

**STATEMENT OF
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BEFORE THE
SUBCOMMITTEE ON FEDERAL WORKFORCE, POSTAL SERVICE,
AND THE DISTRICT OF COLUMBIA and THE SENATE SUBCOMMITTEE ON
OVERSIGHT OF GOVERNMENT MANAGEMENT, THE FEDERAL
WORKFORCE AND THE DISTRICT OF COLUMBIA
WASHINGTON, DC**

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Good Afternoon, Chairman Davis, Chairman Akaka and members of the Subcommittees.

My name is Susan LaChance and I am the Vice President of Employee Development and Diversity for the United States Postal Service. I had the privilege of testifying before you nearly one year ago. Thank you for the opportunity to share with you today some of the great things we are doing to develop a diverse talent pipeline that will contribute to the Postal Service's continued sustainability.

The Postal Service has entered a new world, one that requires our organization to become even more entrepreneurial, flexible and transparent. Developing our organization's future leaders has never been more critical, given today's market realities and our country's current economic uncertainties. We recognize that developing from within is only one part of the equation. We also need to continuously attract new talent – talent that is diverse in many respects. To us in the Postal Service, diversity has a broad definition. We believe that an individual's experiences, knowledge, skills, and business know-how should be added to the traditional diversity concepts of race, ethnicity, sexual orientation, gender, disability, age, veterans status and religion. It is in large part due to the hard work and contributions of our very diverse workforce that the Postal Service has achieved business success and been financially independent from the federal government these last four decades.

As you are aware, for almost 40 years, the Postal Service has operated more like a business than a government agency. In 1970, Congress enacted the Postal Reorganization Act, making the Postal Service an independent quasi-governmental agency under a break-even mandate. Recognizing the need to allow the Postal Service flexibility in order to sustain itself without government

subsidies, Congress gave the Postal Service broad authority to develop its own organizational structure and internal regulations, including regulations pertaining to its employees. Although the Postal Service has adopted some of the federal government's personnel rules, many of the Postal Service's operating procedures, measurements and internal regulations are more closely aligned with best practices in private industry. This has allowed the Postal Service to operate with a greater degree of flexibility and has enabled us to quickly respond and adapt to shifting economic conditions in this country.

A year and a half ago, Congress passed the second major reform of the Postal Service – the Postal Accountability and Enhancement Act (PAEA). PAEA takes the Postal Service further away from the realm of the federal government – it requires the Postal Service to think and behave more like a private company. The Act requires the Postal Service to discard its break-even business model and way of doing business. Today, the Postal Service has financial responsibility greater than most federal agencies and is subject to stringent reporting requirements applicable to private enterprises, such as Sarbanes-Oxley.

During its April 17, 2007, testimony before this subcommittee, the Government Accountability Office highlighted the benefits of PAEA, stating that the Act “provides tools and mechanisms that can be used to establish an efficient, flexible, fair, transparent, and financially sound Postal Service – a Service that can more effectively operate in an increasingly competitive environment not anticipated under the Postal Reorganization Act of 1970.”

One way that our Human Resources Department contributes to “an efficient, flexible, fair, transparent, and financially sound Postal Service” is through the continuous development of a talent pipeline that spans levels from our letter carriers and sales associates to our Officer ranks. Our workforce is our biggest asset. That is why the Postal Service invests millions of dollars to provide continuous learning and development opportunities to our employees at all levels of the organization. The Postal Service has a number of structured programs in place to train and develop our employees, help maximize their performance, and coach them to achieve greater degrees of responsibility. We have achieved great success in this area.

As highlighted by the report the Board of Governors submitted to Congress this past December on the status of women and minorities in upper management positions, the Postal Service has made significant strides in preparing its future leaders, inclusive of women and minorities, for higher level assignments. Through a series of leadership development programs and succession planning processes, the Postal Service has been successfully preparing a pool of talented individuals for leadership positions. The Postal Service has assigned my department, Employee Development and Diversity, the responsibility of (1) providing learning and development opportunities to approximately 700,000

career employees; (2) managing the development of diverse talent; and (3) promoting diversity and inclusion throughout the organization.

As Vice President of Employee Development and Diversity, I am proud of our efforts to promote a diverse and inclusive workplace. These efforts have been very successful, resulting in recognition for the Postal Service.

The Postal Service is proud of its efforts to recognize diversity, and is equally proud of the external recognition it receives. In 2007, among the honors we received were the "Public-Sector Employer of the Year" from *Careers and the disABLED Magazine*, and *Hispanic Business Magazine* naming us as "One of the Best Companies for Hispanics".

The Postal Service was the only federal agency included in *Hispanic Business Magazine's* Diversity Elite 60 list, an annual directory of the best companies for Hispanics determined by more than 30 variables measuring companies' commitment to Hispanic hiring, promotion, marketing and supplier diversity.

The *Careers and the disABLED Magazine* cited postal efforts to provide all employees with equal opportunity to compete in every aspect of employment. The magazine also cited our state-of-the-art technology that we provide to assist deaf and hard of hearing postal employees.

Today, I share with you the Postal Service's continuing efforts to develop and recruit a diverse talent pipeline and take this opportunity to highlight some of our success stories.

The Postal Service maintains a long and distinguished tradition of growing our own talent. As the second largest civilian employer in the nation, we employ almost 700,000 career employees. This large pool of talented employees provides the Postal Service with a unique competitive advantage. It helps to ensure that we will have continuous and high-quality leadership even in the face of significant demographic shifts in the broader labor market, such as, the impending wave of Baby Boomer retirements.

Key to the Postal Service's business objectives is the development of talented individuals who are prepared to assume leadership positions quickly and successfully. The Postal Service also recognizes the business imperative of creating a talent pipeline comprised of employees with diverse backgrounds, perspectives, and experiences.

Our employees possess knowledge, skills, and abilities spanning virtually every profession. Beyond our letter carriers, mail handlers, and retail clerks, we employ an incredibly diverse array of professionals in fields like finance, marketing, human resources, information technology, engineering, maintenance, and many other areas. This range of opportunities allows our employees to change careers without changing employers. We strongly believe that by

offering these opportunities and delivering on our commitment to developing employees, we will continue to retain talented employees. This is demonstrated by the fact that the majority of our employees have spent their entire working life with the Postal Service.

Our organization continues to benefit from the tremendous institutional knowledge and skills our employees have developed over decades. To ensure that our employees are prepared to meet emerging business challenges, we have developed a number of processes to assess and identify talent, develop and train our people, and ultimately, foster career advancement for our employees.

Employees receive ongoing development over their career that helps prepare them to take on new roles, new assignments, and new challenges while learning about our complex operations and business. From the earliest moments of their careers to the very end, the Postal Service is committed to providing employees with the training and development they need to succeed.

We offer a broad array of functional and technical training to develop beginner, intermediate, and advanced skills to help our workforce do the jobs they are hired to do and do them better and better over time. We also offer an impressive line-up of leadership development programs. Our Associate Supervisor Program is an industry pioneering approach to moving our craft employees to initial front-line supervisory positions through 16-weeks of classroom and on-the-job training. Newer programs like our Managerial Leadership Program build skills for seasoned mid-level managers. Premiere programs like our Advanced Leadership Program offer world-class leadership development for our managerial and professional ranks. Finally, we also offer a four-tiered Executive Development Continuum for our current executives that foster the continued growth of their leadership abilities. The Postal Service takes its commitment to developing our workforce seriously, and the results show through record-setting performance improvement and service to the American public.

We begin the process of identifying and developing potential leaders by determining what behaviors are necessary to lead a large organization effectively. In order to accomplish this, we use competency models. Employing these models is an industry best practice. Competencies are observable, demonstrable behaviors that define good on-the-job practices. Our competency models are well-researched and vetted to ensure that they accurately and appropriately describe those behaviors that contribute to individual and organizational success. All of our competency models describe behaviors in a manner that allows employees to see how they can improve their performance by more closely following behaviors outlined in each model.

In addition to the models themselves, the Postal Service has created sophisticated developmental opportunities guides that are tied to each

competency. This in effect offers a road map to employees and managers alike and helps them to plan for developmental assignments and tasks that will improve their performance and build their capacity over time. These guides offer powerful advice and great suggestions for development in place to help our employees grow critical skills to help advance their careers.

The competencies developed by the Postal Service also serve one other critical role: they are used to help identify tomorrow's leaders today. We use these competencies in our two succession planning processes that identify and develop future leaders at various levels of the organization. The first is our Corporate Succession Planning (CSP) process, and the second is our EAS Leadership Development (ELD) process.

As background, our succession planning processes were developed within our Diversity function and continue to reside in Employee Development and Diversity. This underscores the Postal Service's commitment to identifying and developing a diverse pool of future leaders to meet the business challenges of tomorrow. CSP and ELD are supported in our organization by dedicated Diversity professionals at both the HQ and Field levels, further underscoring our commitment to integrating the principles of diversity and inclusion into our CSP and ELD processes.

These processes are similarly structured. Their primary distinction is the level of leadership each process targets. For CSP, the purpose is to identify and develop future executives organization-wide. For ELD, the purpose is to identify and develop future technical managers and professionals in our Field operations. Both processes are available during an "open season" to all employees who meet eligibility requirements. This enables employees, through self-nomination, to express an interest in higher EAS and executive-level assignments.

Interested employees complete online applications that include a background profile, competency assessments, and a written narrative statement. Employees' online applications proceed to their executive or immediate manager for review and comment. The manager completes a competency assessment and provides recommendations of support or non-support for each applicant. Managers' comments and recommendations are forwarded to a special committee that reviews applications for specific job pools. The committees are made up of diverse groups of executives (CSP) or senior non-executive managers (ELD). The committees recommend successful applicants to the responsible officer or executive. Successful applicants develop comprehensive, online Individual Development Plans (IDPs) that are also reviewed and approved by the committees and the applicants' executive or immediate manager. All applicants, regardless of whether or not they are admitted into the program, receive detailed in-person feedback from their managers reflecting the consensus comments from the committees that reviewed their application.

What CSP and ELD offer the Postal Service is a structured, nationwide, and transparent process to identify the very best and brightest talent from among our diverse workforce. The self-nomination process puts employees in control of their careers by allowing them to express their interest and determination to move ahead. Our multi-tiered review and approval process ensures greater objectivity, transparency and fair treatment of all applications. Finally, CSP and ELD help to ensure that ongoing development takes place for program participants and that our finite developmental resources are being utilized wisely.

The results speak for themselves. From the inception of the enhanced CSP (2004) and ELD processes through the present, more women and minorities have become members of our feeder pools and more women and minorities have been selected as executives. The processes work because they are objective, transparent, and relevant to our business environment. We will, of course, continue to improve these processes to help ensure a continuous pipeline of future professional and leadership talent for the years ahead.

By investing in our employees and maximizing the talents of leaders who reflect the diversity of America, the Postal Service is better equipped to understand and meet its customers' needs and provide excellent service to the diverse communities it serves. Ultimately, this is our goal as a service provider. And, as an employer, our goal is to continue being the employer of choice for many Americans.

As you know, we are one of the nation's largest employers, and certainly one of America's leading businesses in providing employment opportunities to women and minorities. In fact, the Postal Service has made significant contributions in helping to establish and maintain a strong, vibrant and diverse middle class in this country.

We are pleased to report that we continue to be a microcosm of America. Last year, more than 683,000 employees worked for us. Over 38.3 percent of our workforce is minority, as compared to 32.8 percent in the rest of the Federal Government. Almost 40 percent of our career workforce is female. And, white males make up approximately 38.3 percent of our total workforce.

At our initial supervisory level of EAS-15, a full 42 percent of our supervisors were minorities. Minority and female representation continues to be strong in our EAS levels 22 and above, PCES, and Officer ranks. In 2007, in the EAS-22 and above category, 32 percent of our managers were females, while 30 percent represented minorities.

The number of employees occupying Postal Career Executive Service positions is fairly small, as compared to our entire workforce. Approximately one tenth of one percent of our workforce is PCES employees. These individuals are responsible for operating the plants, districts, and headquarters functions of the

Postal Service. In 2007, there were 748 PCES executives and of these, 26 percent were minorities, while nearly 29 percent were women.

From 2004 through 2007, we saw an increase in our PCES ranks in the number of Hispanic men and minority women. As our total workforce decreases, we have seen a correlating increase in the representation of women and minorities in our workforce.

Finally, moving forward to the 39 officers of the Postal Service, the highest leadership category in our organization, we are pleased to report the following for 2007: more than 10 percent of our officers were African-American men; nearly 36 percent were women; 18 percent were minorities; and more than 5 percent were Hispanic women.

While the focus of this hearing is on diversity in higher levels, I share these general statistics with you because, in light of our strong culture to promote from within, they demonstrate our commitment to developing talented, diverse individuals. I would like to share with you a few examples of our minority men and women who launched their careers with the Postal Service as craft employees and who are now at some of the highest levels in our organization. Their stories are among the many we could have shared.

In February of this year, Kathy Ainsworth was named Vice President of Retail Operations. In this role, Kathy is responsible for overseeing more than 37,000 postal facilities nationwide where customers can buy stamps or mail packages. She began her postal career in 1974 as a mail handler in Missoula, Montana. She pursued her bachelor's degree, while working full time – a familiar story for many postal managers.

Over the years, Kathy held a number of management positions before entering the executive ranks in 1990 as the Controller for the San Francisco Division. During this time, Kathy returned to school to earn her MBA. She was promoted again to the positions of Area Finance Manager in the Allegheny Area and District Manager in Cleveland, Ohio. Thereafter, she became the Vice President, Delivery and Retail at Headquarters.

Gloria Tyson is another one of our success stories. Today, Gloria is the District Manager for Chicago. Gloria came to Chicago from our Detroit District with the mission of turning around Chicago's mail service. With more than 28 years of experience, Gloria has succeeded in leading a team that improved Chicago's mail service by more than five points in the first quarter of this year. Gloria began her postal career in 1980 as a city letter carrier before being promoted to a Management Trainee. She has held a number of management positions over the years in major metropolitan areas, such as New York City and northern New Jersey. Gloria takes mentoring employees very seriously, and leads by example. In her short time in Chicago, she has built a responsive team and has appointed many managers of diverse backgrounds.

Finally, I would like to share the story of Ellis Burgoyne. He is the Vice President of Area Operations for the Southwest Area and is the senior postal official in charge of five states: Arkansas, Oklahoma, Louisiana, New Mexico and Texas. The Postal Service has divided the country into nine areas of operations, and he is one of nine Area Vice Presidents who oversee postal field operations. He is responsible for all postal operations including mail processing and distribution, customer service and administrative operations, and reports directly to the Deputy Postmaster General and Chief Operating Officer.

He started his career with the Postal Service in 1978 as a letter carrier, and sets the example of someone who has worked his way up through the organization. He has held a variety of positions: including serving as vice president, Delivery and Retail; the Colorado/Wyoming district manager; Richmond district manager, and a host of other finance and customer service positions. Along the way, he has set records for achieving new levels of performance and customer satisfaction.

Although I am only highlighting a few individuals today, I am proud to share with you that we have many more dedicated executives like Kathy, Gloria and Ellis leading our organization who represent a diverse pool of employees who have been continuously promoted from within.

We recognize that developing our internal talent does not in and of itself automatically guarantee the future viability of our organization. We maintain a strong commitment to recruiting a diverse workforce – and that commitment will not change.

To respond effectively to the challenges and opportunities raised by the 2006 law, the Postal Service requires leaders with: (1) a broad range of knowledge and experiences; (2) an understanding and appreciation for customers' economic influence on corporate strategies; and (3) business acumen.

The Postal Service recognizes it is sometimes necessary to seek external talent with knowledge and expertise that may not be available in-house. In addition to this new challenge, the Postal Service faces the potential retirement of Baby Boomers.

That is the reason why last year, the Postal Service created a recruitment office within Human Resources to actively recruit the best and the brightest to the organization. This office is in charge of recruiting talent at colleges and universities, through professional organizations, and at career fairs. The Postal Service participates on panels, sponsors events and conferences targeting women and minorities, purchases advertisements in diverse magazines, and reaches out to minority communities to promote the Postal Service as an Employer of Choice. Some examples of our efforts to attract a diverse workforce

include participating in diversity career fairs and events for people with disabilities at such locations as Gallaudet University, the World Congress on Disabilities, and Women for Hire.

One of the key challenges facing us today is the perception that the Postal Service is antiquated. We view this challenge as a great opportunity for us to re-energize our employment brand to showcase the Postal Service as a cutting-edge employer of choice. To meet this challenge, we developed a video and recruitment booklet featuring our own postal employees that highlight opportunities for world-class training, career growth and advancement, and numerous exciting employment opportunities in a wide range of fields and at all levels of the organization.

Additionally, we are leveraging technology to reach new generations interested in postal careers. For example, in May we will be launching ECareer, a new electronic hiring tool. We, also, have formed relationships with nationwide on-line recruitment organizations. This means that USPS job postings appear on all kinds of specialized nationwide on-line sites, such as Monster Diversity and Inclusion, BlackPlanet.com, AsianAvenue.com, and Military.com. In fact, we are very proud to be among the nation's largest employers of men and women in uniform. In 2007, we employed more than 170,000 veterans, which is roughly one-fourth of our workforce. This is such a key demographic for us that we have a dedicated recruiter for this group.

In the increasing competition for talent, we must continue to maintain a presence in all the communities we serve. We believe that our new recruitment office and our diversity professionals' continuous community outreach will succeed in attracting talented and diverse individuals with the skills and expertise we need to propel the Postal Service as a world-class organization.

The Postal Service remains committed to being a model employer of choice and continues to empower employees to contribute ideas, seek challenges and be engaged in building a performance-based culture. We view diversity as a winning business strategy and use it as a tool to deliver results. We believe that our employees should represent the people we serve, and that is why we incorporate diversity principles throughout the Postal Service's strategies for recruitment, development and selection.

We are pleased with the diversity of our workforce and continue to promote an inclusive workplace. While we recognize there is always room for improvement, these numbers are in line and, in some instances, exceed those of the federal workforce and reflect the realities of the marketplace today.

In conclusion, the Postal Service views its employees' diversity as a strength, and promotes inclusiveness throughout its actions. As the agency looks to the future, it moves forward with these three broad-ranging strategies:

- To enhance recruitment and retention of diverse talented individuals;
- To leverage the talents and skills of a diverse workforce; and
- To reinforce leadership's commitment to diversity and inclusion.

The diversity of the Postal Service represents the diversity of America. The Postal Service has a long, proud history of a diverse workforce and is committed to providing employees with the information, training, and development that they need to do their jobs today and tomorrow. And all of us in the Postal Service are committed to delivering excellent customer service to all of America.

I would be pleased to answer any questions the Subcommittees may have.

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