

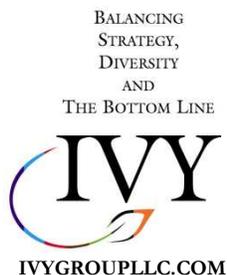
**Ivy Planning Group LLC  
Testimony Before  
The Committee on Oversight and Government Reform  
House of Representatives  
Subcommittee on Federal Workforce, Post Service,  
and the District of Columbia**

**On U.S. Government Accountability Office (GAO)  
African American Performance Assessment Study  
Findings and Recommendations**

**Statement of  
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**Room 2154  
Rayburn House Office Building**

**Tuesday, September 16, 2008  
2 p.m.**



## **Chairman Davis and Members of the Subcommittee:**

I am Janet Crenshaw Smith, President of Ivy Planning Group LLC. Thank you for the invitation to testify regarding the U.S. Government Accountability Office (GAO) African American and Caucasian Analysts' Performance Assessment Study.

On March 13, I testified before this Committee on Tasks One and Two of the study. Today I am pleased to provide a more complete picture, the culmination of all three tasks and the Final Report – which includes Ivy Planning Group's recommendations to GAO.

## **Background**

In 2007, GAO issued a solicitation seeking a third party assessment of the factors influencing the performance rating average differences between African American and Caucasian analysts. GAO retained Ivy Planning Group to be the prime contractor for this solicitation. SRA International is a subcontractor to Ivy Planning Group.

This project was divided into three tasks.

- **Task One was an analysis of 2002-2006 performance data for African American and Caucasian Analysts.** The purpose of this task was to confirm that there were differences between the ratings of African American and Caucasian analysts. The Ivy Team performed a statistical analysis to determine if there are significant differences in the performance ratings of the two groups.
- **Task Two was an assessment and comparison of education, engagement roles, and performance of new GAO hires and onboard employees rated from 2002-2006.** The purpose of this task was to determine if African American analysts and Caucasian analysts have the same abilities and background when they arrive at GAO and to begin to look at what happens to them during their tenure at GAO. The Ivy Team evaluated key characteristics to determine if both groups are equal at time of hire; controlled statistically for differences in education, experience, key roles, and gender; assessed rater demographics on outcomes; and reviewed human capital processes for consistency with agency goals.
- **Task Three was an assessment of internal and external best practices in implementing performance management systems; and preparation of a final report that brings Tasks One, Two and Three together.** Task Three involved researching best practices in performance management in the Federal and private sectors and within GAO; collecting qualitative data from African American and Caucasian analysts and raters at GAO; and presenting our overall recommendations to GAO.

Ivy completed the study in April 2008, and presented its findings to GAO's Executive Committee, Managers, and employees via briefings and videoconferences.

## **Findings and Conclusions**

Ivy concluded that the factors that contribute to the average performance ratings disparities between African American and Caucasian Analysts fall into three categories:

1. Human Capital Processes and Management Practices
2. GAO's Culture
3. The Significance of Race

### **Human Capital Processes and Management Practices**

Process - GAO has invested a significant amount of resources resulting in human capital processes, including performance management (e.g., expectation setting, feedback, annual appraisal, career planning, coaching and mentoring) that incorporate industry best practices.

Opportunities to Improve - There are opportunities to improve the human capital processes that may contribute to the ratings disparity between African American and Caucasian Analysts. This includes areas such as recruiting, Professional Development Program (PDP) Advisor Role, and training and development.

Execution - Some human capital processes are executed inconsistently across the agency despite the availability of thorough documentation and training. Inconsistent execution also may contribute to the ratings disparity. This includes ongoing feedback and appraisals.

### **GAO's Culture**

GAO has a distinct culture. It is an intense environment where people are committed to meeting the mission with limited resources and with a focus on excellence. There is a "GAO way." Some elements of the "GAO way" of doing things are unwritten and subtle. Benefits of GAO's culture are high energy, high quality work with a consistent look and feel that creates a demand for more from satisfied clients.

However the culture and demands for more drive supervisors to manage production, not people. Most analysts reported receiving limited unsolicited informal feedback. Staffing has not kept pace with the growing workload. When staffing engagements, rather than follow the formal project assignment process, managers often seek out analysts who they know to be or who are reported to be high performing. Positive and negative perceptions of analysts, once established, may be difficult to change.

### **The Significance of Race**

Statistical analysis showed that there are differences in ratings between African American analysts and Caucasian analysts in general, by competency, pay band, team, location, and regardless of the race of the rater. The differences are statistically significant.

While it is clear that race is a factor in the ratings disparity, the **causes** for the rating disparities are not clear. The statistical analysis did not determine if there is a disparity between the “actual performance” and the “rated performance” among African-American and Caucasian analysts. Quantitative and qualitative data did not conclusively measure the impact of subjectivity on the disparity.

Beliefs about the causes of ratings disparities varied according to race. Both African-Americans and Caucasians expressed concern that competencies were open to interpretation and applied inconsistently. However, Caucasians were more likely to question the quality of the recruiting process for African-American analysts and their qualifications, while African-Americans were more likely to question the quality, integrity and execution of the performance appraisal system.

The data shows that recruiting produces a pool of African American and Caucasian analysts with different characteristics. Also, success factors – such as having a Ph.D or being on a high-risk project - did not affect both groups similarly.

African American and Caucasian analysts experience the GAO workplace differently. This began almost immediately upon their arrival at GAO with the PDP and included the value of informal feedback, participation in informal networks, and other aspects of the workplace experience.

## **Recommendations**

Ivy’s final report provided more than twenty recommendations to the GAO. Many of the recommendations require a shift in the GAO culture. We also recognize that culture change does not happen quickly, but is cultivated by clearly and periodically articulating and reinforcing the expectations, creating the appropriate performance measures and incentives, and through leaders and managers modeling the desired behaviors. Many elements of the diversity change process require time to be fully executed; this is a journey. I will highlight a few of those recommendations.

We recommend that GAO take steps to create a more inclusive culture. Before thinking about diversity more broadly, we believe GAO will benefit from addressing the race issue directly in order to mitigate any barriers that may limit communication, coaching, and career development. GAO should provide skills training that focuses on difference as an organizational enabler. This includes learning to recognize talent when it is in a different package. We also recommend that GAO proactively assess the needs of other demographic groups as part of becoming more inclusive.

We recommend that the GAO culture seek to create more balance between managing the work and developing people. This includes managing the workload so that managers have more time to manage human capital; and equipping managers with the skills they need to more effectively manage human capital assets. GAO should create a culture of shared accountability for analyst development including mandating rather than suggesting development meetings, and increasing their frequency. Ongoing feedback and coaching should become a norm.

We recommend that GAO take steps to make the unwritten rules of the workplace known to everyone through analysis, communication, mentoring and training. We also recommend that GAO reassess how it evaluates performance including looking at the competencies, and minimizing subjectivities in the process.

Success comes by moving beyond strategy, and taking action. We therefore encouraged GAO to create performance metrics to monitor their progress.

The operating environment for this study was somewhat unique in that Ivy was consulting to the consultants. GAO sought an independent expert view, and received it. Although many of our recommendations require a shift in the GAO culture, overall GAO's senior leaders and employees have been receptive. Ivy will be involved in some aspects of the implementation of our recommendations. GAO has also taken steps independently to act positively on Ivy's recommendations.

This study centered on issues that are critical to the GAO workforce. And we believe that it has implications more broadly to the entire federal workforce. Issues of fairness, diversity, integrity, inclusion and transparency should be considered by all agencies. These issues impact the performance of our government. And they impact the experiences and careers of employees.

Thank you for the opportunity to testify.

Mr. Chairman, that concludes my prepared statement.