during 1997 in the three workforce levels. Nonetheless, as of September 1997, women and minority representation was generally lower in EAS 17 and above positions than it was in EAS 11 through 16 positions.

Overall, given the short time frame and preselection of sites that resulted in certain study limitations, we believe that the multiple methodologies Aguirre used for its study were reasonable, relevant, and appropriate. However, Aguirre's finding that a glass ceiling appeared to exist at positions beginning at EAS 17 could be misleading. Evidence that Aguirre cited to support this finding was not convincing, and according to our analysis, women and minorities were generally represented in and were being promoted to EAS 17 and above positions, albeit at varying percentages, for the period we reviewed.

Neither the Service nor we could determine the exact number of recommendations made by Aguirre. Nevertheless, the Service is making progress in implementing the 23 initiatives it developed in response to the Aguirre report, which are aimed at strengthening its diversity program. We believe that the Service's ongoing plan to continue monitoring the implementation of policies, processes, procedures, and plans covered by its 23 initiatives is especially important given the Service's designation of some initiatives as being completed when such policies, processes,

¹²GAO/GGD-98-200R.

procedures, and plans have been developed and approved although specific actions required by some of these initiatives may still be ongoing.

Service initiatives to better capture and use data in response to the Aguirre study appear reasonable. However, the Service has not yet (1) established and implemented targets and measures for tracking the Service's progress in meeting its diversity goals and objectives or (2) fully captured or used EEO data on applicants as they progress, or do not progress, through the Service's promotion process. The Service has developed diversity goals and objectives, and now that its Diversity Business Plan has been approved, is in the process of developing specific targets and measures for assessing its progress in meeting its goals and objectives. However, the Service is not capturing reliable EEO data on promotion applicants' progress through the promotion process. Although we recognize that collecting and using EEO data on promotion applicants will require additional effort, such data are important for identifying problems and barriers affecting women and minorities in the promotion process.

Recommendation

We recommend that the Postmaster General ensure that appropriate Service officials capture EEO group data in the AFTS and use these data to help improve the Service's diversity program, including the identification of any barriers that might impede promotions to high-level EAS positions.

Comments and Our Evaluation

On February 4, 1999, we were informed by the Postal Service that the Vice President of Diversity Development and the Vice President of Human Resources concurred with the information provided in the draft report. In addition, the Vice President of Human Resources stated that, in response to our recommendation, she would reemphasize to the field the need to enter data into the Promotion Report System, which is the source of the data for the AFTS. Also she stated that once the data are complete and reliable, they can be used as a tool to identify the point that impedes the promotions of applicants to high-level EAS positions.

On January 28, 1999, Aguirre provided written comments stating that it found our report to be instructive and informative. Aguirre noted the conditions under which its study was done, such as a charged atmosphere at the Service and the short time frame for the study. Aguirre also noted differences between the scope of its study and ours, such as its (1) use of fiscal year 1996 data compared to our use of fiscal year 1997 data and (2) inclusion of PCES data while our review did not. Aguirre also pointed out that it found clear distinctions in perceptions about the types of positions within the EAS levels, and that to do a thorough analysis, one should look at these differences. For example, Aguirre said it found that women were

overrepresented in the attorney area and in rural postmaster jobs and underrepresented in more “power and influence” positions. We believe that Aguirre was suggesting that these differences in scope could account for differences between the results of its study and ours.

We used fiscal year 1997 data in our analysis because it was the latest period for which complete data were available. We did not include PCES positions in our analysis because we were asked to analyze the Service’s EAS workforce. An analysis of any perceived or actual differences in representation of women and minorities among types of EAS positions was beyond the scope of our review. Nevertheless, even with these differences in scope, we do not believe that there were significant differences between the results of our work and Aguirre’s study results in those areas that we both addressed. Both reports point out that women and minorities were less represented in higher EAS positions than they were in lower EAS positions. In addition, our report does not take issue with Aguirre’s view that barriers may exist to the promotion of women and minorities to high-level EAS positions.

Aguirre further stated that it stood behind its conclusion that there seemed to be a drop in the numbers of women and minorities somewhere around the EAS 17 through 22 level based on data presented in its report. Aguirre said that these data were coupled with the views of Service employees it interviewed who believed that a barrier, or “in their terms, a glass ceiling” existed near or around this EAS level. However, our concern is that Aguirre’s use of the term glass ceiling in its report could be misleading because (1) Aguirre did not define the term glass ceiling in its report; (2) the data in its report did not, in our view, support the existence of a glass ceiling as defined in the general sense, that is, an upper limit beyond which few or no women and minorities could advance; and (3) data in both Aguirre’s report and in our report showed that women and minorities were represented in and were promoted to levels above EAS 17, showing the advancement of women and minorities. The Postal Service raised a similar concern about Aguirre’s use of the term glass ceiling. Nevertheless, we agree with Aguirre that opportunity may exist for the Service to increase diversity at higher EAS levels, and our report recommends that the Service ensure that appropriate EEO group data are captured and used so that any barriers impeding the promotion of women and minorities to high-level EAS positions can be identified.

Aguirre said that our report lacked a discussion of the “feeder flow” from which Postal employees move into higher level EAS positions. We believe, however, that our report addressed this issue, at least in part, through our

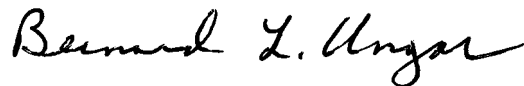
analysis of the diversity of the Service's EAS 11 through 16 workforce, which forms the pool from which promotions to EAS 17 and above positions would likely come.

Finally, Aguirre provided several technical comments, which we considered and included in our report as appropriate.

We are sending copies of this report to the Chairman and Ranking Minority Member of the Subcommittee on the Postal Service, House Committee on Government Reform; the Chairman and Ranking Minority Member of the Subcommittee on International Security, Proliferation, and Federal Services, Senate Committee on Governmental Affairs; the Postmaster General; and Aguirre International. We will also make copies available to others on request.

If you have any questions concerning this report, please call me on (202) 512-8387. Major contributors to this report are listed in appendix IV.

Sincerely yours,



Bernard L. Ungar
Director, Government Business
Operations Issues

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Abbreviations

AFTS	Application Flow Tracking System
CLF	Civilian Labor Force
EAS	Executive and Administrative Schedule
EEO	equal employment opportunity
PCES	Postal Career Executive Service

Objectives, Scope, and Methodology

This report, which follows our previous letter on selected promotions of women and minorities to Executive and Administrative Schedule (EAS) management-level positions,¹ provides (1) information about the overall extent to which women and minorities have been promoted to or are represented in EAS management-level positions in the Postal Service; (2) our observations on the methodology used by a private contractor, Aguirre International, to study workforce diversity at the U.S. Postal Service; (3) the status of the Service's efforts to address the recommendations in the Aguirre report; and (4) our analysis of whether the Service could better capture and use data to achieve its diversity objectives.

To determine the overall extent to which women and minorities have been promoted to or are represented in EAS management-level jobs, we obtained Service workforce statistics from the its Diversity Development Department and annual promotion statistics for career-level employees, with the exception of the Postal Career Executive Service (PCES), from the Human Resources Information Systems Office. The Diversity Development Department, in conjunction with the Service's Minneapolis Data Center, provided us with data tapes containing information related to the equal employment opportunity (EEO) composition of the Service career-level workforce for Service fiscal years 1993 through 1997. We chose to focus our analysis on these years since major downsizing and other changes occurred in the Service in 1992 because of an extensive reorganization. Data from fiscal year 1998 were not available at the time of our analysis. The data we used included EAS level; race, national origin, and gender; location of employee; number of employees by EEO group; and civilian labor force (CLF) statistics for each EEO group. We did not verify these data by comparing them to original source documents.

We obtained information on promotions from the Service's Human Resource Information Office; this information was compiled from the Employee Master and Payroll Accounting files. Using the "nature of action" code from Forms 50, Notice of Personnel Action, we identified career-level employees who had been promoted, by EAS level, throughout the Service. We used this information to assess the extent of promotions to specific EAS positions by EEO groups in the Service. Our limited verification of this promotion data against the promotions reviewed at the three areas² reported on in our previous letter showed it to be accurate.

¹GAO/GGD-98-200R.

²See GAO/GGD-98-200R, in which we reported on the promotion process and EEO status of a selected number of employees applying for promotions to EAS management-level positions in Atlanta, GA; Fort Worth, TX; and Van Nuys, CA.

We used this information to construct a workforce profile by EEO group at three workforce levels—headquarters, area offices, and performance clusters. In our analysis, we included all career-level employees from each performance cluster; employees reporting to area offices, whether they were located in an area office or a cluster facility; and headquarters' employees, including employees physically housed at L'Enfant Plaza in Washington, D.C., as well as those reporting to headquarters but located elsewhere. We analyzed data provided by the Service for the three groups of employees: (1) cluster-level employees, who represented 732,112 (or 95.7 percent) of the about 765,000 career-level employees at the Service at the end of fiscal year 1997; (2) area office employees, who represented 21,864 (2.9 percent) of the career-level employees; and (3) headquarters' employees, who represented 10,707 (1.4 percent) of the career-level employees. We looked at employees in the three workforce levels because responsibility and authority for diversity is separated into these three levels.

To provide some context for the results of our analysis, we first compared the 1997 Service data with CLF data from the 1990 decennial census separately for the three workforce levels of employees. We used figures from the 1990 census because this was the comparative baseline used by the Service and by Aguirre International in its study. We recognize there are more recent estimates that would have accounted for the changes in the population, especially in the Hispanic and Asian subpopulations in certain areas. However, these estimates are not broken down into a geographic level that is comparable to Service performance clusters.

Regarding promotions to women and minorities as well as the Aguirre report's finding of a glass ceiling at EAS 17 and above positions, we did several analyses: First, we considered how the representation of each of the 10 EEO groups in EAS 17 and above positions had changed between fiscal years 1993 and 1997. Second, we considered whether the percentage of employees in each of the 10 EEO groups (i.e., white, black, Hispanic, Asian, and Native American men and women) that were promoted to EAS 17 and above positions during fiscal year 1997 were greater or less than the percentages of employees in each of the 10 EEO groups that were employed in those positions at the beginning of fiscal year 1997 (before the promotions). We computed a ratio statistic to express the percentage of employees in each of the 10 EEO groups that were promoted to EAS 17 and above positions during fiscal year 1997 compared with the percentage of employees in each group already employed in EAS 17 and above positions before the promotions. The positive ratio of 1.23 for black men, for example, was the percentage of all promotions going to black men

(10.85 percent) divided by the percentage of the cluster-level workforce, which was black men at EAS 17 and above (8.81 percent) at the beginning of fiscal year 1997. These same comparisons and ratios were done separately for cluster, headquarters, and area office employees. Finally, we considered how the representation of the various groups of women and minorities in higher level EAS positions (17 through 30) compared with their representation in the lower level EAS positions (11 through 16).

To provide observations on the methodology used by Aguirre International in its study of workforce diversity at the Service, we reviewed the Aguirre report and the methodologies used in relation to the study's objectives, limitations, and findings. In addition, we reviewed both the comments from the Advisory Diversity Team on Aguirre's draft report and Aguirre's response to Service questions. We also interviewed the Project Director for the Aguirre study. We reviewed a copy of the contract and statement of work between the Service and Aguirre International, and discussed the report with the two secretaries to the Board of Governors. We also looked at the Aguirre study's methodology in relation to the U.S. Equal Employment Opportunity Commission's guidance and our previous work on diversity-related issues.

To provide information on the status of the Service's efforts to address the Aguirre report's recommendations, we reviewed the Service's response to the study as well as several status reports prepared by the Diversity Oversight Committee, which is a Servicewide committee established to oversee the implementation of the Service's response to the Aguirre report. We also interviewed the Vice President of Diversity Development as well as the manager in charge of the Supplier Development and Diversity program in the Purchasing and Materials Department concerning the Aguirre report's recommendations, among other things. We reviewed the Service's action plan, which laid out 23 initiatives and was prepared in response to the Aguirre report. We limited our verification of the implementation status of the 23 initiatives to obtaining and reviewing available relevant documents, such as plans and directives, prepared by the Service.

To determine whether the Service could improve its capture and use of diversity-related data, we reviewed (1) diversity-related data historically collected and used by the Service; (2) Aguirre's recommendations related to data collection and the Service's response to them; (3) Service documents prepared in response to the Results Act; and (4) Service documents related to the AFTS. In addition, we interviewed knowledgeable Service officials and Aguirre's Project Director.

Appendix I
Objectives, Scope, and Methodology

We did our work from July 1998 through January 1999 in accordance with generally accepted government auditing standards. We requested comments on a draft of this report from the Postmaster General and Aguirre International's Director of Operations. The Postal Service's oral comments and Aguirre's written comments are discussed near the end of the letter.

Women and Minority Representation in the Cluster, Headquarters, and Area Office Workforces

Women and Minority Representation at the Service's Three Workforce Levels

The following tables present information on women and minority representation at the three Service workforce levels—the cluster, headquarters, and area office levels—and includes the following comparisons for women and minorities:

- representation at the three workforce levels as of the end of fiscal year 1997 compared with their representation in the 1990 CLF (table II.1);
- changes in women and minority representation at EAS 17 and above positions at the three workforce levels for fiscal years 1993 and 1997 (table II.2);
- promotions to EAS 17 and above positions as of the end of fiscal year 1997 compared with women and minority representation in those positions at all three workforce levels during fiscal year 1997 before the promotions (table II.3); and
- women and minority representation in EAS 17 and above positions compared with their representation in EAS 11 through 16 positions (table II.4).

Women and Minority Workforce Representation in Fiscal Year 1997 Compared With Their Representation in the 1990 CLF

Table II.1 shows that when comparing Service data as of the end of fiscal year 1997 with CLF data from the 1990 decennial census, black and Asian men and women were fully represented, while white and Hispanic women and Native American men were underrepresented at headquarters, in the area offices, and among cluster-level employees. Native American women were also underrepresented among the large group of cluster employees as well as among headquarters personnel. In addition, white men were underrepresented among area office employees, while Hispanic men were underrepresented at the headquarters and area office levels.

Table II.1: Comparison of Service Cluster, Headquarters, and Area Office Workforces With the 1990 CLF, by EEO Group, as of the End of Fiscal Year 1997

Workforce level	White men	White women	Black men	Black women	Hispanic men	Hispanic women	Asian men	Asian women	Native American men	Native American women
Cluster	44.34%	22.09%	11.34%	9.58%	4.82%	2.00%	3.46%	1.87%	0.29%	0.22%
HQ	47.64	20.81	11.06	10.90	2.90	1.49	2.83	1.83	0.32	0.21
Area office	30.72	22.26	18.01	16.37	4.03	2.49	3.29	2.17	0.27	0.38
CLF	42.64	35.30	4.95	5.45	4.77	3.35	1.51	1.32	0.35	0.30
Ratio										
Cluster	1.04	0.63	2.29	1.76	1.01	0.60	2.29	1.42	0.83	0.73
HQ	1.12	0.59	2.23	2.00	0.61	0.44	1.87	1.39	0.91	0.70
Area office	0.72	0.63	3.64	3.00	0.84	0.74	2.18	1.64	0.77	1.27

Note: Ratio, in this instance, is a method used to compare the relationships between the representation of each EEO group within the Service's cluster, headquarters, and area office levels relative to the CLF.

Source: GAO analysis of Service fiscal year 1997 data and 1990 CLF data.

**Appendix II
Women and Minority Representation in the Cluster, Headquarters, and Area Office Workforces**

Women and Minority Workforce Representation at EAS 17 and Above Positions in Fiscal Years 1993 and 1997

As shown in table II.2, we determined how the representation of the 10 EEO groups in the higher EAS positions had changed between fiscal years 1993 and 1997. White and black men were the only EEO groups that decreased in their representation among all three workforce levels at EAS 17 and above positions during this period. Native American men also decreased in their representation among employees at high-level EAS positions at headquarters and area offices, and Asian men decreased slightly in their representation among employees at high-level EAS positions at the area offices.

Table II.2: Comparison of Change in Representation of Women and Minorities at EAS 17+ Positions at the Cluster, Headquarters, and Area Office Levels, by EEO Group, Fiscal Year 1993 and Fiscal Year 1997

Workforce level/ Fiscal year	White men	White women	Black men	Black women	Hispanic men	Hispanic women	Asian men	Asian women	Native American men	Native American women
Cluster										
1993	59.59%	16.10%	9.39%	7.36%	4.21%	1.11%	1.12%	0.45%	0.47%	0.20%
1997	57.70	17.69	8.81	7.72	4.40	1.27	1.18	0.48	0.54	0.23
Ratio 1997:1993	0.97	1.10	0.94	1.05	1.05	1.14	1.05	1.07	1.15	1.15
Headquarters										
1993	62.40	16.36	7.31	5.59	2.24	0.96	2.95	1.65	0.42	0.11
1997	59.21	18.18	7.12	6.16	2.76	1.09	3.12	1.82	0.41	0.15
Ratio 1997:1993	0.95	1.11	0.97	1.10	1.23	1.14	1.06	1.10	0.98	1.36
Area office										
1993	53.87	16.02	12.00	9.44	3.25	1.24	2.17	1.16	0.62	0.23
1997	50.35	18.05	11.48	11.01	3.46	1.44	2.08	1.33	0.46	0.35
Ratio 1997:1993	0.93	1.13	0.96	1.17	1.06	1.16	0.96	1.15	0.74	1.52

Source: GAO analysis of Service fiscal years 1993 and 1997 data.

**Appendix II
Women and Minority Representation in the Cluster, Headquarters, and Area Office Workforces**

Women and Minority Promotions to EAS 17 and Above Positions Compared With Their Workforce Representation, During Fiscal Year 1997

As shown in table II.3, we determined whether the percentages of employees in each of the 10 EEO groups that were promoted to EAS 17 and above positions during fiscal year 1997 were greater or less than the percentages of employees in each of the 10 EEO groups employed at those levels at the beginning of fiscal year 1997 (before the promotions).

Asian women were the only group other than white men, among cluster-level employees, who were not promoted during fiscal year 1997 to EAS 17 and above positions in numbers that would have been sufficient to increase their representation in those higher EAS positions. This was also true for black men, Asian women, and Native American men among headquarters' employees. Among area office employees, the percentages of white women and Hispanic and Native American men and women promoted to EAS 17 and above positions were not as large as the percentages employed at those higher levels. White men were the only group for which percentages of promotions to 17 and above positions were lower than the percentages of white men already employed in those positions across all three workforce levels.

Table II.3: Comparison of the Representation of Women and Minorities Promoted to EAS 17+ Positions (During Fiscal Year 1997) With Their Representation in the Cluster, Headquarters, and Area Office Workforces, as of the end of Fiscal Year 1997

Workforce level	White men	White women	Black men	Black women	Hispanic men	Hispanic women	Asian men	Asian women	Native American men	Native American women
Cluster										
Workforce	57.70%	17.69%	8.81%	7.72%	4.40%	1.27%	1.18%	0.48%	0.54%	0.23%
Promotions	47.56	19.55	10.85	11.32	5.13	2.26	2.15	0.36	0.60	0.24
Ratio	0.82	1.11	1.23	1.47	1.17	1.78	1.82	0.75	1.11	1.04
Headquarters										
Workforce	59.21%	18.18%	7.12%	6.16%	2.76%	1.09%	3.12%	1.82%	0.41%	0.15%
Promotions	46.59	22.95	6.14	7.73	7.27	2.95	4.32	1.59	0.23	0.23
Ratio	0.79	1.26	0.86	1.25	2.63	2.71	1.38	0.87	0.56	1.53
Area office										
Workforce	50.35%	18.05%	11.48%	11.01%	3.46%	1.44%	2.08%	1.33%	0.46%	0.35%
Promotions	48.89	17.78	13.33	13.33	2.22	0.00	2.22	2.22	0.00	0.00
Ratio	0.97	0.99	1.16	1.21	0.64	0.00	1.07	1.67	0.00	0.00

Source: GAO analysis of Service fiscal year 1997 data.

**Appendix II
Women and Minority Representation in the Cluster, Headquarters, and Area Office
Workforces**

Women and Minority Representation at EAS 17 and Above Positions Compared With That at EAS 11 Through 16 Positions, Fiscal Year 1997

As shown in table II.4, we determined whether, as of the end of fiscal year 1997, the representation of various EEO groups of minority men and women employed in EAS 17 and above positions resembled their representation in EAS 11 through 16 positions. Among cluster-level employees and headquarters employees, all EEO groups of women—but none of the groups of men, except black men at headquarters and Asian men at the cluster level—were less well represented in EAS 17 through 30 positions than they were in EAS 11 through 16 positions. Among area office employees, Hispanic men and Asian and Native American men and women fared better while black men, similar to black and Hispanic women, were less well represented in EAS 17 and above positions compared with the EAS 11 through 16 positions.

Table II.4: Comparison of Representation of Women and Minorities in EAS 17 and Above Positions With Their Representation in EAS 11 Through 16 Positions, as of the end of Fiscal Year 1997

Workforce/ EAS level	EEO group										Percentage of women/ minorities
	White men	White women	Black men	Black women	Hispanic men	Hispanic women	Asian men	Asian women	Native American men	Native American women	
Cluster											
11 to 16	39.13%	34.29%	8.74%	9.85%	3.20%	1.79%	1.31%	0.93%	0.33%	0.43%	61%
17 to 30	57.70	17.69	8.81	7.72	4.40	1.27	1.18	0.48	0.54	0.23	42
Ratio											
17+:11-16	1.47	0.52	1.01	0.78	1.38	0.71	0.90	0.52	1.64	0.53	
Headquarters											
11 to 16	17.15%	39.00%	7.28%	25.75%	1.37%	3.44%	2.28%	3.19%	0.05%	0.51%	83%
17 to 30	59.21	18.18	7.12	6.16	2.76	1.09	3.12	1.82	0.41	0.15	41
Ratio											
17+:11-16	3.45	0.47	0.98	0.24	2.01	0.32	1.37	0.57	8.20	0.29	
Area office											
11 to 16	35.20%	19.52%	18.77%	18.43%	2.59%	2.50%	1.33%	1.17%	0.33%	0.17%	65%
17 to 30	50.35	18.05	11.48	11.01	3.46	1.44	2.08	1.33	0.46	0.35	50
Ratio											
17+:11-16	1.43	0.92	0.61	0.60	1.34	0.58	1.56	1.14	1.39	2.06	

Source: GAO analysis of Service fiscal year 1997 data.

Aguirre Study's Methodological Approach

Table III.1 provides the details of the primary methodologies used by Aguirre researchers to develop answers to the eight research questions on which the study was based. As shown in the table, Aguirre researchers used multiple methods to research the questions, including extensive data analysis.

Table III.1: Aguirre Study's Eight Research Areas and the Methodological Approach Taken

Eight research areas	Methodologies used by Aguirre researchers
(1) How does the composition of the postal workforce by race/national origin and gender compare to the population nationally and locally?	<ul style="list-style-type: none"> • Developed statistical analysis of (1) Census CLF data^a and (2) Service workforce data at national and local levels • Created models for mapping Census data into race and national origin categories • Did Service workforce trend analysis
(2) Does the hiring process address local population profiles?	<ul style="list-style-type: none"> • Reviewed Service written policies and practices for hiring • Interviewed Service national and local staff • Analyzed Service workforce data • Compared local Service workforce data with CLF data • Interviewed potential employees
(3) Does the Diversity Reporting System provide accurate information on the race and national origin of Service employees?	<ul style="list-style-type: none"> • Reviewed written Service policies and practices in assigning employees to race/national origin categories; also interviewed relevant Service staff at national and local levels • Analyzed two data files: Active Employee Reference file and Personnel Actions file, extracted from Notice of Personnel Action, Form 50 • Surveyed sample of employees selected from Diversity Reporting System to verify race and national origin
(4) Do promotion policies and practices result in promotions that are proportionate to the number of minority groups represented in the workforce, nationally and locally?	<ul style="list-style-type: none"> • Reviewed Service's written policies and practices for promotions • Interviewed Service staff at national and local levels • Analyzed Service workforce data for distribution of annual promotions by level, EEO group, and compared the data with CLF data
(5) How well do Training and Development Programs address diversity needs?	<ul style="list-style-type: none"> • Interviewed training and diversity staff in each of the 10 sites as well as in headquarters • Interviewed Service employees
(6) How effectively does Postal Service contracting and subcontracting with minority-owned business support diversity goals, nationally and locally?	<ul style="list-style-type: none"> • Reviewed Service's written policies and practices for contracting • Interviewed Service staff at national and local levels • Analyzed Service Supplier Diversity data • Held focus groups with potential vendors at six sites • Conducted six in-depth interviews with potential vendors in Dallas

Appendix III
Aguirre Study's Methodological Approach

Eight research areas	Methodologies used by Aguirre researchers
(7) How does the Postal Service Diversity Program compare with those of other large organizations?	<ul style="list-style-type: none">• Compared Service's diversity program in the area of contracting with that of other mail carriers• Compared Service's diversity program with those of other companies that have achieved success with diversity (e.g., Motorola, Allstate, and Harvard Pilgrim Health Care)
(8) What strategic direction should the Diversity Program take?	<ul style="list-style-type: none">• Identified best practices used by other organizations in the private sector reported to have successful diversity programs• Identified promising practices used in Service's Diversity program• Identified certain organizations' diversity programs/objectives as models against which the Service can compare its strategies, etc.

Note: Aguirre researchers visited Service facilities at the following 10 selected sites: Los Angeles; Chicago; Washington, D.C.; Dallas; Miami; Jackson, MS; Hartford, CT; Seattle; and Albuquerque; New Orleans was a pilot site. Due to union and other logistical issues, Aguirre researchers were unable to survey a random sample of employees at each target site; but they did, with support from informal networks and Service professional organizations, survey a judgmental sample of employees.

^aAguirre used 1970, 1980, and 1990 CLF Census data for comparisons with the 1996 and 1997 Service workforce.

Source: GAO analysis of It's Good Business—A Study of Diversity in the United States Postal Service, Aguirre International, Oct. 27, 1997.

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