



Office of Inspector General | United States Postal Service

Audit Report

First-Line Supervisor Recruitment and Retention

Report Number 19SMG008HR000-R20 | April 13, 2020

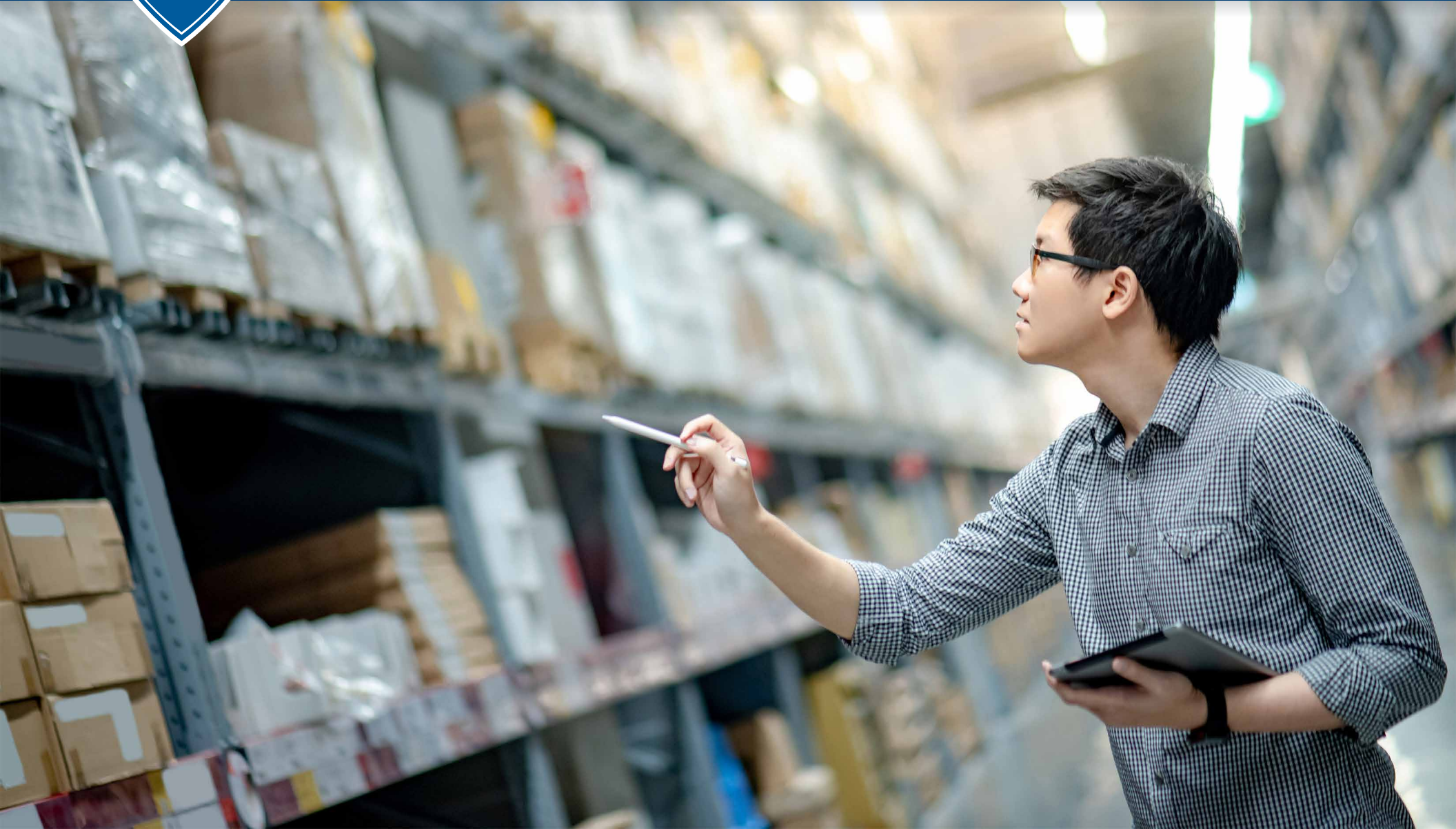


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Highlights

Objective

First-line supervisors play a critical role in any organization and influence productivity, quality, and employee morale. In the U.S. Postal Service, first-line supervisors significantly contribute to accomplishing Postal Service goals, including ensuring customers receive quality service and their mail and parcels on time and in good condition. For the purposes of our work, we focused on customer service, distribution, maintenance, and transportation operations supervisors located in retail and Postal Service processing facilities.

During fiscal year (FY) 2018, the Postal Service had 18,433 permanent first-line supervisors —13,049 in retail facilities and 5,384 in mail processing facilities. In addition, 4,394 employees acted as first-line supervisors detailed for a limited period to perform supervisory duties and responsibilities.

Generally, supervisor positions are filled internally by qualified career employees through assignment, reassignment, and/or promotion. When career vacancies cannot be filled internally, external hiring may be authorized.

Our objective was to assess whether the Postal Service is effectively hiring and retaining first-line supervisors. We reviewed recruitment and retention initiatives to determine if they met their intended purpose. Additionally, we evaluated a statistical sample of 246 first-line supervisor vacancies from FYs 2016 to 2018 to determine whether the Postal Service filled first-line supervisor vacancies timely and whether first-line supervisors met qualifications outlined in job announcements.

Our fieldwork was completed before the President of the United States issued the national emergency declaration concerning the novel coronavirus disease outbreak (COVID-19) on March 13, 2020. The results of this audit do not reflect any process and/or operational changes that may have occurred as a result of the pandemic.

Findings

The Postal Service effectively retained first-line supervisors, as its nationwide average attrition rate remained at 1 percent for the three-year period from FYs 2016 to 2018. Current recruitment and retention initiatives also met their intended purpose based on participant survey results. However, despite the low attrition rates for first-line supervisors from FYs 2016 to 2018, first-line supervisors were the least engaged of all employee categories in the Postal Service during the same time period.

Also, the Postal Service did not fill first-line supervisor vacancies timely and hiring officials did not complete and maintain supporting documentation for first-line supervisor positions. The Postal Service had an informal goal to fill first-line supervisor vacancies within 60 days. Despite this goal, 217 of 246 vacancies (88 percent) were open for over 60 days, ranging from 61 to 286 days.

Additionally, Postal Service hiring officials did not complete and maintain required supporting documentation for 168 of 246 first-line supervisor positions (68 percent). Incomplete and missing documentation included items such as signed and dated requirements matrices that determine whether potential hires met qualification requirements. As a result, we could not determine whether these supervisors met the qualifications outlined in vacancy announcements.

These issues occurred because the Postal Service did not establish and implement sufficient controls to ensure hiring officials completed hiring activities in a timely manner and ensure district and facility officials completed and maintained hiring documentation as required.

When first-line supervisor vacancies are not filled timely, there is an increased risk of those staff shortages negatively affecting operations, overtime usage, and the workload of other supervisors and employees.

Because the Postal Service could not provide the required supporting documentation for the selection of some of the first-line supervisors, we identified \$16.4 million in unsupported questioned costs related to the pay increase for promotion to first-line supervisor.

Recommendations

We recommended management establish and implement sufficient controls to ensure hiring officials complete their hiring activities in a timely manner and an oversight mechanism to ensure district and facility officials prepare and maintain hiring documentation as required.

Transmittal Letter



OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

April 13, 2020

MEMORANDUM FOR: SIMON M. STOREY
VICE PRESIDENT, EMPLOYEE RESOURCE
MANAGEMENT

KEVIN L. MCADAMS
VICE PRESIDENT, DELIVERY AND RETAIL OPERATIONS

DR. JOSHUA D. COLIN
VICE PRESIDENT (A), PROCESSING AND
MAINTENANCE OPERATIONS

E-Signed by Jason Yovich
E-Verify Authenticity with eSign Desktop

FROM: Jason M. Yovich
Acting Deputy Assistant Inspector General
for Supply Management and Human Resources

SUBJECT: Audit Report – First-Line Supervisor
Recruitment and Retention
(Report Number 19SMG008HR000-R20)

This report presents the results of our audit of First-Line Supervisor Recruitment and Retention.

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Anthony Williams, 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 First-Line Supervisor Recruitment and Retention (Project Number 19SMG008HR000). Our objective was to assess whether the U.S. Postal Service is effectively hiring and retaining first-line supervisors. Our focus was first-line supervisors at retail and mail processing facilities, including supervisors of Customer Service, Distribution Operations, Maintenance Operations, and Transportation Operations.

Our fieldwork was completed before the President of the United States issued the national emergency declaration concerning the novel coronavirus disease outbreak (COVID-19) on March 13, 2020. The results of this audit do not reflect any process and/or operational changes that may have occurred as a result of the pandemic.

Background

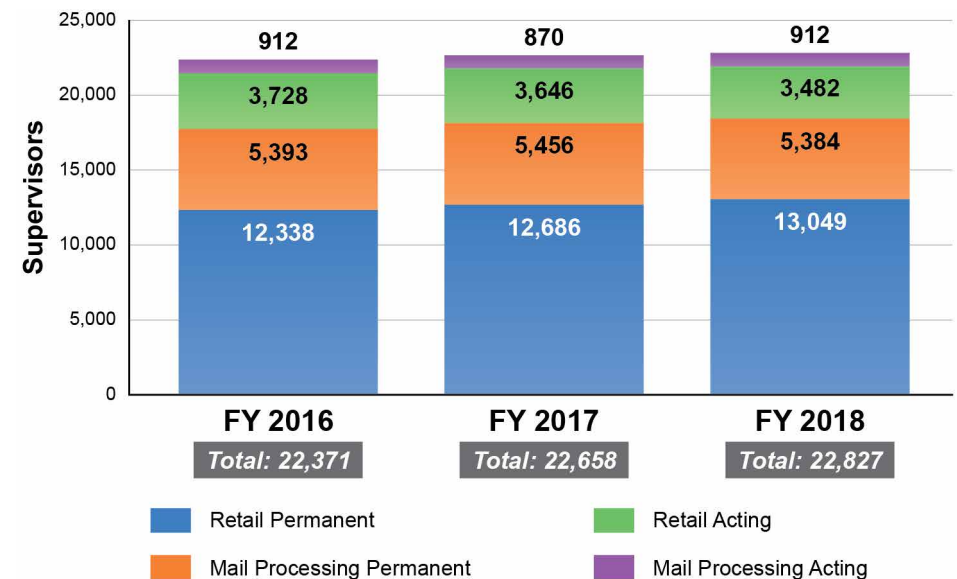
First-line supervisors play a critical role in any organization and influence productivity, quality, and employee morale. In the Postal Service, first-line supervisors significantly contribute to the accomplishment of Postal Service goals, including ensuring customers receive quality service as well as their mail and parcels on time and in good condition.

Supervisors of customer service supervise city and rural letter carriers, clerks, and maintenance custodians at post offices, stations, or branches that sell postage stamps and provide other retail products and services to customers. Supervisors of Distribution Operations, Maintenance Operations, and Transportation Operations typically supervise clerks, mail handlers, and transportation and maintenance personnel at distribution centers, international service centers, and air mail facilities that sort and distribute mail for dispatch and eventual delivery.

“Hiring permanent first-line supervisors starts with attracting a diverse pool of qualified individuals.”

During fiscal year (FY) 2018, the Postal Service had 18,433 permanent first-line supervisors — 13,049 at retail facilities and 5,384 at mail processing facilities. In addition, 4,394 employees acted as first-line supervisors detailed for a limited period to perform supervisory duties and responsibilities. Of this number, 3,482 and 912 worked in Retail Services and Mail Processing Operations, respectively (see Figure 1).

Figure 1. Permanent and Acting First-Line Supervisors FYs 2016 to 2018



Source: Eagan mainframe payroll system.

Hiring permanent first-line supervisors starts with attracting a diverse pool of qualified individuals. Generally, supervisor positions are filled internally by qualified career employees through assignment, reassignment, and/or promotion. When vacancies cannot be filled internally, external hiring may be authorized. From FYs 2016 to 2018, the Postal Service issued 11,800 first-line supervisor internal vacancy announcements and 44 external vacancy announcements.

The facility manager is responsible for forecasting staffing and recruitment requirements to ensure there are qualified persons available for appointment.

This hiring process is administered by the Human Resource Shared Services Center (HRSSC) and Local Services.¹ The HRSSC is the central processing center for hiring activities in the Postal Service and is responsible for posting vacancy announcements. Applicants² for vacant first-line supervisor positions must use either the eCareer³ system or the Postal Service's public website to submit their applications and related documentation. Local Services coordinates with facility officials to complete hiring activities.

At the facility level, the selecting official⁴ is responsible for rating applicants, conducting interviews, and making selections based on qualifications, merit and position requirements. If there are more than ten applicants, a review committee,⁵ led by a Review Committee Chair, reviews and rates applicants.⁶ The review committee sends its results to the selecting official. When rating applicants, selecting officials and review committee chairs use Postal Service (PS) Form 5957, Requirement-by-Applicant Matrix (Matrix), to score each required element in the vacancy announcement.

Once the selecting official selects an applicant, a next higher-level official must approve the selection in the eCareer system. After next higher-level approval, the HRSSC processes the promotion, including notifying the selected applicant and issuing a PS Form 50, Notification of Personnel Action.⁷

Finding #1: Recruitment and Retention

The Postal Service effectively retained first-line supervisors, as its nationwide average attrition rate⁸ remained at 1 percent during the three-year period from

FYs 2016 to 2018. In addition, recruitment and retention initiatives were in place that met their intended purpose based on participant survey results. However, according to Postal Pulse⁹ survey results and our survey and interview results, first-line supervisor engagement is low.

From FYs 2016 to 2018, only 209 of 18,102 supervisors (1 percent) left the Postal Service due to resignation, removal or separation.¹⁰ This rate is much lower than the 12 percent attrition rate for frontline managers in the private sector that is cited by a 2017 Gartner survey.¹¹ In addition, recruitment and retention initiatives met their intended purpose based on participant survey results, such as the annual nationwide career conferences and the New Supervisor Program.

In FY 2018, the Postal Service conducted 79 career conferences nationwide with 14,575 total attendees. The purpose of the annual career conferences is to equip all employees with information on Postal Service matters, career planning, personal growth, and development resources. First-line supervisors are encouraged to attend these conferences. The Postal Service administered surveys to measure the effectiveness of the conferences.

“The Postal Service effectively retained first-line supervisors, as its nationwide average attrition rate remained at 1 percent during the three-year period from FYs 2016 to 2018.”

1 District Human Resources (HR) offices that support and coordinate personnel activities.

2 Internal applicants use the eCareer application and external applicants use the Postal Service's public website to apply for vacant first-line supervisor positions.

3 An online application used by applicants and the Postal Service to process the promotion and hiring activities of first-line supervisors.

4 Usually a manager in the facility where the first-line supervisor position is located.

5 The review committee consists of managers identified by the facility to review and rank the applicants. A Review Committee Chair is designated by the review committee to facilitate review committee activities.

6 If there are 10 or fewer applicants, the selecting official completes the matrix or may request that a review committee assess eligible applicants.

7 A PS Form 50 is generated to indicate a change in employee status, such as a promotion.

8 Excludes retirements and deaths.

9 A survey sent to all employees to measure employee engagement. Employee engagement is the level of enthusiasm and dedication a worker feels toward their job.

10 This data only includes first-line supervisors who left the Postal Service. The Postal Service does not maintain national data on internal movement of first-line supervisors, such as promotions or transfers to a different facility.

11 A global research and advisory firm providing information, advice, and tools for businesses in various subjects, including human resources, information technology, finance, and customer service.

Overall, participants responded favorably:

- 98 percent said they had the opportunity to network and interact with leadership.
- 97 percent said they learned of developmental opportunities.
- 96 percent had favorable views of logistics processes.
- 93 percent expressed high likelihood of attending the conference the next year.

In FY 2015, the Postal Service implemented the New Supervisor Program to provide newly appointed supervisors with specialized training to equip staff with skills to manage people and resources. In FY 2018, 78 percent of New Supervisor Program participants indicated overall favorability with the program in meeting its purpose and goals.

First-Line Supervisor Engagement

Despite low attrition rates for first-line supervisors from FYs 2016 to 2018, first-line supervisors were the least engaged of all employee categories in the Postal Service during this same time period according to Postal Pulse survey data. Additionally, 35 percent of first-line supervisors who responded to a nationwide OIG survey indicated they did not view their positions as attractive. First-line supervisors also stated that higher pay was an incentive to becoming a first-line supervisor; however, the pay was insufficient.

Postal Pulse Results

As displayed in Table 1, Postal Pulse survey results from 2016 through 2018 show the majority of first-line supervisors were actively disengaged or not engaged each year during the three-year period. When compared across other employee categories, first-line supervisors were the least engaged employee category in the Postal Service.

Table 1. Postal Pulse Survey Results for Field Supervisors

Field Supervisors ¹² Level of Engagement	2016	2017	2018
Actively Disengaged	25%	27%	25%
Not Engaged	41%	41%	40%
Total	66%	68%	65%

Source: Postal Service management.

The Postal Service has implemented initiatives to improve employee engagement, such as:

- *Talk it Out Tuesday* – Weekly meetings to aid first-line supervisors with communicating engagement survey results with their team and to develop greater lines of communications, clarify expectations, and improve the work environment.
- *Next Level Connection* – One-on-one conversations held quarterly to help managers and supervisors have meaningful conversations with those who report directly to them to discuss engagement issues and improvements to the workplace.

OIG Survey and Interview Results

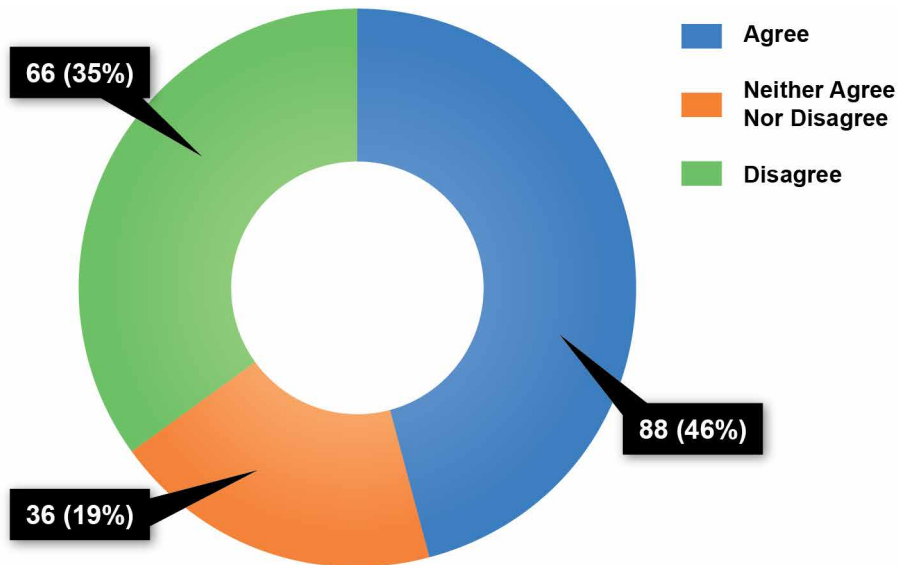
The OIG administered a nationwide survey to 500 randomly selected acting and permanent first-line supervisors. The survey included questions about the attractiveness of the first-line supervisor position and related incentives and disincentives. Of the

“First-line supervisors were the least engaged of all employee categories in the Postal Service during this same time period according to Postal Pulse survey data.”

¹² Field supervisors include supervisor of customer services, distribution operations, maintenance operations, and transportation operations.

190 supervisors who responded, 66 (35 percent) disagreed or strongly disagreed that the position is attractive and 36 (19 percent) neither agreed nor disagreed (see Figure 2).

Figure 2. Attractiveness of the Permanent First-Line Supervisor Position



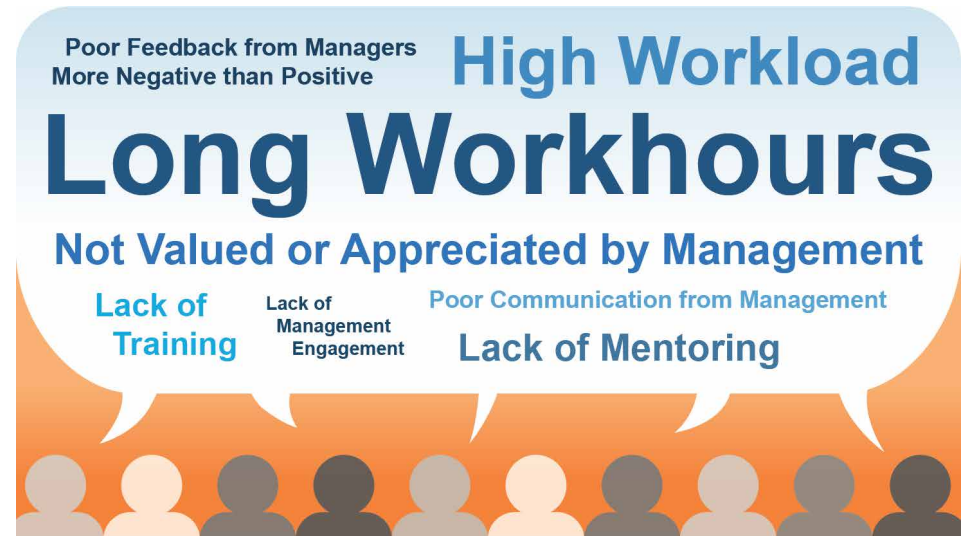
Source: SurveyGizmo.

First-line supervisors indicated their top three incentives were (1) professional growth and development, (2) higher pay, and (3) position of leadership. Conversely, their top three disincentives were (1) long or uncertain workhours, (2) insufficient pay, and (3) poor treatment from managers and employees.

We also interviewed 46 permanent and 14 acting first-line supervisors at nine retail facilities and seven mail processing facilities who shared issues and concerns about the work environment. This information is visually depicted in Figure 3.¹³

¹³ The issues and concerns of first-line supervisors are displayed in a word cloud. The size of a word corresponds to the frequency of responses.
¹⁴ A global consulting firm that administers a range of human resources, compensation, retirement, health care, and talent management services.
¹⁵ A salary structure that applies to non-bargaining (or non-union) employees, such as managerial and administrative employees.
¹⁶ Supervisors of customer service, distribution operations, maintenance operations, and transportation operations.
¹⁷ The initial pay an employee receives does not include additional compensation, such as benefits, bonuses, overtime, and night differential pay.

Figure 3. First-Line Supervisor Issues and Concerns



Source: OIG interviews.

Compensation

Although first-line supervisors indicated that higher pay was an incentive for the position, they also indicated that the higher pay was still insufficient. In FY 2018, the Postal Service contracted with Aon Hewitt¹⁴ to conduct a market pay comparability study for Executive and Administrative Schedule positions.¹⁵ This study included three of the four first-line supervisor positions¹⁶ in our review. Overall, Aon Hewitt found that Postal Service base salary¹⁷ levels were competitive with the private sector and, in many cases, base salary levels were higher than those in the private sector. We did not validate the assumptions or methodologies used in their analysis.

We identified that when comparing average pay of supervisors to average pay of craft employees, the average pay of supervisors was higher than craft pay

(see Table 2). For example, the average pay of a supervisor customer service in FY 2018 was \$67,768, and the average pay of a carrier was \$55,156.

Table 2. FY 2018 First-line Supervisor and Craft Pay

Job Title/Category	Number of Employees	Average Pay	Highest Pay
Supervisor Customer Service	13,017	67,768	138,970
Supervisor Distribution Operations	3,035	74,755	152,489
Supervisor Maintenance Operations	1,318	74,488	129,058
Supervisor Transportation Operations	314	76,958	126,389
Total	17,684	\$69,631	\$152,489
Carrier	167,748	55,156	151,973
Clerk	108,011	52,850	154,597
Mail Handler	29,541	54,961	181,253
Maintenance Positions	24,859	55,359	155,791
Transportation Positions	7,391	55,623	142,793
Total	337,550	\$54,426	\$181,253

Source: Eagan mainframe payroll system and OIG analysis.

However, when comparing total pay¹⁸ (including base salary plus overtime), craft employees¹⁹ can earn more than their first-line supervisors. As indicated in Table 3, in FY 2018, there were 3,362 craft employees²⁰ who earned over \$100,000, including five mail handlers earned over \$160,000. This is because

craft employees can earn overtime pay at a rate of two times their hourly rate, whereas first-line supervisors are paid straight time for hours worked above their normal schedule.

Table 3. FY 2018 Craft Employees Who Earned Over \$100,000

Job Title/Category	\$100,000 - \$119,999	\$120,000 - \$139,999	\$140,000 - \$159,999	\$160,000 - \$179,999	\$180,000 - \$181,253	Total
Carrier	919	75	4	0	0	998
Clerk	812	99	8	0	0	919
Mail Handler	751	191	19	4	1	966
Maintenance Positions	349	25	4	0	0	378
Transportation Positions	91	9	1	0	0	101
Total	2,922	399	36	4	1	3,362

Source: Eagan mainframe payroll system and OIG analysis.

Additionally, craft employees may work more hours than first-line supervisors, depending on facility needs. During FY 2018, the highest paid first-line supervisor in our review was a supervisor of Distribution Operations who worked 3,567 hours and earned \$152,489. In comparison, the highest paid craft employee was a mail handler — who reported to a supervisor of distribution operations — who worked 4,578 hours and earned \$181,253 that year.

Because the Postal Service effectively retained first-line supervisors, we are not making any recommendations regarding retention in this report. Furthermore, in

¹⁸ Total pay included base salary, overtime pay, night differential, and Sunday premium. Night differential is a premium pay for work performed between 6:00 p.m. and 6:00 a.m. Sunday premium is paid for work performed on Sundays.

¹⁹ Positions for which a union has secured exclusive recognition at the national level. Included are city carriers, clerks, mail handlers, rural carriers, and maintenance employees, each representing a separate craft.

²⁰ We included career positions with over 1,000 employees that reported to the four supervisor positions in our review.

our prior report *Assessing Postal Service Employee Engagement Activities*, dated September 21, 2017, we found engagement levels were low and recommended management require managers and supervisors to create action plans to address Postal Pulse survey results and implement a process to monitor and assess progress on the activities identified in action plans. Because this recommendation is in audit resolution, we are not making a recommendation regarding engagement levels. However, the Postal Service should continue to address and improve first-line supervisor engagement. Having highly engaged first-line supervisors contributes to a positive work environment²¹ and should increase productivity and employee morale.

Finding #2: Timeliness of Filling Vacancies

The Postal Service did not fill first-line supervisor vacancies timely. We statistically sampled 246 of 11,844 first-line supervisor vacancies — 202 internal vacancies and all 44 external vacancy announcements open from FYs 2016 to 2018. Overall, 217 of 246 (88 percent) vacancies were open for over 60 days (see Table 4). Specifically, 174 of 202 (86 percent) vacancies filled by internal announcements were open for over 60 days, ranging from 61 to 208 days. Additionally, 43 of 44 (98 percent) vacancies filled by external announcements were open for over 60 days, ranging from 61 to 286 days.

“According to HRSSC officials, the Postal Service has an informal goal to fill first-line supervisor vacancies within 60 days, which begins on the date the vacancy announcement is issued and ends on the date the PS Form 50 is generated.”

Table 4. Internal and External Vacancies Exceeding 60 Days to Fill

Days to Fill Vacancies	Number of Internally Filled Vacancies	Number of Externally Filled Vacancies	Total
61-90	96	14	110
91-120	60	7	67
121-150	13	8	21
151-180	3	8	11
181-210	2	3	5
211-286	0	3	3
Total	174	43	217

Source: Postal Service management and the Enterprise Data Warehouse (EDW).²²

According to HRSSC officials, the Postal Service has an informal goal to fill first line supervisor vacancies within 60 days, which begins on the date the vacancy announcement is issued and ends on the date the PS Form 50 is generated. According to Postal Service policy,²³ delays in completing selection activity should be avoided. Selecting officials should generally complete their activities within five days and review committee chairs should generally complete their activities within seven days. Although there was no specific timeframe for next higher-level officials, we allotted seven days for next higher-level officials to complete their activities to be consistent with the review committee chair timeframe.

²¹ We issued a report on employee engagement titled *Assessing Postal Service Employee Engagement Activities* (Report Number HR-AR-17-013, dated September 21, 2017).

²² The central repository for all Postal Service data related to retail, financial, and operational performance.

²³ Handbook EL-312, *Employment and Placement*, Section 743.526, January 2018.

Based on an analysis of hiring data, delays in filling vacancies were the result of selecting officials, review committee, and next higher-level officials not completing their hiring activities timely.

As indicated in Table 5, based on our sample of 246 internal and external vacancies, we identified:

- Selecting officials took more than five days on 211 of 246 (86 percent) vacancies.
- Review committee chairs took more than seven days on 132 of 167²⁴ (79 percent) vacancies.
- Next higher-level officials took more than seven days on 64 of 245 (26 percent) vacancies.

Table 5. Hiring Activities Exceeding Recommended Timeframe

Days to Complete Hiring Activities	Number of Occurrences for Selecting Official	Number of Occurrences for Review Committee Chair	Number of Occurrences for Next Higher-Level Official
6-30 ²⁵ or 8-30 ²⁶	134	94	51
31-60	58	32	8
61-90	15	4	3
91-120	3	2	2
121-150	0	0	0
151-180	0	0	0
181-210	1	0	0
211-286	0	0	0
Total	211	132	64

Source: OIG analysis of eCareer data.

²⁴ When there are 11 or more applicants, a review committee must assess eligible applicants.

²⁵ Selecting officials should complete their activities within five days; therefore, we identified occurrences that took 6–30 days for selecting officials.

²⁶ Review committee chairs and next higher-level officials should complete their activities within seven days; therefore, we identified occurrences that took 8-30 days for review committee chairs and next higher-level officials.

First-line supervisor positions were not filled timely because the Postal Service did not establish and implement sufficient controls to ensure hiring officials completed hiring activities in a timely manner. Specifically, there was no formal process to monitor hiring activities to include following up with hiring officials when they did not complete their required activities timely. In addition, there was no prescribed timeframe for next higher-level officials to complete their hiring activities.

District HR officials stated that they informally monitored the status of vacancies and hiring data in the Field and Staffing (FSS) Dashboard²⁷ and discussed vacancies during weekly complement reviews.²⁸ When vacancies were open for extended periods, district HR officials would notify the hiring officials via email or phone and follow up as necessary.

The selecting officials, review committee chairs, and next higher-level officials we interviewed indicated they were not aware of the time requirements for completing hiring activities.²⁹ Selecting officials and review committee chairs stated that they sometimes faced challenges coordinating with other review committee members and scheduling applicant interviews timely. In some instances, hiring officials were not available because of reassignment, leave, or other priorities, which delayed the hiring process. Selecting officials, review committee chairs, and next higher-level officials also stated that they were not notified when they were not completing hiring activities timely and such notifications would have helped improve their timeliness.

Supervisor Pilot Program

In a January 2018 supervisor pilot program,³⁰ the Postal Service identified strategies to improve the timeliness of filling vacancies, including:

- Suspending the requirement for supervisor Exam 642³¹ to reduce application processing time.
- Creating a centralized review committee for each district.
- Limiting the area of consideration to district wide.
- Posting job announcements externally immediately following an internal posting.

The Postal Service should continue identifying new ways to improve timeliness in hiring and implement those strategies that prove to be effective. When first-line supervisor vacancies are not filled timely, there is an increased risk of those staff shortages negatively affecting operations, overtime usage, and the workload of other supervisors and employees.

“The Postal Service should continue identifying new ways to improve timeliness in hiring and implement those strategies that prove to be effective.”

Recommendation #1:

We recommend the **Vice President, Employee Resource Management**, in coordination with the **Vice Presidents, Delivery Operations and Network Operations**, establish and implement sufficient controls to ensure hiring officials complete their hiring activities in a timely manner.

²⁷ The FSS Dashboard is a tool containing hiring and vacancy data used to assist the Postal Service in complement management.

²⁸ District HR managers stated they held weekly complement reviews with selecting officials, review committee chairs, and next higher-level officials to discuss the status of vacancies.

²⁹ Although review committee chairs and selecting officials stated they took personnel selection training, they were still not aware of the hiring time requirements.

³⁰ Piloted in the following eight districts: Albany, Central IL, Chicago, LA, Northern OH, Northland, Richmond, and Sacramento.

³¹ An assessment used to fill supervisor of customer service and distribution operations positions. Applicants must pass online exam to move further in the application process.

Finding #3: Missing Hiring Documentation

Postal Service hiring officials did not complete and maintain required supporting documentation for 168 of 246 first-line supervisor positions (68 percent) we statistically selected and evaluated. As a result, we could not determine whether these supervisors met the qualifications outlined in vacancy announcements. Of the 246 positions:

- One hundred thirty-six (55 percent) were missing signed and dated matrices.³²
- Twenty-four (10 percent) were missing signed and dated notes.³³
- Eight (3 percent) were missing signed and dated matrices and notes.

When filling a first-line supervisor position, hiring officials must complete the appropriate documentation to support applicant selection. According to Postal Service policy,³⁴ each vacancy package must have a matrix and notes, if applicable. Selecting officials and review committee chairs must sign and date both documents and forward them to their respective Local Services for recordkeeping and retention for five years.

The remaining 78 of the 246 (32 percent) first-line supervisor vacancy packages contained the required supporting documentation. Of the 78 packages, 76 supervisors met minimum qualifications outlined in vacancy announcements and had at least a minimally acceptable score on each of the KSA elements identified in the vacancy announcement. The average KSA score was 84 (on a 100-point scale, with 100 being the highest), with scores ranging from 70 to 100. Additionally, 77 of the 78 applicants (99 percent) met Exam 642 requirements.

Postal Service management did not have formal procedures to track and monitor compliance with documentation requirements and did not hold hiring officials accountable when documentation was not completed timely, submitted, or maintained in accordance with Postal Service policy.

Because the Postal Service could not provide the required supporting documentation to justify the selection of first-line supervisors, we identified \$16.4 million in unsupported questioned costs related to the pay increase for promotion to first-line supervisor. In addition, without appropriate selection documentation there is a risk the Postal Service could face challenges in defending selections if equal employment opportunity complaints arise related to filling supervisor jobs.

Recommendation #2

We recommend the **Vice President, Employee Resource Management**, in coordination with the **Vice Presidents, Delivery and Network Operations**, establish and implement an oversight mechanism to ensure district and facility officials complete and maintain hiring documentation as required.

Management's Comments

Management agreed with the findings, recommendation 2, and the monetary impact; however, they disagreed with recommendation 1.

Management disagreed with recommendation 1, stating there are controls in place to ensure hiring officials complete hiring activities, timely. Posting non-bargaining unit positions was automated through the development of the Executive Administrative Schedule (EAS) Vacancy Management dashboard, available on the Postal Service intranet as of July 2019. This allows for increased visibility and accountability. Management agreed to communicate to the field to ensure use of the EAS Vacancy Management dashboard resources to obtain compliance. The target implementation date is April 2021.

Management agreed with recommendation 2, stating that they will issue a new policy that would restrict the processing of a personnel action form (PS Form 50) until all required selection documentation has been recorded and maintained properly. Management will explore additional controls that can be implemented

³² The matrix lists the applicant's knowledge, skills, and abilities (KSA) scores, which are based on a 0-3 point scale. Applicants must receive a minimum score of 1 for each KSA element and pass an exam, if one is required.

³³ Any notes taken during the applicant review process, including interviews.

³⁴ Handbook EL-312, Section 743, January 2018.

to ensure compliance to existing procedures. The target implementation date is April 2021.

See [Appendix B](#) for management's comments in their entirety.

Evaluation of Management's Comments

The OIG considers management's comments to recommendation 1 partially responsive; however, we believe that the alternate corrective action should resolve the issues identified. Management's comments regarding recommendation 2 are responsive and the planned action should resolve the issues identified.

Regarding management's disagreement with recommendation 1, we acknowledge that the posting of non-bargaining unit positions was automated through the development of the EAS Vacancy Management dashboard. During our audit, in July 2019, we reviewed the dashboard while it was in development and prior to implementation. During the exit conference, Postal Service management explained, in detail, the challenges and nuances with filling vacancies timely, which provided additional context to this issue.

Subsequent to receiving management comments, on March 24, 2020, we met with Postal Service officials to receive a demonstration of this dashboard. The dashboard included vacancy information for Supervisors of Customer Service, Transportation, Maintenance, and Distribution Operations. Furthermore, the dashboard tracked the number of vacancies and the number of days it takes for hiring officials to complete their hiring responsibilities.

While the dashboard is a resource that should increase visibility and accountability for vacancies, the dashboard itself does not ensure hiring officials complete the hiring activities timely. There were no standard processes for utilizing the dashboard, monitoring the timeliness of hiring activities, and addressing delays in completing hiring and selection activities. Accordingly, recommendation 1 will remain open until the OIG receives additional information demonstrating increased visibility and tracking of vacancies.

All recommendations require OIG concurrence before closure. Consequently, the OIG requests written confirmation when corrective actions are completed. Through subsequent meetings with Postal Service management, the revised target implementation dates will be April 2020. Recommendations 1 and 2 should not be closed in the Postal Service's follow-up tracking system until the OIG provides written confirmation that the recommendation can be closed.

Appendices

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Appendix A: Additional Information

Scope and Methodology

Our objective was to assess whether the Postal Service is effectively hiring and retaining first-line supervisors. Our focus was first-line supervisors at retail and mail processing facilities, including supervisors of Customer Service, Distribution Operations, Maintenance Operations, and Transportation Operations.

The scope of our audit included first-line supervisors of Customer Service, Distribution Operations, Maintenance Operations, and Transportation Operations from FYs 2016 to 2018.

To achieve our objective, we:

- Reviewed Postal Service policies and procedures for hiring and retaining first-line supervisors.
- Interviewed responsible hiring officials and first-line supervisors to gain an understanding of their roles and responsibilities and the hiring processes.
- Conducted site visits at facilities in the Greensboro, Northern OH, Northern VA, and Portland districts.
- Evaluated a statistical sample of 246 first-line supervisor vacancies to determine whether the Postal Service is filling first-line supervisor vacancies timely and whether first-line supervisors met qualifications outlined in job announcements.

- Reviewed first-line supervisor salary and workhour data to determine compensation and hours worked by acting and permanent first-line supervisors.
- Administered a nationwide survey to first-line supervisors and acting supervisors to determine incentives and disincentives for becoming a first-line supervisor.
- Reviewed recruitment and retention initiatives to determine whether they met their intended purpose.

We conducted this performance audit from April 2019 through April 2020 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 February 21, 2020, and included their comments where appropriate.

We assessed the reliability of Postal Service EDW and the Complement Information System data by comparing the data with source documentation and interviewing responsible officials knowledgeable 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>Supervisory Span of Control - Southern Area</i>	Assess the span of control and use of supervisor workhours in post office operations in the Southern Area.	DR-AR-17-008	9/7/2017	None
<i>Assessing Postal Service Employee Engagement Activities</i>	Assess the Postal Service's management of workhours for postmasters and supervisors performing bargaining unit work.	HR-AR-17-013	9/21/2017	None

Appendix B: Management's Comments

SIMON M. STOREY
VICE PRESIDENT
EMPLOYEE RESOURCE MANAGEMENT



March 18, 2020

LAZERICK POLAND
DIRECTOR, AUDIT OPERATIONS

SUBJECT: First Line Supervisor Recruitment and Retention (Project Number 19MG008HR000)

Thank you for the opportunity to respond to this audit report. The Postal Service has reviewed the report. The Postal Service has a 60-day established timeline for the filling of all vacancies, inclusive of the first-line supervisor. The Postal Service strives to meet the 60-day timeframe; however, there are operational factors that sometimes affect the ability to process. The Postal Service agrees to increase communication to the field to ensure timely filling of all vacancies.

The Postal service implemented an automated posting process, as well as a dashboard on the Postal intranet, for full visibility and control. This dashboard enables the field to take appropriate action with regard to posting impending vacancies in advance of their vacancy effective date. The position will be available on the dashboard for a minimum of ten (10) calendar days before it begins the automatic posting process, eliminating further delay.

The Postal Service agrees that hiring officials should complete and maintain supporting documentation for first-line supervisor positions appropriately. While there are established controls in place, the Postal Service acknowledges there are opportunities to fill EAS vacancies through the management dashboard tool.

Recommendation #1: We recommend the **Vice President, Employee Resource Management**, in coordination with the **Vice Presidents, Delivery Operations and Network Operations**, establish and implement sufficient controls to ensure hiring officials complete their hiring activities in a timely manner.

Management Response/Action Plan: The Postal Service disagrees we need to establish and implement controls to ensure hiring officials complete their hiring activities in a timely manner. The Postal Service affirms there are controls in place. The posting of non-bargaining unit positions was automated through the development of the Executive Administrative Schedule Vacancy Management dashboard, available on the Postal Service intranet as of July 2019. This allows for increased visibility and accountability. The Postal Service agrees to communicate to the field to ensure utilization of the EAS Vacancy Management dashboard resources to obtain compliance.

Target Implementation Date: April 2021

Responsible Manager: Joseph Bruce, Director, National Human Resources

Recommendation #2: We recommend the **Vice President, Employee Resource Management**, in coordination with the **Vice Presidents, Delivery and Network Operations**, establish and implement an oversight mechanism to ensure district and facility officials complete and maintain hiring documentation as required.

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Management Response/Action Plan: The Postal Service agrees that formal procedures to track and monitor compliance with documentation requirements, as they relate to the selection process, is necessary. The Postal Service agrees to issue new policy that would restrict the processing of a personnel action form (ps50) until all required selection documentation has been recorded and maintained properly. The Postal Service also agrees to explore additional controls that can be implemented to ensure compliance to existing procedures.

Target Implementation Date: April 2021

Responsible Manager: Joseph Bruce, Director, National Human Resources



Simon M. Storey

cc: Mr. Bruce



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