



Office of Inspector General | United States Postal Service

Audit Report

U.S. Postal Service Knowledge Continuity

Report Number 21-255-R22 | May 27, 2022

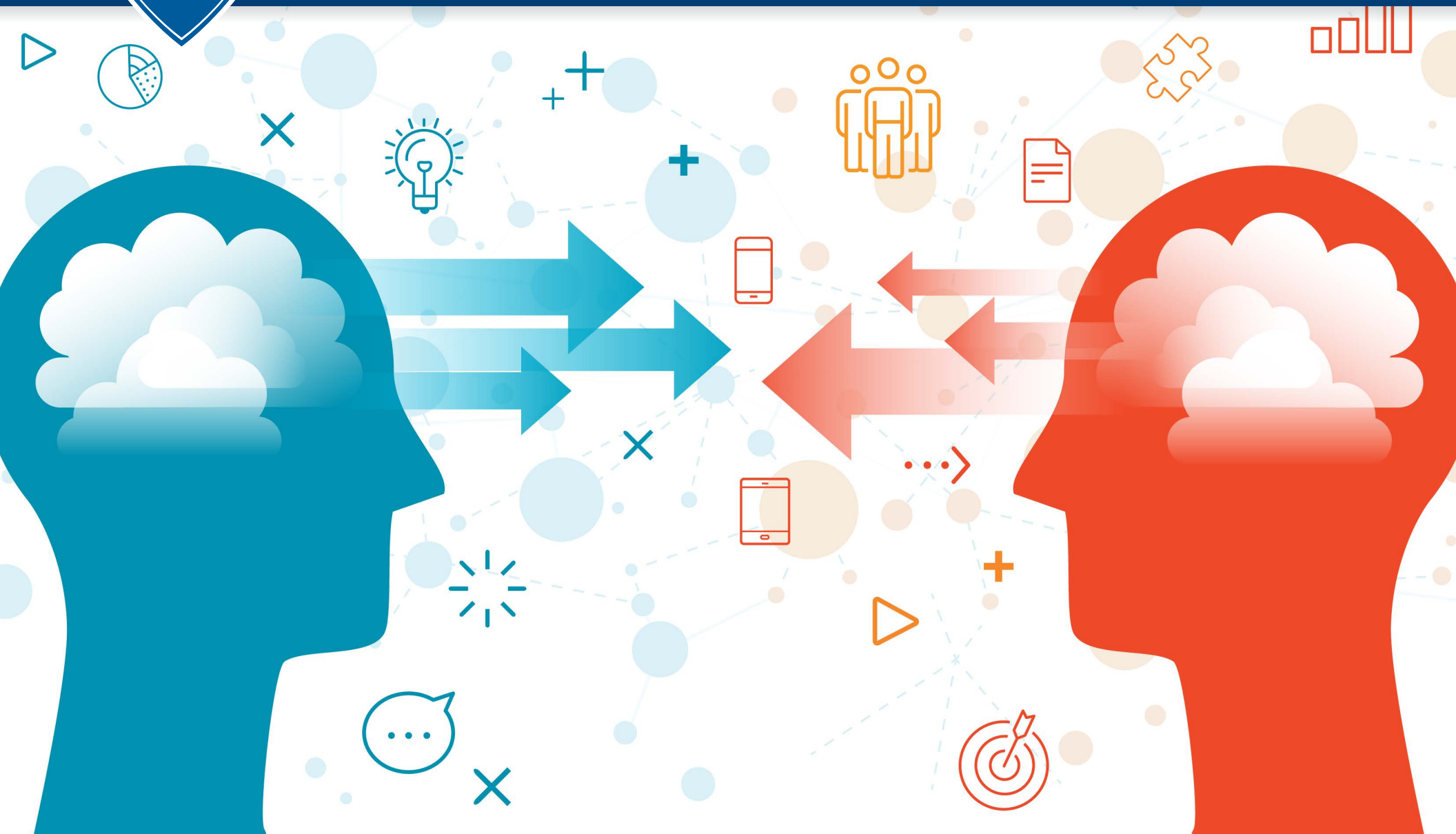


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Highlights

Background

The U.S. Postal Service uses Corporate Succession Planning to identify and develop top-performing employees to become future executives. In addition, a variety of leadership development programs align with competency models to develop upcoming leaders, including Managerial Leadership, Advanced Leadership, Executive Leadership, and Executive Foundations. The overarching program of employee knowledge development is referred to as the learning continuum. During fall 2020, the Postal Service initiated a series of phased organizational changes to improve its ability to implement strategies and drive success.

What We Did

Our objective was to determine whether the Postal Service ensured that it did not lose critical knowledge when employees transferred within or left the organization (due to retirement, resignation, reduction in force, or other reason). For this audit, we judgmentally sampled 14 Postal Service district and division sites nationwide to visit (both in person and virtually) based on both high and low turnover rates.

What We Found

Although the Postal Service had a corporate succession plan program in place for executives to ensure it did not lose critical knowledge when employees transferred within or left the organization, improvements are needed. Specifically, there is no

standard knowledge continuity plan in place for non-executive functions. Additionally, the Postal Service did not adequately measure the effectiveness of leadership development courses by tracking the success of graduates advancing into leadership positions and did not determine the impact of the course for employees' daily responsibilities. Finally, the guidance used for executives was outdated. This occurred because there was no requirement to have a standard knowledge continuity plan for non-executives and no requirement for measuring effectiveness. Additionally, succession plan guidance for executives was outdated because management had other competing priorities.

Recommendations

We recommended management assess whether a formal plan would enhance institutional knowledge for non-executive employees and implement as appropriate; establish and issue guidance to management for consistency when developing and identifying top performing non-executive employees; enhance the process to measure the success of leadership development courses after completion; and update Management Instruction, EL-384-2014-1, *Corporate Succession Planning* to reflect current agency systems and standards and establish a schedule to review on a regular basis.

Transmittal Letter



OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

May 27, 2022

MEMORANDUM FOR: JENNIFER D. UTTERBACK
VICE PRESIDENT, ORGANIZATION DEVELOPMENT

A handwritten signature in black ink, reading "Lazerick C. Poland", is positioned above the "FROM:" field.

FROM: Lazerick C. Poland
Acting Deputy Assistant Inspector General
for Supply Management and Human Resources

SUBJECT: Audit Report– U.S. Postal Service Knowledge Continuity
(Report Number 21-255-R22)

This report presents the results of our audit of U.S. Postal Service Knowledge Continuity.

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Amy Jones, Acting Director, Human Resources and Support, or me at 703-248-2100.

Attachment

cc: Postmaster General
Corporate Audit Response Management

Results

Introduction/Objective

This report presents the results of our self-initiated audit of U.S. Postal Service Knowledge Continuity (Project Number 21-255). Our objective was to determine whether the Postal Service ensured that it did not lose critical knowledge when employees transferred within or left the organization (due to retirement, resignation, reduction in force (RIF), or other reason).¹

See [Appendix A](#) for additional information about this audit.

Background

Executive Succession Planning

Employees obtain institutional knowledge and experience through training, on-the-job experience, and higher level detail assignments. Detail assignments, used for a change in mission or organization, unanticipated absences, to backfill vacancies, allow employees to perform duties and responsibilities other than those specifically in their job description for a period of time. Executive and Administrative Schedule (EAS) and bargaining unit employees are eligible for higher level detail assignments. The Postal Service uses standard job descriptions nationwide for all job functions. These descriptions are statements that describe a job's major responsibilities, duties, and work to be performed. Qualifications and requirements are in an employee's job description via Job Descriptions Online.²

The Postal Service has a variety of programs and training available to employees and implemented the Corporate Succession Planning (CSP) for executive employees.³ CSP is a mechanism for identifying, developing, and preparing

top-performing employees to become effective future Postal Service executive leaders. The objective of CSP is to identify and develop potential future leaders so that they can promptly and successfully assume executive manager positions as they become available. The last update to the CSP occurred in fiscal year (FY) 2014.

As of December 2021, 444 candidates were enrolled in CSP. These candidates are listed as potential successors in 68 available unique talent pools.⁴ To be considered as a potential successor, eligible employees must be nominated⁵ by an executive manager⁶ during the open season⁷ or during an interim talent review. Nominees are headquarters, field, Inspection Service, or executive employees who are recommended as a potential successor for either a talent pool or critical position.⁸ The Postal Service measures CSP success through the candidates in each talent pool, including the candidates' readiness status and the diversity of each talent pool. However, with the recent organizational changes, management has not been able to closely monitor who is in the executive level pools but is currently working on revising these pools to reflect the current organizational structure. See [Figure 1](#) for details on the three components of CSP.

“The objective of CSP is to identify and develop potential future leaders so that they can promptly and successfully assume executive manager positions as they become available.”

1 Postal Service management plans to complete a post-organizational change assessment in eight to twelve months after the RIF implementation. Since the Postal Service has not yet conducted a post-organizational assessment, we did not assess individual positions, but the process as a whole to evaluate the impact on knowledge continuity during this audit.

2 An electronic database that provides job descriptions. All employees are entitled access for the jobs they currently hold or for which they apply. Installation heads must take the steps necessary to ensure that job descriptions are available to employees.

3 Management Instruction, EL-384-2014-1, *Corporate Succession Planning*, dated July 1, 2014.

4 A group of executive positions with similar responsibilities, scope, and competency requirements.

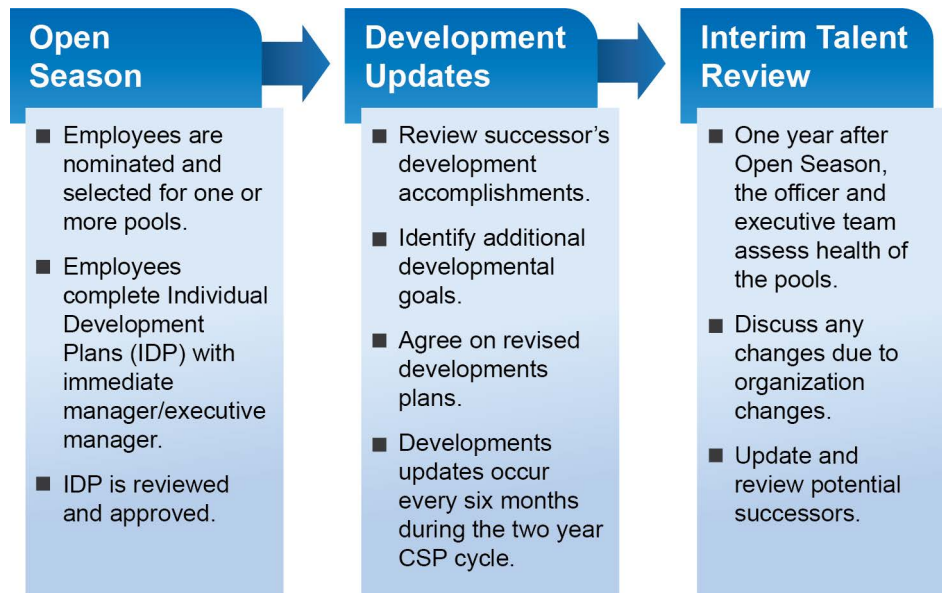
5 CSP participants can be nominated for more than one pool.

6 A Postal Service Career Executive Service manager.

7 CSP operates on a two-year cycle.

8 Executive positions that, if vacated, would result in a significant negative impact on the organization, require hard to find technical or functional skills, or have a history of being difficult to fill.

Figure 1. CSP Components



Source: Postal Service Management Instruction EL-384-2014-1, *Corporate Succession Planning*.

While CSP is considered the overall executive succession program, the Postal Service offers a variety of leadership development programs that align with competency models⁹ to develop upcoming leaders. In FY 2020, 471 employees participated in four of the leadership programs. The overarching program of employee knowledge development is referred to as the learning continuum. See [Appendix B](#) for a portion of the learning continuum program and training course examples.

Non-Executive Development and Leadership Programs

Leadership development programs are offered to headquarters and field employees and include, but are not limited to, the Managerial Leadership Program (MLP), the Advanced Leadership Program (ALP), Executive Foundations (EF), and Executive Leadership (EL). Most employees in CSP are

sent to MLP and ALP; however, MLP and ALP are not exclusively for executives and are not prerequisite courses to be considered for CSP. See Table 1 which outlines specifics on some of various types of courses available for employees to develop within the Postal Service.¹⁰

Table 1. Leadership Development Courses

Course Title	Eligibility	Course Description
Managerial Leadership Program (MLP)	<ul style="list-style-type: none"> One year of Postal Service employment. EAS-18 and above. Currently in or being developed for managerial role. 	Designed to give employees, identified as high-performing managers, targeted leadership development based on the Managerial Competency Model.
Advanced Leadership Program (ALP)	<ul style="list-style-type: none"> Two years of continuous employment with the Postal Service. EAS-21 and above. MLP or Individual Leadership Graduate. 	Identification and development of the next generation of high-potential leaders.
Executive Foundations (EF)	<ul style="list-style-type: none"> Newly appointed executives. Must be taken within the first 12 months of appointment. 	Designed to strengthen the leadership competencies of new executives.
Executive Leadership (EL)	<ul style="list-style-type: none"> Current executives with 18 months to four years of appointment. 	Provides executives with the skills necessary to advance the strategic mission of the Postal Service.

Source: Postal Service Blue Pages.

⁹ Learning programs that outline desired behaviors at the supervisor, manager, executive, and officer levels, which include leadership development programs and training. These are paired with formal succession planning and individual development planning processes to identify and prepare high-potential leadership talent.

¹⁰ Other courses for non-executive EAS employees include USPS Supervisors Program, Processing and Distribution Manager Program, and Management Essentials for Field Leadership.

Additionally, competency models on the Postal Service Blue Pages describe attributes and behaviors with increasing levels of proficiency associated with career development for future or current roles.¹¹ Employees at all levels assess their skillset against these models to determine their career and leadership development needs within the Postal Service. Management uses Individual Development Plans (IDP), along with leadership and functional/technical competency models, to develop and advance employees' knowledge within the Postal Service. See Figure 2 for the four leadership competency models and their desired qualities.

Figure 2. Competency Models¹²

Supervisor	Manager	Executive	Officer
<ul style="list-style-type: none"> Customer Support and Service Expectations Communication Ethics and Integrity Strategic Awareness Coaching and Developing Employees Problem-Solving and Decision-Making Innovation and Change Management Operational Management Policy Management 	<ul style="list-style-type: none"> Customer Focus Communication Ethics and Integrity Strategic Execution Employee Development Management of People Problem-Solving and Decision-Making Innovations and Change Management Business Knowledge Collaboration 	<ul style="list-style-type: none"> Customer Focus Communication Ethics and Integrity Strategic Focus Employee Development Business Results Innovation and Change Management Business Acumen Collaboration 	<ul style="list-style-type: none"> Innovative Thinking Big-Picture Thinking Leading People Leading Change Driving Accountability Driving Results Influencing Collaboration

Source: Postal Service Competency Models.

11 The managerial, supervisory, and executive models use a numeric scale from one to five, with one indicating needs development and five indicating exceeds expectations. The officer model uses a numeric scale from zero to five, with zero indicating not demonstrated and five indicating exemplary.

12 Additional functional and technical competency models for field employees are located on the Postal Service Blue Pages.

13 A system used to help optimize, manage, and develop the Postal Service workforce to meet identified business needs. It contains modules for learning, succession, performance, compensation, recruiting, onboarding and analytical reporting.

14 Career employees as of November 30, 2021.

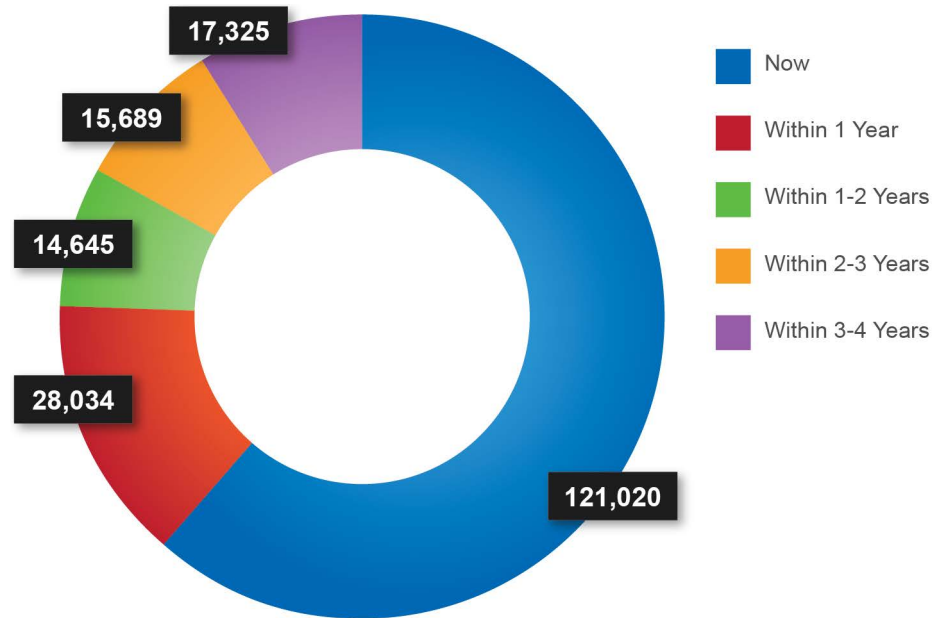
Districts typically hold career conferences at least once annually, although participation is not required and the conferences are not prerequisites for leadership development courses. These conferences are offered to district employees and focus on basic topics such as building and maintaining career profiles, finding open positions, preparing for interviews, and locating trainings in HERO.¹³ The conferences are held at districts and are not specific to individual positions nor do they typically involve manager input.

Organizational Changes

It is important for the Postal Service to be well prepared with potential successors and plan for loss of knowledge due to employee retirements or departures. At the end of FY 2021, there were 516,636¹⁴ career employees in the Postal Service, with 121,020 (23 percent) of them currently eligible to retire. Figure 3 displays the number of Postal Service employees eligible to retire now through the next four years.

“At the end of FY 2021, there were 516,636 career employees in the Postal Service, with 121,020 (23 percent) of them currently eligible to retire.”

Figure 3. Retirement Eligible Employees



Source: U.S. Postal Service Office of Inspector General (OIG) analysis of Postal Service data.

During fall 2020, the Postal Service initiated a series of phased organizational changes to improve its ability to implement strategies and drive success. According to Postal Service's 10-year plan, *Delivering for America: Our Vision and Ten-Year Plan to Achieve Financial Sustainability and Service Excellence*, the new structure's goal was to fix the prior leadership structure that was too broad and difficult for leaders to execute strategies across all mission critical functions.¹⁵ As a result of these changes, reductions-in-force (RIF) occurred for several competitive areas nationwide. A RIF is the administrative process through

which the Postal Service eliminates positions and accounts for the employees who formerly occupied those positions.¹⁶

Affected employees were sent individual, specific RIF notices¹⁷ on May 28, 2021. The RIF was effective on October 8, 2021, which allowed for about five months of employee placement, promotion, or lateral reassignment. Employees were able to request a lateral reassignment or a downgrade, but had to apply for any promotion within the Postal Service. During the RIF, management eliminated¹⁸ or removed¹⁹ 651 positions within the non-bargaining, EAS levels.

Finding #1: No Standard Knowledge Continuity Plan for Non-Executive Employees

The Postal Service had no standard knowledge continuity plan for non-executive functions. While Postal Service headquarters uses CSP for executive-level employees, no standard plan exists for non-executive positions in the field.

Division and district managers rely on using personal judgement from HERO profiles and competency models as a guide to identifying high-performing employees rather than a formal succession plan process for non-executives. Additionally, management uses employee performance and employee/supervisor career conversations to search for potential candidates for certain positions.²⁰ Further, all field employees use IDPs to identify desired skills and areas of improvement and any technical or functional trainings

“While Postal Service headquarters uses CSP for executive-level employees, no standard plan exists for non-executive positions in the field.”

¹⁵ A function is a principal method of devising work. A function may be a single activity but is more commonly a group of related activities placed together under one responsibility.

¹⁶ The Postal Service is required to follow Office of Personnel Management (OPM) guidance when performing a RIF for preference eligible employees. They use four retention strategy factors: tenure, veterans' preference, length of service, and performance rating, to determine retention standing.

¹⁷ A RIF action occurs when an employee is released from his or her competitive level by separation, demotion, or a reassignment requiring displacement. Notifications outlined changes to employee position, possible reassignment, and next steps to take.

¹⁸ A job that the Postal Service eliminated entirely.

¹⁹ A job that management removed from an Executive Leadership function and was reassigned to another Executive Leadership function.

²⁰ Available positions are posted in eCareer, and interested candidates apply competitively or request noncompetitive consideration.

that are available within HERO to enhance their skillset and be considered for competitive job opportunities.

During our interviews, division and district management and Human Resources managers stated that they use competency models and career conferences to determine employee goals, identify necessary skills and qualification development, and provide a path for promotion. They also stated that, while no written or formal policy is in place, a “bench” of potential employees should be established for leadership and technical positions within each function to ensure continuity of operations when employees leave a position.

This occurred because the Postal Service does not have a requirement for a non-executive standard knowledge continuity plan and is not required to follow OPM standards for succession planning. However, having a formal process for non-executive leadership and technical employees would help consistency

“Having a formal process for non-executive leadership and technical employees would help consistency and knowledge continuity.”

and knowledge continuity. As a best practice, OPM suggests developing a program to leverage employee knowledge to prevent reductions in staffing and decrease training and onboarding time. Organizations that effectively preserve and leverage institutional knowledge optimize performance and success by connecting people to people and knowledge.

Division and district management rely on informal processes to maintain knowledge continuity, such as cross-trainings, competency models, and detail assignments for non-executive employees. Postal Service headquarters management stated that succession planning and training teams at headquarters offer assistance for division and district employees. However, it is the responsibility of individual managers in each functional area to develop a plan, assist with IDPs for employees, and ensure that knowledge is transferred within their function.

If a management-level employee separates from the Postal Service, knowledge continuity may be lost without a formal plan. With almost 150,000 career employees eligible to retire in the next year, the risk of losing corporate experience and knowledge is increased if no formal plan for retaining that knowledge is in place, which could affect operations in the field. Further, without a nationwide plan in place, employees outside of the executive level may not be prepared for promotional or executive roles once those roles become available.

Recommendation #1

We recommend **Vice President, Organization Development**, assess whether a standard knowledge continuity plan would enhance institutional knowledge for non-executive employees and implement it as appropriate.

Recommendation #2

We recommend **Vice President, Organization Development**, establish and issue guidance to management within each functional area for consistency when developing and identifying top performing non-executive employees.

Finding #2: Inadequate Success Measurement for Leadership Training

The Postal Service did not adequately measure the effectiveness of leadership development courses by tracking the success of graduates advancing into leadership positions and did not determine the impact of the course for employees' daily responsibilities. Management used post-course feedback surveys, which do not have targets established for enrollment, completion, or promotion success. These surveys were given to determine whether courses were adequate in relation to employee expectations. The Postal Service analyzes survey results for possible future course improvements rather than how applicable the course material is to employees' job performance or how it affected their promotion opportunities.

The Leadership Development Program is leveraged to develop skill sets for certain roles and a variety of courses are available to interested employees.

Table 2 displays several of the leadership development programs, the number of sessions, and the number of employees who participated in each program over the last three years.

Table 2. Training Programs from 2018-2020²¹

Year	Number of Sessions	Number of Participants
MLP		
2018	6	180
2019	7	210
2020	8	240
ALP		
2018	3	73
2019	3	87
2020	4	118
EF		
2018	3	70
2019	3	54
2020	3	64
EL		
2018	4	77
2019	3	58
2020	3	49

Source: Postal Service.

²¹ Due to COVID-19, there were no programs held in 2021.

²² 5 CFR 410.202, *Responsibilities for Evaluating Training*.

This issue occurred because management believed the individual post-course surveys were sufficient and policy does not require them to track or measure the success rate of graduates. They stated that individual employee job performance is an indicator of success, whether in a current position or for a promotion.

While a current measurement of success does not exist for training and development opportunities in the Postal Service, the Kirkpatrick Model is widely used by OPM and other agencies to measure the value of training. This model is comprised of four levels of measurement from participant reaction to organization results. Specifically, level three focuses on participants applying what they learned while doing their job; and level four provides tangible results in cost, productivity, quality, employee retention, and morale. Additionally, as a best practice, OPM suggests that agencies evaluate their training programs annually to determine how well such plans and programs contribute to mission accomplishment and meet organizational performance goals.²²

The Postal Service could increase its return on training investment and receive optimum benefits by measuring the success of leadership training and participants instead of solely focusing on course expectations and satisfaction. In addition, measuring the success of leadership training courses can help ensure that time and resources spent on the courses increase the leadership and knowledge potential within the Postal Service.

Recommendation #3

We recommend **Vice President, Organization Development**, enhance the process to measure the success of leadership development courses after completion.

“They stated that individual employee job performance is an indicator of success, whether in a current position or for a promotion.”

Finding #3: Outdated Corporate Succession Planning Policy

The Postal Service did not update the guidance used for executive corporate succession planning. The Postal Service last updated Management Instruction, EL-384-2014-1, on July 1, 2014. Since then, several changes have occurred, including changes to the system in which executive succession planning is done. HERO, which was implemented in 2017, is currently the system which tracks CSP candidates. Managers and supervisors use HERO to store employees' IDPs, career conversations, identified trainings, and performance evaluations.

“The Postal Service last updated Management Instruction, EL-384-2014-1, on July 1, 2014. Since then, several changes have occurred, including changes to the system in which executive succession planning is done.”

Employees are encouraged to fully complete their HERO profile with their resume, interests, future goals, and specialized skills. When an employee's HERO profile is complete, supervisors and managers can search for eligible employees to fill a vacant role. The policy was not updated to reflect these system changes.

Additionally, the policy states that employees may not simultaneously participate in CSP and EAS Leadership Development programs; however, headquarters management clarified that this

is inaccurate and refers to a previous version of the program. They said it is possible for employees to participate in both, and those who take these courses often also participate in CSP.

We also determined the Talent Identification Worksheet and the Talent Assessment Summary used to identify and nominate employees are no longer used. The Postal Service issued a memorandum in July 2020 explaining the transition from the old Legacy system to HERO, where officers and executives use the employee's talent information and evaluations to determine their talent

for CSP. This memorandum noted that the Management Instruction is currently being updated to reflect the current transition to HERO but did not include a date of when updates would be made.

Postal Service management failed to update the policy due to other competing priorities. While the memorandum included information regarding the system change, other information in the policy still requires updates and regular reviews to ensure consistency in succession planning. By having outdated CSP guidance, the Postal Service may risk overlooking eligible successors for nomination into the program.

Recommendation #4

We recommend the **Vice President, Organization Development**, update Management Instruction, EL-384-2014-1, *Corporate Succession Planning*, to reflect current agency systems and standards, and establish a schedule to review on a regular basis.

Management's Comments

Management agreed with recommendations 3 and 4; however, they disagreed with recommendations 1 and 2. See [Appendix C](#) for management's comments in their entirety.

Regarding recommendation 1, management stated that the Postal Service has robust employee development and succession planning programs available to employees. In addition, the learning continuum currently in place is more robust than what was included in the report. Postal Service management stated that the policy documents, standard operating procedures, functional training, and employee development programs work together to reinforce knowledge continuity across the organization.

Regarding recommendation 2, management stated that the processes inherently vary by position, function, and individual employee development needs. Additionally, management stated that the Postal Service uses a competitive process for advancement and promotion to avoid pre-selection for non-executive employees. Management agreed to re-issue guidance to leadership to reinforce

their role in building the bench by identifying top-performing non-executive employees and reiterating the tools and resources available.

Regarding recommendation 3, management stated that they initiated an enhanced evaluation process for the Managerial Leadership Program in January 2022. The enhanced process includes post-training user reaction surveys, content knowledge checks, post-program competency surveys, and promotion rates. Management will employ similar enhanced training success measures for other leadership development programs in FY 2022 and beyond, including the Advanced Leadership Program, Executive Foundations, and Executive Leadership. In subsequent correspondence, the Postal Service updated the target implementation date to September 2022.

Regarding recommendation 4, management is currently revising Management Instruction, EL-384-2014-1, *Corporate Succession Planning*. In addition, management will issue a revised policy memorandum to replace the Management Instruction, to reflect current agency systems and standards and will review the policy on a regular basis. The target implementation date is June 30, 2022.

Evaluation of Management's Comments

The OIG considers management's comments responsive to recommendations 3 and 4. The corrective actions should resolve the issues identified in the report. The OIG considers management's comments unresponsive to recommendations 1 and 2.

Regarding management's disagreement to recommendation 1, management stated that there are several methods that currently support and reinforce knowledge continuity at all levels of the organization and they feel as though the current programs are satisfactory. We recognize that there is a learning continuum in place and the Corporate Succession Plan is available for executive employees; however, there is no standard knowledge continuity plan for non-executive functions that will ensure knowledge is retained if an employee resigns,

separates, or retires. The Postal Service is at risk of losing corporate experience and knowledge if no formal plan for retaining that knowledge is in place. The Postal Service should assess whether a standard knowledge continuity plan would enhance institutional knowledge for non-executive employees and implement it as appropriate. We view the disagreement on this recommendation as unresolved and plan to pursue it through the formal audit resolution process.

Regarding management's disagreement with recommendation 2, management stated that they do not need to establish consistent guidance on identifying and developing top performers in each functional area because those processes inherently vary by position and function. We agree that processes vary by position and function; however, during site visits, functional managers stated that they are currently responsible for identifying and developing a bench of successors to ensure continuity of operations, without formal guidance. Functional managers expressed interest in a formal non-executive employee succession plan that would include consistency for developing and identifying top performing non-executive employees. Creating formal guidance would not include a pre-selection process for potential successors or guarantee promotion but would create consistency for developing and identifying top performing employees. The Postal Service did agree to re-issue guidance to leadership to reinforce their role in building the bench by identifying and developing top-performing non-executive employees and reiterate the tools and resources available to support these efforts. However, the intent of the recommendation is to also provide consistency and establish a general process; therefore we view the disagreement on this recommendation as unresolved and plan to pursue it through the formal audit resolution process.

All recommendations require OIG concurrence before closure. Consequently, the OIG requests written confirmation when corrective actions are completed. All recommendations should not be closed in the Postal Service's follow-up tracking system until the OIG provides written confirmation that the recommendations can be closed.

Appendices

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Appendix A: Additional Information

Objective, Scope, and Methodology

We assessed CSP training and participants and FY 2019-2021 separations, including the most recent FY 2021 RIF employees. We also analyzed positions eliminated during the RIF.

We conducted interviews at judgmentally selected district and division sites nationwide. We selected these based on the turnover rate of employees, both at high and low turnover within each district and division. See Table 3 for site visits where we conducted interviews, both virtual and in person.

Table 3. Fieldwork Visits

Fieldwork Type	Area	District/Division
Site Visit	Western-Pacific	California 4
		California 6
		Southern California Division
	Southern	Texas 1
		Texas 3
		Southwest Division
Virtual Interview	Central	Kansas-Missouri
		Kentucky-West Virginia
		Midwest Division
		Lakeshores Division
	Atlantic	Maine-New Hampshire-Vermont
		Virginia
		New England Division
		South Atlantic Division

Source: OIG.

To accomplish our objective, we:

- Evaluated the Postal Service's succession plans and training programs.
- Conducted benchmarking on succession planning and training to obtain any industry standards or best practices.
- Interviewed Postal Service personnel to determine what processes are followed regarding succession planning and retaining knowledge.
- Evaluated training programs and development opportunities for employees.
- Determined whether standard positions and processes for employees exist and the impact on the Postal Service of employees transferring from different areas/districts.
- Evaluated the impact the RIF had on knowledge transfer or if any was lost.
- Determined the process, guidance, and criteria for RIFs and reviewed records to determine whether notices were sent to employees in accordance with policy.
- Analyzed Postal Service RIF data to determine the number of employees affected, location, function, etc.
 - Reviewed RIF positions to job descriptions information.
- Conducted nationwide data/trend analysis on:
 - RIF data to determine impact on areas/functions.
 - Separation data to determine impact on Postal Service turnover and knowledge continuity.
 - Retirement eligible employees to determine the number of employees who can leave at any point.

We conducted this performance audit from October 2021 through May 2022 in accordance with generally accepted government auditing standards and included such tests of internal controls as we considered necessary under the

circumstances. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective. We discussed our observations and conclusions with management on April 14, 2022, and included their comments where appropriate.

We did not rely on or assess computer-generated data for the purposes of this report.

Prior Audit Coverage

The OIG did not identify any prior audits or reviews related to the objective of this audit conducted within the last five years.

Appendix B: Postal Service Learning Continuum Framework



Source: Postal Service.

Note: These are some, but not all, of the learning continuum leadership development programs. The Postal Service offers additional development programs from craft to executive levels.

Appendix C: Management's Comments

JENNY UTTERBACK
VICE PRESIDENT
ORGANIZATION DEVELOPMENT



May 12, 2022

JOHN CIHOTA
DIRECTOR, AUDIT OPERATIONS

SUBJECT: Draft Audit Report – U.S. Postal Service Knowledge Continuity
(Project Number 21-255-DRAFT)

Thank you for the opportunity to respond to the above-referenced draft Office of Inspector General (OIG) audit report. We appreciate the perspective presented in the report, but disagree with OIG's first finding and many of the characterizations in the report. Specifically, with regard to finding #1, the Postal Service has robust employee development and succession planning programs, including a wide variety of self-paced, classroom and virtual training options; one-on-one career conversations; individualized development plans; on-the-job developmental opportunities; and a national Corporate Succession Planning program. The size and diversity of our workforce supports the need for this flexible yet structured model of employee development.

Regarding finding #2, independent of this audit, the Vice President, Organization Development, already implemented improvements to success measurement for the Postal Service's leadership development programs in January 2022 that will continue to be incorporated for the other leadership development programs as they are held. While the Postal Service therefore generally agrees with the OIG's second finding for the time period considered by OIG, the finding does not reflect the organization's current direction and practices.

The Postal Service has historically had a strong succession plan for our executive leaders and demonstrated performance of developing and promoting from within. With respect to finding #3, the Postal Service has used interim guidance to stand in place of the Corporate Succession Planning Management Instruction (MI) while our policies on succession planning are being substantially revised. We were already actively engaged in updating the organization's succession planning policies, including the MI, prior to OIG initiating this audit and therefore agree with the need to update those policies.

Recommendation #1:

The Vice President, Organization Development, assess whether a standard knowledge continuity plan would enhance institutional knowledge for non-executive employees and implement it as appropriate.

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Management Response:

We disagree with this recommendation. We currently have several methods by which we support and reinforce knowledge continuity at all levels of the organization, and therefore already have a standard knowledge continuity plan.

The Postal Service maintains a vast learning continuum of functional training, along with published policy manuals, handbooks, management work instructions, standard operating procedures and standard work instructions, to ensure continuity of institutional knowledge for non-executive employees. Examples of functional training in the learning continuum include:

- Postmaster Essentials
- Processing Distribution Management
- VMF Manager and Supervisor Essentials
- Management Essentials for Field Leadership
- Corporate Information Security Office (CISO) Academy
- Logistics/Transportation Academy
- Human Resources Manager Development Program

The Postal Service's learning continuum is continually evolving and updating; however, Attachment A shows the complete learning continuum, which was not included in the OIG's report. Even the complete learning continuum is only a small sample of the training programs and courses available to postal employees. The policy documents, standard operating procedures, functional training and employee development programs work together to reinforce knowledge continuity across the entire Postal Service.

Recommendation #2:

The Vice President, Organization Development, establish and issue guidance to management within each functional area for consistency when developing and identifying top performing non-executive employees.

Management Response:

Management disagrees with the recommendation that it needs to establish consistent guidance on identifying and developing top performers within each functional area, because those processes inherently vary by position and function as well as individual employee development needs. While we disagree that the Postal Service's guidance is deficient, we will agree to re-issue guidance to leadership to reinforce their role in building the bench by identifying and developing top-performing non-executive employees, and reiterate the tools and resources available to support these efforts.

The Postal Service uses a competitive process for advancement or promotion to avoid pre-selection for non-executive positions. Selection into non-executive positions is based on a standardized process and rating scale to evaluate candidates against job-related knowledge, skills and abilities that uniquely relate to the responsibilities and requirements of each job, as described on the standard job description. Individual development plans and career conversations are the Postal Service's standard methods to identify non-executive employees with potential and help prepare them for advancement by equipping them with job-relevant knowledge, skills and qualifications through a combination of on-the-job development, formal training and special assignments.

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The Vice President, Organization Development will re-issue guidance to management across the organization to reinforce their role in developing and identifying top performing non-executive employees, including how best to leverage the available tools and processes and to help reinforce consistency.

Target Date: September 2022

Recommendation #3:

The Vice President, Organization Development, enhance the process to measure the success of leadership development courses after completion.

Management Response:

Management agrees with the recommendation to enhance the process to measure the success of leadership development courses after completion.

The training evaluation data shared with OIG for this report was submitted in December 2021, and included evaluation reports from training conducted in fiscal year 2020. The majority of the training evaluations conducted prior to 2021 primarily relied on post-training user reaction surveys administered immediately after the training was completed (i.e., Kirkpatrick "Level 1" evaluations).

In January 2022, the Postal Service initiated an enhanced evaluation process for the recently updated Managerial Leadership Program (MLP), which is a 12-18 month developmental program incorporating a hybrid of self-paced online training courses, virtual classroom training, networking events, executive sponsor/mentor and a capstone project. The enhanced evaluation process includes:

- Participation rates and timing of completion of each training component
- Use of elective courses
- Participant demographics
- Post-training user reaction surveys (Kirkpatrick "Level 1" evaluations)
- Facilitator ratings
- Participant experience surveys (administered multiple times throughout the duration of the program)
- Sponsor experience surveys
- Early withdrawal surveys (administered to participants who actively withdraw or passively withdraw through non-participation)
- Content knowledge checks (Kirkpatrick "Level 2" evaluations)
- 270/360 assessment (primarily used as developmental tool)
- Post-program competency surveys (self-assessment; administered 6 months after program completion; Kirkpatrick "Level 3" evaluations)
- Promotion rates (Kirkpatrick "Level 4" evaluations)
- Career paths
- Retention rates (Kirkpatrick "Level 4" evaluations)

As we administer the other leadership development programs in fiscal year 2022 and beyond, including Advanced Leadership Program (ALP), Executive Foundations (EF), and Executive Leadership (EL), we will employ similar multi-level training success measures.

To demonstrate compliance with this recommendation, we will provide a report of the evaluation of the MLP program after its completion. The current training cohort began in October 2021 and participants are given 12-18 months to complete the program.

Target Date: September 2023

Recommendation #4:

The Vice President, Organization Development update Management Instruction, EL-384-2014-1, *Corporate Succession Planning*, to reflect current agency systems and standards, and establish a schedule to review on a regular basis.

Management Response:

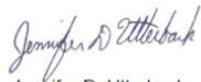
Management agrees with the recommendation to update Management Instruction, EL-384-2014-1, *Corporate Succession Planning*, to reflect current agency systems and standards, and establish a schedule to review on a regular basis.

Revisions to the Corporate Succession Planning policy were previously underway. To comply with this recommendation, the Vice President, Organization Development, will issue a revised policy memorandum to replace the Management Instruction, to reflect the current agency systems and standards, and will review the policy on a regular basis.

Target Date: June 30, 2022

Conclusion

In conclusion, the Postal Service maintains a diverse and interdependent hybrid of policies, programs, training, tools and standards that, together, enable employee development and ensure continuous transfer of knowledge and enhancement of skills for employees in all functions of the organization. The Postal Service remains committed to continually enhancing these programs to reinforce continued and consistent use throughout the organization, with the goal of continually building the bench and identifying and developing top-performing employees at all levels.



Jennifer D. Utterback

Attachment

CC: Corporate Audit and Response Management

Ms. Reed
Mr. Colon
Ms. Blagmond
Ms. Danielsen

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