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HUMAN CAPITAL

Efforts to Enhance Diversity and Ensure a Fair and Inclusive Workplace at GAO

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Chairman Davis, Chairman Akaka, and Members of the Subcommittees:

Good Morning. I am Ron Stroman, the Managing Director of the Office of Opportunity and Inclusiveness at the United States Government Accountability Office (GAO). I am pleased to be here today to discuss some of the steps we have taken to help enhance diversity and create a fair and inclusive workplace at GAO. In these efforts, we are all affected by the world we live in. Discrimination and intolerance are an unfortunate and continuing reality in our country. Overcoming these barriers is more than a professional responsibility for me. I have stood outside the Rayburn House Office building wearing a suit and a tie during the middle of the day trying to hail a cab only to have that cab driver pass me by in order to pick up a white person standing less than five feet behind where I stood. My son has been stopped by the police repeatedly while driving because he was driving through a community that the police didn't think he belonged in. Race, gender, ethnicity, disability, age, and sexual orientation do matter.

Vigorous enforcement of anti-discrimination laws remains an essential responsibility of government. Moreover, diversity in the federal government can be a key component for executing agency missions and achieving results. Not only is it the right thing to do, but an inclusive work environment can improve retention, reduce turnover, increase our ability to recruit, and improve overall organizational effectiveness.

Role of the Office of Opportunity and Inclusiveness

The Comptroller General recognized that he needed to shift the emphasis of the then Office of Civil Rights from a reactive, complaint processing focus to a more proactive, integrated approach. He wanted to create a work environment where differences are valued and all employees are offered the opportunity to reach their full potential and maximize their contributions to the agency's mission. In 2001, the Comptroller General changed the name of the Office of Civil Rights to the Office of Opportunity and Inclusiveness and gave the office responsibility for creating a fair and inclusive work environment by incorporating diversity principles in GAO's strategic plan and throughout our human capital policies. Along with this new strategic mission, the Comptroller General changed organizational alignment of the Office of Opportunity and Inclusiveness by having the office report directly to him. Also, in 2001, I was selected as the first Managing Director of the Office of Opportunity and Inclusiveness.

The Office of Opportunity and Inclusiveness (O&I) is the principal adviser to the Comptroller General on diversity and equal opportunity matters.

The office manages GAO's Equal Employment Opportunity (EEO) program, including informal precomplaint counseling, and GAO's formal discrimination complaint process. We also operate the agency's early resolution and mediation program by helping managers and employees resolve workplace disputes and EEO concerns without resorting to the formal process. In addition, O&I monitors the implementation of GAO's disability policy and oversees the management of GAO's interpreting service for our deaf and hard-of-hearing employees. But effective efforts to create a diverse, fair, and inclusive work place require much more.

In furtherance of a more proactive approach, O&I monitors, evaluates, and recommends changes to GAO's major human capital policies and processes including those related to recruiting, hiring, performance management, promotion, awards, and training. These reviews are generally conducted before final decisions are made in an effort to provide reasonable assurance that GAO's human capital processes and practices promote fairness and support a diverse workforce.

Throughout the year, O&I actively promotes diversity throughout GAO. For example, last year we met with the summer interns to discuss their experiences and to provide guidance on steps that interns can take to enhance their chances for successful conversion to permanent employment at GAO. We also took steps to increase retention of our entry-level staff by counseling our Professional Development Program advisers on the importance of consistent and appropriate training opportunities and job assignments that afford all staff the opportunity to demonstrate all of GAO's competencies. I also made several presentations that reinforced the agency's strategic commitment to diversity, including a panel discussion on diversity in the workforce, a presentation to new Band II analysts on the importance of promoting an environment that is fair and unbiased and that values opportunity and inclusiveness for all staff, and a presentation to Senior Executive Service (SES) managers on leading practices for maintaining diversity, focusing on top leadership commitment and ways that managers can communicate that commitment and hold staff accountable for results.

This proactive and integrated approach to promoting inclusiveness and addressing diversity issues differs from my experience as Director of the Office of Civil Rights at a major executive branch agency. As Director of that office, a position I held immediately before coming to GAO, I had little direct authority to affect human capital decisions before they were implemented, even though those decisions could adversely affect protected groups within the agency. For the most part, my role was to

focus on the required barrier analysis and planning process. The problem with this approach is that agencies generally make just enough of an effort to meet the minimal requirements of the plan developed by this process. In addition to these plans, diversity principles should be built into every major human capital initiative, along with effective monitoring and oversight functions.

Efforts to Attract a Diverse Pool of Top Candidates

The war for talent, especially given increasing competition with the private sector, has made it more competitive for GAO and other federal agencies to attract and retain top talent. Graduates of color from our nation's top colleges and universities have an ever increasing array of career options. In response to this challenge, GAO has taken a variety of steps to attract a diverse pool of top candidates. We have identified a group of colleges and universities that have demonstrated overall superior academic quality, and either have a particular program or a high concentration of minority students. They include several Historically Black Colleges and Universities, Hispanic-serving institutions, and institutions with a significant portion of Asian-American students. In addition, GAO has established partnerships with professional organizations and associations with members from groups that traditionally have been underrepresented in the federal workforce, such as the American Association of Hispanic CPAs, the National Association of Black Accountants, the Federal Asian Pacific American Council, the Association of Latino Professionals in Finance and Accounting, and the American Association of Women Accountants. GAO's recruiting materials reflect the diversity of our workforce, and we annually train our campus recruiters on the best practices for identifying a broad spectrum of diverse candidates.

GAO's student intern program serves as a critically important pipeline for attracting high-quality candidates to GAO. In order to maximize the diversity of our summer interns, O&I reviews all preliminary student intern offers to ensure that the intern hiring is consistent with the agency's strategic commitment to maintaining a diverse workforce. O&I also meets with a significant percentage of our interns in order to get their perspectives on the fairness of GAO's work environment. Moreover, our office recently analyzed the operation of the summer intern program and the conversion process and identified areas for improvement. GAO is implementing changes to address these areas, including taking steps to better ensure consistency in the interns' experiences and to improve the processes for evaluating their performance and making decisions about permanent job offers.

Processes and Safeguards Established to Help Ensure Accountability and Promote Transparency of GAO's Performance Management Systems

Competency-based performance management systems are extremely complex. It is important to implement safeguards to monitor implementation of such systems. As a way to ensure accountability and promote transparency, the Comptroller General made an unprecedented decision to disseminate performance rating and promotion data. Over some objections, the Comptroller General agreed to place appraisal and promotion data by race, gender, age, disability, veteran status, location, and pay band on the GAO intranet and made this information available to all GAO staff. This approach allows all managers and staff to monitor the implementation of our competency-based performance management systems and serves as an important safeguard in relation to the processes. As far as I am aware, no other federal agency has ever done this, nor am I aware of any major corporation in America that has taken such an action. The Comptroller General rejected the argument that an increased litigation risk should drive the agency away from disseminating this information. Instead he stood by his position that the principles of accountability and transparency dictated that we should make this data available to all GAO employees.

In addition to making this data available to all GAO staff, O&I and the Human Capital Office conduct separate and independent reviews of each performance appraisal and promotion cycle before ratings and promotions are final. In conducting its review of performance appraisals, O&I uses a two-part approach; we review statistical data on performance ratings by demographic group within each unit, and where appropriate, we conduct assessments of individual ratings. In conducting the individual assessments we (a) examine each individual rating within the specific protected group; (b) review the adequacy of any written justification; (c) determine whether GAO's guidance on applying the standards for each of the performance competencies has been consistently followed, to the extent possible; and (d) compare the rating with the self-assessment to identify the extent to which there are differences. I meet with team managing directors to resolve any concerns we have after our review. In some instances ratings are changed, and in other cases we obtain additional information that addresses our concerns.

Our promotion process review entails analyzing all recommended best-qualified (BQ) lists. We review each applicant's performance ratings for the last three years. In addition, we also review each applicant's supervisory experience. I discuss concerns about an applicant's placement with the relevant panel chair. I then meet with the Chief Operating Officer and the Chief Administrative Officer to discuss any continuing concerns. A similar process is used regarding managing director's selection decisions.

In addition to these independent reviews, GAO provides employees with several avenues to raise specific concerns regarding their individual performance ratings. The agency has an administrative grievance process that permits employees to receive expedited reviews of performance appraisal matters. Moreover, employees have access to early resolution efforts and a formal complaint process with O&I and at the Personnel Appeals Board.

Additional Efforts to Enhance Diversity Are Needed and Planned

Despite our continuing efforts to ensure a level playing field at GAO, more needs to be done. The data show that for 2002 to 2005 the most significant differences in average appraisal ratings were among African-Americans at all bands for most years compared with Caucasian analysts. Furthermore, the rating data for entry level staff show a difference in ratings for African-Americans in comparison to Caucasian staff at the entry-level from the first rating, with the gap widening in subsequent ratings. These differences are inconsistent with the concerted effort to hire analysts with very similar qualifications, educational backgrounds, and skill sets. In June 2006, we held an SES off-site meeting specifically focusing on concerns regarding the performance ratings of our African-American staff. Shortly thereafter, the Comptroller General decided that in view of the importance of this issue, GAO should undertake an independent, objective, third-party assessment of the factors influencing the average rating differences between African-Americans and Caucasians. I agree with this decision. We should approach our concern about appraisal ratings for African-Americans with the same analytical rigor and independence that we use when approaching any engagement. We must also be prepared to implement recommendations coming out of this review.

While we continue to have a major challenge regarding the average performance ratings of African-Americans, the percentages of African-Americans in senior management positions at GAO have increased in the last several years. I believe that the O&I monitoring reviews, direct access to top GAO management, and the other safeguards have played a significant role in these improvements. Specifically, from fiscal year 2000 to fiscal year 2007, the percentage of African-American staff in the SES/Senior Level (SL) increased from 7.1 percent to 11.6 percent, and at the Band III level the percentages increased from 6.7 percent to 10.8 percent. The following table shows the change in representation of African-American staff at the SES/SL and Band III levels for each year.

Table 1: Percentages of GAO's SES/SL and Band III Staff That Are African-Americans, Fiscal Years 2000 to 2007.

Fiscal years	Percentage of SES/SL level staff that are African-American	Percentage of Band III level staff that are African-American
2000	7.1	6.7
2001	7.0	7.3
2002	8.3	8.1
2003	9.0	8.9
2004	9.1	9.1
2005	9.0	10.5
2006	11.0	10.9
2007	11.6	10.8

Source: GAO.

Note: Data reflect the percentages at the start of the fiscal year.

Furthermore, the percentages of African-Americans in senior management positions at GAO compare favorably to the governmentwide percentages. While the percentage of African-Americans at the SES/SL level at GAO was lower than the governmentwide percentage in 2000, by September 2006, the GAO percentage had increased and exceeded the governmentwide percentage. At the Band III/GS-15 level, the percentage of African-American staff at GAO exceeded the governmentwide percentage in 2000 as well as in 2006. Table 2 lists the GAO and governmentwide percentages.

Table 2: African-Americans as a Percentage of SES/SL and Band III/GS-15 Staff, GAO and Governmentwide

	Percentage of African-American staff at the SES/SL level		Percentage of African-American staff at the Band III/GS-15 level	
	GAO	Governmentwide	GAO	Governmentwide
October 1, 2000	7.0	8.4	7.3	6.2
September 2006[a]	11.6	8.6	10.8	7.3

Source: GAO and GAO's analysis of the Office of Personnel Management data.

[a]The GAO percentages are as of October 2006.

Nonetheless, as an agency that leads by example, additional steps should be taken. We must continue to improve our expectation-setting and feedback process so that it is more timely and specific. We need additional individualized training for designated staff, and we need to provide training for all supervisors on having candid conversations about performance. We also need to improve transparency in assigning

supervisory roles, ensure that all staff have similar opportunities to perform key competencies, and hold managers accountable for results. Finally, we will implement an agencywide mentoring program this summer. We expect that this program will help all participants enhance job performance and career development opportunities. Overall, GAO is making progress toward improving its processes and implementing various program changes that will help address important issues.

Conclusion

I believe there are two compelling diversity challenges confronting GAO and the federal government. First, is the continuing challenge of implementing sufficiently specific merit-based policies, safeguards, and training in order to minimize the ability of individual biases to adversely affect the outcome of those policies. Second, is the challenge of having managers that can communicate with diverse groups of staff, respecting their differences and effectively using their creativity to develop a more dynamic and productive work environment.

For many people, the workplace is the most diverse place they encounter during the course of their day. We owe it to our employees and to the future of our country to improve our understanding of our differences, and to work toward a fairer and more inclusive workplace.

Chairman Akaka, Chairman Davis, and members of the subcommittees, this concludes my prepared statement. At this time I would be pleased to answer any questions that you or other members of the subcommittees may have.

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