

# The Employment of Hispanics at GAO



PAB

PERSONNEL APPEALS BOARD



Personnel

Appeals

Board

January 29, 2007

The Honorable David M. Walker  
Comptroller General  
U.S. Government Accountability Office  
Room 7000  
441 G Street, N.W.  
Washington, D.C. 20548

Dear Mr. Walker:

Pursuant to the authority granted to it under the Government Accountability Office Personnel Act of 1980, the Personnel Appeals Board has statutory responsibility to oversee equal employment opportunity at GAO. In exercise of that authority, the Board is issuing the attached report, *The Employment of Hispanics at GAO*. The Board's findings and recommendations are contained in the attached report.

Sincerely,

A handwritten signature in cursive script, reading "Michael W. Doherty".

Michael W. Doherty  
Chair

attachment

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# The Employment of Hispanics at GAO

## Chapter I: Introduction

### Background

The Personnel Appeals Board (PAB or the Board) of the U.S. Government Accountability Office (GAO) is charged with overseeing GAO's regulations, procedures, and practices relating to discrimination in employment.<sup>1</sup> To fulfill that mandate, the Board conducts oversight studies of selected employment issues at GAO and issues reports containing its conclusions, findings, and recommendations for change to the Agency.<sup>2</sup>

In the course of some earlier PAB oversight studies, issues emerged pertaining to the employment of Hispanics at GAO that gave rise to the development of this project.<sup>3</sup> For example, a 1998 comprehensive analysis of the Agency's workforce by job series revealed a statistically significant<sup>4</sup> lower percentage of Hispanic professionals at GAO than was present in comparable positions in the labor force.<sup>5</sup> In an earlier study involving a statistical analysis of

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<sup>1</sup> 31 U.S.C. §732(f); 4 C.F.R. §28.91.

<sup>2</sup> The Board's Oversight reports can be found on its web site, [www.pab.gao.gov](http://www.pab.gao.gov) under the heading "EEO Oversight."

<sup>3</sup> The Federal government's definition of Hispanic is a person of Cuban, Mexican, Puerto Rican, South or Central American or other Spanish culture of origin, regardless of race. OPM Standard Form 181, *Ethnicity and Race Identification*. GAO uses the same form and definition.

<sup>4</sup> A finding is statistically significant when it can be demonstrated that the probability of obtaining that finding by chance is relatively low. The generally accepted "probability threshold" is five percent, *i.e.*, the result would occur no more than 5 out of 100 times in a random sample with chance variations operating.

<sup>5</sup> *Minority Recruitment at GAO*, at 11-12 (2002). Underrepresentation of Hispanics persists at GAO for Economists and IT Specialists according to the most recent analysis. *GAO Occupations Compared to Civilian Labor Force Occupations* (March 2006).

promotions at GAO, the Board found that Hispanic employees experienced the longest median time to promotion at the non-competitive I-D to I-F point than any other group at GAO.<sup>6</sup> In the mid-1990s, a report on competitive selections to the Senior Executive Service (SES) during a five year period revealed that, of the 75 appointments to the SES during the period of time that the study covered, only one, a non-competitive appointment, went to a Hispanic employee. More recently, the Board's 2005 comprehensive study on equal employment opportunity at GAO included a chapter updating the information about appointments to the SES at GAO. Of the 120 members of GAO's SES in 2004, there were only three who were Hispanic; of 140 SES members in 1991, there were four who were Hispanic.<sup>7</sup>

Although GAO has been making efforts to improve and expand its outreach and recruiting efforts in order to attract qualified Hispanic applicants, increases in their representation in the Agency's workforce have been incremental, at best. In 1991, there were 203 employees of Hispanic origin at GAO out of a total population of 5,185 (4%); fifteen years later, in 2006, there were 136 Hispanic employees in a workforce of 3,096 (4.4%).<sup>8</sup>

The impediments to recruiting, hiring and retaining Hispanic employees are not unique to GAO. According to the most recent Federal Civilian Workforce Statistics compiled by the Office of Personnel Management (OPM), Hispanics remain the only underrepresented minority group in the Federal Government when compared to the U.S. Civilian Labor Force (CLF),

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<sup>6</sup> *Promotions of Banded Employees*, at 19 (1999). During the five year period of the report, Hispanic employees spent a median time of 574 days in Band I-D before placement in Band I-F. The median for black employees was 546 days; for Asian employees, 560 days; and, for white employees, 490 days.

<sup>7</sup> *The State of Equal Employment Opportunity at GAO in the 21<sup>st</sup> Century*, at 35 (2005). There are now two Hispanics in GAO's SES corps. From October 1, 1999 through the end of 2005 there were 71 appointments to the SES at GAO. Not one went to a Hispanic employee.

constituting 7.4% of the Federal workforce and 12.6% of the CLF.<sup>9</sup> Moreover, of eighteen Executive branch agencies reporting to OPM, only three reported that Hispanic representation in their work forces exceeded Hispanic representation in the Relevant Civilian Labor Force (RCLF).<sup>10</sup>

Hispanic underrepresentation has been an issue for the Federal government for decades. In 1970, President Richard Nixon established a "Sixteen Point Program" designed to ensure equal opportunity in the Federal government for Hispanics. The Program outlined steps that the U.S. Civil Service Commission (CSC) and Executive branch agencies would undertake to ensure equal opportunity for Hispanics in the Federal government, emphasizing recruitment and upward mobility.<sup>11</sup> Among the Program's highlights were the appointment of a full-time official at CSC to provide advice and assistance to Federal agencies to ensure the full participation of Hispanics in EEO programs; intensified recruitment in the Southwestern United States, certain metropolitan areas, and at colleges with large Hispanic enrollments; the establishment of outreach programs at high schools in Spanish-speaking areas to publicize Federal job opportunities and encourage students to stay in school; the use of special hiring authorities; and the collection of EEO data from Federal agencies directed at the employment and upward mobility of Hispanics.

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<sup>8</sup> During the same time periods, the corresponding numbers for black employees in 1991 are 1092/5194 (21%) and in 2006, 605/3096 (19.5%). For Asian American employees, the figures for 1991 are 170/5185 (3.3%) and, in 2006, 215/3096 (6.9%).

<sup>9</sup> *Annual Report to the Congress, Federal Equal Opportunity Recruitment Program (FEORP), FY 2005*, U.S. Office of Personnel Management (January 2006). The CLF is defined as all persons 16 years of age and older in the civilian, non-institutionalized population of the United States who are either employed or unemployed and seeking work. Bureau of Labor Statistics, U.S. Department of Labor at [www.bls.gov](http://www.bls.gov).

<sup>10</sup> To determine the RCLF, data on civilian occupations comparable to Federal positions or job series are extracted from the CLF.

<sup>11</sup> Federal Employment for Spanish-Speaking Citizens, 6 WEEKLY COMP. PRES. DOC. 1544 (Nov. 9, 1970). The program was renamed in 1973, first becoming the "Spanish-Speaking Program" and then, in



Subsequent to the establishment of the Sixteen Point Program, the Civil Service Commission continued to issue specific directives to the Executive branch, instructing agency management to designate Hispanic coordinators and to produce viable, results-oriented programs that ensure that the Federal government is meeting the special needs of Hispanics.<sup>12</sup>

In the late 1970s, Congress passed the Civil Service Reform Act of 1978 (CSRA), a sweeping restructuring of the Federal government's personnel operations.<sup>13</sup> Among its provisions, the CSRA mandated the establishment of a minority recruitment program, predicated on a finding of and geared to the elimination of underrepresentation. It also directed OPM to evaluate the effectiveness of the program annually "for each category of civil service employment and for each minority group designation."<sup>14</sup>

Notwithstanding the emphasis on the hiring of Hispanics in the Federal government, the workforce numbers have not kept pace with their growth in the population. Many reasons have been posited for the persistent underrepresentation of Hispanic employees throughout the years. In a seminal report issued 27 years after the advent of the Sixteen Point Program, the Merit Systems Protection Board (MSPB) pointed to a number of contributing factors.<sup>15</sup>

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1978, the "Hispanic Employment Program" (HEP). *National Hispanic Heritage Month*, U.S. Department of Energy (2002).

<sup>12</sup> Federal Personnel Manual Letter 713.18 (1973); Federal Personnel Manual Letter 713.23 (1974).

<sup>13</sup> Pub.L. 95-454.

<sup>14</sup> *Id.* §7151(2)(c-e). This section established the Federal Equal Opportunity Recruitment Program (FEORP).

<sup>15</sup> *Achieving a Representative Federal Workforce: Addressing the Barriers to Hispanic Participation*, U.S. Merit Systems Protection Board, pp. iv-v (1997). The MSPB also found discrimination to be a factor affecting job opportunities for Hispanics. *Id.* at 10.



They included:

- Geographic concentration: At the time of the report, only 34% of civil service jobs were located in the states in which 86% of the Hispanic population resided;
- Qualifications for Government employment: While a higher percentage of Hispanics work in blue collar occupations<sup>16</sup> than the percentages for any other racial or ethnic group, those jobs make up a decreasing number of Federal jobs.<sup>17</sup> In addition, the representation of Hispanics in management and professional occupations actually declined in the decade between 1990 and 2000;<sup>18</sup>
- Educational attainment: 12.1% of Hispanics hold bachelor's degrees or higher, compared to 30.6% of the non-Hispanic white population;<sup>19</sup>
- Citizenship requirements: 35% of Hispanics in the U.S. labor force are not citizens<sup>20</sup> and nearly every Federal job requires citizenship.<sup>21</sup>

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<sup>16</sup> Specifically, 18% of Hispanics; 27% of African Americans; and, 46% of Asians work in managerial or professional occupations; conversely, 15% of Hispanics and 6.5% of African Americans work in construction and maintenance jobs. U.S. Census Bureau, Newsroom (Facts for Features): *African-American History Month* (Jan. 25, 2006); *Asian/Pacific American Heritage Month* (Mar. 27, 2006); *Hispanic Heritage Month* (July 26, 2006).

<sup>17</sup> A greater proportion of occupations require higher levels of education in the Federal workforce than in the CLF. *Additional Insights Could Enhance Agency Efforts Related to Hispanic Representation*, GAO, at 3 (2006). Federal positions which call for semi-skilled or unskilled workers constitute 3% of Federal jobs and 16% of the CLF. *Id.* at 8-9. [hereinafter GAO Hispanic Representation Report].

<sup>18</sup> Rakesh Kochhar, *The Occupational Status and Mobility of Hispanics*, Pew Hispanic Center, at ii (2005).

<sup>19</sup> U.S. Census Bureau, Current Population Survey (March 2005). In the general population, 79.6% are high school graduates; the corresponding figure for Hispanics is 54.9%. Additionally, the majority of Hispanics who are enrolled in postsecondary institutions are attending two-year colleges and non-degree granting institutions. Richard Fry, *Recent Changes in the Entry of Hispanic and White Youth into College*, Pew Hispanic Center, at 6, 10 (2005).

<sup>20</sup> Compare: 96% of whites are citizens as are 95% of blacks; Asians have similar rates to Hispanics. U.S. Census 2000. In addition, Hispanic immigrants become citizens at far lower rates than any other immigrant group. In 2004, 27% of the adult foreign-born Hispanic population were naturalized citizens compared to 54% of the adult foreign-born non-Hispanic population.

<sup>21</sup> Executive Order No. 11,935, 41 Fed. Reg. 37,301 (Sept. 2, 1976). In 2005, 99.7% of Executive branch employees were citizens or nationals. GAO Hispanic Representation Report, at 3.

Contemporaneous to the publication of the MSPB report, OPM announced a 9-Point Plan designed to recruit greater numbers of Hispanics in the Federal Government and to improve their opportunities for management and senior executive positions.<sup>22</sup> Among other initiatives, the Plan called for the identification of Federal job opportunities in support of the Educational Excellence Initiative for Hispanic Americans; use of special hiring authorities; concentration on institutions that are part of the Hispanic Association of Colleges and Universities (HACU);<sup>23</sup> and, renewed outreach efforts, particularly with respect to internship and student employment programs. In 1998, OPM launched its own internal plan to improve Hispanic representation at the Agency through the development of a larger Hispanic job applicant pool.<sup>24</sup> Although very similar to the Government-wide plan announced the year before, OPM's plan expanded on the blueprint by focusing on recruitment at the GS-13 to GS-15 levels and the SES as well as targeting recruitment efforts under the Bilingual/Bicultural and Outstanding Scholars programs.<sup>25</sup> Both

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<sup>22</sup> OPM News Release, *OPM Proposes 9-Point Plan to Reverse Hispanic Underrepresentation* (Sept. 18, 1997).

<sup>23</sup> HACU was founded in 1986 with 18 member institutions in order to foster, through institutional development, the advancement of postsecondary educational opportunities for Hispanic students in the United States. HACU Bylaws, Art. II. Currently, HACU represents 450 colleges and universities in the U.S., Puerto Rico, Latin America, Spain and Portugal. HACU is also the only national educational association representing Hispanic-Serving Institutions (HSIs). HACU 101, [www.hacu.net](http://www.hacu.net). To be designated as an HSI, the full-time student body must be 25% Hispanic of whom at least 50% are low income. 34 C.F.R. §606.2. Congress recently passed a law eliminating the 50% low income provision from the definition. Third Higher Education Act of 2006, Pub.L. 102-292 (2006).

<sup>24</sup> OPM News Release, *CHC Members and OPM Director Announce Plan to Improve Representation of Hispanics in the Federal Government* (Oct. 8, 1998).

<sup>25</sup> These programs were created pursuant to a consent decree approved to resolve a class action in which a nationwide class of blacks and Hispanics challenged OPM's use of the Professional and Administrative Career Examination (PACE) to identify qualified individuals for consideration for entry level (GS-5 and GS-7) Federal jobs as discriminatory in violation of Title VII (42 U.S.C. §2000e). *Luevano v. Campbell*, 93 F.R.D. (D.D.C. 1981). The new programs, extant today, created hiring authorities to be used after a finding of underrepresentation in the occupations covered by the *Luevano* Consent Decree.

plans envisioned more integral roles for Hispanic Employment Program Managers in Federal agencies.

In 2000, President Bill Clinton issued Executive Order 13171 in an attempt to improve the representation of Hispanics in the Federal Government.<sup>26</sup> The Order incorporates, by reference, OPM's 9-Point Plan and calls on Executive branch agencies to implement the goals of that plan. Further, the Order specifically directs agencies to assess and eliminate systemic barriers to the effective recruitment and consideration of Hispanics; to increase the number of Hispanic candidates in the SES selection pool; and, to promote the participation of Hispanics in management, leadership, and career development programs. The Order also requires Executive branch agencies to hold managers and supervisors accountable through their performance management systems for "significant accomplishments on diversity recruitment and career development."<sup>27</sup> Pursuant to Executive Order 13171, OPM collects data annually to assess the success that agencies have had in implementing the Hispanic Employment 9-Point Plan.<sup>28</sup>

Six years after the issuance of the Executive Order, the National Hispanic Leadership Agenda (NHLA)<sup>29</sup> issued a report to Congress evaluating OPM's efforts to increase Hispanic representation in the Federal workforce.<sup>30</sup> Concluding that, overall, OPM has failed to carry out its mandate with respect to the underrepresentation of Hispanics in the Federal workforce, the

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<sup>26</sup> 3 C.F.R. §298 (2001).

<sup>27</sup> *Id.*

<sup>28</sup> *Fifth Annual Report on Hispanic Employment in the Federal Government*, OPM (2006).

<sup>29</sup> The NHLA is a non-partisan coalition comprising major Hispanic organizations and Hispanic leadership. Since its inception in 1991, the NHLA has been seeking consensus on national policies affecting Hispanics. Information about the NHLA is available at [www.lulac.org](http://www.lulac.org).

<sup>30</sup> *An Evaluation of OPM's Efforts to Improve Hispanic Representation in the Federal Workforce*, a Latino Leadership Report to Congress (2006).

NHLA specifically pointed to four disparities between Hispanics and other minorities: (1) the underrepresentation of Hispanics is growing; (2) hiring of Hispanics is decreasing; (3) retention rates are low and not improving; and, (4) the underrepresentation of Hispanics in senior executive positions is severe.<sup>31</sup> The NHLA made a number of recommendations that included developing employment and training initiatives; strengthening Executive Order 13171; holding Federal agencies accountable for their implementation of the mandates of the Executive Order; and, creating a reliable system of oversight between OPM and the Equal Employment Opportunity Commission (EEOC).

Soon after the release of the NHLA report, GAO published a report entitled *Improved Coordination Needed between EEOC and OPM in Leading Federal Workplace EEO*. The report describes, in detail, the equal employment opportunity framework under which the Federal government operates, specifically noting EEOC's mandate to enforce Federal laws that prohibit discrimination in employment and OPM's mission to build a "high quality and diverse federal workforce based on merit system principles."<sup>32</sup> The study was based, in part, on surveys submitted to the EEO/civil rights directors and the human capital officers at 45 Executive branch agencies with 500 or more employees. In general, the survey respondents found some of the requirements imposed on agencies pursuant to various EEOC and OPM policies to be duplicative, inconsistent, and/or ineffective. When specifically queried about the efficacy of Executive Order 13171 in ensuring EEO and achieving affirmative employment and workforce diversity goals, nearly half of the survey respondents indicated that the Order contributed "some,

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<sup>31</sup> *Id.* at 6.

<sup>32</sup> *Improved Coordination Needed between EEOC and OPM in Leading Federal Workplace EEO*, a Report to the Ranking Minority Member, Committee on Homeland Security and Governmental Affairs, U.S. Senate, at 6-7, GAO (June 2006) [hereinafter EEOC/OPM Report].

little or to no extent” in realizing those goals.<sup>33</sup> Although the report did not make recommendations specific to Executive Order 13171, it did call on EEOC and OPM to resolve their differences and suggested a number of collaborative efforts that would assist in achieving that goal.

Finally, in August 2006, GAO published a report that reemphasized the decade-old findings from the MSPB’s seminal report on the issue of Hispanics in the Federal government. The GAO report, however, went beyond mere identification of the factors that limit Hispanic representation and offered an assessment of the extent to which those factors influence actual representation of Hispanics in the Federal ranks. The GAO report concluded that “U.S. citizenship and educational attainment had the greatest effect. . . . on Hispanic representation in the federal workforce.”<sup>34</sup>

The report also reviewed the practices of five agencies to ascertain the nature of the approaches that they have taken to address issues of Hispanic representation in their workforces and to determine whether such approaches enhanced the abilities of the selected agencies to recruit and develop Hispanic employees.<sup>35</sup> GAO also revisited the topic of the roles of the EEOC

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<sup>33</sup> *Id.* at 11. The study also included an assessment of the effectiveness of EEOC’s Management Directive-715, the Federal Equal Opportunity Recruitment Program (FEORP), Disabled Veterans Affirmative Action Program (DVAPP), Notification and Federal Employee Antidiscrimination and Retaliation Act (No FEAR Act), Executive Order 13163 (employment of persons with disabilities), Executive Order 13164 (reasonable accommodation for employees with disabilities), and the President’s Management Agenda (PMA) scorecard.

<sup>34</sup> GAO, applying a logistic regression analysis, calculated that the difference in the odds of a Hispanic versus a non-Hispanic being employed in the Federal workforce changes from 30% to around 5% when citizenship is a factor, *i.e.*, before accounting for the effect of citizenship, Hispanics were 30% less likely to be part of the Federal workforce. When analyzing the likelihood of only citizens holding Federal positions, Hispanics were 5% less likely than non-Hispanics to have Federal jobs as compared to their representation in the CLF. After taking education into account, Hispanic citizens were more likely than similarly-educated non-Hispanic citizens to be in the Federal workforce. GAO Hispanic Representation Report, at 7-8.

and the OPM and made additional specific recommendations to those agencies in the areas of data collection and the use of student employment programs.<sup>36</sup>

### **GAO Background**

In 1992, GAO began reducing the size of its workforce, decreasing from approximately 5,300 employees to about 3,200 by 1997. Part of the downsizing effort was accomplished by means of a hiring freeze that effectively precluded any recruitment efforts during those years.<sup>37</sup> Once the freeze was lifted, however, GAO revitalized its recruitment program, hiring more than 200 new staff in 1998 and revamping its student internship program.<sup>38</sup>

In November 1998, Comptroller General (CG) David M. Walker began his term as head of the Agency; in March 1999, the Hispanic Liaison Group (HLG) presented a report on the status of Hispanic employees at GAO to the newly-appointed CG.<sup>39</sup> In its report, the HLG cited the lack of Hispanic representation at GAO in executive offices as well as in key staff offices and further noted the lack of Hispanic representation in senior management functions that are integral to career advancement at GAO. The report's authors also cited the demise of the Hispanic Employment Program (HEP) as a contributing factor to the underrepresentation of Hispanics at GAO. The HEP, established at GAO in 1976, ceased its activities when the 1992 hiring freeze

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<sup>35</sup> The agencies were the U.S. Air Force, Food and Nutrition Service of the Department of Agriculture, National Aeronautics and Space Administration, Small Business Administration, and Social Security Administration. *Id.* at 2.

<sup>36</sup> *Id.* at 31.

<sup>37</sup> Letter from Jesse E. Hoskins, Chief Human Capital Officer, GAO (Apr. 23, 2001).

<sup>38</sup> *GAO Management News* (Jan. 12-16, 1998).

<sup>39</sup> The Hispanic Liaison Group was formed to promote and encourage the entry, professional development, and advancement of Hispanics at GAO. An HLG representative sits on GAO's Employee Advisory Council (EAC).

went into effect. Although primarily focused on recruitment, the HEP also played a role in training, upward mobility, career counseling, job assignment, developmental opportunities and promotions at GAO. The HLG also called on GAO to improve the recruitment of Hispanics at all pay levels within the Agency.<sup>40</sup> In a memorandum accompanying the report, the HLG's Chairperson noted that the group had raised these concerns over the years but had "not seen strong and sustained management commitment towards achieving a truly diverse workforce." The HLG committed to working with the CG to remove barriers preventing Hispanics from advancing to management positions and vowed to help the CG "transform GAO into a model of best human capital practices in the federal government."<sup>41</sup>

Since that time GAO has developed several strategies to attract top level applicants which, with respect to Hispanics, include targeted recruitment at educational institutions with high percentages of Hispanic students; liaisons with Hispanic-serving professional organizations; participation in the HACU internship program; and regular meetings with the Hispanic Liaison Group to discuss recruitment and retention strategies.<sup>42</sup>

### **Legal Framework**

Under GAO's authorizing statute, the Comptroller General is responsible for maintaining a personnel management system in which all personnel actions are to be taken without regard to race, color, religion, age, sex, national origin, political affiliation, marital status, or handicapping

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<sup>40</sup> *Status of Hispanic Employees at GAO*, A Presentation of the Hispanic Liaison Group (Mar. 2, 1999).

<sup>41</sup> Memorandum from M. Yvonne Sanchez, Chairperson, Hispanic Liaison Group (Mar. 2, 1999).

<sup>42</sup> These, and other, GAO initiatives are more fully discussed in Chapter III, *supra*.



condition.<sup>43</sup> By law, the system must also include a minority recruitment program consistent with 5 U.S.C. §7201. That section requires agencies to conduct a continuing program for the recruitment of members of minority groups as part of an overall anti-discrimination policy. The establishment of the recruitment program is predicated on a finding of underrepresentation; the goal is the elimination of the underrepresentation through targeted recruitment efforts.<sup>44</sup> In furtherance of the statutory mandates for minority recruitment, GAO promulgated an internal Order and regulations, the first of which describes the Agency's policy:

It is the policy of GAO to provide a fair and merit-based recruitment program designed to attract a diverse pool of highly qualified candidates to the agency. Through its recruitment efforts, GAO actively promotes the realization of equal employment opportunity and a representative workforce. This policy is used as the basis for all recruitment programs and activities.<sup>45</sup>

GAO's regulations direct the Agency to take specific actions:

GAO shall conduct continuing programs for the recruitment of members of minorities and women for positions in GAO in a manner designed to eliminate underrepresentation of minorities and women in the various categories of employment in GAO. Special efforts will be directed at recruiting in minority communities, in educational institutions, and from other sources from which minorities can be recruited. GAO will conduct a continuing program of evaluation and oversight of such recruiting programs to determine their effectiveness in eliminating minority and women underrepresentation.<sup>46</sup>

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<sup>43</sup> 31 U.S.C. §732(f)(1)(A).

<sup>44</sup> The definition of underrepresentation is "a situation in which the number of members of a minority group designation . . . within a category of civil service employment constitutes a lower percentage of the total number of employees within the employment category than the percentage that the minority constituted within the labor force of the United States . . ." 5 U.S.C. §7201(a)(1).

<sup>45</sup> GAO Order 2713.3, *GAO Equal Opportunity Recruitment Program* (Oct. 2004).

<sup>46</sup> 4 C.F.R. §7.2(b).

GAO's statute also authorizes the Comptroller General to pursue lawful efforts "to achieve equal employment opportunity through affirmative action."<sup>47</sup>

### **Methodology**

In this study, the Board looked at the history of employment of Hispanics in the Federal Government and at GAO over the years, to ascertain what effect, if any, that retention efforts, outreach and recruitment programs, the use of personnel and hiring flexibilities, and other factors have had on the overall representation of Hispanics in the Federal workforce and at GAO. The study also entailed a thorough review of GAO's internal practices and procedures in order to identify any cultural, environmental, or organizational factors at GAO that either limit or foster employment opportunities for Hispanics.

In order to fulfill its statutory obligation to oversee equal employment practices, policies and procedures at GAO, at the inception of each study the Board requests data from the Agency. The request for data relating to the employment of Hispanics at GAO was sent to the Agency in December, 2005. On February 23, 2006, the Chief Human Capital Officer provided much of the data requested; on May 4, 2006, a second response included more of the requested information. Despite repeated requests in July, September and October 2006, data relating to GAO's intern program was not provided to the Board until December 12, 2006, after the report had been provided to the Board's General Counsel, the Hispanic Liaison Group, and the Agency itself for comment. The pre-publication comment period for the report expired on January 10, 2007. On January 9, 2007, the Agency provided promotion data to the Board from the years 2004-06.

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<sup>47</sup> 31. U.S.C. §732(f)(3).

Although the Board was able to make use of the late arriving data, the timing affected both drafters and reviewers of the report who did not have the opportunity to fully assess the recruitment/hiring program or the mobility that promotion data reveals in the context of the universe of information available to the Board in this study.

## Chapter II: The Numbers

In sheer numbers, the Hispanic population of the United States is a force in every aspect of life in this country. The most current population figures show that Hispanics, at 42.7 million strong, constitute the largest minority group in the country (14%) and are the fastest growing.<sup>48</sup> They are also much younger, with a median age of 27.2, compared to 36.2 for the general population.

As previously noted, the representation of Hispanic employees has increased at GAO over the years but the gains, while steady, have been small. To the Agency's credit, the changes to the EEO profile before and after the five year downsizing in the mid-nineties were negligible for Hispanics (-.07%), Asians (+.25) and women (+.38).<sup>49</sup>

The following table displays the Agency workforce, broken down by race, national origin, and gender,<sup>50</sup> for the years 1980, 1991, and 2006. During the 26 years captured by the table, the percentage of Hispanic employees grew by 2%, slightly more than the increase in the percentage of black employees (1.8%), but considerably less than the increase in the percentage of Asian employees (5.4%). In the fifteen year period between 1991 and 2006, there was no increase in the percentage of Hispanic males at the Agency.

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<sup>48</sup> Blacks are second at 39.7 million (13%), followed by Asians (14.4 million or 5.5%) and American Indians and Alaskan natives (4.5 million or 1.6%). U.S. Census Bureau, Newsroom: *Nation's Population One-Third Minority* (May 10, 2006).

<sup>49</sup> The overall rate for black employees was affected by the Agency's downsizing (-1.48%). By means of a five-year hiring freeze, buyouts, separation incentives and a Reduction-in-Force (RIF), the Agency reduced its workforce from approximately 5,300 employees in 1992 to 3,500 in 1997. Of the employees separated as a result of the RIF, 58% were black females; 10.7% were black males. *Downsizing at the U.S. General Accounting Office*, p. 9.

<sup>50</sup> The designations in the Tables are: white female (WF); white male (WM); black female (BF); black male (BM); Hispanic female (HF); Hispanic male (HM); Asian female (AF); and Asian male (AM).

**Table 1: Snapshot of GAO: 1980, 1991 & 2006**

	WM	WF	BM	BF	HM	HF	AM	AF	Total
<b>1980#</b>	<b>3113</b>	<b>1173</b>	<b>260</b>	<b>706</b>	<b>86</b>	<b>48</b>	<b>49</b>	<b>34</b>	<b>5469</b>
<b>1980%</b>	<b>57%</b>	<b>21.4%</b>	<b>4.7%</b>	<b>13%</b>	<b>1.6%</b>	<b>.8%</b>	<b>.9%</b>	<b>.6%</b>	<b>100%</b>
<b>1991#</b>	<b>2354</b>	<b>1366</b>	<b>277</b>	<b>815</b>	<b>111</b>	<b>92</b>	<b>68</b>	<b>102</b>	<b>5185</b>
<b>1991%</b>	<b>45.4%</b>	<b>26.3%</b>	<b>5.3%</b>	<b>15.7%</b>	<b>2.2%</b>	<b>1.8%</b>	<b>1.3%</b>	<b>2%</b>	<b>100%</b>
<b>2006#</b>	<b>1092</b>	<b>1048</b>	<b>172</b>	<b>433</b>	<b>67</b>	<b>69</b>	<b>74</b>	<b>141</b>	<b>3096</b>
<b>2006%</b>	<b>35.3%</b>	<b>33.9%</b>	<b>5.5%</b>	<b>14%</b>	<b>2.2%</b>	<b>2.2%</b>	<b>2.4%</b>	<b>4.5%</b>	<b>100%</b>

The increase in Hispanic representation in GAO's workforce from 1991 to 2006 was .4%, the Executive Branch increase for approximately the same time period was 1.7% (5.6% to 7.3%).

### **Hires and Separations**

Between 1999 and 2004, the Agency reported that 1,165 new hires were brought on board into permanent positions. During the same time period, there were 1,346 separations.<sup>51</sup>

The following table breaks the hires and separating employees down by race, national origin and gender:

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<sup>51</sup> Three of those hired and six of those separating from the Agency were American Indian/Alaskan Native. Due to the small numbers, they are not reflected in the Table or in the Totals.

**Table 2: Hires and Separations (1999 - 2004)**

	WM	WF	BM	BF	HM	HF	AM	AF	Total
<b>Hires#</b>	<b>398</b>	<b>466</b>	<b>56</b>	<b>88</b>	<b>18</b>	<b>25</b>	<b>36</b>	<b>75</b>	<b>1162</b>
<b>Hires%</b>	<b>34.1%</b>	<b>40%</b>	<b>5%</b>	<b>7.6%</b>	<b>1.5%</b>	<b>2.2%</b>	<b>3.1%</b>	<b>6.5%</b>	<b>100%</b>
<b>Separations#</b>	<b>664</b>	<b>386</b>	<b>67</b>	<b>111</b>	<b>15</b>	<b>18</b>	<b>29</b>	<b>50</b>	<b>1340</b>
<b>Separations%</b>	<b>49.5%</b>	<b>29%</b>	<b>5%</b>	<b>8.3%</b>	<b>1.1%</b>	<b>1.3%</b>	<b>2.1%</b>	<b>3.7%</b>	<b>100%</b>

The Table shows that GAO is not losing Hispanic employees more quickly than it is hiring them, which is also true of Asian employees. Nearly a third (426/1340) of all employees leaving the Agency, however, left during their first five years at GAO, making recent gains of employees in protected groups more difficult to maintain over time.<sup>52</sup>

Many of GAO's entry-level analyst positions are filled by means of its intern program. Student interns who successfully complete a 10 week program are eligible for noncompetitive appointments to GAO. The following Table shows the interns hired between 2002 and 2006 and the number converted to permanent status and their percentages in their intern classes, broken down by race, national origin, and gender.

<sup>52</sup> Men 50 and over constituted 40% of the separations during this time period, an unsurprising figure given GAO's historical demographic of predominantly male in its professional ranks. In addition, much

**Table 3: GAO Interns and Conversions to Permanent Status (2002 – 2006)<sup>53</sup>**

	WMI	WF	BMI	BF	HMI	HF	AMI	AF	Total
<b>2002 Interns</b>	<b>45</b> (33%)	<b>50</b> (36.5%)	<b>5</b> (3.6%)	<b>9</b> (6.6%)	<b>2</b> (1.4%)	<b>9</b> (6.6%)	<b>5</b> (3.6%)	<b>12</b> (8.7%)	<b>137<sup>54</sup></b> (100%)
<b>Conversions</b>	<b>14</b> (31%)	<b>14</b> (28%)	<b>0</b> (0%)	<b>0</b> (0%)	<b>0</b> (0%)	<b>3</b> (33%)	<b>1</b> (20%)	<b>4</b> (33%)	<b>36</b> (26%)
<b>2003 Interns</b>	<b>45</b> (32.6%)	<b>51</b> (37%)	<b>3</b> (2.2%)	<b>18</b> (13%)	<b>3</b> (2.2%)	<b>1</b> (.7%)	<b>10</b> (7.2%)	<b>7</b> (5.1%)	<b>138</b> (100%)
<b>Conversions</b>	<b>21</b> (46%)	<b>17</b> (33%)	<b>1</b> (33%)	<b>10</b> (55%)	<b>1</b> (33%)	<b>0</b> (0%)	<b>3</b> (30%)	<b>3</b> (43%)	<b>56</b> (41%)
<b>2004 Interns</b>	<b>64</b> (37%)	<b>57</b> (32.7%)	<b>6</b> (3.4%)	<b>12</b> (6.9%)	<b>7</b> (4%)	<b>6</b> (3.4%)	<b>7</b> (4%)	<b>15</b> (8.6%)	<b>174</b> (100%)
<b>Conversions</b>	<b>23</b> (36%)	<b>22</b> (39%)	<b>1</b> (16%)	<b>5</b> (42%)	<b>3</b> (43%)	<b>1</b> (16%)	<b>2</b> (29%)	<b>8</b> (53%)	<b>65</b> (37%)
<b>2005 Interns</b>	<b>60</b> (34.5%)	<b>60</b> (34.5%)	<b>10</b> (5.7%)	<b>19</b> (11%)	<b>5</b> (2.9%)	<b>7</b> (4%)	<b>4</b> (2.3%)	<b>9</b> (5.1%)	<b>174</b> (100%)
<b>Conversions</b>	<b>28</b> (46%)	<b>28</b> (46%)	<b>6</b> (60%)	<b>11</b> (58%)	<b>3</b> (60%)	<b>2</b> (29%)	<b>0</b> (0%)	<b>3</b> (33%)	<b>81</b> (46%)
<b>2006 Interns</b>	<b>70</b> (36.5%)	<b>70</b> (36.5%)	<b>8</b> (4.2%)	<b>13</b> (6.7%)	<b>3</b> (1.6%)	<b>6</b> (3.1%)	<b>10</b> (5.2%)	<b>12</b> (6.2%)	<b>192</b> (100%)
<b>Conversions</b>	<b>TBD</b>	<b>TBD</b>	<b>TBD</b>	<b>TBD</b>	<b>TBD</b>	<b>TBD</b>	<b>TBD</b>	<b>TBD</b>	

In 2002, Hispanics made up 8% of the interns and 8.3% of those accepting offers of permanent employment. In 2003, however, Hispanics constituted only 2.9% of the interns (4/138) and only one of them was converted to permanent status. In 2004, interns of Hispanic origin constituted 7.5% of the interns and 6.2% of those accepting offers of permanent

like the Federal government as a whole, GAO has an aging workforce comprised of a high percentage of retirement eligible employees.

<sup>53</sup> The number of offers/acceptances of permanent employment has yet to be determined for the interns from the summer of 2006.

<sup>54</sup> The complete figures for 2002 are 138 total interns and 37 conversions; one person placed himself in the "Other" category when describing his race/national origin.

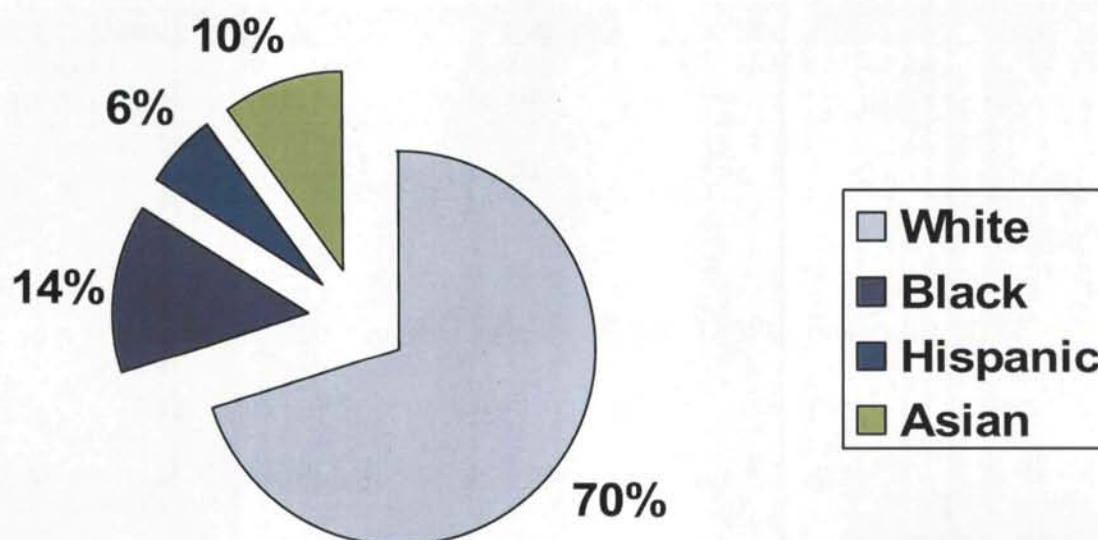


employment. In real numbers, eight of the twelve (66%) Hispanic interns in 2005 were offered permanent employment; five accepted including all of the male interns of Hispanic origin.

In 2006, a year for which the conversion data is not yet available, Hispanics made up only 4.7% (9/192) of the GAO interns. The numbers show a downward trend for the past three years with 13 Hispanic interns in 2004, 12 in 2005, and 9 in 2006 although the intern classes themselves are growing with the class of 2006 having 18 more members (10%) than the classes of 2004 and 2005. Conversions of Hispanic interns did, however, increase from 4 to 5 in 2005.

The percentage of Asians in the intern classes exceeded the percentage of Hispanics in every year except 2005.

**Chart 1: Intern Conversions to Permanent Status (2002-05)**



Both Hispanic and Asian interns have been converted to permanent status in higher percentages than their overall representation in the GAO workforce over the course of the past four years.

Just as important as the demographics of the intern classes themselves are the offers for conversion to permanent status as a GAO employee. In 2005, GAO began keeping data on offers of permanent employment made to interns. That year, offers were made to eight of the 12 Hispanic interns, five of whom accepted. Table 4 shows all of the offers of permanent employment made to interns in 2005, broken down by race, national origin, and by gender. It also shows what percentage of total offers were made to interns by respective groupings and what percentage of total offers were accepted, again, by group.

**Table 4: Offers of Permanent Employment and Acceptances (2005)**

	WMI	WF	BM	BF	HMI	HF	AMI	AF	Total
<b>Offers made</b>	<b>43/60 (72%)</b>	<b>46/60 (77%)</b>	<b>9/10 (90%)</b>	<b>14/19 (74%)</b>	<b>3/5 (60%)</b>	<b>5/7 (71%)</b>	<b>3/4 (75%)</b>	<b>6/9 (66%)</b>	<b>129/174 (74%)</b>
<b>Offers accepted</b>	<b>28 (46%)</b>	<b>28 (46%)</b>	<b>6 (60%)</b>	<b>11 (58%)</b>	<b>3 (60%)</b>	<b>2 (29%)</b>	<b>0 (0%)</b>	<b>3 (33%)</b>	<b>81 (46%)</b>

As the table shows, 60% of the Hispanic male interns and 71% of the Hispanic female interns were offered jobs. All of the Hispanic male interns who were offered jobs accepted but only two of the five Hispanic females accepted. In 2005, Hispanics made up 6.9% of all of the interns; received 6.2% of the offers; and constituted 6.2% of those converted to permanent status. By comparison, Asians were 7.5% of the interns; received 7% of the offers; but made up only 3.7% of those converted to permanent status.

Attrition is also an important issue in achieving a representative workforce. The following table shows the race and national origin, by gender, of employees who left the Agency

through resignation, retirement, transference to another Federal agency, death or discharge during the past seven years.

**Table 5: Number of Voluntary Attritions (Resignations & Transfers) (2004-06)**

	WM	WF	BM	BF	HM	HF	AM	AF
<b>2004</b>	<b>37</b>	<b>65</b>	<b>11</b>	<b>9</b>	<b>2</b>	<b>4</b>	<b>2</b>	<b>10</b>
<b>2005</b>	<b>56</b>	<b>67</b>	<b>10</b>	<b>15</b>	<b>4</b>	<b>7</b>	<b>6</b>	<b>5</b>
<b>2006</b>	<b>61</b>	<b>73</b>	<b>10</b>	<b>25</b>	<b>3</b>	<b>3</b>	<b>6</b>	<b>4</b>

When looking at the universe of voluntary separations, which are defined only as resignations and transfers to other Federal agencies, in 2004 Asian females had the highest rate of attrition (8.2%) at GAO. Asians as a group had a rate of 6.3% compared to 4.1% for Hispanics. In 2005, Hispanic females had the highest rate of attrition (9.9%) of any group at the Agency, with Asian males second (8%). When viewed in totality, in 2005, Hispanics had an attrition rate of 7.5% and Asians had a rate of 7%. In 2006, Asian males had the highest rate (8.1%) of any group but Hispanics and Asians, as a whole, had the same rates of attrition (4.6%).<sup>55</sup>

### **The Senior Executive Service**

As previously noted, appointments of Hispanics to the SES at GAO have been virtually non-existent. In 1998, the Board issued a report about selection into the SES during a five year

<sup>55</sup> Human Capital Office, *GAO Race/Gender Attrition Rates*, (Dec. 2006). The overall attrition rate for GAO in 2004 was 9.8%; in 2005, it was 9.6%; and, in 2006, 10.5%.

period in the early to mid-nineties.<sup>56</sup> During the time period of that study, no Hispanic entered the SES either through competitive selection or through the Executive Candidate Development Program (ECDP); one was appointed to the SES non-competitively. The Board's study also revealed that only two of the Agency's 14 Band III Hispanic employees requested consideration for placement in the ECDP; neither was nominated. Of the 37 applicants for 11 internal SES vacancies, none was Hispanic.

The following compares the SES at GAO today with the SES in the Executive branch, by race and national origin.

	<u>Executive Branch</u>	<u>GAO</u>
White	86%	83.2%
Black	6.5%	12%
Hispanic	3.5%	1.6%
Asian	3.2%	3.2%

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<sup>56</sup> *Selection Into the Senior Executive Service at GAO (1992-1997)*, PAB (1998).

### Chapter III: Programs and Solutions

Over the years, Federal agencies have created a number of programs and developed strategies to boost the representation of Hispanics in the workforce. Although much of what is being done today to eliminate underrepresentation had its genesis in the Sixteen Point Program to increase the Hispanic presence in the Federal government which was inaugurated in 1970, there have been innovative efforts. In some instances, agencies have acted under the aegis of special authorities such as those granted by the Bilingual/Bicultural and Outstanding Scholar programs.<sup>57</sup> In other cases, agencies have worked within the perimeters of recruiting or retention incentives or have adjusted or expanded existing programs, sometimes reaching beyond the scope of their original intent or design.

In its *Fifth Annual Report on Hispanic Employment in the Federal Government*, OPM reviewed the practices and programs of a number of Executive branch agencies. Based on that review, OPM then identified recruitment, career development, and accountability for workforce diversity as effective human capital practices that are key to increasing Hispanic representation in the Executive branch.

#### **Recruitment**

As previously discussed, a recent GAO study determined that educational attainment was a critical factor in the underrepresentation of Hispanics in the Federal workforce, a concern also

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<sup>57</sup> The Outstanding Scholar Program, created pursuant to the *Luevano Consent Decree*, permits the direct, i.e., non-competitive, hire of an individual who meets certain academic performance measures. See *supra*, n. 21. In 2005, the MSPB held that the special hiring provisions of the Program cannot be used to create an exception to veterans' preference rights. *Dean v. Dep't of Agriculture*, 99 M.S.P.R. 533 (2003); See also, *Smith v. Social Security Admin.*, 101 M.S.P.R. 74. OPM has suspended its use of the authority, pending appellate resolution of the issue. OPM Notice, *Luevano Consent Decree and Outstanding Scholar Program*, [www.opm.gov/employ/luevano.asp](http://www.opm.gov/employ/luevano.asp).

singled out by the MSPB in its 1997 report. In the intervening years between the two reports, there has been some change in the education levels of Hispanics: in 1995, 9.2 percent of Hispanics held bachelors degrees or higher; ten years later, the figure is 12.1 percent, although this is still significantly below the percentage for Asians (49.4%), non-Hispanic whites (30.6%), or blacks (17.6%).<sup>58</sup> In addition, Hispanic undergraduates are only half as likely as their white counterparts to obtain a bachelor's degree and Hispanics are far more likely than whites to enroll in two year colleges.<sup>59</sup> The GAO analysis also noted that workers with bachelor's degrees were more than twice as likely as workers with high school diplomas to be employed in the Federal workforce relative to the non-Federal workforce. GAO itself requires a bachelor's degree for nearly all its entry level jobs; 60 percent of the GAO workforce holds a master's degree or a PhD.<sup>60</sup>

Notwithstanding the educational attainment figures, OPM heavily promotes recruitment at colleges and universities in conjunction with the use of hiring flexibilities and special authorities in order to maintain a diverse workforce, relying heavily on the Student Career Experience Program (SCEP) and the Federal Career Intern Program (FCIP).<sup>61</sup> Both SCEP and FCIP feature non-competitive hiring authorities that allow interns who successfully complete the programs to convert to permanent positions. In 2004, the percentage of new hires of Hispanic

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<sup>58</sup> U.S. Census Bureau, *Annual Social and Economic Supplement to the Current Population Survey* (2005).

<sup>59</sup> Richard Fry, *Recent Changes in the Entry of Hispanic and White Youth into College*, at 1, 10 (2005)

<sup>60</sup> Analysts, Information Technology (IT) Specialists, Economists, and Financial Auditors constitute the majority of positions at GAO and all require at least a bachelor's degree. Together, these staff jobs make up nearly 80% of the GAO workforce.

<sup>61</sup> FCIP hires have increased from 423 in 2001 to more than 7,000 in 2004. MSPB, *Building a High-Quality Workforce: The Federal Career Intern Program* (2005).

origin under SCEP increased from 8.1% in the previous year to 9.8%.<sup>62</sup> The percentage of Hispanic hires through the FCIP, called “the hiring method of choice” by the MSPB, was 13% from 2001 through 2004 although the Social Security Administration accounted for a majority of those.<sup>63</sup>

Agencies reported to OPM that they have been employing a variety of innovative recruitment strategies to identify and attract Hispanic students. For example, the Department of Agriculture (USDA) established an HSI Liaison Officer Program and located five officers at colleges and universities in Florida, New Mexico, Texas, and California. The Department of Commerce established a Student Ambassador Program at the University of Texas-El Paso and the University of Southern California that allows students to work at the Department under flexible schedules. In 2005, the National Nuclear Security Administration at the Department of Energy created a Future Leaders Program in order to develop entry-level candidates in certain disciplines for future leadership positions in that Agency. Approximately 24% of the participants in the program were Hispanic.<sup>64</sup>

Like the Executive branch, GAO makes use of a number of tools to recruit candidates from diverse backgrounds and concentrates its efforts on university campuses. The Agency began recruiting and hiring in earnest in 1998 after a five-year freeze on hiring was lifted; its first order of business was to re-establish a presence on major college and university campuses.<sup>65</sup>

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<sup>62</sup> Some agencies reported even greater success: in 2005, 32% of the SCEP interns hired by the U.S. Marshals Service were Hispanic. OPM, *Fifth Annual Report on Hispanic Employment in the Federal Government*, at 7 (2006).

<sup>63</sup> *Id.*

<sup>64</sup> *Id.* at 13-14.

<sup>65</sup> GAO assigns an SES member to serve as a campus executive whose job it is to build relationships with faculty, career placement staff, and administration at a school. The campus executive may participate in a



Since that time, GAO's recruitment staff has refined the list of post-secondary schools on which to concentrate and its efforts are now directed toward targeted national universities with additional outreach to schools with a concentration of minority students or special focus programs. With the obvious place to start a recruiting program designed to increase Hispanic representation being Hispanic-Serving Institutions, GAO has widened its approach. In 2000, GAO added five universities with large Hispanic populations to its list of target schools and five more have been added subsequently.<sup>66</sup>

The bulk of new hires at GAO come to the Agency through a non-competitive process similar to the FCIP. GAO's intern program forms the centerpiece of its recruitment program and is restricted to students at the bachelor's or graduate levels. Each year, GAO hires between 100 and 200 summer interns from its intensive university recruiting and makes job offers to approximately 60% of them. As previously noted, in the 2005 intern class, Hispanics made up 6.9% of all interns; received 6.2% of the offers; and were 6.2% of those converted to permanent status.

In addition to its own program, GAO is in the process of hiring an intern through the Hispanic Association of Colleges and Universities and plans to use that resource as an adjunct to its program in the future.

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career fair, conduct informational exchanges with interested or targeted applicants, and/or make classroom presentations. The informational exchanges are designed to encourage promising candidates to apply for GAO positions.

<sup>66</sup> The five original schools were the University of Puerto Rico, University of Texas-San Antonio, California State University-Los Angeles, New Mexico State University, and University of Texas-El Paso. The Agency also recruits potential Hispanic applicants at University of California-Los Angeles, California State-San Bernadino, University of California-San Diego, University of Colorado-Denver, and University of Texas-Arlington.

GAO has also recently established a Student Career Experience Program (SCEP) which requires students to be enrolled on at least a half-time basis in an institution with which GAO has a cooperative education agreement.<sup>67</sup> As is true for the intern program, SCEP participants are eligible for consideration conversion to a full time position. GAO intends to target Hispanic students for SCEP. Within the last year, the Financial Management and Assurance team hired several Hispanic accountants pursuant to GAO's Non-Competitive Entry Authority.<sup>68</sup> This particular hiring authority is designed to either address skill shortages or to match competition in the labor market.<sup>69</sup>

### **Career Development**

A necessary adjunct to a solid recruiting program is career development that should provide employees the opportunity, through training and developmental activities, to acquire requisite skills so that, ultimately, they are able to compete for or progress to higher levels within the organization.

Most of the agencies reporting to OPM about career development noted that they make liberal use of leadership, upward mobility and mentoring programs as well as individual development plans to assist in identifying training and competency needs. Some, such as the Defense Contract Audit Agency (DCAA), send selected employees to school to obtain advanced

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<sup>67</sup> GAO had a Cooperative Education Program (Co-op) in the 1980s which was an integral part of affirmative action planning. For example, in 1984, 33 students were hired under the Co-op, six of whom were black and six of whom were Hispanic. *Oversight Review of GAO*, PAB, at 78-79 (1985). At that time, 85% of GAO staff at the GS-9 level and above were white.

<sup>68</sup> Letter from Jesse Hoskins, Chief Human Capital Officer, GAO (Feb. 23, 2006).

<sup>69</sup> GAO Order 2213.1 §5(d).

degrees. The DCAA reported that 8.3% of its employees who are seeking advanced degrees under its Fellowship Program in Management are Hispanic.<sup>70</sup>

In 2001, GAO established a Professional Development Program (PDP) to which all new entry-level staff is assigned. The two-year program entails rotation through several engagements, development of an individual plan, formal and on-the-job training, and activities that emphasize peer interaction. In addition, the Human Capital Office (HCO) has established an intensive and comprehensive mentoring program designed to create enrichment opportunities for newer staff. The HCO-wide mentoring initiatives include the creation of Individual Development Plans (IDP) for each employee, the assignment of Development Staff Advisors to all entry-level staff, and the use of a Career Tracks program to identify developmental tasks and formal training that will assist staff in moving from one career track to another. Within HCO, component offices have built on the HCO-wide initiatives, offering, for example, community of practice teams aimed at identifying career enhancement opportunities as well as “first stop” and hands on mentoring designed to familiarize new employees with policies and processes and to provide continuous feedback.

In the five year period ending in 2004, 1,346 permanent employees separated from GAO and, notwithstanding the developmental programs for new employees, a third left within their first five years at the Agency. Of those who separated, 22% were minorities and 42% were females. A critical factor in maintaining and retaining a diverse workforce is ensuring that there is, in fact, diversity at all levels of the organization. A common theme in decades of civil rights litigation has been advancement of the notion that seeing minorities and women in leadership

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<sup>70</sup> OPM, *Fifth Annual Report on Hispanic Employment in the Federal Government*, at 17 (Dec. 2005).

roles leads those at lower levels to believe that barriers to their mobility are not insurmountable.<sup>71</sup> Senior level employees serve not only as role models but often as mentors, as well. At GAO, there is a dearth of Hispanics at the upper levels of management. As noted previously, today there are two Hispanics serving in GAO's Senior Executive Service; the last 71 appointments to the SES all went to non-Hispanics. Of the Band III analysts and specialists in the Agency who primarily form the pool of SES candidates today, 19 (4.4%) are Hispanic;<sup>72</sup> at the end of downsizing in 1997, five (1.2%) of the Band III population were Hispanic.

Both the MSPB and GAO have issued studies concerning the underrepresentation of Hispanics in the Federal Government that have attempted to isolate the causes and point to some solutions for the persistent problem. Both have repeatedly pointed out how critical it is to have Hispanics in management positions. According to the MSPB, this practice provides mentors, demonstrates a clear commitment to workforce diversity, and leads to a greater connection with Hispanic communities which, in turn, can broaden the applicant pool.

### **Accountability**

There is no question that commitment to building and maintaining a diverse workforce must come from the top tiers of Agency management. OPM cautions, however, that

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<sup>71</sup> See, e.g., *Regents of Univ. of California v. Bakke*, 438 U.S. 265, 306 n.43 (1978); *Grutter v. Bollinger*, 539 U.S. 306, 332 (2003).

<sup>72</sup> After the report was sent out for pre-publication comment, the Agency provided the Board with promotion data for two years. In 2004, 211 employees applied for Band III positions; 11 (5.2%) were Hispanic. Of the 112 employees who made the BQ list, four (3.6%) were Hispanic. Ultimately, 26 employees were selected for Band III promotions, 22 (85%) of whom were white and four (15%) of whom were black; none was Hispanic or Asian. In 2005, 43 employees were selected for Band III positions. Of those selected, 33 were white (77%); 3 were black (7%); 3 were Asian (7%); and 4 were Hispanic (9%).

commitment alone is not enough; managers and supervisors must be held accountable for achieving and maintaining an environment that promotes workforce diversity.<sup>73</sup> Among the effective practices that OPM points to in its latest report on Hispanic employment in the Federal Government are mandatory annual training on special emphasis programs, barrier analysis, and EEO complaint processing; the establishment of internal councils to assist management in devising effective policies and programs, and the identification of “best practices” that can be incorporated into an agency’s management directives and protocols.

At GAO, the Comptroller General sets the tone for the Agency and the current CG has repeatedly sent the message that he intends for GAO to have a workforce that “capitalizes on the nation’s diversity to reflect the faces of those it serves.”<sup>74</sup> The GAO Order that governs opportunity and inclusiveness at the Agency holds the CG responsible for “establishing, maintaining, and implementing a continuing program to promote equal opportunity for all, in every aspect of GAO personnel and policy.”<sup>75</sup> He is charged with reviewing, evaluating and influencing his managers and supervisors with respect to implementation of the Agency’s EEO policies and providing training to assure their understanding of the policies.<sup>76</sup>

To ensure accountability, members of the SES have performance standards that, at the “Meets Expectations” rating level, require them to support professional development, engage in mentoring, and assist employees with their Individual Development Plans. They are further

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<sup>73</sup> OPM, *Fifth Annual Report on Hispanic Employment in the Federal Government*, at ii (2006).

<sup>74</sup> See, e.g., *GAO Management News*, Vol. 32, No. 40 (Week of July 11-15, 2005).

<sup>75</sup> GAO Order 2713.1, *Opportunity and Inclusiveness in the Government Accountability Office (GAO)*, ch. 1, ¶5 (Mar. 23, 2005).

<sup>76</sup> An example of the courses offered to managers at GAO is one designed to foster leadership and management development. The course for staff at the Band III and SES levels, entitled “Develop,

specifically charged with identifying human capital requirements and developing “a diverse pool of qualified candidates to fill vacancies through effective succession planning and workforce planning” while adhering to equal opportunity principles. Finally, the GAO SES corps, through the Performance Management system, is required to “. . . take affirmative steps to ensure that all staff members have opportunities to demonstrate their capabilities; and demonstrate zero tolerance for discrimination of any type.”<sup>77</sup>

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Motivate, and Retain Staff,” focuses on practices to assure staff development and productivity while motivating and retaining a multi-generational, multi-cultural staff.

<sup>77</sup> *General Expectations and Performance Standards for Team SES Members*, at 5 (FY 2006 and FY 2007).

## Chapter IV: Conclusions and Recommendations

Since the resumption of recruiting and hiring in the late 1990s, GAO has recognized a number of impediments to the successful recruitment and retention of Hispanics. The Board is cognizant of the fact that the Agency has made a concerted effort to attract persons of Hispanic origin to its ranks. Taking the mandates of its authorizing statute and implementing regulations seriously, in recent years the Agency has doubled the number of HSIs that it targets for recruitment of Hispanic students; is participating in a HACU internship program; is reaching out to Hispanic-serving professional organizations; has made use of its direct hire authority to bring Hispanic employees on board; and is holding managers accountable for diversity and staff development. Even with those efforts, Hispanic employees remain underrepresented at GAO and in the Federal government, as a whole, when compared to the RCLF.

To a greater extent than some of its Executive branch counterparts, GAO's pool of applicants is limited by its high educational requirements. The Agency is recruiting for positions that require, at a minimum, a bachelor's degree; its workforce has virtually no wage grade or blue collar workers. In a recent GAO intern class, only 13% were undergraduates. As previously noted, Hispanics have lower levels of educational attainment when compared to the rest of the population and predominate in blue collar occupations. In order to help increase the pool of qualified applicants GAO should establish a direct correlation between the work to be performed and advanced educational requirements.<sup>78</sup> Again, keeping in mind approaches that could be used to increase the pool of qualified applicants, the Agency might consider reviewing

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<sup>78</sup> The CG commissioned an internal study at GAO to identify the factors that determine the success of entry-level analysts. The conclusion of the study was that education plays a smaller role than job experiences, competencies, and certain "intangibles." The study also found that there was little difference in performance among the entry-level analysts regardless of the school attended or the degree level attained. *Management News*, Vol. 34, No. 11 at 3-4 (Dec. 11-15).



skill set requirements to determine whether prior job experience could substitute in part for advanced degrees.

In addition, GAO should establish close relationships with faculty members and career counselors at secondary schools with high Hispanic representation, who can identify and encourage good candidates to seek GAO internships and employment and emphasize internship opportunities in field offices in areas with substantial Hispanic populations.

The Board has previously recommended to the Agency that it attempt to expand its pool of qualified black and Hispanic candidates through supplementing and further refining its existing recruiting efforts and using established networks for disseminating vacancy information. GAO has notified the Board that it is in complete agreement with this recommendation. In fact, GAO noted in its earlier response to that recommendation that it was expanding its recruitment strategy in order to increase the number of black and Hispanic applicants and, accordingly, has doubled the number of HSIs on its targeted school list and has established a cooperative education program (SCEP) in order to attract Hispanic candidates. The Agency also informed the Board of its intention to use its direct hire authority for hard to fill vacancies which it has now done, furthering the representation of Hispanics in its workforce. As noted previously, FMA recently brought on several accountants pursuant to this authority.

In addition to its expanding targeted recruitment of Hispanics at universities, there are a number of other steps that GAO could take that might serve to increase the representation of Hispanics in its workforce. GAO may well consider recruiting mid-career employees, generally defined as people over 40 with 10 or more years of work experience. These employees, who may be looking for a change or re-entering the workforce, could swell the mid-level ranks where

attrition is high and the need for mentors and role models is great.<sup>79</sup> In the same vein, GAO could also consider developing an across-the-board public and private sector recruitment plan in order to cast a wider net for potential employees at all levels, including outreach to the U.S. military departments, as well as accounting and auditing firms in order to identify and recruit Hispanic achievers.

The Agency should also ensure that there is Hispanic representation at the leadership and advisor levels of its PDP program, which not only provides the introduction to GAO's procedures but serves as a window to its culture.

The Agency is not making strides in expanding Hispanic representation at the Band III level and developing those employees into viable candidates for the Agency's Senior Executive Service. As the Board found in its previous study of the SES at GAO, the composition of the feeder group, the pipeline to the SES, is critical to achieving diversity in its Executive corps. Currently, 4.4% of the Band III analysts and specialists are Hispanic, which mirrors the percentage for the Agency as a whole. As noted elsewhere in this report, not one Hispanic has been selected for any of the 71 competitive SES slots that have been filled since 1999; the same was true for the five year period of 1992-1997 that was featured in an earlier Board report.

In its 1999 report to the Comptroller General, GAO's Hispanic Liaison Group recommended the establishment of a mid-level management development program that would include formal mentoring for senior level staff (Bands IIB and III in today's Agency) and would proactively encourage qualified employees to pursue SES candidacy. The Board believes that implementation of this recommendation would be a critical step in enlarging the pool of SES candidates at GAO and would realize GAO's statutory and regulatory obligations to take

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<sup>79</sup> This was identified by GAO itself as a valuable tool in attracting a qualified, diverse workforce. GAO, *Diversity Management: Expert-Identified Leading Practices and Agency Examples* (2005).

affirmative steps “to eliminate underrepresentation of minorities and women in the various categories of employment in GAO.”<sup>80</sup>

Along with a mid-level development program, GAO should also direct its developmental efforts toward ensuring that there is a viable pool of candidates for Band IIB and Band III vacancies. Not only would this provide the foundation for the Hispanic candidate pool for the SES, it should also help resolve what was found by the Board’s in its 1999 study of promotions of banded employees: Hispanics as a group moved more slowly from Band I Developmental to Band I Full Performance than other protected groups. The Agency should review its records to see if that same situation exists for Hispanics relative to other groups moving from Band I to Band II.

In addition, GAO’s Office of Opportunity and Inclusiveness should issue an annual or biennial report equivalent to the FEORP describing and grading GAO’s Hispanic employment efforts.

And finally, selecting officials should be cognizant of the Agency’s affirmative obligation to remedy underrepresentation and should be able to explain why they were unable to select or hire a qualified Hispanic candidate for employment or promotion.

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<sup>80</sup> 4 C.F.R. §7.2(b); 31. U.S.C. §732(f)(3).

## **Appendix: Comments**

It is a longstanding practice of the Board to send a final draft of its Oversight reports to affected parties in order to solicit their views on the document. Accordingly, on November 30, 2006, the report was sent to the Agency, the Hispanic Liaison Group, and the Board's General Counsel for comment. Shortly thereafter, the Board received additional information that it had requested from the Agency over the course of the past year. The information was deemed critical enough to the study that the Board revised the draft report and transmitted a new draft for comment in late December 2006. The Agency and the PAB's General Counsel both submitted comments on the draft report; their letters are reproduced below.



G A O

Accountability • Integrity • Reliability

January 31, 2007

Ms. Beth L. Don  
Executive Director  
Personnel Appeals Board  
U.S. Government Accountability Office  
820 1<sup>st</sup> Street, NE  
UCP II, Suite 560  
Washington, D.C. 20002

Dear Ms. Don:

Please accept our sincere appreciation for allowing GAO to respond to the draft oversight report on the employment of Hispanics at GAO transmitted on November 30, 2006. We have shared the draft with appropriate GAO officials including Ron Stroman, Managing Director, Office of Opportunity and Inclusiveness (OOI).

Based upon your findings and recommendations, we are transmitting our responses. The Executive Committee has received the report and agrees with several of the recommendations contained therein. They believe these recommendations will enhance GAO's diversity efforts. GAO's more detailed response is outlined below:

Within Chapter IV: Conclusions and recommendations you provided findings and recommendations for two overall areas.

**Finding 1.** PAB Finding and Recommendation: Reference Chapter IV, page 31" GAO should establish that there is a direct correlation between the work to be performed and advanced educational requirements."

**Recommendation:** GAO should consider reviewing skill set requirements to determine whether prior job experience could substitute in part for advanced degrees.

**Response:** GAO agrees. HCO has substantially completed an entry level job analysis. HCO is also working with the Health Care Team on competency based hiring for Band IIA's. GAO already hires at the undergraduate levels for Accountants, Information Technology, Professional and Technical occupations. GAO has also experienced success in using flexible hiring authorities with the Financial Management and Assurance (FMA) Team during our 2005 hiring season.

**Recommendation:** Develop stronger college and university relationships with a diverse student population serving undergraduate and graduate students.

**Response:** GAO agrees. We will explore assigning a HCO and/or Mission bilingual staff person as the primary contact for GAO recruitment network, schools, and applicants. In addition, the staff person will work with the GAO Focal Point on strategic talent acquisition to support GAO in attracting and retaining high quality staff. GAO will develop a process to obtain post job offer feedback from interns who decline job offers. GAO routinely surveys and communicates with interns while they are interning. We will also explore how we may obtain feedback on their experience and career plans before the end of their internship. This would assist GAO in determining what possible factors may be influencing their decision not to accept our job offers for intern conversions.

**Recommendation:** Recruit mid-level career applicants for upper level hires.

**Response:** GAO agrees. When opportunities present themselves, we will follow up with selecting officials to ascertain the official's reasons for not considering quality candidates. GAO already performs agency-wide reviews of promotions and competitive placement opportunities.

**Finding 2.** PAB Finding and Recommendation reference Chapter VI, page 33, "The Agency is not making strides in expanding Hispanic representation at the Band III level and developing those employees into viable candidates for the Agency's Senior Executive Service.

**Recommendation:** PAB recommends developing a mid level development program for Band IIBs and Band IIIs.

**Response:** GAO will consider this recommendation. GAO's Learning Center currently is assessing leadership characteristics with GAO leaders and staff. HCO Learning Center will share results with the Executive Committee for potential leadership development efforts and/or leadership course curriculum. The ERB Chair and the Chief Operating Officer assess the feeder pool for the SES/SL annually. Based upon their assessment and approval from the Executive Committee the Executive Candidate Development Program provides the frame work for training and developing future leadership. GAO also routinely issues external vacancy announcements for the ECDP at the same time. The Learning Center's research and potential proposal will address specific leadership characteristics and at what level these learning experiences should begin. It would be very costly for a similar leadership program for Band IIBs as we have for the ECDP; however, some type of more streamlined program may be possible, appropriate and affordable. If a program is adopted for Band IIBs or other band levels, GAO may need to consider open competition for the developmental effort and the expenditures associated with such an effort. GAO will share results of Learning Center study once the Executive Committee receives and approves a GAO wide plan for leadership development.

**Recommendation:** Office of Opportunity and Inclusiveness (OOI) should conduct annual or bi-annual reviews of Hispanic employment and recruitment programs.

**Response:** OOI agrees to continue its assessment of GAO hiring annually and OOI agrees to conduct bi-annual reviews for Hispanic hiring and promotions including all diverse groups.

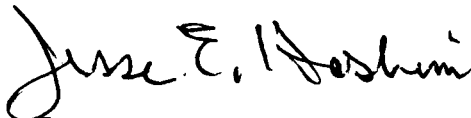
**Recommendation:** GAO selecting officials should be aware and affirm obligation to remedy under representation. GAO selecting officials should explain why they were unable to select or hire qualified Hispanic candidates for employment or promotion.

**Response:** GAO's strategic plan provides clear direction for stressing diversity as a part of our ongoing effort to be an employer of choice. GAO annually provides safeguards for the promotion and competitive placement process through independent reviews by OOI, HCO and the Executive Committee. OOI reviews HCO recruitment and employment data each hiring season independent of human capital staff. Neither OOI or HCO has a Federal Equal Opportunity Recruitment Plan (FEORP); however, last year GAO did establish membership with the Hispanic Association of Colleges and Universities to strengthen our efforts to attract Hispanic applicants. GAO includes among the colleges and universities we recruit from, those institutions which have a high representation of a diverse student body. We continue to use special hiring authorities to provide team and units maximum hiring flexibilities.

In closing, we want to state that GAO continues to monitor the feeder pool for Band IIIs and Band IIBs. The Executive Committee and the Executive Resources Board are very much aware and support diversity as you stated in your draft report. As a designated "Best Places to Work" by the Partnership for Public Service GAO continues to improve diversity and we are committed to being the employer of choice in all respects.

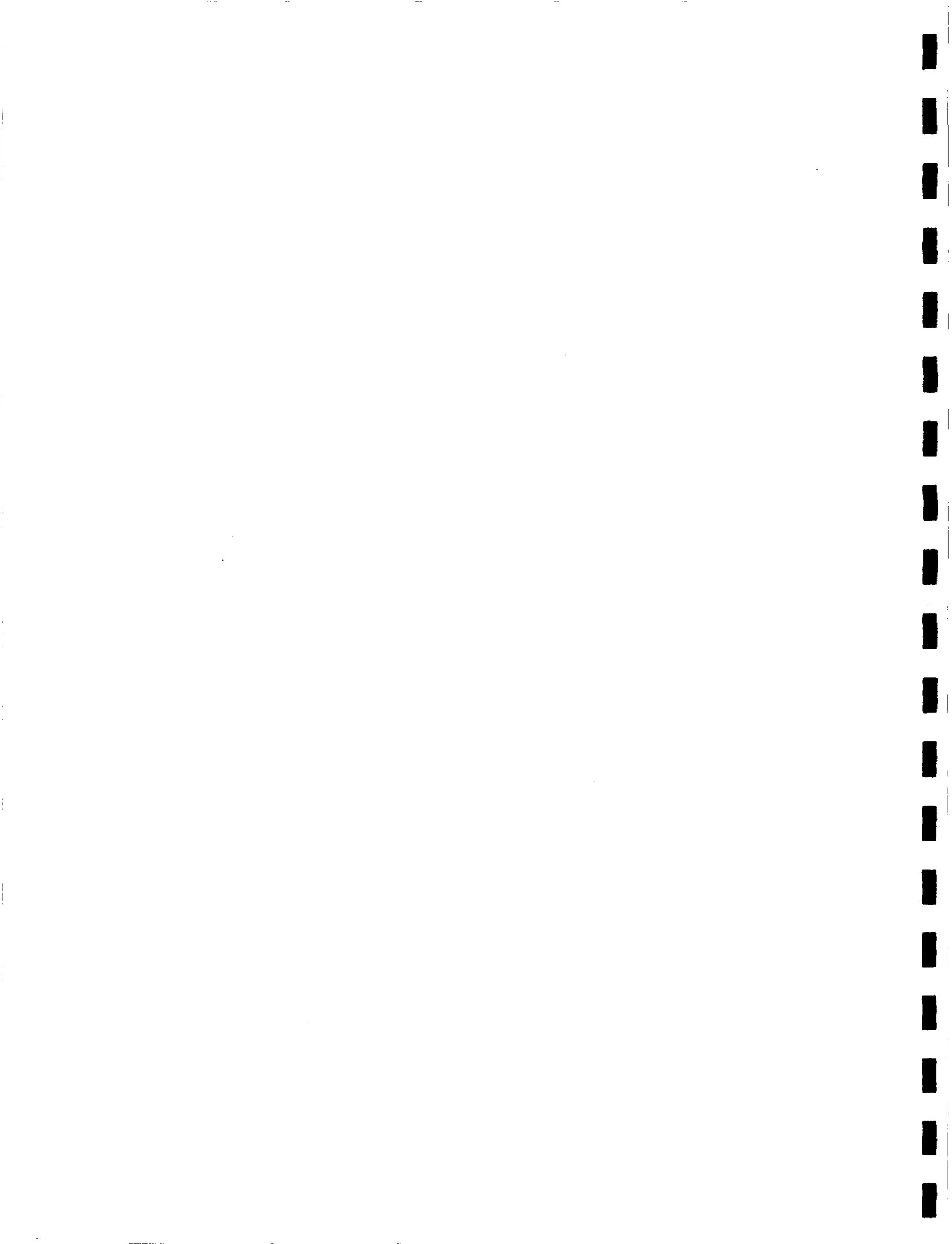
If you have any questions or need additional information, please contact me at 202-512-4583.

Sincerely,



Jesse E. Hoskins  
Chief Human Capital Officer

cc: Joan Hollenbach, GC  
Ronald Stroman, OOI  
Gail Gerebenics, PAB  
Phyllis Hughes, HCO







Personnel  
Appeals  
Board

Office of General Counsel

January 16, 2007

Mr. Michael Doheny, Chair  
Personnel Appeals Board  
U.S. Government Accountability Office  
820 First Street, N.W. Suite 560  
Washington, D.C. 20002

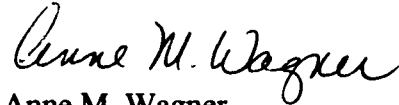
Dear Mr. Doheny:

This is in response to the request by the Personnel Appeals Board (PAB or Board) for comments to its report entitled "The Employment of Hispanics at GAO." This report, undertaken pursuant to the PAB's statutory duty to oversee GAO regulations, procedures, and practices relating to employment discrimination, addresses the serious issue of under-representation of Hispanics in the GAO workforce.

The Board's historical analysis and assessment of existing conditions that may contribute to the lack of Hispanic employees at GAO provide valuable insights for future improvement. Similarly, its conclusions and recommendations set forth a number of steps that seem reasonably likely to enhance the presence of Hispanic employees at GAO.

We appreciate the opportunity to review and comment upon this important work,<sup>1</sup> and look forward to its publication.

Sincerely,

A handwritten signature in cursive script that reads "Anne M. Wagner".

Anne M. Wagner  
General Counsel

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<sup>1</sup> Except for noting a typographical error in Table 3, which incorrectly indicates that the 56 interns who converted to permanent employment in 2003 represented 100% of the 138 total interns employed during that year, we do not have any additional editorial comments beyond those previously submitted.