



Government Accountability Office
African American Performance Assessment Study

Final Report
April 25, 2008



Table of Contents

- Background
- Methodology
- Findings and Conclusions
- Recommendations
- Appendix

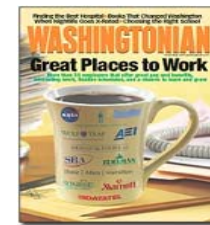
Prime Contractor: Ivy Planning Group

- Consulting and Training Firm founded in 1990
- Strategy, change management and leadership development with a focus on diversity as a workforce, workplace and marketplace opportunity
- Suburban Washington, D.C. headquarters
- Distinguished reputation with Fortune 1000 companies, large non-profits and government agencies



Sub-Contractor: SRA International

- A leading provider of human capital and management consulting services since 1978
- Enabling clients in federal, state and local governments to increase workforce productivity, through a full range of learning, technology and human capital services and solutions
- Named one of Fortune® magazine's "100 Best Companies to Work For" for eight consecutive years
- In 2007 SRA was presented with the award for community services at the annual Human Resource Leadership Awards of Greater Washington



Operating Environment of the Study

- Consulting to the Consultants
 - Approach is different from a GAO audit
 - There are multiple ways to conduct such an analysis
 - GAO sought an independent, expert view
- Focus group data is qualitative and used to identify themes and patterns
- GAO's management recognized a challenge and was willing to "reveal" itself for the good of its workforce
- Congress is a critical stakeholder
- GAO's "continuous improvement" mindset results in many new initiatives being implemented which, in turn, make it difficult to establish a baseline and assess the impact of changes

Background

“Analyst”

In this study, Analyst refers to all employees in the PE pay plan (Analyst and Analyst Related Occupations, such as Social Science Analyst, Financial Auditors, Economists, etc.)

Background

- 2002-since the implementation of the competency-based performance appraisal system in 2002, data showed that, although there were significant rating average differences for African American Analysts at some levels, some of these differences had begun to close
- 2005 performance rating cycle - there was a statistically significant difference in the rating averages for African American Analysts regardless of their length of service at GAO
- 2006 performance rating cycle - the average rating differences continued. GAO recognized that the most significant differences in average ratings were among African American Analysts at all levels and all bands combined, as compared with Caucasian Analysts

Background *(cont'd.)*

- 2006–2007 – GAO prepared for and conducted a competitive procurement for an independent assessment of the factors influencing the average ratings differences between African American and Caucasian Analysts
- August 2007 – GAO awarded Ivy Planning Group a contract to conduct the independent assessment to cover the performance rating cycles between 2002–2006
- April 2008 – GAO’s Human Capital Office (HCO) provided Ivy Planning Group African American and Caucasian Analysts’ appraisal averages for the 2007 cycle. This data indicated that there were no statistically significant differences in the appraisal averages for African Americans as compared with Caucasians at the Bands III and I levels. There were statistically significant differences at the Bands IIB and II A levels. However, the gap between these differences decreased from 2006

Project Objectives

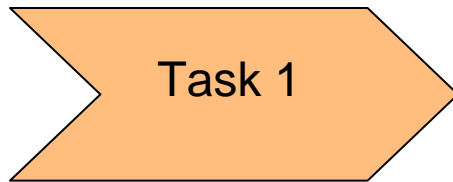
Conduct an independent assessment of the factors influencing the rating average differences between African American and Caucasian Analysts and provide recommendations to address these differences

Project Scope and Tasks

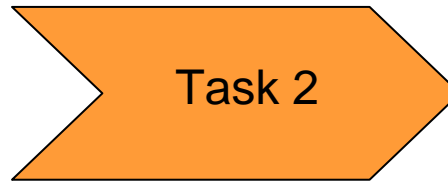
- Task 1: Provide an analysis of existing GAO data regarding the extent of 2002 to 2006 rating average differences between African American and Caucasian Analysts
- Task 2: Provide an assessment and comparison of new GAO hires and onboard staff with regard to education, engagement roles, and the performance evaluation system to determine if any of these factors had a significant influence in the difference in performance ratings between African American and Caucasian Analysts
- Task 3: Provide an assessment of internal and external best practices; the factors that ratees, raters, and reviewers believe account for rating average differences; address the underlying reasons for any rating average differences; and provide related recommendations

Methodology

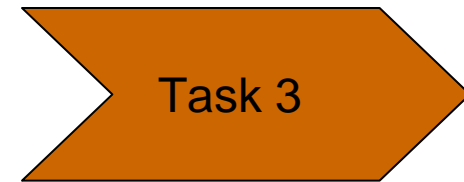
Framework



Are there differences?
What is the extent of the differences?



Are there differences when African American and Caucasian Analysts begin their careers at GAO?
What happens as Analysts continue their careers?
Are there systemic inconsistencies in human capital processes that may contribute to the rating average disparity?



How do the processes really work?
What are the best practices?
Given the quantitative and qualitative data, what should GAO do differently?



Task 1

Approach

- Validated and expanded analysis GAO conducted to confirm that there is a difference in ratings between African American and Caucasian Analysts
- Conducted regression analysis to test the effect of specific variables on performance ratings of African American and Caucasian Analysts. The variables included: race, education, years of experience, location, team, competency, pay band, and participation in the GAO Intern program
- Data received: performance assessment, demographic data, Knowledge and Skills Inventory System (KSIS), Management and Assignment Tracking System (MATS), internship data, and separation data



Task 2

Approach (cont'd.)

- Evaluated key characteristics, such as education and years of experience outside of GAO to assess comparability of African American and Caucasian Analysts at hire
- Controlled statistically for differences in education, gender, years of experience, risk level of projects, and rater demographics
- Interviewed 21 process owners and subject matter experts to understand how key human capital processes that influence performance ratings are supposed to work (workforce planning, recruiting, Professional Development Program (PDP), training and development, engagement assignment, feedback, and performance review)
- Reviewed related GAO documentation including GAO website and intranet; procedure manuals and process maps; forms; reports; strategy outlines; organization charts; memos; and training catalogues, guidelines, and materials



Task 3

Approach (cont'd.)

- Conducted 17 focus groups
 - Locations: Washington, DC; Atlanta; Dallas; and Los Angeles
 - Composition: Raters and Analysts (ratees)
 - Random Selection: Voluntary participation
- Analyzed eight pairs of closely matched Analysts to learn more about individual experiences at GAO (race, gender, school, years of prior experience)
- Researched best practices in performance management
- Synthesized findings and developed conclusions and recommendations

Approach (cont'd.)

- Data Limitations
 - Skills prior to and after employment at GAO were not measured because KSIS skills data are often incomplete or missing and are too detailed to consolidate for analysis
 - The experience variable represents possible years in the workforce
 - MATS risk data do not apply to GAO Analysts who do not work on engagements (e.g., those in staff offices or detailed to Congressional Relations)
 - Education variable represents school from which highest degree was obtained
 - Grade point average (GPA) was not available
 - Focus groups – individuals were randomly selected, but participation was voluntary. Caucasian participation rate was approximately 36% compared to 63% for African Americans
 - Matched pairs
 - Limited sample size - 16 individuals; 13 interviewed
 - Commitment to confidentiality limited disclosure of demographic and descriptive information

Findings and Conclusions

Findings and Conclusions

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

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

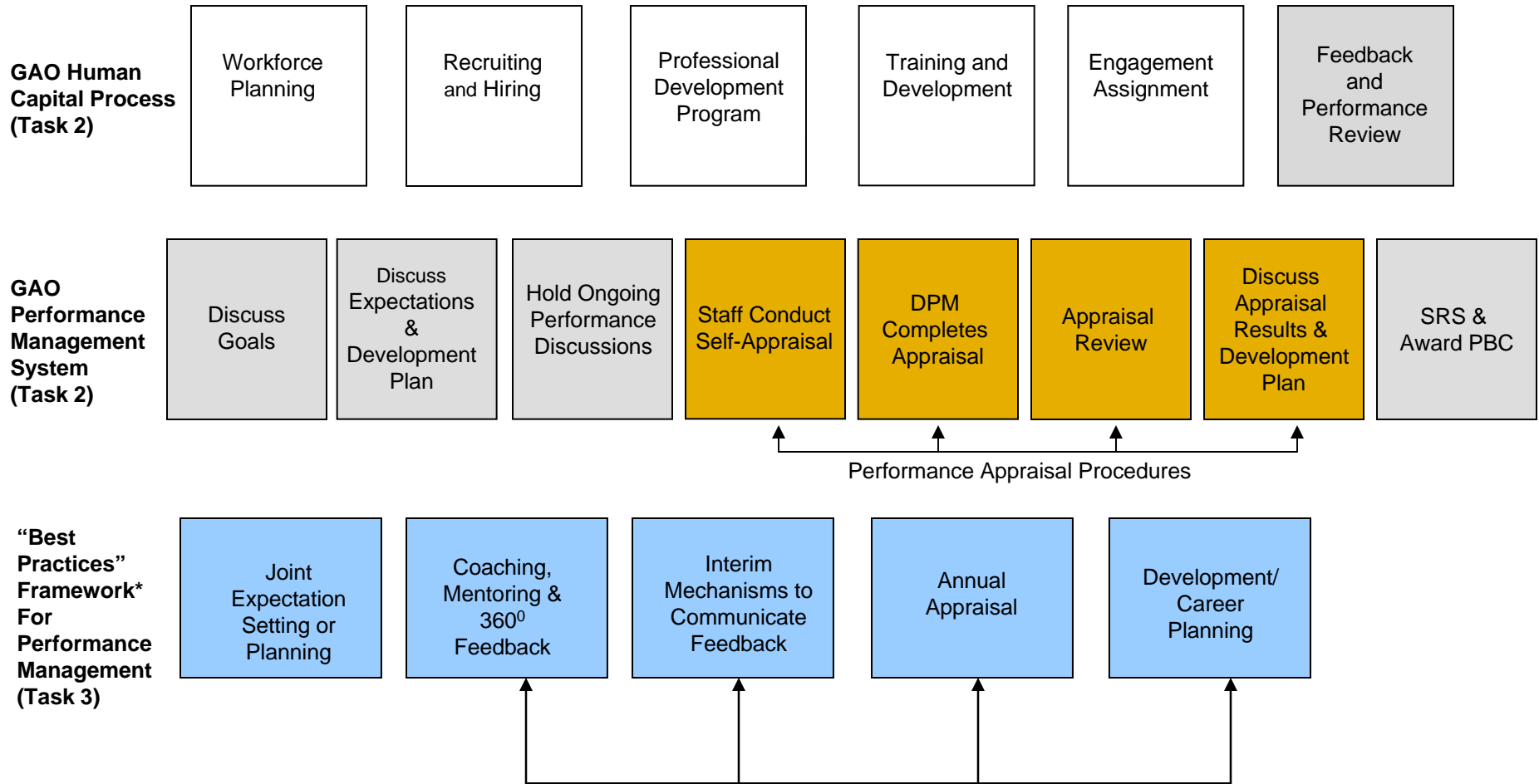
Findings and Conclusions

Human Capital Processes and Management Practices

Human Capital Processes and Management Practices

- Overview
 - Process - GAO has invested a significant amount of resources to develop human capital processes, including performance management (e.g., expectation setting, feedback, annual appraisal, career planning, and coaching and mentoring) that incorporate industry best practices
 - Opportunities to Improve - There are opportunities to improve the human capital processes that may contribute to the ratings disparity between African American and Caucasian Analysts
 - Execution - Some human capital processes are executed inconsistently across the agency despite the availability of thorough documentation and training. Inconsistent execution also may contribute to the ratings disparity

GAO Human Capital Processes



* Generic Framework Based on Synthesis of Best Practice Processes

Human Capital Processes and Management Practices (cont'd.)

- Strengths of the human capital processes
 - **Workforce planning** provides a best-in-class framework for allocation of professional staff
 - **Recruiting process** includes dedicated campus teams; newly structured Professional Development Program (PDP) recruiting and hiring guidelines; and the use of competencies in selecting candidates
 - **PDP** provides new Analysts with an organized structure to learn the job and obtain developmental assignments, training, and ongoing feedback including two formal appraisals each year (evaluations include explanatory text). PDP Advisors are available to coordinate assignments and provide counsel. Analysts highly value their time in the program
 - **Training and development** includes numerous classroom and online courses and tools related to critical Analysts skill. “Learning Tracks” curriculum introduced for all band levels has recently been updated. There is also some access to external training

Human Capital Processes and Management Practices (cont'd.)

- Strengths of the human capital processes
 - **Framework for ongoing feedback** through the optional, but strongly encouraged, mid-year conversations between Analysts and Designated Performance Managers (DPM)s and individual development plans
 - **HCO reminder notices** are sent about key milestones (e.g., mid-year reviews, expectation setting meetings, and self-assessments) in the performance management system
 - **Performance Appraisal Process** includes a self-assessment component, written evaluation that should include feedback from managers with whom the Analyst has worked during the year, a review component, and “calibration meetings” to promote consistency. Analysts recognize the value of the documented process and find the annual meetings with the DPM helpful
 - **New mentoring program** to help augment the support and guidance Analysts receive. Mentors are trained on their responsibilities
 - **Formal process to staff engagements** designed to provide Analysts an opportunity to bid on engagements

Human Capital Processes and Management Practices (cont'd.)

- Opportunities to improve human capital processes
 - Recruiting
 - GAO does not have a formalized diversity recruitment strategy
 - PDP screening and selection differs across teams (particularly for candidates for positions in which selectees would rotate among teams as compared to positions in which selectees would rotate within a team)
 - The extended time to make an offer and starting salaries may place GAO at a competitive disadvantage relative to professional services firms

Human Capital Processes and Management Practices (cont'd.)

- Opportunities to improve human capital processes
 - PDP Advisors
 - The role of the Advisor is not executed consistently across the organization. While there are core functions related to assignments and Performance Review Group (PRG) sessions, other functions vary. Some PDP Advisors play a mentoring role while others do not
 - Analysts have varying perceptions of the role of the PDP Advisor
 - Training and development
 - Unwritten success factors or “rules” are absent from the curriculum.
 - Analysts indicated that the best way to learn the job is by working with an effective Analyst in Charge (AIC) or Assistant Director (AD)

Human Capital Processes and Management Practices (cont'd.)

- Opportunities to improve human capital processes
 - Formal project assignment process
 - Often bypassed for expediency. Managers may “recruit” staff for projects or hold slots until the desired Analyst becomes available
 - GAO’s teams have different ways to track the percentage of Analysts who receive their first, second, or third choice engagement assignments
 - Bypassing the established assignment process can result in individual Analysts being excluded from opportunities to work on highly visible, high risk, or developmental assignments
 - Human capital information systems are not integrated

Human Capital Processes and Management Practices (cont'd.)

- Opportunities to improve performance management system
 - Ongoing feedback
 - Analysts must frequently request periodic feedback
 - African American Analysts often reported that informal feedback received is less actionable (compared with Caucasian Analysts' reports)
 - Mid-year review is not mandatory, but strongly encouraged for post PDP Analysts
 - Data has not been analyzed to determine how many Analysts and DPMs actually have the mid-year conversation
 - Individual development planning process is optional

Human Capital Processes and Management Practices (cont'd.)

- Opportunities to improve the performance management system
 - Annual appraisals
 - Competencies are open to interpretation and, consequently, are not applied consistently
 - Some key process owners, stakeholders, raters and many Analysts perceive that “Presenting Information in Writing” and “Thinking Critically” are valued more highly than the other competencies although they are weighted equally. They are two of the three competencies (the other is “Achieving Results”) for which the rating gap between African American and Caucasian Analysts is greatest
 - Competencies are the same for all Analysts even though the worked performed is different (e.g., Social Science Analysts and Communications Analysts)

Human Capital Processes and Management Practices (cont'd.)

- Opportunities to improve the performance management system
 - Annual appraisals
 - No formal tool for DPMs to capture feedback from other supervisors and managers with whom an Analyst has worked during the year
 - Self-assessments - Even though HCO reports approximately 80% of Analysts complete self-assessments, some Analysts are not sure of the extent to which DPMs use the self-assessments to prepare performance appraisals
 - No narratives to support ratings. Some Analysts interviewed indicated they found value in the narratives

Human Capital Processes and Management Practices (cont'd.)

- Opportunities to improve performance management system
 - Annual appraisals
 - Ratings
 - Most Analysts stated that “Meets expectations” is positioned as an acceptable rating but that it is not viewed that way
 - Sometimes DPMs do not follow the documented procedures for managing performance that is below expectations. Consequently, staff who are performing below expectations may end up with a rating of “meets expectations”
 - The performance appraisal meetings teams hold to ensure consistency in application of appraisal standards differ in structure, intent, and participants. As a result this mechanism that is designed to create consistency within teams may result in another layer of inconsistency across teams
 - Standardized Rating Score (SRS)
 - Some Analysts indicated they did not fully understand the process
 - Some Analysts expressed concern that when they receive their SRS score, it is too late to grieve a rating

Findings and Conclusions

GAO's Culture Impacts Behaviors and Perceptions

GAO's Culture Impacts Behaviors and Perceptions

- GAO has a distinct culture
 - Intense environment where people are committed to meeting the mission with limited resources
 - Focus on excellence
 - Audit mindset
 - A “GAO-way” – educational background, analysis, writing, and behavior
- Benefits of GAO's culture
 - High energy
 - High quality work with a consistent look and feel
 - Demand for more from satisfied clients (i.e., Congress)

GAO's Culture Impacts Behaviors and Perceptions (cont'd.)

- The culture drives supervisors to manage production, not people
 - Most Analysts report receiving limited unsolicited informal feedback
 - Staffing has not kept pace with growing workload, so when staffing engagements, managers often seek out Analysts who they know to be or are reported to be high performing

GAO's Culture Impacts Behaviors and Perceptions (cont'd.)

- Elements of the “GAO way” are unwritten and subtle
 - Knowing and acting upon the unwritten rules may result in an Analyst’s behavior being consistent with the “GAO way” and is being perceived differently from someone who does not know the rules
 - Many Caucasian Analysts believe they receive support and informal guidance that helps them understand the unwritten rules
 - Many Caucasian raters reported that they were mentored and provided with informal guidance and that they give this type of guidance
 - Caucasian Analysts were more likely than African American Analysts to believe they learned the rules through informal guidance
 - Most Analysts report that the best way to learn is on-the-job-training (OJT) with a “good” Analyst in Charge (AIC) and Assistant Director
 - Caucasian Analysts fully understand the need to specialize and market themselves in order to secure assignments
 - Most African American Analysts understand the importance of networking, but some feel excluded from the career benefits of the informal system
 - The GAO-way may limit some from seeing talent in different packages (e.g., degrees from what some perceive to be “prestigious” schools may provide undo benefit)

GAO's Culture Impacts

Behaviors and Perceptions (cont'd.)

- Positive and negative perceptions of Analysts, once established, may be difficult to change
 - Getting off to a slow start on early assignments during the PDP can have lingering affects
 - Analysts and supervisors informally exchange information about other Analysts. Collective perceptions may impact the nature of reputations and future assignments

Findings and Conclusions

The Significance of Race

The Significance of Race (cont'd.)

- Ratings Differences
 - Between 2002–2006, African American Analysts' performance ratings on average were less than those of Caucasian Analysts
 - The differences grew each year
 - Performance ratings differences begin in the PDP, and widen over the course of the Program (average ratings increased on average .32 points for Caucasian Analysts versus .13 points for African American Analysts)
 - African American Analysts' mean ratings were lower than Caucasian Analysts' ratings across all pay bands
 - The ratings difference is present across all teams. It is statistically significant for all but three teams
 - The ratings difference is present across all locations. With one exception, African American Analysts' mean scores were lower than Caucasian Analysts' across all locations. The difference was statistically significant in eight of the thirteen locations
 - On average, all races rated African American Analysts lower than Caucasian Analysts

The Significance of Race (cont'd.)

- The causes for rating disparities are not clear
 - Statistical analysis did not determine if there is a disparity between “actual performance” and “rated performance” among African-American and Caucasian Analysts
 - Quantitative and qualitative data did not conclusively measure the impact of subjectivity on the disparity
 - The disparity in performance rating differences may be influenced by GAO’s human capital processes and culture

The Significance of Race (cont'd.)

- Success factors do not effect both groups similarly
 - Having a Ph.D. or being on a high risk project has a positive effect on the average rating of Caucasian Analysts, but no effect for African Americans
 - Years of experience had a small statistically significant positive effect on the performance ratings of Caucasians and virtually no effect on the ratings of African Americans

The Significance of Race (cont'd.)

- Differences that positively influence ratings
 - African American Analysts who attended a Historically Black College and University (HBCU) were more likely to have a higher rating than those who did not
 - Having been an Intern has a statistically significant positive effect on the ratings of African American Analysts and no effect on the ratings of Caucasian Analysts

The Significance of Race (cont'd.)

- Beliefs about the causes of ratings disparities vary according to race:
 - African-Americans and Caucasians both expressed concern that competencies were open to interpretation and applied inconsistently
 - They disagreed on likely causes for the ratings differences
 - Caucasians were more likely to question the quality of the recruiting process for African-American Analysts
 - African-Americans were more likely to question the quality, integrity and execution of the performance appraisal system

The Significance of Race (cont'd.)

- Recruiting produces a pool of African American and Caucasian Analysts with different characteristics
 - A higher percentage of Caucasian Analysts have their highest degree from schools in the top three quintiles compared to African American Analysts (52% versus 35%)*
 - A greater percentage of African American Analysts have their highest degree from an unranked school (41% versus 31%) compared to Caucasian Analysts
 - A higher percentage of Caucasian Analysts have graduate degrees (masters and doctorates) than African American Analysts (75% versus 66%)
 - African American Analysts have fewer years of prior work experience than Caucasian Analysts (4.5 years versus 6 years)

*US News and World Report's 2007 Ranking of 130 Colleges and Universities

The Significance of Race (cont'd.)

- African American and Caucasian Analysts both value the PDP, but experience it differently
 - Focus group feedback indicates a variance in how PDP Advisors perform their role
 - Caucasian Analysts are more clear on the role of the PDP Advisor than African American Analysts
 - Caucasian Analysts believe they were well supported by the program, its structure, their Advisors, and the training plan
 - African American Analysts believed they were less well supported and experienced more pressure in the program

The Significance of Race (cont'd.)

- African American and Caucasian Analysts experience the GAO workplace differently
 - African American Analysts found informal feedback less useful than Caucasian Analysts
 - Participating in informal networks is more difficult for some African American Analysts than for Caucasian Analysts

The Significance of Race (cont'd.)

- Organizational preferences and perceptions
 - People may be unable to see talent when it arrives in a different package
 - “Difference” makes it harder to give and receive feedback, which may result in less feedback
 - A slow start may result in Analysts carrying a label for the duration of their career
 - Manager preferences, not job requirements, may impact how Analysts are perceived and the engagements to which they are assigned

Recommendations

Considerations

- Many of the recommendations will require a shift in the GAO culture
- Culture change does not happen quickly, but is cultivated by clearly and periodically articulating and reinforcing the expectations, creating the appropriate performance measures and incentives, and through the organization's leadership and management modeling the desired behavior
- Many elements of the diversity change process require time to be fully executed; this is a journey

Create a More Inclusive Culture

- Convene a series of facilitated conversations across the agency about perceptions and assumptions about race. Before thinking about diversity more broadly, we believe GAO will benefit from addressing the race issue directly in order to mitigate any barriers that may limit communication, coaching, and career development
- Conduct organization-wide diversity training to help GAO learn to value and appreciate difference as an organizational enabler. Learning to value difference will help GAO begin to see talent when it is in a different package and begin to embrace alternative means to achieve the same end
- Proactively assess the needs of other groups as part of becoming more inclusive

Encourage More Balance Between Managing the Work and Developing People

- Motivate managers to spend more time on performance management through an increased focus on people management competencies and recognition of those who are effective people managers
- Manage workload so that DPMs have more time to effectively manage human capital

Encourage More Balance Between Managing the Work and Developing People (cont'd.)

- Equip AICs, ADs, and Directors with the skills to more effectively manage human capital assets
 - Teach managers how to coach and develop staff. Augment guidelines for formal mentors to include the unwritten rules and critical success factors for Analysts
 - Provide training to help mentors and DPMs provide feedback and coaching to analysts who are different
 - Ensure new AICs have the requisite supervisory training and skills
 - Institute 360 degree feedback as a developmental tool to provide feedback on management effectiveness in supervising and developing staff

Create a Culture of Shared Accountability for Analyst Development

- Ongoing feedback and coaching
 - Require IDPs to outline expectations and actions the Analyst and management will take to help the Analysts develop and advance
 - Strongly encourage Analysts and DPMs to meet at least three times per year (i.e., expectation setting/IDP development meeting, mid-year review, and annual review) to discuss performance and development and then to update the Competency Based Performance System (CBPS)
 - Direct HCO to analyze the extent to which these activities are completed
 - Inform appropriate Managing Directors and Executive Committee of those not in compliance
 - Encourage Managing Directors to work with DPMs to identify Analysts performing below expectations, hold the necessary conversations with the Analysts, prepare the appropriate documentation, and begin to monitor and coach the identified Analysts

Create a Culture of Shared Accountability for Analyst Development (cont'd.)

- Provide training and coaching to prepare Analysts to receive feedback from someone who is different and to understand how cultural differences may impact how people are perceived
- Institute engagement evaluations to provide more timely and specific feedback between annual appraisals
 - The evaluations should be completed at the end of a project and at an interim point for engagements with a duration of 12 months or more
 - At the beginning of the engagement, the Analyst and AIC will outline the Analyst's role and responsibilities and the AD will approve
 - The engagement evaluations will help ensure Analysts know about and have time to correct any perceived performance issues
 - These evaluations should be another input into the annual appraisal

Make the Unwritten Rules Known

- Convene a series of listening sessions with Band I, IIA, IIB, and III to capture and document the unwritten “rules” an Analyst needs to succeed
- Incorporate “rules” into the formal PDP training program
- Ensure mentors and DPMs are knowledgeable of the rules and reinforce them when working with Analysts
- Provide more structure and training for the Buddy Program to ensure buddies are clear on their roles and responsibilities including the types of information they should share with new hires
- Offer training or coaching workshops (“Nuances and Considerations for African American Analysts”) for African American Analysts on the unwritten “rules

Reassess How GAO Evaluates Performance

- To measure performance, consider:
 - How should competencies be used (e.g., development, advancement, performance assessment)?
 - How can subjectivity be minimized?
 - Are the competencies still appropriate?
 - To what extent do the competencies/work activities need to reflect some of the specialization and difference in the work performed by some teams (e.g., ARM) and positions (e.g., Communications Analysts)?
 - How to collect relevant feedback from multiple sources as input into the annual appraisal?

Leverage Existing On-Boarding Activities and the PDP to Support Analysts

- Create more consistency in the PDP Advisor role
 - Collect feedback from PDPers on their perceptions of the Advisors' effectiveness in the role and how the Advisors could better support them
 - Clarify and re-evaluate criteria for being an Advisor
 - Outline specific tasks, responsibilities, and performance measures
 - Determine the appropriate number of PDPers per Advisor
 - Train PDP Advisors to be more effective coaches and more consistent in carrying out their responsibilities
- Open the mentoring program to PDPers (recently implemented)
- Strengthen the buddy system to include:
 - Criteria for selecting buddies
 - Outlined responsibilities
 - An orientation session to review roles and responsibilities

Leverage Existing On-Boarding Activities and the PDP to Support Analysts (cont'd.)

- Create an environment in which PDPers are supported through the natural learning process while in the program by encouraging PDP Advisors and AICs to:
 - Provide more coaching to PDPers
 - Minimize conversations that could lead to early negative perceptions about new Analysts
- Manage poor performers directly with targeted developmental interventions, additional coaching, and a defined period to demonstrate improvement

Improve Transparency in Staffing Engagements

- Regularly and consistently capture data about the percent of Analysts who get their first, second, or third choice assignments and report it to HCO for agency-wide analysis. If a discrepancy exists, reassess the assignment process to create more transparency and equity
- Use the individual development planning process to identify the types of engagements Analysts need to foster their development and encourage Managing Directors to work with their Staffing Managers to ensure that this information is used when staffing engagements
- Create a communication channel for Analysts to identify and seek work within their specialty, e.g., establish networks and communities of practice to encourage dialogue
- Consider implementing an integrated human capital information system
 - Research requirements of Executive Committee, HCO, regional offices, and teams
 - Investigate appropriate software applications and costs
 - Procure and implement

Interim Actions for Consideration

- Recruiting and Hiring
 - Develop a better understanding of the reasons for declinations (include Intern conversions)
 - Evaluate the effectiveness of the current recruiting process in acquiring Analysts who become successful at GAO
 - Train recruiting teams to apply screening and selection criteria consistently to ensure that the “among” best qualified candidates have a core set of skills needed to successfully become a generalist and rotate among teams

Interim Actions for Consideration

- Recruiting and Hiring
 - Develop a formal GAO diversity recruiting strategy that would:
 - Leverage strengths and mitigate any perceived negatives associated with the GAO “brand” in the marketplace for highly talented African Americans
 - Expand the range of sources from which candidates are found (including campus organizations, national sororities and fraternities, professional organizations)
 - Focus on sources that have produced a good yield and successful analysts and eliminates those sources that have proven unproductive
 - Include strategies and actions to expand the diversity of GAO Interns
 - Identify actions to prepare recruiters to respond to the issues and questions of a diverse pool of candidates

Interim Actions for Consideration (cont'd.)

- Appraisal process
 - Create standards for team performance appraisal review meetings to be held by all teams
 - Guidance should include purpose, framework for discussion, composition, and output
 - Ensure DPMs have a clear understanding of decisions made in team performance appraisal review meetings so that they can explain basis for ratings to Analysts
 - Communicate to Analysts that the intent of the meetings is to ensure more consistency in ratings within a team (e.g., ensure to the extent possible that all Analysts receiving a rating of exceeds expectations have performed similarly)
 - Prior to preparation of 2008 annual appraisals, retrain all DPMs and Reviewers and provide more team specific examples of the performance that supports the work activities and standards for each rating
 - Ensure Analysts understand how ratings will be used to determine annual salary adjustments and performance based compensation. Explore the feasibility of extending the period to grieve ratings so that it ends shortly after information is provided to Analysts on their relative standing in their peer group within their team

How Will GAO Know If It's Successful?

- Create performance metrics to monitor progress
 - Agree to desired outcomes and interim activities required to achieve those outcomes
 - Consider a 360 degree feedback process to monitor the agency's movement toward becoming a culture that balances managing the work and the people. Implement in phases
 - Continue to monitor the average ratings difference between African American and Caucasian Analysts
 - Monitor the Employee Feedback Survey for positive trends in responses related to feedback, the integrity of the performance appraisal system, and the extent to which employees believe GAO has an inclusive culture that values difference
 - Analyze trends in acceptance rates among diverse candidates
 - Monitor impact of diversity recruiting strategy
 - Course correct as needed

Appendix

Appendix

- Chart 1: Performance Rating Comparisons 2002-2006
African American vs. Caucasian Analysts
- Chart 2: Performance Rating Comparisons by Competency
- Chart 3: Performance Rating Comparisons by Pay Band
- Chart 4: Regression by Review Year
- Chart 5: Performance Rating Comparisons by Race of Rater
- Chart 6: Highest Degrees Earned by Analysts
- Chart 7: Regression by Highest Degree of Analysts by Race
- Chart 8: School Ranking – US News and World Report
- Chart 9: Regression by School Ranking
- Chart 10: Band and Project Risk

Chart 1. Performance Rating Comparisons 2002-2006 African American vs. Caucasian Analysts

Ratings by Year											
Year	African American		Off-Cycle Caucasian		Difference	Year	African American		On-Cycle Caucasian		Difference
	Mean	N	Mean	N			Mean	N	Mean	N	
2002	2.18	9	2.26	69	0.08	2002*	2.02	256	2.22	1,554	0.20
2003*	2.13	69	2.44	330	0.31	2003*	2.14	259	2.33	1,515	0.19
2004*	2.19	48	2.57	386	0.38	2004*	2.17	268	2.38	1,483	0.21
2005*	2.35	61	2.78	444	0.43	2005*	2.28	249	2.55	1,396	0.27
2006*	2.52	82	2.89	551	0.37	2006*	2.26	242	2.60	1,418	0.34
Overall*	2.31	269	2.69	1,780	0.38	Overall*	2.17	1,274	2.41	7,366	0.24

* denotes statistically significant difference in means at 95% confidence level

Chart 1 – presents the average ratings for African American and Caucasian Analysts in the PDP (off-cycle) and post-PDP (on-cycle). “N” represents the number of Analysts and the mean is the average rating.

Chart 2. Performance Rating Comparisons by Competency

	Off-Cycle			On-Cycle			
	African	American	Caucasian	African	American	Caucasian	
	Mean	Mean	Difference	Mean	Mean	Difference	
Achieving Results*	2.73	3.40	0.67	Achieving Results*	2.50	2.88	0.38
Maintaining Client and Customer Focus*	1.86	2.16	0.30	Maintaining Client and Customer Focus*	2.09	2.33	0.24
Thinking Critically*	2.54	3.22	0.68	Thinking Critically*	2.21	2.81	0.60
Improving Professional Competence	2.26	2.37	0.11	Improving Professional Competence	1.92	1.89	-0.03
Collaborating with Others*	2.93	3.17	0.24	Collaborating with Others*	2.73	2.86	0.13
Presenting Information Orally*	2.06	2.36	0.30	Presenting Information Orally*	1.95	2.13	0.18
Presenting Information in Writing*	1.77	2.15	0.38	Presenting Information in Writing*	1.78	2.13	0.35
Facilitating and Implementing Change	2.12	2.17	0.05	Facilitating and Implementing Change	1.90	1.94	0.04
Representing GAO*	2.14	2.33	0.19	Representing GAO*	2.24	2.34	0.10
Leading Others	N/A	N/A	N/A	Leading Others*	2.22	2.31	0.09
Developing People	N/A	N/A	N/A	Developing People	2.29	2.40	0.11
Investing Resources	N/A	N/A	N/A	Investing Resources*	1.77	1.85	0.08

* denotes statistically significant difference in means at 95% confidence level

Chart 2 – for all but one competency included in the analysis, the average performance rating for Caucasian Analysts is higher than that of African American Analysts.

Chart 3. Performance Rating Comparisons by Pay Band

By Year and Pay Band	Off Cycle					On Cycle					
	African American		Caucasian		Difference	African American		Caucasian		Difference	
	Mean	N	Mean	N		Mean	N	Mean	N		
2002I	2.18	9	2.25	68	0.07	2002I*	2.00	51	2.19	278	0.19
						II*	2.00	169	2.19	942	0.19
						III*	2.15	36	2.32	334	0.17
2003I*	2.13	69	2.44	328	0.31	2003I*	2.10	56	2.37	262	0.27
						II*	2.13	164	2.29	910	0.16
						III	2.26	39	2.41	343	0.15
2004I*	2.19	48	2.57	385	0.38	2004I*	2.14	56	2.42	210	0.28
						II*	2.14	169	2.33	922	0.19
						III	2.34	43	2.47	351	0.13
2005I*	2.34	60	2.78	434	0.44	2005I*	2.21	36	2.54	126	0.33
						II*	2.24	170	2.50	934	0.26
						III*	2.46	43	2.68	336	0.22
2006I*	2.49	80	2.89	547	0.40	2006I*	2.13	32	2.50	123	0.37
						IIA*	2.05	117	2.35	583	0.30
						IIB*	2.62	49	2.85	378	0.23
						III*	2.52	44	2.77	334	0.25
Overall*	2.30	266	2.68	1,762	0.38	Overall I*	2.11	231	2.37	999	0.26
						II*	2.13	672	2.33	3,708	0.20
						IIA*	2.05	117	2.35	583	0.30
						IIB*	2.62	49	2.85	378	0.23
						III*	2.36	205	2.53	1,698	0.17

* denotes statistically significant difference in means at 95% confidence level

Chart 3 – illustrates the difference in average ratings between African American and Caucasian Analysts by Pay Band. The mean represents the average rating. N reflects the number of observations.

Chart 4. Regression by Review Year

Explanatory Variable Name	African Americans		Caucasians		All Analysts	
	Coefficient	Mean	Coefficient	Mean	Coefficient	Mean
2003 Review	0.11 ***	0.21	0.10 ***	0.20	0.10 ***	0.20
2004 Review	0.13 ***	0.20	0.14 ***	0.20	0.14 ***	0.20
2005 Review	0.22 ***	0.20	0.31 ***	0.20	0.30 ***	0.20
2006 Review	0.28 ***	0.21	0.42 ***	0.22	0.40 ***	0.21

* statistically significant at the .10 level
 ** statistically significant at the .05 level
 *** statistically significant at the .01 level

Chart 4 – the time variable indicates the year of the performance review. There is a upward trend in scores over time relative to 2002. The difference between the coefficients for African American and Caucasian Analysts increases in 2005 and 2006.

Chart 5. Performance Rating Comparisons by Race of Rater

By Race of Rater						By Race of Rater					
Race of Rater	African American		Caucasian		Difference	Race of Rater	African American		Caucasian		Difference
	Mean	N	Mean	N			Mean	N	Mean	N	
African American*	2.25	43	2.7	141	0.45	African American*	2.18	248	2.36	493	0.18
American Indian		0	2.17	2		American Indian	2.27	6	2.36	8	0.09
Asian*	1.71		2.67	78	0.96	Asian	2.35	17	2.45	193	0.10
Hispanic*	2.16	18	2.68	85	0.52	Hispanic*	1.95	38	2.45	195	0.50
Caucasian*	2.36	202	2.69	1,474	0.33	Caucasian*	2.18	965	2.41	6,477	0.23

* denotes statistically significant difference in means at 95% confidence level

Chart 5 – shows the average rating by race of rater. All raters, regardless of their race, rated African American Analysts lower than Caucasian Analysts.

Chart 6. Highest Degrees Earned by Analysts

Major Type	African Americans		Caucasians	
	Count	%	Count	%
High School	9	2%	7	0.3%
Some College	8	2%	7	0.3%
Bachelor's Degree	115	30%	595	25%
Master's Degree	229	60%	1,545	64%
PhD	23	6%	272	11%

Chart 6 - a higher percentage of Caucasian Analysts have graduate degrees compared with African American Analysts.

Chart 7. Regression by Highest Degree of Analysts by Race

Explanatory Variable Name	African Americans		Caucasians		All Analysts	
	Coefficient	Mean	Coefficient	Mean	Coefficient	Mean
High School	0.21	0.02	-0.01	0.003	0.09	0.005
Some College	-0.10	0.02	-0.52**	0.002	-0.27**	0.004
Master's Degree	-0.01	0.58	0.001	0.64	-0.003	0.63
PhD	-0.04	0.06	0.03**	0.12	0.02*	0.11

* statistically significant at the .10 level
 ** statistically significant at the .05 level
 *** statistically significant at the .01 level

Chart 7 - Caucasian Analysts with PhDs received performance ratings significantly higher than those with Bachelor's degrees. A PhD had no effect on the performance ratings of African American Analysts.

Chart 8. School Ranking - US News and World Report

Institution	African Americans		Caucasians	
	Count	%	Count	%
Quintile 1	34	9%	463	19%
Quintile 2	33	9%	312	13%
Quintile 3	66	17%	484	20%
Quintile 4	37	10%	113	5%
Quintile 5	3	1%	41	2%
Not on US News List	158	41%	759	31%
No institution in KSIS	54	14%	253	10%
Historically Black Colleges	89		4	

Chart 8 – a higher percentage of Caucasian Analysts than African American Analysts attended institutions in the top 3 quintiles.

Chart 9 - attending an unranked institution is likely to have a statistically significant negative effect on the ratings of Analysts of both races. African American Analysts who attended HBCUs realized a positive effect relative to other African Americans.

Chart 9. Regression by School Ranking

Explanatory Variable Name	African Americans		Caucasians		All Analysts	
	Coefficient	Mean	Coefficient	Mean	Coefficient	Mean
Institution - Second Quintile	0.07	0.09	-0.04 **	0.13	-0.03	0.12
Institution - Third Quintile	-0.04	0.16	-0.02	0.21	-0.02	0.20
Institution - Fourth Quintile	-0.09	0.10	-0.01	0.05	-0.03	0.06
Institution - Fifth Quintile	0.19	0.01	-0.09 **	0.02	-0.07 *	0.02
Institution - Not Ranked	-0.09 *	0.44	-0.05 ***	0.31	-0.05 ***	0.33
Institution - Not Provided	-0.08	0.12	-0.04	0.09	-0.04 *	0.09
Institution - Historically Black College or University	0.06 *	0.25	-0.05	0.002	0.01	0.04

* statistically significant at the .10 level
 ** statistically significant at the .05 level
 *** statistically significant at the .01 level

Chart 10. Band and Project Risk

Explanatory Variable Name	African Americans		Caucasians		All Analysts	
	Coefficient	Mean	Coefficient	Mean	Coefficient	Mean
On Cycle	0.06	0.83	-0.22***	0.81	-0.19***	0.81
Band 2	0.09**	0.44	0.02	0.41	0.04**	0.41
Band 2a	-0.14**	0.08	-0.27***	0.06	-0.25***	0.07
Band 2b	0.35***	0.03	0.23***	0.04	0.26***	0.04
Band 3	0.28***	0.13	0.17***	0.19	0.19***	0.18
Intern	0.16***	0.09	0.003	0.10	0.02	0.10
No MATS Data	0.03	0.03	0.22***	0.02	0.20***	0.02
Medium MATS Risk Level	0.03	0.41	0.03**	0.39	0.03***	0.39
High MATS Risk Level	0.02	0.14	0.06***	0.18	0.06***	0.17

* statistically significant at the .10 level
 ** statistically significant at the .05 level
 *** statistically significant at the .01% level

Chart 10 – being in Band 2B or 3 has a strong and positive effect on the performance ratings of Caucasian and African American Analysts. The effect of being a GAO Intern before being hired is positive. Caucasian Analysts benefit from being assigned to high risk projects, but African Americans do not.