

Pre-Career Retention Initiatives

AUDIT REPORT

Report Number 24-131-R25 | March 31, 2025

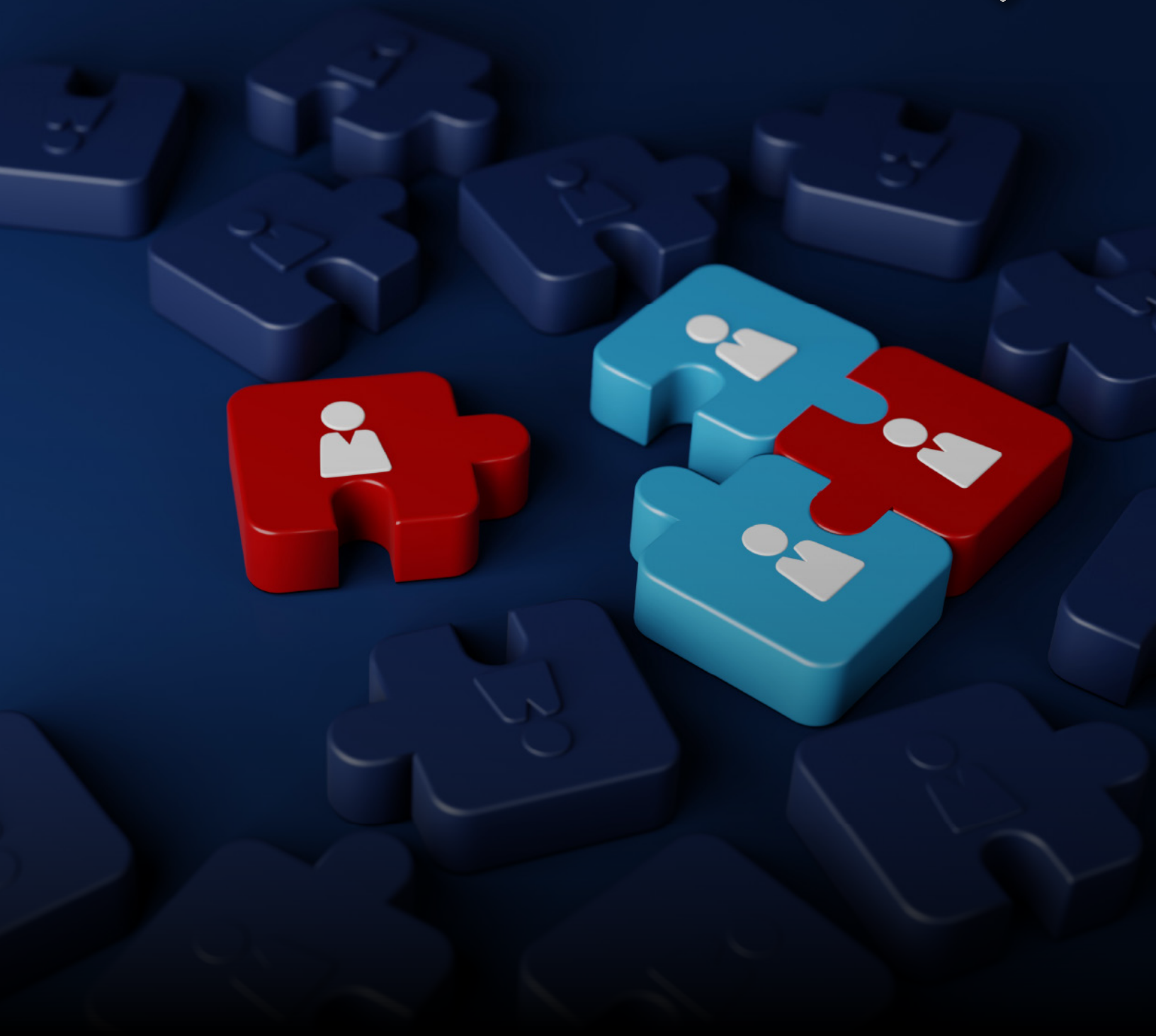


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Highlights

Background

The U.S. Postal Service relies on pre-career employees to supplement its regular workforce. Pre-career employees are temporary workers who do not receive the same employee benefits as career employees and are not always guaranteed a regular schedule. The Postal Service's 10-year strategic plan identified "unacceptably high rates of pre-career employee turnover" as a key challenge and created a goal of stabilizing and empowering the workforce, which included a reduction of pre-career workforce turnover by 50 percent.

What We Did

Our objective was to assess the effectiveness of the Postal Service's national and local initiatives to improve the pre-career employee experience and retention. We conducted site visits at 12 judgmentally selected facilities and interviewed district human resources personnel, facility managers, and pre-career employees to understand the Postal Service's retention initiatives.

What We Found

The Postal Service created the 511 Initiative, which is designed to stabilize the workforce and improve the employee experience by focusing on reducing the separation rate and improving the retention rate of the pre-career workforce. However, opportunities exist for the Postal Service to improve the initiative and its national standardization of the pre-career employee experience and retention. Specifically, we found the Postal Service has not expanded its pre-career pilot site locations since 2022, and did not create any new pre-career retention pilot programs in fiscal years 2023 or 2024. In addition, we found the 511 Initiative was not fully understood nationwide and challenges exist with pre-career employees receiving coaching and feedback from facility management.

Recommendations and Management's Comments

We made five recommendations to address the opportunities to improve the 511 initiative and its national standardization identified in the report. Postal Service management agreed with all five recommendations. Management's comments and our evaluation are at the end of each finding and recommendation. The U.S. Postal Service Office of Inspector General (OIG) considers management's comments responsive to all recommendations as corrective actions should resolve the issues identified in the report. See [Appendix C](#) for management's comments in their entirety.

Transmittal Letter



OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

March 31, 2025

MEMORANDUM FOR: DOUGLAS TULINO
POSTMASTER GENERAL AND CHIEF HUMAN RESOURCES
OFFICER

ISAAC CRONKHITE
CHIEF PROCESSING AND DISTRIBUTION OFFICER AND
EXECUTIVE VICE PRESIDENT

ELVIN MERCADO
CHIEF RETAIL AND DELIVERY OFFICER AND EXECUTIVE VICE
PRESIDENT

JOSEPH BRUCE
VICE PRESIDENT, HUMAN RESOURCES

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

FROM: Lazerick Poland
Acting Deputy Assistant Inspector General
for Finance, Pricing & Human Capital

SUBJECT: Audit Report – Pre-Career Retention Initiatives
(Report Number 24-131-R25)

All recommendations require U.S. Postal Service Office of Inspector General's (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.

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Carla Tate, Acting Director, Human Capital Management, 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 the U.S. Postal Service's Pre-Career Retention Initiatives (Project Number 24-131). Our objective was to assess the effectiveness of the Postal Service's national and local initiatives to improve the pre-career employee experience and retention. See [Appendix A](#) for additional information about this audit.

Background

The Postal Service relies on pre-career employees to supplement its regular workforce. Pre-career employees are temporary workers who do not receive the same employee benefits as career employees and are not always guaranteed a regular schedule. The majority of new field employees begin as pre-career employees before they become eligible for a career position.

At the end of fiscal year (FY) 2024, the U.S. Postal Service had about 104,000 pre-career employees, which represented about 16 percent of

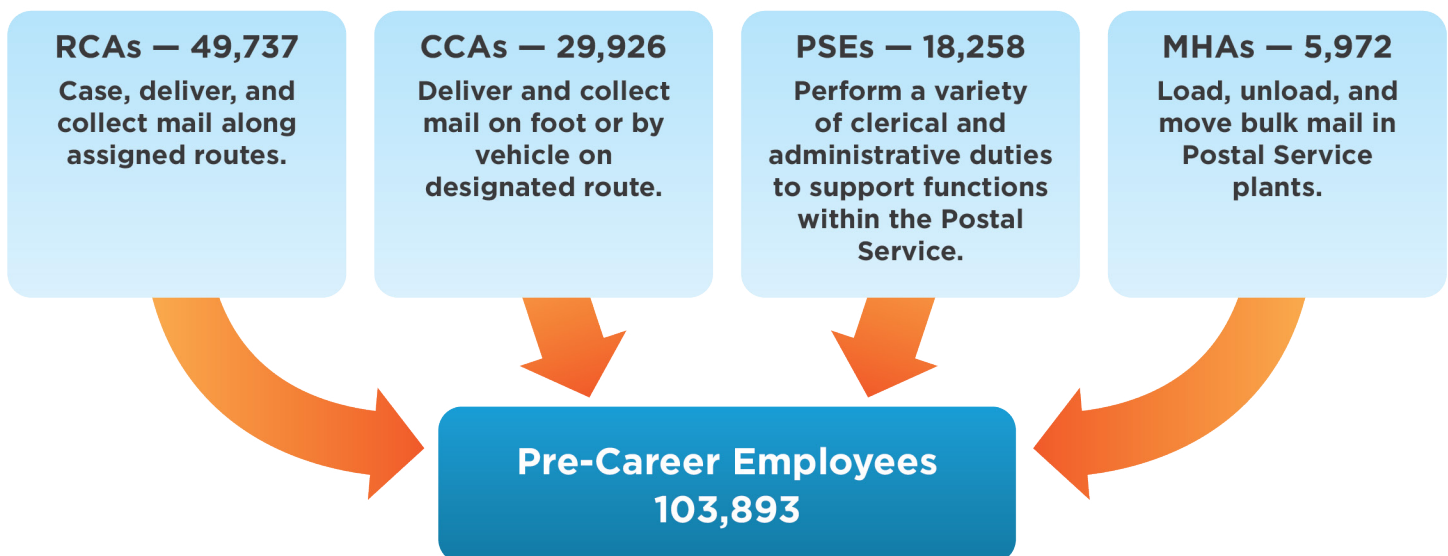
its 637,000 employees. The Postal Service has four positions that form the pre-career employee portfolio (see Figure 1) and provide flexibility to quickly adjust to volume and mail shifts throughout the year:

- Rural carrier associate (RCA)
- City carrier assistant (CCA)
- Postal support employee (PSE)
- Mail handler assistant (MHA)

Initiatives and Strategies

The Postal Service's 10-year strategic plan, *Delivering for America: Our Vision and Ten Year Plan to Achieve Financial Sustainability and Service Excellence (DFA)*,¹ identified "unacceptably high rates of pre-career employee turnover" as a key challenge. The 10-year plan created a goal of stabilizing and empowering the workforce, which included a reduction of pre-career workforce turnover by 50 percent. The Postal Service aims to create a stable and empowered workforce through retention, improved employee experience, workforce development, and succession planning.

Figure 1. FY 2024 Pre-Career Employees and Job Responsibilities



Source: Enterprise Data Warehouse and Job Description Online.

¹ Dated March 31, 2021.

According to the Second-Year Progress Report of the DFA,² about 50,000 pre-career employees were converted to career status, and an emphasis was placed on improving the onboarding experience for employees during their first 90 days, referred to as the stabilizing the workforce initiative (511 Initiative).³ The Postal Service implemented the 511 Initiative in February 2021 to stabilize the workforce and improve the employee experience by focusing on reducing the separation rate⁴ and increasing the retention rate⁵ of the pre-career workforce.

Human Resources (HR) focuses on partnering with operations⁶ to assign accountability and take ownership for improving separation/turnover⁷ rates. The 511 Initiative includes five best practices to ensure

national standardization, beginning with recruiting and hiring through the employee’s probationary period. See Figure 2 for an overview of the 511 Initiative.

“The Postal Service implemented the 511 Initiative in February 2021 to stabilize the workforce and improve the employee experience by focusing on reducing the separation rate and increasing the retention rate of the pre-career workforce.”

Figure 2. Overview of the 511 Initiative

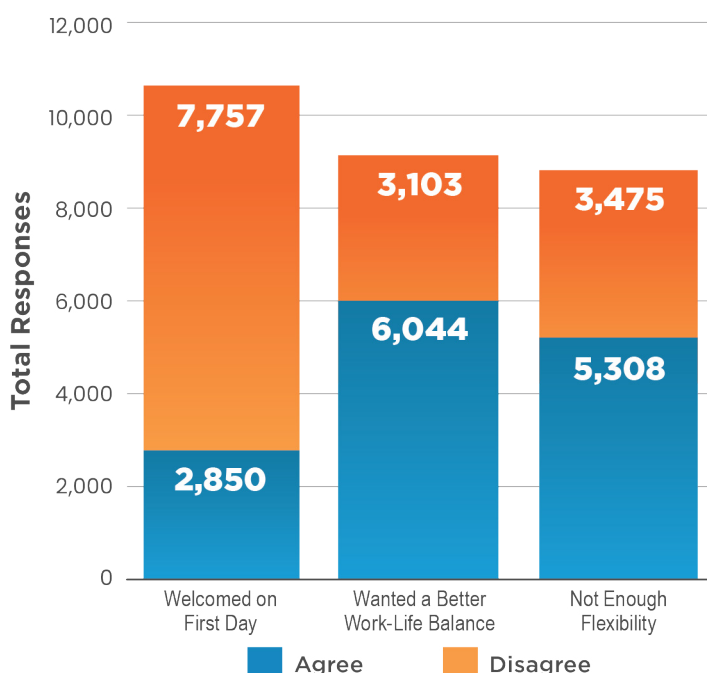
Pre-Hire Preparation and Connections	Install Training	Workhours and Front-Line Relationships	Probationary Investment	Separation Oversight
<ul style="list-style-type: none"> Realistic job expectations conveyed, assess each other’s ability to provide on-the-job training, and assign new hires accordingly. 	<ul style="list-style-type: none"> Ensure proper training completion in initial day(s) as a new employee, timekeeping completed accurately, validation of training sequence/flow identify “no shows,” or potential need to cancel accessions. 	<ul style="list-style-type: none"> Forty hours or less (guaranteed time awareness) work week to acclimate to new work/new physical requirements, one day off per week, and limit variation of daily assignments to support best learning opportunity of tasks/skills. 	<ul style="list-style-type: none"> Conduct meetings with pre-career employees on days 30, 60, 80, and document on Postal Service (PS) Form 1750, <i>Employee Evaluation and/or Probationary Report</i>, to ensure management uses the meetings to provide coaching. 	<ul style="list-style-type: none"> Well documented business case, scheduled discussion and process review with process review with Human Resources and Labor Relations prior to separation.
Responsible Party HR and Facility Managers	Responsible Party HR and Facility Managers	Responsible Party Facility Managers	Responsible Party Facility Managers	Responsible Party HR and Facility Managers

Source: 511 Initiative PowerPoint, dated February 2021.

2 Their most recent progress report dated April 2023.
 3 #511 National Initiative (“Improving the Employee Experience – First 90 Days”), dated February 3, 2021.
 4 Separation rate is the number of pre-career employees separating monthly compared to the number separated during the same period last year.
 5 Retention rate is the number of employees retained relative to the number of employees hired during the same period.
 6 Chief Retail and Delivery Officer and Chief Processing and Distribution Officer.
 7 Turnover rate is the number of separations compared to the average on rolls during the same reporting period.

The 511 Initiative aims to address the two main reasons for employees leaving the Postal Service identified in the pre-career exit surveys in FY 2019: challenges with schedule flexibility and supervisor relations. The Postal Service uses voluntary exit surveys to evaluate the pre-career employee experience by gathering feedback to understand the reasons behind employee separations. From FY 2022 through FY 2024,⁸ the top three reasons pre-career employees quit within their first 90 days were not being welcomed on their first day, wanting a better work-life balance, and not having enough flexibility in work schedules. See Figure 3 for additional details.

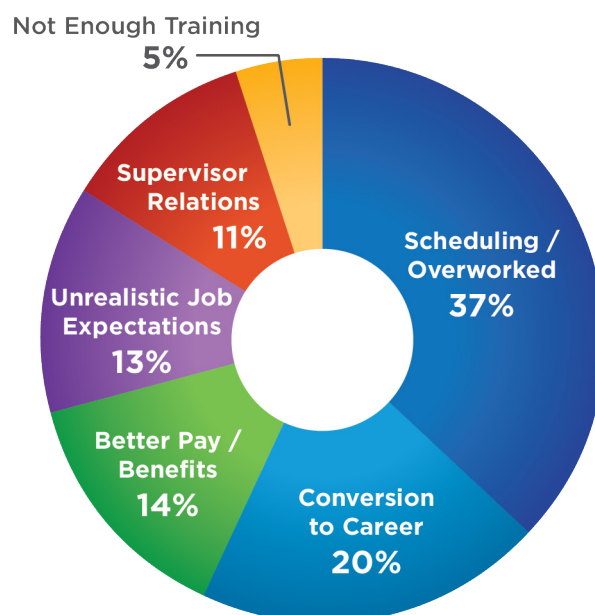
Figure 3. Pre-Career 90-Day Exit Survey Results in FYs 2022 Through 2024



Source: U.S. Postal Service Office of Inspector General (OIG) analysis of Postal Service, First 90 Days Exit Survey.

Additionally, through interviews conducted with pre-career employees,⁹ we found scheduling/being overworked, seeking conversions to career status, and better pay/benefits were their top three concerns, accounting for 71 percent of their total concerns. See Figure 4 for details.

Figure 4. Pre-Career Employee Concerns



Source: OIG pre-career site visit interviews.

As part of “Workhours and Front-Line Relationships” (best practice three of the 511 Initiative), Retail and Delivery Operations implemented the New Employee Retention Program (Retention Pilot) and the New Employee Mentoring Program (Mentoring Pilot) for only CCAs in FY 2021. Postal Service Headquarters stated the pilot sites were selected by way of a joint decision and agreement between the Postal Service and National Association of Letter Carrier’s (NALC), to assess and determine the overall effectiveness of the program.

The Retention Pilot consists of:

- Conducting a mandatory meeting between the employee and their manager to discuss expectations and provide a facility tour.
- Providing the employee at least one day off a week with workhour limitations during their first month.
- Scheduling the employee to work at a single facility with a consistent route assignment during their first month.

⁸ Exit survey results from November 3, 2021, through August 28, 2024.

⁹ 48 total pre-career employees interviewed in 4 districts: Nevada-Utah (NV-UT), Alabama-Mississippi (AL-MS), Kentucky-West Virginia (KY-WV), and Maine-New Hampshire-Vermont (ME-NH-VT).

In addition, they implemented a Mentoring Pilot for CCAs. The purpose of this pilot is to provide newly hired CCAs the opportunity to develop mentoring relationships with experienced city carriers. This voluntary program provides a way for experienced carriers to share their knowledge, skills, and passion. Typically, new CCAs are assigned a mentor for their first 120 days.

Retention

The Second-Year Progress Report of the DFA states that the Postal Service had poor service performance scores and low employee retention prior to the implementation of the DFA. For example, in FY 2022, the Postal Service had a national annual retention rate¹⁰ of 49.8 percent and met 11 of 16 (69 percent) service performance goals¹¹ for each quarter. However, during FY 2024, the national annual retention rate decreased to 43.2 percent, and the Postal Service met only three of the 16 (19 percent) service performance goals for First-Class Single

Piece Mailings and First-Class Mail Presort¹² for each quarter.

The national yearly retention rate decreased from 47.3 percent in FY 2023 to 43.2 percent in FY 2024. During

“The carrier crafts had the lowest average retention of all pre-career crafts from FYs 2022 through 2024.”

the same period, 35 of 50 districts (70 percent) and all 13 divisions experienced a decrease in pre-career employee retention. Table 1 shows the five districts and divisions with the largest decrease in retention when comparing FY 2023 to FY 2024. See Appendix B for all districts and divisions.

The carrier crafts had the lowest average retention of all pre-career crafts from FYs 2022 through 2024. Retention steadily decreased for each craft in

FYs 2023 and 2024. Table 2 shows that on average, one half of pre-career employees resign within their first year of employment.

Table 1. FYs 2023-2024 Highest Retention Declines by District and Division

District	FY 2023	FY 2024	Percent Change (Decrease)
Pennsylvania 1			39.1%
Connecticut			36.2%
Florida 2			32.6%
Idaho-Montana-Oregon			23.5%
Washington			21.3%
Division			
Gulf Atlantic			43.2%
New England			38.2%
New York Metro			32.1%
Southeast			28.8%
Southern California			27.0%

Source: OIG evaluation of Postal Service Data.

Table 2. Nationwide Pre-Career Retention Rates During First Year of Employment

Craft Position	FY 2022	FY 2023	FY 2024	Average
CCA	44.9%	45.3%	40.8%	43.7%
RCA	41.9%	40.6%	40.2%	40.9%
PSE	61.7%	59.8%	47.5%	56.3%
MHA	62.8%	57.7%	46.2%	55.6%
Average	52.8%	50.9%	43.7%	49.1%

Source: OIG evaluation of Postal Service Data.

Employee Evaluations

The Postal Service uses Postal Service (PS) Form 1750, *Employee Evaluation and/or Probationary Report*, for pre-career employee evaluations and probationary reviews. The review involves assessing the employee's work performance relative to six performance factors.

¹⁰ This data is based on the 360-day retention rate provided by the Postal Service on October 22, 2024. The Postal Service indicated it will not know its actual retention rates for FY 2024 until the end of FY 2025 due to how it calculates retention. Therefore, the final FY 2024 retention rates may be higher or lower than shown in the table.

¹¹ First-Class Single Piece Mailings, First-Class Mail Presort, Marketing Mail, and Package Services.

¹² On two-day service standards (First-Class Mail Presort – a nonautomated category for a mailing that consists of at least 500 pieces).

The form includes specific blocks for completion of a 30-, 60-, and 80-day evaluation. When each evaluation is complete, the employee must initial the form to indicate that the employee discussed the performance expectations with his or her supervisor. PS Forms 1750 are not applicable to RCAs because their probationary period is 90 days of actual work or one year.

“The Postal Service established the 511 Initiative to stabilize the workforce and improve the employee experience.”

Prior Audit Issues

The OIG has issued several reports addressing pre-career turnover since 2016. Most recently, in April 2023, the OIG reported¹³ that the Postal Service implemented the 511 Initiative to establish workhour guidance for pre-career employees. To support the initiative, the Postal Service developed specific retention programs for CCA's. However, we found opportunities existed for the Postal Service to expand the pilot programs and develop specific retention programs for all pre-career crafts. We also found supervisor relations could be improved by providing meaningful performance feedback to all probationary pre-career employees, that facility management did not ensure performance evaluation forms were completed, and that there was no official process to evaluate and document RCAs performance. The OIG recommended that the Postal Service (1) evaluate options for

workhour/workday limits and develop specific retention programs for applicable pre-career positions, (2) communicate management responsibilities to ensure compliance with performance evaluations, and (3) develop an official process that requires evaluations be conducted during RCAs probationary periods.

To address the issues, management implemented strategies focused on reducing daily and weekly hours. In addition, management distributed a memorandum underscoring the responsibilities of managers to conduct performance evaluations. Lastly, the Postal Service Labor Relation's Rural Delivery Task Force was designated to review and improve processes related to hiring and retention of RCAs.

Findings Summary

The Postal Service established the 511 Initiative to stabilize the workforce and improve the employee experience. Though nationwide pre-career retention rates generally declined, we found when the 511 Initiative best practices were followed, districts generally saw improved retention. However, opportunities exist for the Postal Service to better train and inform facility managers¹⁴ on the 511 Initiative. We also found when the 511 Initiative best practices were not followed, districts generally saw lower retention. Additionally, similar to what we reported in April 2023, we found opportunities continue for the Postal Service to expand its retention programs and improve its national standardization of the 511 Initiative. Opportunities also exist to improve centralized tracking and reporting for timely completion of the PS Form 1750.

¹³ *Postal Service Non-Career Turnover Follow-up*, 22-180-R23, April 18, 2023.

¹⁴ Includes management personnel who manage pre-career employees (i.e., Postmasters, Managers of Customer Service, and Supervisors of Customer Service).

Finding #1: Local Engagement on the New Employee Experience

We visited four districts and four divisions and found varying levels of engagement and commitment to the 511 Initiative. Districts¹⁵ with high engagement of the 511 Initiative best practices had higher pre-career employee retention rates in FYs 2023 and 2024 compared to the national average, while districts with less implementation of 511 Initiative best practices saw declining retention rates.

Improving Retention

The ME-NH-VT District HR management¹⁶ demonstrated a high level of commitment to the 511 Initiative and improving retention. District personnel routinely discussed all national guidance, requirements, and training on the 511 Initiative, and district HR management conducted weekly meetings with facility managers to ensure compliance. During these meetings, they discussed documenting employee feedback discussions and reasons why pre-career employees were leaving the Postal Service. In addition, the district safety team coordinated with facility managers to ensure the proper orientation steps were completed for onboarding employees. Specifically, we found ME-NH-VT District HR management implemented the following procedures:

- Used a dedicated district employee to monitor the completion of PS Forms 1750 rather than the district HR manager.
- Conducted a second level of review of PS Forms 1750 with Post Office Operations Managers.
- Monitored employee separations via PS Form 2574, *Resignation/Transfer from the Postal Service*.
- Monitored separation trends by year and specific pay periods.
- Monitored the 90-day retention rate.

- Monitored workhours of pre-career employees within the first 90 days and continuously watched at-risk employees working between 41-60 and 61+ hours per week.

“The ME-NH-VT District HR management demonstrated a high level of commitment to the 511 Initiative and improving retention.”

As a result, the ME-NH-VT District saw improved retention rates during FYs 2023 and 2024. The pre-career 90-day retention in the ME-NH-VT District improved from [REDACTED] percent to [REDACTED] percent, while the 90-day nationwide retention rate declined from [REDACTED] percent to [REDACTED] percent. Furthermore, the ME-NH-VT District annual retention rate rose from [REDACTED] percent in FY 2023 to [REDACTED] percent in FY 2024, while the national average dropped from 47.3 percent in FY 2023 to 43.2 percent in FY 2024.

Additionally, the ME-NH-VT District has a high cost of living in each state with Maine being ranked 33rd, New Hampshire 45th, and Vermont 34th out of all 50 states.¹⁷ Typically, the Postal Service has experienced challenges with hiring and retaining employees in high cost of living areas, particularly among pre-career employees. However, by focusing on the 511 Initiative, the ME-NH-VT District lessened the impact of those challenges. When district management is aware, engaged, and committed to the policies and procedures of the 511 Initiative, it may help reduce pre-career turnover and improve retention even in high cost of living areas.

¹⁵ While site visits were performed within divisions as well, we decided to focus on the specific districts visited due to the Postal Service's Processing and Distribution Operations structure containing multiple districts within a division. i.e., the New England Division encompasses the ME-NH-VT, MA-RI, and some of the NY districts.

¹⁶ District HR is responsible for employee relations for all employees within their associated district (retail) and division (processing).

¹⁷ Bureau of Labor Statistics ranks each state one through 50, with rank 50 being the highest cost of living area.

Declining Retention

Some districts were not fully engaged or aware of the 511 Initiative. Specifically, the AL-MS and NV-UT Districts did not always ensure facility managers were properly trained on the 511 Initiative and did not implement all the best practices. For example, all (three) facility managers interviewed in the NV-UT District were aware of only the separations best practice while two of three facility managers interviewed in the AL-MS District were not aware of any of the best practices.

The NV-UT and AL-MS Districts saw declining retention rates during FYs 2023 and 2024. The pre-career 90-day retention rate dropped in the NV-UT

“Facility managers did not apply all best practices of the 511 Initiative because they were not trained.”

District from [REDACTED] percent in FY 2023 to [REDACTED] percent in FY 2024, which was almost [REDACTED] percent lower than the nationwide rate of [REDACTED] percent. Further, the annual retention rate in the NV-UT District dropped from [REDACTED] percent to [REDACTED] percent for the same years. Although the AL-MS District had an above average 90-day retention rate of [REDACTED] percent in FY 2024, its annual retention rate dropped from [REDACTED] percent in FY 2023 to [REDACTED] percent in FY 2024. Both districts' annual retention rates were lower than the national average of 43.2 percent in FY 2024.

In January 2023, Headquarters HR implemented the Delivering the New Employee Experience (DNEE) training course, which places a significant emphasis on recruiting, hiring, and training employees. Additionally, the training identifies and addresses those factors that may influence an employee's decision to leave the Postal Service and how to significantly reduce the turnover rate. The training includes discussions on 511 Initiative topics, such as separations, turnover, and retention.

Facility managers did not apply all best practices of the 511 Initiative because they were not trained. Only eight of 16 (50 percent) management personnel interviewed completed the DNEE training. The remaining eight management personnel were not required to take the training even though they managed pre-career employees. Postal Service HR management stated those specific facility managers were outside the required management positions currently assigned the training in the Learning Management System.¹⁸ The Postal Service assigned the training to specific occupation codes in the Learning Management System, which did not capture everyone that manages pre-career employees. According to DNEE guidance,¹⁹ the training course will be assigned to all operational leaders who manage bargaining unit employees and must be completed within 60 days of assignment.

When facility managers are not fully aware of and trained on the 511 Initiative process, they may not be able to effectively onboard pre-career employees or provide them with adequate resources to succeed, which results in declining retention. According to the Postal Service, people are its greatest asset, and therefore, its future success depends on investing in new employees.

Recommendation #1

We recommend the **Vice President, Human Resources**, update the Learning Management System to require and assign all facility managers overseeing pre-career employees to take Delivering the New Employee Experience training.

Recommendation #2

We recommend the **Chief Retail and Delivery Officer**, in coordination with the **Chief Processing and Distribution Officer**, reiterate the importance of the 511 Initiative best practices and facility managers responsibilities to ensure national compliance and standardization of the initiative.

¹⁸ A system which enables employees to complete assigned training, search for developmental resources, and view learning transcripts.

¹⁹ Delivering New Employee Experience, dated May 30, 2024.

Postal Service Response

Management generally agreed with this finding and agreed with recommendations 1 and 2.

Regarding recommendation 1, management stated occupation codes in the Learning Management System will be verified to assign the course, Delivering the New Employee Experience, to all operational leaders who manage bargaining unit employees. Management also stated relevant occupation codes will be added in the next update to the Learning Management System, and course completion will continue to

be required. The target implementation date is July 31, 2025.

Regarding recommendation 2, management stated it will issue a joint Vice President letter along with the initiatives' best practices. The target implementation date is July 31, 2025.

OIG Evaluation

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

Finding #2: National Retention Efforts

Opportunities exist for the Postal Service to expand its retention programs and improve national standardization of the 511 Initiative, and to centralize tracking and reporting to ensure timely completion of the PS Form 1750. From FY 2021 through FY 2024, we found retention rates have generally dropped for all four pre-career positions. See Figure 5 for FY 2021 through FY 2024 retention rates by crafts.

Retention Programs

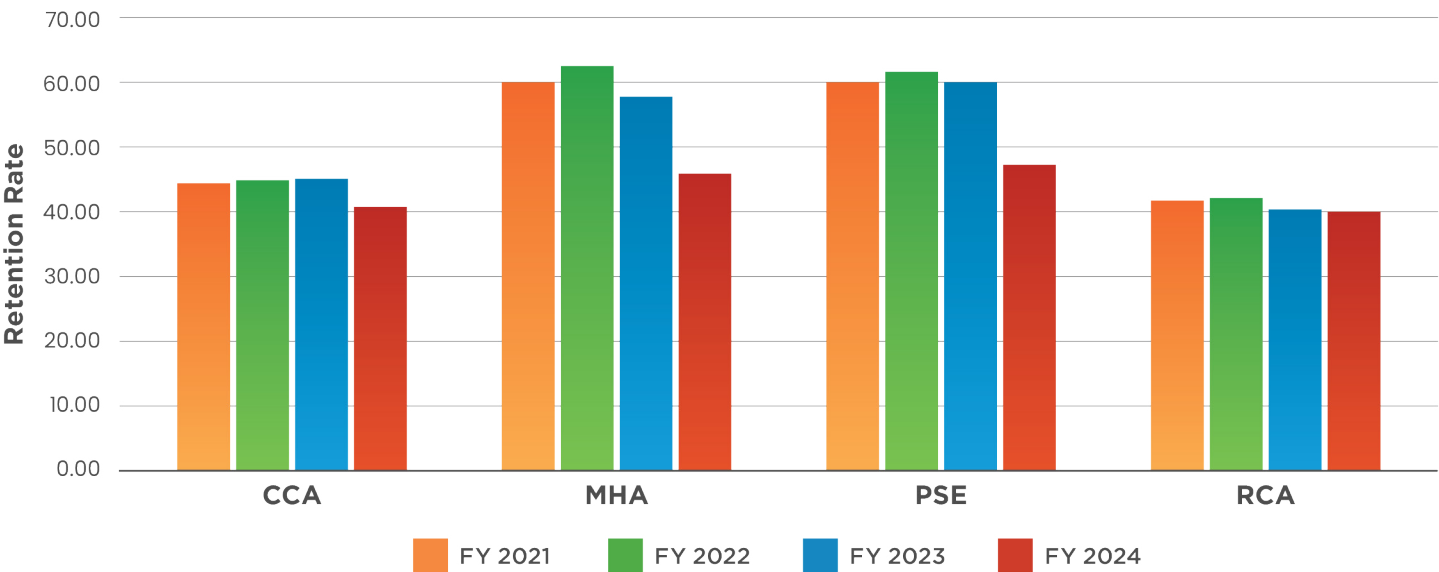
Although the Postal Service continues to see declining retention rates across the country, it has not expanded the CCA pre-career pilots since 2022²⁰ or formally created any additional pre-career retention programs for other crafts. In FY 2021, the CCA pilot programs were initially implemented at 74 facilities in five cities (four districts). By the end of FY 2022, Retail and Delivery Operations implemented and expanded the Retention Pilot to 360 facilities in eight districts and the Mentoring Pilot to 448 facilities in 12 districts. However, after FY 2022, the Postal Service stopped monitoring retention data for the pilot programs.

Although the national annual retention rate dropped from FY 2021 through FY 2022, the initial results of the

“Although the Postal Service continues to see declining retention rates across the country, it has not expanded the CCA pre-career pilots since 2022 or formally created any additional pre-career retention programs for other crafts.”

Retention Pilot for the same period show that annual retention rates improved in the four districts where they implemented the pilot program (see Table 3). Although these districts experienced varying retention rates since FY 2022, three of four districts were higher than the national average in FY 2024, which could indicate the pilot programs had a positive impact on retention.

Figure 5. Nationwide Retention Rates by Craft in FYs 2021 Through 2024



Source: OIG Evaluation of WORKFORCE Planning, Insights, and Analytics and Postal Service Data.

20 There were no additional pilot site locations in FYs 2023 and 2024.

Table 3. FYs 2021-2024 Annual Retention Rates by District

District	FY 2021	FY 2022	FY 2023	FY 2024
Michigan 1	52.0%	53.5%		
Kentucky-West Virginia	46.0%	47.0%		
Ohio 2	42.4%	44.6%		
Wisconsin	43.4%	49.5%		
National Average	50.1%	49.8%	47.3%	43.2%

Source: OIG Evaluation of WORKFORCE Planning, Insights, and Analytics and Postal Service Data.

The Postal Service did not expand the CCA retention pilots due to the prior NALC Collective Bargaining Agreement expiring in May 2023. As of October 2024, the Postal Service is still in negotiations with the NALC on a tentative agreement which includes specific requirements for the new employee experience, retention, and mentoring, as well as for implementing the Retention and Mentoring Pilot nationwide.

In a prior audit,²¹ we recommended management develop specific retention programs for rural carrier associates, processing postal support employees, and mail handler assistants. While the Postal Service agreed with this recommendation, it has not created any additional formal retention programs for other crafts because it believes the 511 Initiative is sufficient. Specifically, management stated it does not support rigid limits to hours and/or days worked due to contractual limitations and the flexibility required to provide timely service. While the 511 Initiative focuses on the first 90 days of employment for the four pre-career employee positions, three of the four crafts have nothing in place to bridge the gap after the first 90 days, similar to the Retention and Mentoring pilot programs that

currently apply to CCAs only. For example, the 90-day retention rate for MHAs was above average at 74 percent in FY 2024; however, after the initial 90-day period was over, MHA retention started to drop, ending FY 2024 at 46 percent.

Implementing retention programs that supplement the 511 Initiative would help increase pre-career employee retention. The Postal Service established a National Performance Assessment monthly pre-career employee separation rate reduction goal of (-6.0) percent during FY 2023 and a separation rate reduction goal of (-8.5) percent during FY 2024. The Postal Service met its goal for only 12 months during the 24-month period. To meet separation rate reduction goals, the Postal Service would have needed to retain nearly 7,903 more pre-career employees during the 24-month period. As a result, the Postal Service incurred \$1,437,662 in additional onboarding and training expenses.

Recommendation #3

We recommend the **Chief Retail and Delivery Officer** and **Chief Processing and Distribution Officer**, in coordination with the **Vice President, Labor Relations**, assess the benefits of the implemented Retention and Mentor Pilot programs to improve annual retention rates for all pre-career crafts.

“The Postal Service did not expand the CCA retention pilots due to the prior NALC Collective Bargaining Agreement expiring in May 2023.”

Postal Service Response

Management generally agreed with this finding and agreed with recommendation 3 but disagreed with the monetary impact and retention data. Regarding recommendation 3, management stated it will assess the benefits of the implemented pilot programs to improve annual retention rates for pre-career employees and develop strategies for the respective crafts. However, it stated this action is subject to negotiations with each craft union’s

21 Postal Service Non-Career Turnover Follow-up, 22-180-R23, April 18, 2023.

stakeholder. The target implementation date is March 15, 2026.

Regarding the monetary impact, the Postal Service had concerns with the savings/cost analysis. It stated the analysis reflects measuring of only pre-career separations by using Employee Separation Rate NPA metric, which is a combined “goal.” It further stated the FY 2024 costs were calculated in an inaccurate way to measure year over year. Finally, it stated the measurement using NPA is flawed, and the retention data is based on a 360-day calculation.

OIG Evaluation

The OIG considers management’s comments responsive to recommendation 3, and corrective actions should resolve the issues identified in the report.

Regarding the monetary impact, the OIG recognizes the efforts the Postal Service has taken to retain its pre-career employees, and we acknowledge these efforts in the reported monetary impact. The OIG is aware of the Employee Separation Rate NPA metric being a combined goal. However, the Postal Service stated there is not a separate calculated goal by employee type (career or pre-career), so the target/goal remains the same. Despite stating the OIG’s measurement using NPA is flawed, the Postal Service did not provide a proposed or alternative methodology. Additionally, we acknowledge in the report the FY 2024 retention rates are based on 360 days; however, we received this data from the Postal Service, and according to management, it will not know the final FY 2024 retention rates until the end of FY 2025, which in our opinion is not helpful for retention strategy decisions for the current year. As discussed in Finding 2, there are concerns that the Postal Service will be unable to continuously meet its monthly pre-career separation rate reduction goal.

Management Feedback

Facility managers did not always provide timely coaching and feedback to pre-career employees via the PS Form 1750 for the 30-, 60-, and 80-day evaluations. The “Probationary Investments” (best practice #4 of the 511 Initiative) discusses completing the PS Form 1750 timely. Of the 48 pre-career employees interviewed, 30 (63 percent) were required to have a PS Form 1750. However, of those 30 pre-career employees, nine (30 percent) did not receive coaching or feedback from management on the PS Form 1750.

“Facility managers did not always provide timely coaching and feedback to pre-career employees via the PS Form 1750 for the 30-, 60-, and 80-day evaluations.”

The Postal Service’s Retail and Delivery Operations monitors PS Form 1750 completion in the Retail and Delivery Applications & Reports (RADAR) system²² for CCAs at the Retention and Mentoring pilot site locations. RADAR tracks evaluations completed on time, late, or incomplete for the 30-, 60-, and 80-day evaluation periods. Management does not require facilities to use RADAR to monitor PS Forms 1750 for CCAs at non-pilot sites. Processing and logistics operations do not have a system comparable to RADAR for tracking, monitoring, and entering dates for the PS Forms 1750.

Facility managers did not ensure timely coaching and feedback was performed via the PS Form 1750 because, although facility managers were aware of the requirements of pre-career employee evaluation and probationary review, they cited other duties that took priority.²³ Furthermore, the Postal Service does not have a centralized location to accurately monitor completed PS Forms 1750 for all operations.

²² A portal for Retail and Delivery reports and applications that provide visibility to the field. These tools and visibility allow the field to make the best decisions to drive operational excellence and improve customer satisfaction.

²³ Priorities may include, but are not limited to, mail delivery and administrative tasks (i.e. leave entry, timesheets, teleconferences, etc.).

Headquarters stated it is the responsibility of facility managers to monitor the PS Form 1750 at the local facility.

In April 2023, we issued an audit report²⁴ that found opportunities existed for the Postal Service to improve its supervisor relations by providing meaningful performance feedback to all probationary employees. The report recommended that the Postal Service communicate management responsibilities and provide oversight to ensure compliance with PS Form 1750 requirements for applicable pre-career employees.

“If facility managers do not conduct and monitor formal evaluations on PS Forms 1750 with their pre-career employees, the employees may not receive the guidance and feedback needed to improve their performance, which could lead to increased turnover and lower morale.”

To address the issues identified, Postal Service management issued a memorandum underscoring the responsibilities of managers and supervisors completing the PS Form 1750 and created a subcommittee to review and improve processes related to hiring and retention. Based on our audit recommendation, Postal Service Headquarters deployed an electronic PS Form 1750 in one facility in October 2024 for all pre-career crafts. The electronic PS Form 1750 implementation is being developed as a web-based application designed to track pre-career employee probationary evaluations and guide management through the evaluation process.

According to the Postal Service, the application will assign pre-career employee evaluations to facility managers, send email notifications, enable systemic tracking of evaluation progress, and retain a repository of signed and completed PS Forms 1750. Additionally, there will be a summary dashboard included in the application that is available to management to drive compliance of the PS Forms 1750. The estimated nationwide implementation of the electronic PS Form 1750 is March 2025.

If facility managers do not conduct and monitor formal evaluations on PS Forms 1750 with their pre-career employees, the employees may not receive the guidance and feedback needed to improve their performance, which could lead to increased turnover and lower morale. In addition, facility managers would not be effectively managing the probationary period and could be unable to provide timely feedback to reinforce positive behaviors and promote accountability.

Recommendation #4

We recommend the **Chief Retail and Delivery Officer** require Postal Service Forms 1750 to be tracked and monitored in the Retail and Delivery Applications and Reports system for all facilities instead of only pilot sites.

Recommendation #5

We recommend the **Vice President, Human Resources**, in coordination with the **Vice President, Labor Relations, Chief Retail and Delivery Officer** and **Chief Processing and Distribution Officer**, require all operations to use the electronic Postal Service Form 1750 web-based application once implemented.

Postal Service Response

Management generally agreed with this finding and agreed with recommendations 4 and 5.

²⁴ Postal Service Non-Career Turnover Follow-up, 22-180-R23, April 18, 2023.

Regarding recommendation 4, management stated it will require all facilities to track and monitor PS Form 1750 until the e1750 application is successfully implemented. The target implementation date is August 31, 2025.

Regarding recommendation 5, management stated enhancements are expected to be implemented for the e1750 application by March 2025. At that point, management will begin expanding the application's use in preparation

of the national rollout. The target implementation date is December 31, 2025.

OIG Evaluation

The OIG considers management's comments responsive to the recommendations, and corrective actions should resolve the issues identified in the report.

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Appendix A: Additional Information

Scope and Methodology

The scope of our audit was Postal Service’s nationwide pre-career employee turnover and retention for FY 2022 through FY 2024. We also reviewed the Postal Service’s initiatives and programs that stabilize the pre-career workforce by improving the employee experience and increasing retention. Any employee who is not a CCA, PSE, MHA, or RCA was excluded. Specifically, we did not look at the Postal Service’s seasonal, peak hires, or career employees. We focused only on the Postal Service’s initiatives, programs, and strategies for the pre-career workforce, as they relate to the employee experience and retention.

- We conducted site work at the Atlantic, Central, Southern, and Western-Pacific Areas, as well as the Eastern and Western Regions, using the following methodology:
- For each district we judgmentally selected sites based on the FY 2024 separation rate data and performed visits at the district office to talk with HR personnel and those responsible for monitoring pre-career employee retention.
 - We also visited retail and delivery and processing facilities in selected districts to talk with facility managers regarding their involvement in pre-career retention. In total, we visited 12 facilities. See Table 4 for facilities visited during the audit.

Table 4. Fieldwork Site Visits

Area ²⁵	District	Facility
Atlantic	Maine-New Hampshire-Vermont	Industrial Park Annex
		Portland Sorting and Delivery Center
Central	Kentucky-West Virginia	Fairmont Post Office
		Middletown Branch
Southern	Alabama-Mississippi	Birmingham Carrier Annex
		Tuscaloosa Post Office
Western-Pacific	Nevada-Utah	Henderson Post Office
		Red Rock Post Office
Region ²⁶	Division	Facility
Eastern	New England	Southern Maine Processing & Distribution Center (PDC)
Eastern	Gulf Atlantic	Birmingham P&DC
Western	Lakeshores	Louisville P&DC
Western	Western	Las Vegas P&DC

Source: Site visits based on OIG’s analysis of Postal Service data.

²⁵ Retail and Delivery is split into four areas (Atlantic, Central, Southern, and Western-Pacific) and has 50 districts.
²⁶ Logistics and Processing Operations is split into two regions (Eastern and Western) and is comprised of 13 divisions.

To accomplish our objective, we:

- Identified, reviewed, and documented the Postal Service’s pre-career employees’ turnover and retention goals, initiatives, and programs.
- Interviewed headquarters personnel regarding its responsibilities, processes, and procedures on pre-career employee retention strategies and initiatives.
- Reviewed collective bargaining agreements between the Postal Service and the labor unions regarding pre-career employees’ workforce processes and benefits.
- Examined results from the pre-career exit and pre-career stay surveys across FYs 2022 to 2024 to look for trends in employee sentiments.
- Obtained and analyzed the following data for trends and patterns:
 - Pre-career employee turnover and retention trends in relation to National Performance Assessment goals, including areas, districts, and positions.
 - Number of pre-career employees hired and separated during the audit scope period
 - Onboarding and training costs associated with hiring pre-career employees.
- Interviewed pre-career employees and facility supervisors/managers at judgmentally selected pilot sites to identify underlying causes that contribute to turnover at the Postal Service.
- Reviewed management’s actions to close the recommendations made in the prior audit (22-180-R23) and assessed their impact in reducing pre-career employee turnover.

We conducted this performance audit from July 2024 through March 2025 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 March 4, 2025 and included its comments where appropriate.

In planning and conducting the audit, we obtained an understanding of pre-career retention initiatives internal control structure to help determine the nature, timing, and extent of our audit procedures. We reviewed the management controls for overseeing the program and mitigating associated risks. Additionally, we assessed the internal control components and underlying principles, and we determined that the following five components were significant to our audit objective:

- Control environment
- Risk Assessment
- Control activities
- Information and communication Monitoring

We developed audit work to ensure that we assessed these controls. Based on the work performed, we identified internal control deficiencies related to the control environment, information and communication, and monitoring that were significant within the context of our objectives. Our recommendations, if implemented, should correct the weaknesses we identified.

We assessed the reliability of FYs 2022-2024 pre-career employee separations data provided by the Postal Service by testing the reasonableness, accuracy, and validity of the data. We compared monthly record counts and control totals to verify that records match for separations for FYs 2022-2024 and compared the source of Postal Service data and OIG-pulled data from the WORKFORCE Planning, Insights, and Analytics dashboard. In addition, we interviewed knowledgeable Postal Service officials about the data. We determined that the data were sufficiently reliable for the purposes of this report.

Prior Audit Coverage

Report Title	Objective	Report Number	Final Report Date	Monetary Impact
<i>Postal Service's Non-Career Turnover Follow-up</i>	Assess the Postal Service's ongoing actions to reduce non-career employee turnover rates.	22-180-R23	04/18/2023	52 million
<i>Effectiveness of the Postal Service's Efforts to Reduce Non-Career Employee Turnover</i>	Assess the U.S. Postal Service's effectiveness in reducing non-career employee turnover and evaluate underlying reasons for non-career employee turnover	19POG001SAT000-R20	02/12/2020	14 million
<i>Non-Career Employee Turnover</i>	Assess non-career employee turnover and identify opportunities to optimize non career staffing.	HR-AR-17-002	12/20/2016	53 million

Appendix B: Retention Rates by District and Division in FYs 2023 and 2024²⁹

Table 5. Retention Rates by District in FYs 2023 and 2024

District	FY 2023	FY 2024
Alabama-Mississippi		
Alaska		
Arizona-New Mexico		
Arkansas-Oklahoma		
California 1		
California 2		
California 3		
California 4		
California 5		
California 6		
Connecticut		
Colorado-Wyoming		
Delaware-Pennsylvania 2		
Florida 1		
Florida 2		
Florida 3		
Georgia		
Hawaii		
Idaho-Montana-Oregon		
Iowa-Nebraska-South Dakota		
Illinois 1		
Illinois 2		
Indiana		
Kansas-Missouri		
Kentucky-West Virginia		
Louisiana		
Maine-New Hampshire-Vermont		
Maryland		
Massachusetts-Rhode Island		
Michigan 1		
Michigan 2		
Minnesota-North Dakota		
Nevada-Utah		
New Jersey		
New York 1		
New York 2		
New York 3		
North Carolina		

District	FY 2023	FY 2024
Ohio 1		
Ohio 2		
Pennsylvania 1		
Puerto Rico		
South Carolina		
Tennessee		
Texas 1		
Texas 2		
Texas 3		
Virginia		
Washington		
Wisconsin		
Average	45.3%	42.3%

Source: OIG's analysis of Postal Service data.

Table 6. Retention Rates by Division in FYs 2023 and 2024

Division	FY 2023	FY 2024
Chesapeake		
Gulf Atlantic		
Lakeshores		
Midwest		
New England		
New York Metro		
Pacific Northwest		
South Atlantic		
Southeast		
Southern California		
Southwest		
Western		
Westshores		
Average	62.7%	47.6%

Source: OIG's analysis of Postal Service data.

²⁹ This data is based on the 360-day retention rate provided by the Postal Service on October 22, 2024. The Postal Service indicated it will not know its actual retention rates for FY 2024 until the end of FY 2025 due to how it calculates retention. Therefore, the final FY 2024 retention rates may be higher or lower than shown in the table.

Appendix C: Management's Comments



March 20, 2025

BRIAN NEWMAN
DIRECTOR, AUDIT SERVICES (A)

SUBJECT: Management Response: Pre-Career Retention Initiatives (24-131-DRAFT)

Thank you for providing the Postal Service with an opportunity to review and comment on the findings and recommendations contained in the draft audit report, ***Pre-Career Retention Initiatives (24-131-DRAFT)***

Finding #1 Local Engagement on the New Employee Experience

The Postal Service generally agrees with the assumption of the findings. Districts with high engagement of the 511 Initiative best practices had higher pre-career employee retention rates in FYs 2023 and 2024 compared to the national average, while districts with less implementation of 511 Initiative best practices saw declining retention rates.

Finding #2 National Retention Efforts

The Postal Service generally agrees that opportunities exist to expand its retention programs and improve national standardization of the 511 Initiative, and to centralize tracking and reporting to ensure timely completion of the PS Form 1750. Human Resources currently identifies the sites with opportunity to improve retention, conducts on site visits, and provides an executive summary focusing on the findings of the visit. The executive summary includes recommendations for remediation with an expected action plan within 30 days. Management also released a memo outlining the duties of managers and supervisors filling out PS Form 1750. To further retention efforts, the electronic PS Form 1750 (e1750) application will be implemented nationwide by December 2025. The e1750 is a web-based application designed to track pre-career employee probationary evaluations and guide management through the evaluation process.

Regarding the Monetary impact listed for incurred cost of \$1,437,662 for onboarding and training expenses from FY2023-2024, management disagrees with the amount reported. Review of the savings/cost analysis raise concerns with how this was calculated. The NPA metric is a target set for both career and non-career separations. The analysis reflects measuring of only non-career separations by using Employee Separation Rate NPA metric cell 5 as the target to determine any savings/costs. Which was used as a combined "goal" only measuring a subset of the population for this goal (16%) of the total population. Also, FY24 costs were calculated based on our Cell 5 "stretch goal" of -8.5% to SPLY which is an inaccurate way to measure year over year.

Additionally, it is stated in part that "Postal Service would incur the same amount of cost in FY's 2025-2026 based on 24 months of the current data." The measurement using the NPA is flawed. However, even if the measurement process is adopted, the numbers for FY25 YTD demonstrate we are exceeding the Cell 5 goal. Which using the flawed measurement puts us in the green despite the statement we would incur the same amount of loss.

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Management also disagrees with the OIG's calculation of FY24 retention rate. The report attempts to utilize 360-Day retention rates by fiscal year. To calculate a 360-Day retention rate for a fiscal year the analysis must allow for 360 to elapse for all hires in that fiscal year to determine if the employee was retained. Fiscal year 2022 and 2023 360-Day rates are correct in the OIG report as the above criteria has been met. Fiscal year 2024 360-Day retention rate in the OIG report is incorrect because all pre-career employees hired in fiscal year 2024 have not yet had the opportunity to remain on the rolls for 360 days and therefore the Postal Service cannot calculate final 360-Day retention rate until such time has elapsed.

Following are our comments on each of the five recommendations:

Recommendation 1:

We recommend the **Vice President, Human Resources**, update the Learning Management System to require and assign all facility managers overseeing pre-career employees to take Delivering the New Employee Experience training.

Management Response/Action Plan:

Management **agrees** with this recommendation. Occupation codes in the Learning Management System will be verified to assign the course, *Delivering the New Employee Experience*, to all operational leaders who manage bargaining unit employees. Any relevant occupation codes where this course should be mandatory will be added in the next update to the Learning Management System. Completion of this course will continue to be required yearly, and/or within 60 days of assignment to a supervisory position

Target Implementation Date: 07/31/2025

Responsible Official:

Vice President, Human Resources

Recommendation 2:

We recommend the **Chief Retail and Delivery Officer**, in coordination with the **Chief Processing and Distribution Officer**, reiterate the importance of the 511 Initiative best practices and facility managers responsibilities to ensure national compliance and standardization of the initiative.

Management Response/Action Plan:

Management agrees with this recommendation. Both the Chief Retail and Delivery Officer, in coordination with the Chief Processing and Distribution Officer will issue a joint Vice President letter along with the initiatives' best practices

Target Implementation Date: 7/31/2025

Responsible Official:

Chief Retail and Delivery Officer & Chief Processing and Distribution Officer

Recommendation 3:

We recommend the **Chief Retail and Delivery Officer** and **Chief Processing and Distribution Officer**, in coordination with the **Vice President, Labor Relations**, assess the benefits of the implemented Retention and Mentor Pilot programs to improve annual retention rates for all pre-career crafts.

Management Response/Action Plan:

Management **agrees** with this recommendation.

The Chief Retail and Delivery Officer, Chief Processing and Distribution Officer in coordination with the Vice President, Labor Relations, will assess the benefits of the implemented Retention and Mentor Pilot Programs to improve annual retention rates for pre-career employees and develop strategies for the respective crafts.

The above is subject to negotiations with each craft union's stakeholders

Target Implementation Date: 3/15/2026

Responsible Official:
Vice President, Labor Relations

Recommendation 4:

We recommend the **Chief Retail and Delivery Officer** require Postal Service Forms 1750 to be tracked and monitored in the Retail and Delivery Applications and Reports system for all facilities instead of only pilot sites.

Management Response/Action Plan:

Management agrees with this recommendation.

Management will require all facilities to track and monitor PS Form 1750 at all facilities until such time that the e1750 is successfully rolled and at which time it will require facilities to utilize the e1750

Target Implementation Date: 8/31/2025

Responsible Official:
VP Delivery Operation and VP Retail and Post Office Operations

Recommendation 5:

We recommend the **Vice President, Human Resources**, in coordination with the **Vice President, Labor Relations, Chief Retail and Delivery Officer** and **Chief Processing and Distribution Officer**, require all operations to use the electronic Postal Service Form 1750 web-based application once implemented.

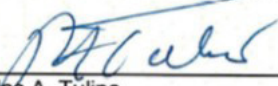
Management Response/Action Plan:

Management agrees with this recommendation.

Management agrees with the requirement for all operations to use the electronic Postal Service (PS) Form 1750 application. Enhancements are expected to be implemented in production for the electronic PS Form 1750 application by March 2025. At that point, we will begin to expand the application's use beyond the pilot site, marking the start of the national rollout. All operations will have access to the electronic PS Form 1750 by December 2025.

Target Implementation Date: 12/31/2025

Responsible Official:
Vice President, Human Resources, Vice President, Labor Relations, Chief Retail and Delivery Officer and Chief Processing and Distribution Officer



Douglas A. Tulino
Deputy Postmaster General & Chief Human Resources Officer

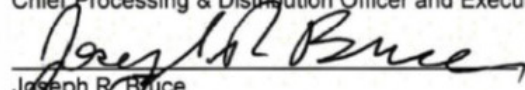
- 4 -

E-SIGNED by ELVIN MERCADO
on 2025-03-20 11:58:40 EDT

Elvin Mercado
Chief Retail & Delivery Officer and Executive Vice President

E-SIGNED by ISAAC S CRONKHITE
on 2025-03-20 12:04:02 EDT

Isaac S. Cronkhite
Chief Processing & Distribution Officer and Executive Vice President


Joseph R. Bruce
Vice President, Human Resources

cc: Corporate Audit & Response Management

OFFICE OF INSPECTOR GENERAL UNITED STATES POSTAL SERVICE



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