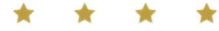




OFFICE *of*
INSPECTOR GENERAL



UNITED STATES DEPARTMENT OF
HOUSING AND URBAN DEVELOPMENT

Recruitment of Individuals Who Identify as Hispanic or Latino for Employment With the U.S. Department of Housing and Urban Development

2023-OE-0002

February 12, 2024

Date: February 12, 2024

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Subject: Final Report – Recruitment of Individuals Who Identify as Hispanic or Latino for Employment With the U.S. Department of Housing and Urban Development (2023-OE-0002)

Please see the attached final report on our evaluation of recruitment of individuals who identify as Hispanic or Latino for employment with the U.S. Department of Housing and Urban Development (HUD). It contains three recommendations.

In response to our draft report, the Office of the Chief Human Capital Officer (OCHCO) and the Office of Departmental Equal Employment Opportunity provided technical comments, which we incorporated into the final report as appropriate. Additionally, OCHCO provided formal comments. These formal comments, along with our response to those comments, are included as an appendix in this report. The status of the recommendations will remain “unresolved-open” until we receive and agree to proposed management decisions for each recommendation. We will contact OCHCO shortly after the issuance of this report to discuss the recommendations.

I greatly appreciate the assistance you and your staff provided throughout the evaluation. Please contact Heidi Kim, Acting Director of the Program Evaluations Division, at 202-302-0648 or hkim@hudoig.gov with any questions.

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Executive Summary

RECRUITMENT OF INDIVIDUALS WHO IDENTIFY AS HISPANIC OR LATINO FOR EMPLOYMENT WITH THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT | 2023-OE-0002

Why We Did This Evaluation

At the time of our fieldwork, employees who identify as Hispanic or Latino were underrepresented in the U.S. Department of Housing and Urban Development's (HUD) workforce. Between fiscal years (FY) 2017 and 2022, the percentage of HUD employees who identified as Hispanic or Latino was below that of the civilian labor force, which is the Federal Government benchmark. In FY 2022, the Hispanic or Latino race and national origin (RNO) group was underrepresented within HUD's workforce when compared to the civilian labor force—8.82 percent and 12.98 percent, respectively. The governmentwide average of Hispanic or Latino employees in the total Federal workforce was 9.53 percent for FY 2021, the most recent data available at the completion of our fieldwork.

HUD maintains three special emphasis programs: (1) Hispanic Employment Program, (2) Federal Women's Program, and (3) Disability Employment Program. According to the Office of Departmental Equal Employment Opportunity's (ODEEO) public website, the aim of the special emphasis programs is to ensure equal employment opportunity in the areas of recruitment, hiring, professional development, and retention. HUD's goals and initiatives related to workforce diversity and the percentage of employees who identify as Hispanic or Latino were referenced in various internal and publicly available publications.

Results of Evaluation

The Office of the Chief Human Capital Officer (OCHCO) and ODEEO both have responsibilities related to increasing the percentage of employees who identify as Hispanic or Latino. HUD provides an Annual Equal Employment Opportunity Program Status Report, also known as the Annual Management Directive 715 Report (MD-715), to the U.S. Equal Employment Opportunity Commission. In HUD's FY 2022 MD-715 and FY 2021 and FY 2022 Annual Reports on Hispanic Employment, HUD described 14 primary initiatives related to the recruitment of individuals who identify as Hispanic or Latino. The initiatives fall into four categories: barrier analysis, collaboration and partnerships with stakeholders, marketing and outreach, and applicant flow data. In addition to these initiatives, HUD described several other efforts that OCHCO and ODEEO had completed or planned related to increasing the percentage of individuals who identify as Hispanic or Latino. OCHCO and ODEEO collaborated quarterly, and ODEEO presented participation rates at quarterly briefings with general deputy assistant secretaries. OCHCO and ODEEO also hired new staff and filled vacant positions. Additionally, OCHCO established a recruitment event calendar and initiated the procurement process for technology-based recruitment tools, while ODEEO leveraged minority-serving and Hispanic-serving institution databases.

We found that OCHCO and ODEEO faced challenges with determining the impact of recruitment efforts related to individuals who identify as Hispanic or Latino. No HUD-wide standard existed for how to measure the success of recruitment efforts. During interviews, both OCHCO and ODEEO officials stated

that they considered success to be an increase in participation rates, which is the number of employees who identified as Hispanic or Latino in HUD's total workforce, and spreading the word about HUD as an employer. Additionally, OCHCO was unable to tie a specific hire to a specific recruitment effort.

OCHCO began tracking recruitment events it attended or planned to attend in February 2022 but did not track all recruitment efforts from other HUD program offices or their respective field offices. Collecting and maintaining complete information about all recruitment efforts, as well as being able to measure the impact of those efforts, are crucial to measuring the success of the recruitment process.

HUD's applicant flow data, which is information collected about applicants' demographics, such as race and ethnicity, have only been available since FY 2022 due to HUD's transition to a new system. This means that OCHCO has not yet determined whether analyzing applicant flow data could help measure the impact of recruitment efforts. OCHCO plans to organize and analyze applicant flow data as more data become available. OCHCO also faced data limitations related to its RNO data. We identified a risk that the RNO data might not give OCHCO an accurate account of HUD's workforce because the data do not include a category for those employees who chose not to identify their RNO, as providing RNO data is voluntary.

Recommendations

We offer three recommendations to improve OCHCO's ability to determine the impact of recruitment efforts and to collect information about recruitment efforts across all HUD program offices and their respective field offices. The status of these recommendations will remain "unresolved-open" until we agree to OCHCO's proposed management decisions.

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Introduction

OBJECTIVES

Our evaluation objectives were to

1. Identify Office of the Chief Human Capital Officer (OCHCO) and Office of Departmental Equal Employment Opportunity (ODEEO) efforts to increase the percentage of U.S. Department of Housing and Urban Development (HUD) employees who identify as Hispanic or Latino.
2. Identify how OCHCO and ODEEO determine the impact of recruitment efforts on the percentage of HUD employees who identify as Hispanic or Latino.

BACKGROUND

The Federal Government Promoted Hispanic Employment

Recruitment is the first step toward establishing a diverse workforce. According to the U.S. Government Accountability Office,¹ an increasingly diverse workforce can help provide an agency with the requisite talent and multidisciplinary knowledge to accomplish its mission. HUD has reported that advancing equitable outcomes for all Americans requires the talents and insights of a diverse group of employees. Additionally, HUD has a strategic objective in its fiscal year (FY) 2022-2026 Strategic Plan to enable the HUD workforce through hiring, training, opportunities for growth, and promoting a more engaged and inclusive work environment.

The recruitment of people who identify as Hispanic or Latino in the Federal workforce has been a focus since at least October 2000, when President Bill Clinton issued Executive Order 13171, an order aimed at improving the representation of Hispanics in Federal employment.² Since then, other executive orders have been issued, aimed at promoting the employment of people who identify as Hispanic or Latino, as well as promoting diversity, equity, inclusion, and accessibility in the Federal Government. See figure 1 for a timeline of related executive orders.

¹ U.S. Government Accountability Office report GAO-19-696T, Improving Federal Recruitment and Hiring Efforts, July 2019

² Executive Order 13171 only used the term Hispanics, not Latinos.

Figure 1. Timeline of executive orders related to the promotion of Hispanic and Latino employment

<p>October 2000, Executive Order 13171: Hispanic Employment in the Federal Government</p>	<ul style="list-style-type: none"> • Agencies to establish a program for the recruitment and career development of Hispanics in Federal employment.
<p>August 2011, Executive Order 13583: Establishing a Coordinated Governmentwide Initiative To Promote Diversity and Inclusion in the Federal Workforce</p>	<ul style="list-style-type: none"> • Federal Government must continue to challenge itself to enhance its ability to recruit, hire, promote, and retain a more diverse workforce.
<p>January 2021, Executive Order 13985: Advancing Racial Equity and Support for Underserved Communities Through the Federal Government</p>	<ul style="list-style-type: none"> • Agencies evaluate opportunities to increase coordination, communication, and engagement with community-based and civil rights organizations.
<p>June 2021, Executive Order 14035: Diversity, Equity, Inclusion, and Accessibility in the Federal Workforce</p>	<ul style="list-style-type: none"> • Agencies to further advance equity within the Federal Government and cultivate a workforce that draws from the full diversity of the Nation.
<p>September 2021, Executive Order 14045: Advancing Educational Equity, Excellence, and Economic Opportunity for Hispanics</p>	<ul style="list-style-type: none"> • Federal Government must collaborate with Hispanic and Latino communities to ensure long-term success.

Two of HUD’s reports prepared by ODEEO, the Annual Management Directive 715 Report (MD-715) and the Annual Report on Hispanic Employment, contain information related to the recruitment of employees who identify as Hispanic or Latino. In accordance with the U.S. Equal Employment Opportunity Commission, HUD’s MD-715 was meant to ensure that all employees and applicants for employment receive equality of opportunity in the Federal workplace, regardless of race, sex, national origin, color, religion, disability, or reprisal from engaging in prior protected activity. As part of MD-715, ODEEO must conduct an annual self-assessment to monitor progress and identify areas in which barriers may exist by looking at race, religion, color, sex, national origin, age, genetic information, and disability in HUD’s workforce. Additionally, ODEEO must compare HUD’s participation rates,³ which are the number of employees from a specific group in HUD’s total workforce, with those of the relevant civilian labor force. In accordance with Executive Order 13171, HUD’s Annual Report on Hispanic Employment provides data, activities, strategies, and accomplishments related to Hispanic and Latino representation at HUD.

OCHCO Established Recruitment, Outreach, and Other Hiring Practices

While recruitment and outreach efforts can overlap, OCHCO officials described recruitment as the action of filling a specific hiring need and outreach as spreading awareness of HUD as an employer. Examples of recruitment include OCHCO’s advising program offices on how to best fill a position, preparing a job description and publishing a job announcement, and focusing on the need to use specific hiring

³ According to the U.S. Equal Employment Opportunity Commission, a participation rate is the extent to which members of a specific demographic group are represented in an agency’s workforce.

authorities.⁴ Examples of outreach include educating the public about HUD’s mission at job fairs, reaching out to communities with higher Hispanic populations, and gathering resumes. For consistency, we refer to any such efforts throughout this report as recruitment.

Targeted recruitment efforts are distinct from discriminatory hiring practices, which are illegal. Targeted recruitment is selective recruitment that involves using strategies that help find applicants who have certain experience or characteristics or who live in certain locations. Targeted recruitment involves adapting recruitment methods and activities to meet organizational goals related to diversity, equity, inclusion, and accessibility. The following are examples of targeted recruitment:

- attend career and hiring events intended to recruit individuals with certain experience or characteristics;
- establish relationships with educational institutions to connect students, education partners, and employers;
- use special employment programs, as well as intern and student volunteer programs, to create a pipeline of early career talent candidates; and
- conduct trend analyses to advertise in specific places to attract candidates with certain experience or characteristics.

Discriminatory hiring practices are prohibited by law. According to Title VII of the Civil Rights Act,⁵ it is an unlawful employment practice for an employer to

- Fail or refuse to hire or to discharge any individual or discriminate against any individual with respect to compensations, terms, conditions, or privileges of employment because of an individual’s race, color, religion, sex, or national origin.
- Limit, segregate, or classify [its] employees or applicants for employment in any way which would deprive or tend to deprive an individual of employment opportunities because of such individual’s race, color, religion, sex, or national origin.

Recruitment Is a Joint Effort

Recruitment is a joint effort among OCHCO, HUD program offices, and their respective field offices. ODEEO supports this effort by collaborating with OCHCO and program offices as needed. OCHCO is responsible for developing and implementing policies and procedures associated with HUD’s human capital management, including recruitment and staffing; workforce planning; analysis of workforce data; and diversity, equity, inclusion, and accessibility efforts. ODEEO is responsible for ensuring equal employment opportunity, promoting diversity and inclusion, and monitoring the diversity of HUD’s workforce through race and national origin (RNO)⁶ participation rates. Examples of collaboration

⁴ Federal agencies may use special hiring authorities to hire applicants who meet specific eligibility requirements. There is no special hiring authority specifically for individuals who identify as Hispanic or Latino.

⁵ 42 U.S.C. (United States Code) 2000e

⁶ RNO is the race and ethnicity that a person identifies with. According to the U.S. Office of Personnel Management, people may indicate whether they identify as Hispanic or Latino as well as choose from the following list of racial categories: (1) American Indian or Alaskan Native, (2) Asian, (3) Black or African American, (4) Native Hawaiian or Other Pacific Islander, and (5) White.

between OCHCO and ODEEO include attending career fairs to inform potential candidates about HUD and facilitating quarterly briefings for HUD’s general deputy assistant secretaries on workforce demographics.

While OCHCO and ODEEO functions are primarily in HUD headquarters in Washington, DC, both offices provide services to HUD’s program offices and their respective field offices across the United States. Other program offices, both in headquarters and in the field, may also conduct their own recruitment efforts distinct from those of OCHCO and ODEEO. However, this report focuses only on the efforts of OCHCO and ODEEO.⁷ For more detail on the roles and responsibilities of OCHCO and ODEEO, see appendix C.

ODEEO Compares the HUD Workforce to the Federal Government Benchmark

Employees who identify as Hispanic or Latino were the only⁸ underrepresented minority⁹ RNO group in HUD’s workforce when compared to the Federal Government’s benchmark, the civilian labor force.¹⁰ In FY 2022, HUD’s Hispanic or Latino participation rate was 8.82 percent, meaning that employees who identified as Hispanic or Latino made up 8.82 percent of HUD’s total workforce. HUD’s Hispanic or Latino participation rate was below that of the civilian labor force, which was 12.98 percent for people who identified as Hispanic or Latino in FY 2022.¹¹ Comparing HUD’s participation rates to the civilian labor force measures the extent to which the HUD workforce reflects the diversity of the United States as a whole. See figure 2 for HUD’s FY 2022 RNO participation rates compared to those of the civilian labor force.

⁷ The recruitment efforts of other program offices and their respective field offices could be the focus of future evaluation work.

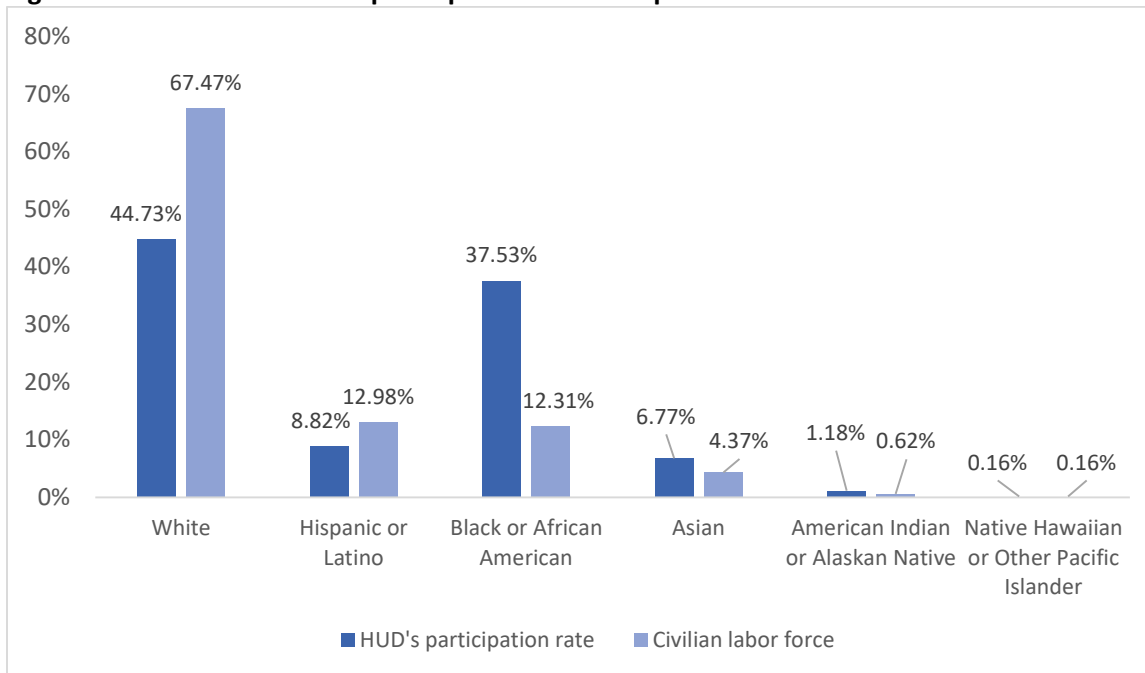
⁸ There is an RNO group for individuals who identify with two or more races. This RNO group was also underrepresented when compared to the civilian labor force. However, we excluded this RNO group from our evaluation scope because individuals in this category identify with multiple RNOs.

⁹ For this evaluation, minority is referred to as a group within HUD’s workforce whose civilian labor force benchmark does not exceed 50 percent. For FY 2022, White was the only RNO with a civilian labor force benchmark that exceeds 50 percent.

¹⁰ According to the U.S. Bureau of Labor Statistics, the civilian labor force includes all people aged 16 and older who are classified as either employed or unemployed. The labor force level is the number of people who are either working or actively looking for work.

¹¹ The civilian labor force is based on American Community Survey data and changes periodically. Our scope for this evaluation was FY 2017-2022. For FY 2017-2019, the civilian labor force for people who identified as Hispanic or Latino was 9.96 percent. For FY 2020-2022, it had increased to 12.98 percent.

Figure 2. HUD’s FY 2022 RNO participation rates compared to the civilian labor force



Source: HUD’s participation rates as reported in HUD’s FY 2022 MD-715

HUD’s Hispanic or Latino participation rate is also below that of the governmentwide participation rate. According to the U.S. Office of Personnel Management’s 2022 Governmentwide Diversity, Equity, Inclusion, and Accessibility Annual Report, the percentage of Hispanic or Latino employees in the total Federal workforce for FY 2021, the most recent data available at the completion of our fieldwork, was 9.53 percent.

While HUD’s Hispanic or Latino participation rate did not increase each year, there was an overall increase from FY 2017 to FY 2022 from 8.14 percent to 8.82 percent. See figure 3 for the number and participation rates of employees who identified as Hispanic or Latino employees in HUD’s workforce from FY 2017 to FY 2022.

Figure 3. Number and participation rates of employees who identified as Hispanic or Latino employees in HUD’s workforce from FY 2017 to FY 2022

FY	Number of employees in HUD’s permanent workforce	Number of Hispanic or Latino employees at HUD	HUD’s Hispanic or Latino participation rate ¹²
FY 2017	7,735	630	8.14%
FY 2018	7,373	597	8.10%
FY 2019	6,798	446	6.55%
FY 2020	7,575	637	8.41%
FY 2021	7,750	648	8.36%
FY 2022	7,991	705	8.82%

Source: As reported in HUD’s MD-715s for FYs 2017 to 2022

¹² We did not independently verify HUD’s reported participation rates. Determining the reasons behind changes in annual participation rates was outside the scope of our evaluation.

Findings

OCHCO AND ODEEO ACTED TO ADDRESS THE UNDERREPRESENTATION OF EMPLOYEES WHO IDENTIFY AS HISPANIC OR LATINO

HUD's FY 2022 MD-715¹³ and FY 2021 and FY 2022 Annual Reports on Hispanic Employment highlighted 14 primary initiatives¹⁴ related to the recruitment of individuals who identify as Hispanic or Latino. The 14 initiatives were related to barrier analysis, collaboration and partnerships with stakeholders, marketing and outreach, and applicant flow data. OCHCO and ODEEO made additional efforts related to the recruitment of employees who identify as Hispanic or Latino, such as using the Hispanic-serving institutions database and researching technology-based recruitment tools.

OCHCO and ODEEO Reported Initiatives Related to the Recruitment of Individuals Who Identify as Hispanic or Latino

OCHCO and ODEEO had 14 primary initiatives related to the recruitment of employees who identify as Hispanic or Latino in HUD's workforce. ODEEO reported these initiatives in HUD's MD-715 and Annual Report on Hispanic Employment. According to the FY 2022 MD-715, five of these initiatives had been completed.¹⁵ OCHCO and ODEEO initiatives addressed aspects of the underrepresentation of Hispanic or Latino employees. These initiatives included barrier analysis, collaboration and partnerships with stakeholders, marketing and outreach, and applicant flow data.

Initiatives Related to the Barrier Analysis

This first group of initiatives was related to OCHCO and ODEEO's barrier analysis efforts. According to the Equal Employment Opportunity Commission regulations relating to Federal labor,¹⁶ agencies are to maintain an affirmative program to promote equal opportunity and "conduct a continuing campaign to eradicate every form of prejudice or discrimination from [their] personnel policies, practices, and working conditions." To help HUD accomplish this result, ODEEO began conducting a barrier analysis in November 2022. The barrier analysis team included staff from ODEEO and OCHCO, as well as program office hiring managers and employee resource group¹⁷ members. The team worked to identify triggers and obstacles that might have contributed to the underrepresentation of employees who identify as Hispanic or Latino.

¹³ MD-715 is how HUD reports on all things related to equal employment opportunity and is not specific only to employees who identify as Hispanic or Latino. Therefore, we identified only those initiatives directly related to employees who identify as Hispanic or Latino.

¹⁴ See appendix B for a full description of our evaluation scope and methodology.

¹⁵ The FY 2022 MD-715 listed completion dates for 5 of the 14 initiatives. Information about completion dates for other initiatives was not provided in the report. We did not independently verify that the initiatives had been completed.

¹⁶ 29 CFR (Code of Federal Regulations) 1614.102(a)(3)

¹⁷ An employee resource group consists of HUD employees with similar backgrounds, interests, or demographic factors with a goal to bring together HUD employees with a shared identity to build connections. HUD had 10 employee resource groups, 2 of which were related to HUD employees who identify as Hispanic or Latino: Latino Network and National Image. As of May 2023, National Image was not active.

The barrier analysis focused on four areas beyond recruitment: hiring, training and development, promotions, and retention. The barrier analysis is a long-term initiative that was still underway as of October 2023. The barrier analysis initiatives are as follows:

1. Identify specific objectives, strategies, and action steps to complete the barrier analysis (completed November 4, 2022).
2. Convene a Hispanic working group among the barrier analysis team and human resource partners to conduct the barrier analysis (completed November 4, 2022).
3. Develop draft recommendations and an action plan to incorporate into HUD's Hispanic Employment Plan¹⁸ with recruitment and hiring timelines and a strategic goal and accomplishments that will reflect the increase in the participation of Hispanic employment.
4. In FY 2022, conduct an indepth analysis of Hispanic-Latino participation in the HUD-specific mission-critical occupations.

Initiatives Related to Collaboration and Partnerships With Stakeholders

The second group of initiatives related to OCHCO and ODEEO collaboration and partnerships with internal and external stakeholders on the recruitment of employees who identify as Hispanic or Latino. Initiatives included regular meetings across OCHCO and ODEEO and prioritized the use of external resources, like minority-serving institutions and the National Council of Hispanic Employment Program Managers. The collaboration and partnerships with stakeholders initiatives are as follows:

5. Schedule quarterly meetings to establish the agency Hispanic Recruitment Plan.
6. Schedule quarterly trigger strategy briefings to address low participation and retention of Hispanics.
7. Collaborate with OCHCO to ensure that the human capital and workforce succession plans contain strategies that address HUD's low Hispanic-Latino participation rates in mission-critical occupations.
8. Utilize minority-serving institutions and other potential partner organizations as resources to establish a broader pipeline for employment and address the low participation rate of Hispanics or Latinos.
9. Continue partnering with the National Council of Hispanic Employment Program Managers and Hispanic Association of Colleges and Universities and continue serving on the League of United Latin American Citizens planning committee and participate in programs and events.

Initiatives Related to Marketing and Outreach

The third group of initiatives focused on marketing and outreach related to the recruitment of individuals who identify as Hispanic or Latino. The marketing and outreach initiatives are as follows:

10. Establish a multimedia, national corporate communication and outreach marketing campaign aimed at providing the Hispanic-Latino community with real-time information about HUD hiring events, HUD job vacancies, etc.

¹⁸ The Hispanic Employment Plan is synonymous with the Annual Report on Hispanic Employment.

11. Support and provide resources to the HUD recruitment outreach team that will strategically coordinate HUD's presence at events targeted to diverse communities, including the Hispanic-Latino community.

Initiatives Related to Applicant Flow Data

The last group of initiatives was related to applicant flow data, which USA Staffing¹⁹ defines as the combination of demographic information voluntarily collected from job seekers and milestones reached in the hiring process. The applicant flow data initiatives were as follows:

12. Meet with OCHCO to identify whether the current data collection system can be modified or updated to collect the required applicant flow data (completed August 3, 2021).
13. OCHCO and ODEEO work together, as necessary, to drill down or create aggregation capabilities with the applicant flow raw data (completed April 30, 2022).
14. Obtain required applicant flow data from the new data system to conduct a thorough barrier analysis on HUD mission-critical occupations (completed September 30, 2022).

OCHCO and ODEEO Made Additional Efforts To Increase the Recruitment of Individuals Who Identify as Hispanic or Latino

Beyond the initiatives established in HUD's various reports, OCHCO and ODEEO officials told us about additional efforts related to the recruitment of employees who identify as Hispanic or Latino at HUD.

- OCHCO and ODEEO collaborated quarterly with HUD employee resource groups, including the Latino Network, regarding recruitment practices.
- OCHCO hired HUD's first Chief Diversity Officer in February 2023²⁰ and created a Chief of Strategy and Targeted Recruiting position within its Recruitment and Staffing Division in March 2023.
- OCHCO established a recruitment event calendar, which includes the League of United Latin American Citizens National Conference, Hispanic Association of Colleges and Universities Annual Conference, and Prospanica²¹ Conference.
- As of June 2023, OCHCO was in the procurement process for technology-based recruitment tools, such as a QR code that could help tie individual hires to a specific recruitment event and a tool that would allow virtual interviews.
- ODEEO used the minority-serving institutions and the Hispanic-serving institutions database to cultivate relationships with minority demographic groups and conduct outreach.
- ODEEO shared HUD's participation rates for all RNOs²² with program offices during quarterly briefings with general deputy assistant secretaries.
- ODEEO hired a data scientist in November 2022 to, in part, analyze applicant flow data and workforce data. ODEEO also filled its vacant Hispanic Employment Program Manager position in April 2023.

¹⁹ USA Staffing is the Federal Government's integrated talent acquisition system and is used to recruit, evaluate, assess, certify, select, and onboard.

²⁰ In June 2023, the position of Chief Diversity Officer was vacant, and an Acting Chief Diversity Officer was in place until the position was filled in September 2023.

²¹ Prospanica is The Association of Hispanic MBAs and Business Professionals.

²² ODEEO calculates HUD's participation rates using employe RNO data.

THE IMPACT OF OCHCO'S AND ODEEO'S EFFORTS TO INCREASE THE PERCENTAGE OF HUD EMPLOYEES WHO IDENTIFY AS HISPANIC OR LATINO WAS UNCLEAR

OCHCO and ODEEO had various interpretations of how to determine whether recruitment and other efforts to increase the percentage of HUD employees who identify as Hispanic or Latino were successful, but no HUD-wide process or procedure existed to determine the impact of such recruitment efforts. Additionally, OCHCO tracked the recruitment events OCHCO attended or planned to attend but did not have a process in place to collect or maintain information about recruitment efforts made by other HUD program offices or their respective field offices. OCHCO and ODEEO also encountered limitations related to applicant flow data and RNO data.

OCHCO and ODEEO Faced Challenges With Determining the Impact of Recruitment Efforts

OCHCO and ODEEO did not have processes or procedures in place to determine the impact of their recruitment efforts. Additionally, OCHCO and ODEEO officials indicated that no HUD-wide standard for measuring success of recruitment efforts existed. In the absence of processes or HUD-wide standards to measure the impact of recruitment efforts, OCHCO and ODEEO officials said that they determined success to be an increase in HUD's participation rates or increased interest in HUD or in the civil service. They added that awareness of participation rates can help expand the pool of candidates. Additionally, ODEEO stated that recruitment efforts were successful when outreach was conducted, and OCHCO stated that recruitment efforts were successful when word got out about HUD as an employer.

Measuring the impact of recruitment efforts is a critical part of ensuring that recruitment efforts are effective. According to the U.S. Office of Personnel Management's Human Capital Framework for Talent Management, agencies should have a recruitment system that reviews recruitment programs to assess overall results. Assessment factors include return on investment, quality and quantity of applicants, and recruitment strategies and flexibilities that are most effective in meeting agency needs. Further, a U.S. Merit Systems Protection Board report on Federal recruitment²³ found that Federal agencies that quantitatively assessed their recruitment programs, considering factors such as diversity, new hire performance, and recruitment source effectiveness, found valuable insights for determining successful recruitment approaches and informing future activities. Evaluating costs, benefits, and results in Federal recruitment is crucial for identifying effective strategies and allocating resources.

Conducting outreach and raising awareness of HUD's strengths do not provide direct evidence of the impact of recruitment efforts. OCHCO officials stated that they lacked a way to link a specific recruitment event to an individual hiring action. A potential employee's attendance at a career fair where they learn about HUD job opportunities, for example, does not mean that the career fair in and of itself is what led to that individual's successful recruitment. In addition, OCHCO officials said that the return on

²³ U.S. Merit Systems Protection Board, "Managing Federal Recruitment: Issues, Insights, and Illustrations," September 2004

investment for recruitment efforts cannot be determined immediately because attendees at career fairs may not have graduated yet or not yet be applying for employment.

Likewise, changes in the participation rate of employees who identify as Hispanic or Latino do not clearly indicate which recruitment efforts, if any, led to the changes. In addition to the difficulty of linking specific recruitment efforts to individual hiring actions, participation rates change based on the overall number of HUD employees, employees who leave HUD or retire, and other factors. Therefore, increases in participation rates may reflect factors other than growth in the recruitment of employees who identify as Hispanic or Latino.

In addition, OCHCO's tracking of recruitment events did not include all efforts by other HUD program offices. OCHCO began tracking recruitment events in February 2022 by creating spreadsheets that tracked events and tracked which program office attended recruitment-related events. Part of OCHCO's role is providing strategic staffing and recruitment advice for all HUD program offices. While OCHCO's spreadsheets tracked recruitment events, officials from OCHCO and ODEEO said that it was possible that program office staff members conducted recruitment efforts of which they were not aware. That missing information could be useful for determining the impact of overall recruitment efforts.

Recommendations

We recommend that the Chief Human Capital Officer, in collaboration with other HUD program offices as needed,

1. Determine how to measure the impact of recruitment efforts related to individuals who identify as Hispanic or Latino.
2. Implement a process to measure the impact of recruitment efforts related to individuals who identify as Hispanic or Latino.
3. Implement a process to collect and maintain information about recruitment efforts related to individuals who identify as Hispanic or Latino from all HUD program offices and their respective field offices.

Data Limitations Prevented OCHCO and ODEEO From Fully Assessing the Impact of Recruitment Efforts Regarding Employees Who Identify as Hispanic or Latino

Limitations affecting applicant flow data and RNO data prevented OCHCO and ODEEO from fully understanding whether their recruitment efforts led to an increased percentage of employees who identified as Hispanic or Latino.

OCHCO could provide only 1 year of applicant flow data²⁴ for FY 2022, because HUD moved to USA Staffing during FY 2021 and OCHCO was not aware of any historical applicant flow data being available in HUD's prior systems. OCHCO reported that it planned to organize and analyze applicant flow data as more data became available and to display the data in its Human Capital Dashboard. Therefore, OCHCO does not yet have enough applicant flow data to determine whether analyzing the data could help measure the impact or success of recruitment efforts.

²⁴ When a person applies to a HUD vacancy announcement via USAJobs.gov, the person may choose to provide or decline to provide demographic information in their USAJobs.gov profile. If provided, that information is included with any applications submitted for HUD vacancies.

HUD's RNO data, as obtained from the National Finance Center,²⁵ did not include a unique category for those employees who chose not to identify their RNO.²⁶ Additionally, reporting RNO data is voluntary,²⁷ and employees may add, update, or remove their RNO information from their personnel information using the HUD Integrated Human Resources and Training System. If employees choose not to identify their RNO when onboarding, they will default to the race and ethnicity that represents the majority population of the United States. As of October 2023, the majority racial group was White, and the majority ethnicity was non-Hispanic or Latino. Therefore, HUD's RNO data did not distinguish between those employees who identified as White or non-Hispanic and those employees who were categorized as White and non-Hispanic by default. HUD's reported participation rates in its FY 2022 MD-715 totaled to 100 percent as follows:²⁸

- 44.73 percent White,
- 37.53 percent Black or African American,
- 8.82 percent Hispanic or Latino,
- 6.77 percent Asian,
- 1.18 percent American Indian or Alaska Native,
- 0.82 percent two or more races, and
- 0.16 percent Native Hawaiian or Other Pacific Islander.

These totals show that there is no percentage for those employees who did not provide their RNO despite its being voluntary to provide. An OCHCO official estimated that 22 to 40 percent of HUD employees do not provide this information. OCHCO officials stated that they could not distinguish which employees did not self-identify and defaulted into the majority population category and that this result is a data issue affecting agencies throughout the Federal Government.

OCHCO uses RNO data from both the National Finance Center, as discussed above, and from the HUD Integrated Human Resources and Training System to display RNO-related data in its Human Capital Dashboard. OCHCO used a unique identifier to try to match RNO data from the two sources, but delays in the data's appearing in either system may have caused discrepancies in this match. OCHCO officials told us that they plan to explore remedies and the costs involved to resolve the discrepancy in how OCHCO displays the RNO data in its Human Capital Dashboard.

We are not making any recommendations at this time related to these data limitations, given that OCHCO had only 1 full year of applicant flow data at the completion of our fieldwork and was working to determine how it might address RNO data discrepancies, some of which affect Federal agencies beyond just HUD.

²⁵ The National Finance Center is a shared service provider for financial management services and human resources management services.

²⁶ The National Finance Center consists of a "Yes" or "No" indicator for Hispanic/Latino and has these five racial categories: (1) American Indian or Alaska Native, (2) Asian, (3) Black or African American, (4) Native Hawaiian or Other Pacific Islander, and (5) White.

²⁷ Within USA Staffing's Onboarding module, a new hire has the option to complete U.S. Office of Personnel Management SF-181, Ethnicity and Race Identification.

²⁸ The participation rates total to 100.01 percent due to rounding.

Conclusion and Recommendations

OCHCO and ODEEO made efforts to address the underrepresentation of employees who identify as Hispanic or Latino, as reported in HUD's Annual Reports on Hispanic Employment and MD-715. In addition to the reported initiatives, OCHCO and ODEEO made other internal and external recruitment-related efforts. However, no HUD-wide process or procedure existed to determine the impact of recruitment efforts. Reviewing recruitment efforts to measure results is a critical part of any recruitment system and could help ensure that HUD focuses its resources on the most beneficial recruitment efforts. Evaluating costs, benefits, and results is crucial for identifying effective recruitment strategies and allocating resources. Implementing changes to address these findings will build upon the initiatives already underway by OCHCO and ODEEO, as discussed in the section OCHCO and ODEEO Acted To Address the Underrepresentation of Employees Who Identify as Hispanic or Latino.

WE RECOMMEND THAT THE CHIEF HUMAN CAPITAL OFFICER, IN COLLABORATION WITH OTHER HUD PROGRAM OFFICES AS NEEDED,

1. Determine how to measure the impact of recruitment efforts related to individuals who identify as Hispanic or Latino.

To address the lack of processes or procedures to determine the impact of recruitment efforts related to employees who identify as Hispanic or Latino, OCHCO should collaborate with ODEEO and other program offices as it deems necessary to determine how to conduct such measurements. Determining whether recruitment efforts are successful and having the intended impact will allow OCHCO and HUD to ensure that they focus their finite resources on the most beneficial recruitment efforts.

2. Implement a process to measure the impact of recruitment efforts related to individuals who identify as Hispanic or Latino.

To develop a HUD-wide standard for measuring the success of recruitment efforts, OCHCO should collaborate with ODEEO and other program offices as it deems necessary to implement a process to measure the impact of those recruitment efforts. Measuring the impact will enable OCHCO to identify effective recruitment efforts.

3. Implement a process to collect and maintain information about recruitment efforts related to individuals who identify as Hispanic or Latino from all HUD program offices and their respective field offices.

To track all recruitment efforts, including those from all HUD program offices and their respective field offices, OCHCO should collaborate with program offices and field offices as needed to develop and implement a process to collect and maintain information about recruitment efforts related to individuals who identify as Hispanic or Latino. OCHCO's awareness of recruitment efforts of all HUD program offices and field offices will better enable it to provide advice related to staffing and recruitment, including the recruitment of individuals who identify as Hispanic or Latino. OCHCO could increase the visibility of recruitment efforts to maximize participation opportunities for program offices and field offices.

Appendixes

APPENDIX A – AGENCY COMMENTS AND OFFICE OF INSPECTOR GENERAL RESPONSE

Summary of OCHCO Comments and the Office of Inspector General Response

We requested that OCHCO provide formal comments in response to our draft report indicating agreement or disagreement with our recommendations. OCHCO provided formal comments and agreed with our recommendations.

In its formal comments, OCHCO said that HUD is committed to upholding fair hiring practices and providing equal employment opportunities for all individuals. OCHCO believes in creating a workplace that values diversity and inclusion and is dedicated to fostering an environment, which ensures that all employees have an equal opportunity to succeed and contribute to the success of HUD. OCHCO emphasized that it has made great strides in the recruitment of individuals who identify as Hispanic or Latino. OCHCO said that it is in the process of addressing the findings and will work with us to put into place corrective action plans that address the recommendations.

The status of recommendations 1, 2, and 3 will remain “unresolved-open” until we receive and agree to OCHCO’s proposed management decisions for each recommendation. We will contact OCHCO shortly after the issuance of this report to discuss the recommendations.

Summary of ODEEO Comments and the Office of Inspector General Response

ODEEO did not receive recommendations in our report and was not required to provide formal comments. ODEEO chose not to provide formal comments.



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-3000

CHIEF HUMAN CAPITAL OFFICER

Christopher Backley
Acting Assistant Inspector General for Evaluation
HUD Office of Inspector General
451 7th Street, SW
Washington, DC 20024

Dear Mr. Backley:

The Office of the Chief Human Capital Officer (OCHCO) appreciates the opportunity to review and comment on the Housing and Urban Development Office of Inspector General (HUD OIG) draft report entitled, "Recruitment of Individuals Who Identify as Hispanic or Latino for Employment With the U.S. Department of Housing and Urban Development" (2023-OE-0002). In the draft report, HUD OIG makes three recommendations to improve OCHCO's ability to determine the impact of recruitment efforts and to collect information about recruitment efforts across all HUD program offices and respective field offices.

HUD is committed to upholding fair hiring practices and providing equal employment opportunities for all individuals. We believe in creating a workplace that values diversity and inclusion, where every person is treated with respect and fairness. OCHCO is dedicated to fostering an environment that ensures all employees have an equal opportunity to succeed and contribute to the success of our department. OCHCO has made great strides in the recruitment of individuals who identify as Hispanic or Latino. We look forward to building on the successes we have identified and communicated with the HUD OIG.

We concur with the recommendations and are in the process of addressing the findings. We will work with HUD OIG officials to put in place corrective action plans that address the recommendations provided. Once again, thank you for the opportunity to comment on the draft report. If you have any questions, please contact Rassii Elliott, Director, Office of Accountability, at 202-402-5231.

Sincerely,

Lori A. Michalski

Lori Michalski
Chief Human Capital Officer

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APPENDIX B – SCOPE, METHODOLOGY, AND LIMITATIONS

We completed this evaluation under the authority of the Inspector General Act of 1978 as amended and in accordance with the Quality Standards for Inspection and Evaluation issued by the Council of the Inspectors General on Integrity and Efficiency (December 2020).

Scope

This evaluation considered the actions and efforts of OCHCO and ODEEO to recruit individuals who identified as Hispanic or Latino between FY 2017 and FY 2022.

Methodology

The evaluation team gathered documentary and testimonial evidence through a combination of interviews and document requests. We conducted a total of 19 interviews with 21 employees: 13 OCHCO officials, 6 ODEEO officials, and 2 employee resource group members.

To identify initiatives related to the recruitment of individuals who identify as Hispanic or Latino, the team reviewed HUD's internal and external publications. The team identified 14 unique initiatives in HUD's FY 2022 MD-715 and the FY 2021 and FY 2022 Annual Reports on Hispanic Employment directly related to the recruitment of employees who identify as Hispanic or Latino.

To answer its objectives, the evaluation team

- obtained information on HUD-reported actions and initiatives to address the underrepresentation of employees who identify as Hispanic or Latino;
- assessed HUD's progress toward completing its barrier analysis; and
- requested, reviewed, and assessed data limitations related to HUD's workforce data and applicant flow data.

Limitations

We had no limitations associated with this evaluation.

APPENDIX C – OCHCO AND ODEEO ROLES AND RESPONSIBILITIES RELATED TO RECRUITMENT

OCHCO and ODEEO have various recruitment-related roles and responsibilities.

OCHCO

The Talent Development and Workforce Planning Office strives to enrich HUD employees and offices to ensure a capable, engaged, and mission-ready workforce and supports HUD's workforce goals from onboarding to retirement. Within this office is the Strategic Workforce Planning and Analytics Division, which is responsible for HUD's workforce planning efforts, the visualization and analysis of HUD's workforce data, and the maintenance of OCHCO's Human Capital Dashboard. Employee demographic data at the aggregate level, including race and national origin, are in OCHCO's Human Capital Dashboard.

The Office of Human Capital Services is responsible for managing and administering HUD's human capital programs. Its operational responsibilities include strategic recruitment, staffing, and position classification and management. One division within the Office of Human Capital Services is the Recruitment and Staffing Division. This division is responsible for activities related to hiring strategies for attracting the best qualified candidates and provides advice, guidance, and consultation services related to recruitment, staffing, and classification to HUD's program offices.

The Office of Business Management and Administration is responsible for operational and administrative support for OCHCO. Its Human Capital Information Systems Division is responsible for information technology support for all human capital-related services and providing human resource reports from the Bureau of the Fiscal Service²⁹ and the National Finance Center.

The Chief Diversity Officer leads the Office of Diversity, Equity, Inclusion, and Accessibility, which advises HUD leadership on ways to advance diversity, equity, inclusion, and accessibility in the workplace. The office also coordinates and integrates cross-functional initiatives and policies across HUD to eliminate barriers and support equity and compliance with statutes, laws, and regulations.

ODEEO

The Affirmative Employment Division is responsible for managing HUD's affirmative programs of equal employment opportunity for all employees and applicants and monitoring HUD's workforce diversity. The division is also responsible for analyzing workforce demographics and employment trends and preparing and submitting annual assessment and status reports.

Within the Affirmative Employment Division, the Hispanic Employment Program Manager supports ODEEO's barrier analysis team and is responsible for the sections of HUD's MD-715 related to Hispanic or Latino employment, as well as for proposing goals or activities to increase the representation of employees who identify as Hispanic or Latino.

²⁹ The Bureau of the Fiscal Service is part of the U.S. Department of the Treasury and has provided shared services support, such as posting job announcements, reviewing applications, and making job offers, to HUD since FY 2015.

APPENDIX D – ABBREVIATIONS

Abbreviation	Definition
FY	fiscal year
HUD	U.S. Department of Housing and Urban Development
MD-715	Annual Management Directive 715 Report
OCHCO	Office of the Chief Human Capital Officer
ODEEO	Office of Departmental Equal Employment Opportunity
RNO	race and national origin

APPENDIX E – ACKNOWLEDGEMENTS

This report was prepared under the direction of Christopher Backley, Acting Assistant Inspector General for Evaluation; Heidi Kim, Acting Director of the Program Evaluations Division; and Gabrielle Foster, Assistant Director of the Program Evaluations Division. The Office of Evaluation staff members who contributed are recognized below.

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