



United States
General Accounting Office
Washington, D.C. 20548

General Government Division

B-260223

March 10, 1997

The Honorable Xavier Becerra
Chairman, Congressional Hispanic Caucus
House of Representatives

Subject: Hispanic Employment: Best Practices Used by Selected Agencies and Companies

Dear Mr. Chairman:

The former Chairman of the Congressional Hispanic Caucus, Representative Ed Pastor, asked us to provide the Caucus with (1) statistical information on Hispanic employment at selected federal executive departments and (2) information on "best practices" used in the federal and private sectors to recruit, hire, and retain Hispanic employees. We provided the statistical information to the Caucus last June.¹ This letter provides information on the experiences of 37 federal units and 3 private sector companies in recruiting, hiring, and retaining Hispanic employees. As agreed with the former Chairman's office, in developing information on these experiences, we sought to identify any significant barriers the organizations overcame in seeking to increase their Hispanic representation.

RESULTS IN BRIEF

The employment practices that were reported by the federal units and private sector companies we surveyed essentially had as their foundation an environment in which the goal of achieving a diverse workforce was reinforced by their management's pronouncements and actions. This commitment to diversity was usually evidenced by senior-level management in a highly visible manner. For example, senior-level management at one agency established a program to intensify efforts to increase Hispanic employment; senior-level management of the three private sector companies signed agreements with Hispanic communities through an Hispanic association. Federal units and companies from among those surveyed said

¹Hispanic Employment Statistics (GAO/GGD-96-85R, June 27, 1996).

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senior-level management also held managers at various levels accountable for meeting the goal of maintaining a diverse workforce.

The federal units and companies we surveyed also reported making special efforts to develop long-term relationships with Hispanic communities to identify and recruit qualified Hispanics. Those relationships included networking with Hispanic groups, such as the League of United Latin American Citizens; recruiting at educational institutions with large populations of Hispanic students; establishing individual relationships with Hispanic students prior to graduation through, for example, cooperative (co-op) employment programs; and participating in minority job fairs. According to the information the federal units and companies we surveyed provided, networking with Hispanic communities was one of the most effective tools for overcoming some of the barriers to achieving full representation of Hispanics.

Most of those we surveyed indicated that they had not created any special programs to encourage the retention of Hispanic employees. In the views of many of the federal units and companies, the turnover rate among their Hispanic employees was either in line with or lower than the turnover rate of their non-Hispanic employees.

BACKGROUND

Federal law prohibits employers, public and private, from discriminating in employment on the basis of race, color, religion, sex, or national origin. Federal law requires federal agencies to develop and implement affirmative employment programs to eliminate the underrepresentation of minorities and women where it exists. Federal law also requires the Office of Personnel Management (OPM) to implement a minority recruitment program. Accordingly, OPM set up the Federal Equal Opportunity Recruitment Program, which requires agencies to conduct affirmative recruitment for occupations and grades in which equal employment opportunity (EEO) groups are underrepresented. Federal law defines underrepresentation as a situation in which the percentage of an EEO group within a category of civil service employment is less than its equivalent percentage within the nation's civilian labor force (CLF).²

²The Bureau of the Census compiles CLF data from the decennial census. The CLF excludes persons in the Armed Forces, but it includes all U.S. citizens and noncitizens 16 years or older who are employed or seeking employment either in the public or private sector.

The federal government has had a specific program to increase Hispanic representation in the federal workforce since 1970. The program was first called the "16 Point Program"; it is now called the Hispanic Employment Program. Despite the program's long existence, the Equal Employment Opportunity Commission (EEOC),³ OPM,⁴ and the Merit Systems Protection Board⁵ have all reported since 1991 that Hispanics had not achieved overall proportional representation in the federal civilian workforce. Moreover, according to the three agencies, Hispanics were the most underrepresented ethnic group in the federal sector. Our past studies reached the same conclusions.⁶

The categories for which representation is judged in the federal government are professional, administrative, technical, clerical, other (white collar), and blue collar. These categories are often referred to as PATCOB. EEOC has assigned federal occupations and CLF data to these categories so that comparisons between the federal workforce and the CLF can be made.

³Annual Report on the Employment of Minorities, Women and People With Disabilities in the Federal Government for the Fiscal Year Ending 1991, Office of Federal Operations, U.S. Equal Employment Opportunity Commission.

⁴Annual Report to Congress on the Federal Equal Opportunity Recruitment Program, October 1, 1992 - September 30, 1993 (Fiscal Year 1993), U.S. Office of Personnel Management, January 1994.

⁵Evolving Workforce Demographics: Federal Agency Action and Reaction, U.S. Merit Systems Protection Board, November 1993.

⁶Affirmative Employment: Assessing Progress of EEO Groups in Key Federal Jobs Can Be Improved (GAO/GGD-93-65, Mar. 8, 1993). EEOC: Federal Affirmative Planning Responsibilities (GAO/T-GGD-94-20, Oct. 13, 1993). Federal Affirmative Action: Better EEOC Guidance and Agency Analysis of Underrepresentation Needed (GAO/GGD-91-86, May 10, 1991). Federal Workforce: Continuing Need for Federal Affirmative Employment (GAO/GGD-92-27BR, Nov. 27, 1991).

In its minority employment report for fiscal year 1994,⁷ EEOC compared federal workforce data with CLF workforce data and reported that Hispanics were fully represented in the professional ranks of the federal workforce. However, Hispanics were underrepresented in the administrative, technical, clerical, and blue-collar categories. (Figures for the "other" category were not reported.) In comparison to CLF levels, Hispanic underrepresentation in these parts of the federal workforce, as computed from data in the EEOC report, ranged from 2 to 8 percent in the administrative, technical, and clerical categories and 27 percent in the blue-collar category. The EEOC report showed that, overall, Hispanics represented about 6.0 percent of the federal civilian workforce in fiscal year 1994 but accounted for about 8.1 percent of the 1990 CLF.

The federal government's Senior Executive Service covers the majority of the top nonpolitical managerial, supervisory, and policymaking positions in the executive branch. In fiscal year 1994, according to EEOC's report, about 2 percent of the senior executives were Hispanic. EEOC also reported that, in fiscal year 1994, the average white-collar pay grade for Hispanics in the federal workforce (8.74) was lower than the average pay grade for all white-collar federal employees (9.54).⁸

Hispanics are defined by EEOC and in the CLF and Central Personnel Data File (CPDF) data as all persons of Mexican, Puerto Rican, Cuban, Central and South American, or other Spanish culture or origin, regardless of race. The number of Hispanics in the CLF grew considerably between 1980 and 1990, increasing by an estimated two-thirds.⁹

⁷See tables I-1, I-3, I-4, I-5, I-6, and I-7 of the Annual Report on the Employment of Minorities, Women and People With Disabilities in the Federal Government for the Fiscal Year Ending 1994, Office of Federal Operations, EEOC. EEOC constructed table I-1 with CLF data, with data from OPM's Central Personnel Data File (CPDF), and from data provided by certain agencies that are not included in CPDF data, most notably the U.S. Postal Service. In tables I-3 through I-7, federal workforce statistics were derived from CPDF data only. CPDF data reflect a workforce that is nearly 100 percent U.S. citizens. The CLF data were as of 1990; the federal workforce data were as of fiscal year 1994.

⁸See pages 7 and 8 of the Annual Report on the Employment of Minorities, Women and People With Disabilities in the Federal Government for the Fiscal Year Ending 1994. The average pay grade is from the General Schedule and related pay systems, which range from grades 1 to 15.

⁹However, the accuracy of this growth rate may be affected by the relative undercount of Hispanics in the 1990 Census. The 1990 Post-Enumeration Survey, which estimated

OBJECTIVE, SCOPE, AND METHODOLOGY

Our objective was to obtain information on the best practices used by federal agencies and private sector companies to recruit, hire, and retain Hispanic employees. To collect this information, we surveyed 37 federal units and 3 private sector companies. As explained in this section, these units and companies were reported to have above-average Hispanic employment profiles or working relationships with Hispanic communities or were said to have information on best practices for employing Hispanics.

The 37 federal units that we surveyed were 1 whole department (the Department of Energy) and 36 operating components of 5 other federal agencies: the Departments of the Air Force, Agriculture (USDA), Army, and Navy and the National Aeronautics and Space Administration (NASA).¹⁰ The operating components are listed in the enclosure to this letter. We identified the 37 federal units in two ways.

- Using September 1993 data from OPM's CPDF, we identified agencies and operating units of agencies that exceeded the then governmentwide average for Hispanics in General Schedule grades 11 and 12, in General Schedule grades 13 to 15, in the Senior Executive Service, or overall.¹¹ We judgmentally selected 22 of these agencies and units to survey for their Hispanic employment practices. In making our judgmental selection, we considered various factors, such as the need to include a mix of civil and Department of Defense units and the efficiency with which we would be able to survey the federal units. The 22 units included 1 department and components of 5 other agencies.
- Officials at the 5 agencies identified 15 units that they believed, in addition to the 22 we identified, could also provide valuable information on best practices for recruiting and hiring Hispanic employees. Because our objective was to obtain information on best practices, we included these units in our review so that we could learn about their experiences.

the number of persons who were missed or erroneously enumerated in the 1990 Census, reported the undercount of Hispanics as 4.99 percent, compared with 4.57 percent for African-Americans and 0.68 percent for non-Hispanic whites.

¹⁰The information the military units provided pertained to their civilian employees.

¹¹In September 1993, the governmentwide average for Hispanics in General Schedule grades 11 and 12 was about 4.5 percent; in General Schedule grades 13 to 15, about 2.4 percent; in the Senior Executive Service, 1.2 percent; and overall, about 6.1 percent.

We met with agency officials at their headquarters offices to obtain information on the affirmative action and diversity management policies and practices used to recruit, hire, and retain Hispanic employees. In addition, each of the 37 units, guided by a uniform list of open-ended questions, was asked to submit information on its EEO program and the recruiting, hiring, and retaining of Hispanic employees. Each responded but about five of the units provided only limited information, saying that they had done little or no recruiting and new hiring in recent years because of downsizing and hiring freezes.

We also met with focus groups of Hispanic and non-Hispanic employees at NASA, Energy, and USDA to obtain their views on recruiting, hiring, and retaining Hispanics at their agencies. In total, 83 Hispanic and non-Hispanic employees attended these focus groups, representing a range of career levels and occupations. The focus group participants responded to a general request for volunteers.

The three private sector companies that we surveyed were a public utility company, a manufacturing company, and a beverage company, all of which employed over 5,000 employees. We used literature searches that we performed and rankings provided by Hispanic groups to identify and select the three companies.

From literature searches, we identified 23 private sector companies that were reported to have comparatively above-average Hispanic employment profiles or working relationships with Hispanic communities. We then asked officials of the Hispanic Association on Corporate Responsibility (HACR), the U.S. Hispanic Chamber of Commerce, and the National Hispanic Employee Association to (1) review our list of 23 companies and (2) rank the 10 companies that, in their view, had the best proven records for recruiting, hiring, or retaining Hispanic employees. From among the companies they ranked, we selected three to survey; all three were ranked by at least two of the three Hispanic organizations. In deciding on the number of companies and which ones to survey, we considered, among other things, the need to include companies that were located in geographic areas with comparatively large and not-so-large Hispanic populations.

At the three companies that we surveyed, we met with officials of EEO or community relations departments, members of Hispanic employee organizations, and officials involved in the recruitment of personnel. We discussed several topics, such as management's commitment to achieving workforce diversity and the company's practices for recruiting, hiring, and retaining Hispanic employees. To encourage an open and full discussion of these topics, we told officials of the companies that we would not identify their companies or link any of the information they provided to any specific company. We made this agreement because we believe that the identity of the companies is immaterial to the discussion of Hispanic employment practices.

Although all of the employment practices we discuss in this letter were undertaken by some of the federal units and private sector companies we surveyed, every practice was not necessarily undertaken by each organization. Our review was not designed to determine whether these practices were the causes of the success that the units and companies were reported to have had in adding Hispanics to their workforces or building relationships with Hispanic communities. However, in providing us the information, the units and companies were reporting what they generally perceived as positive relationships between their practices and their successes in building relationships with Hispanic communities and in recruiting, hiring, and retaining Hispanic employees.

Working from Washington, D.C., and Denver, we collected and analyzed the information used in this letter between May 1995 and September 1996. Our work was done in accordance with generally accepted government auditing standards. We obtained comments on a draft of this letter from EEOC and OPM. These comments are discussed at the end of this letter.

PRACTICES USED TO RECRUIT, HIRE, AND RETAIN HISPANIC EMPLOYEES

As would be expected, there were both similarities and differences among the federal units and private sector companies we surveyed as to what they said they did to recruit, hire, and retain Hispanic employees. However, from our analyses, we were able to place the information they provided into three major categories: organizational environment, relationships with Hispanic communities, and retention issues.

Create an Organizational Environment That Promotes a Diverse Workforce

From the information we gathered, it appears that the efforts of the federal units and private sector companies to recruit and hire Hispanics were part of comprehensive efforts to bring about diverse workforces. That is, organizations saw value in having a diverse workforce and created an environment to foster the active recruitment and hiring of all ethnic groups, including Hispanics. The organizations reported that this environment was generated and sustained in at least two important ways: senior-level managers demonstrated a commitment to recruit a diverse workforce and managers at various levels were held accountable for achieving that goal. However, in striving to create diverse workforces, several organizations pointed out that they sought to recruit and hire the best person for the job rather than promoting diversity without regard to workforce quality.

Demonstrate Senior-Level Management Commitment

In general, the federal units and private sector companies said their senior-level managers were visibly committed to achieving a diverse workforce. As explained by one of the organizations we surveyed, success in achieving a diverse workforce depends on many factors; however, first and foremost is the need for senior-level managers to understand and visibly support the organization's diversity goals and objectives. Another organization pointed out that senior-level management sets the tone for an organization and when senior-level management demonstrates a clear commitment to workforce diversity, it conveys the message to other managers that they should have diversity in their units. The organizations we surveyed commonly said workforce diversity was a goal supported throughout their organizations.

Several of the federal units and private sector companies we contacted specifically remarked that achieving a diverse workforce was healthy for the organization as a whole and, in the case of the three private sector companies, was important for business stability and growth. For example, the senior-level manager of one federal unit said it made good management sense to capitalize on the demographic changes to the nation and to the CLF. Officials at one company said the company expected big payoffs from workforce diversity because employees with different backgrounds and experiences bring varying viewpoints to the decisionmaking process, which results in better decisions and products. Officials of another company said changes in the nation's demographics and the need to compete in the global market required the company to employ Hispanics at all organizational levels.

Following are examples of how the federal units' and private sector companies' senior-level managers provided visible support to Hispanic employment activities.

- Energy's senior-level management approved the charter of its Hispanic Association and approved the creation of the position of Special Assistant for Hispanic Affairs to the Director, Office of Economic Impact and Diversity.
- The Secretary of the Navy established the "Hispanic 5-Point Program" to intensify efforts to increase Hispanic employment at the department.
- A senior-level official at USDA, one of only a few department officials at that level, sat on the USDA/Hispanic Association of Colleges and Universities (HACU) Leadership Group to ensure that the agency's philosophy and efforts to attract and retain Hispanics permeated the department.
- During a time of shrinking budgets, senior-level managers at federal units we contacted committed staff and funds for activities such as recruiting, intern programs, job fair participation, speaking engagements, and training.

- The senior-level management of the three private sector companies we contacted signed agreements with Hispanic communities through HACR. In signing these agreements, the companies recognized the value of Hispanic communities as consumers of the companies' products and/or services. While not identical, these agreements acknowledged the importance of Hispanic communities and contained policy statements in support of those communities. For example, one company agreed to recruit and hire Hispanics, purchase goods and services from Hispanic vendors, use banking services provided by Hispanic bankers, develop Hispanic distributorships, and use Hispanic media professionals to advertise its products. Another company agreed to review at least annually with HACR the progress the company was making with its Hispanic profile.
- Senior-level management officials at one company had been keynote speakers at major Hispanic organizational functions. The company also had (1) provided the use of speech writers and panel members for Hispanic events and résumé training for Hispanics, (2) attended job fairs, and (3) sponsored Hispanic community and student events and contests.

Hold Managers Accountable for Achieving Workforce Diversity

In addition to encouraging managers to participate in diversity and affirmative action programs, respondents from the federal units and private sector companies said managers were held accountable for achieving diversity and/or EEO program objectives. For example, as part of the periodic assessment of managers' overall performance, their managerial skills in the area of diversity or equal employment were evaluated. Some organizations pointed out that the diversity dimension was a critical element in evaluating managers' performance. According to an official at one of the companies, managers would tend to lose their focus on the importance of diversity if they were not held accountable.

Develop Long-Term Relationships With Hispanic Communities

We asked the federal units and private sector companies to identify recruiting and hiring strategies that were the most beneficial for them in bringing Hispanic employees into the organization. The strategies they reported generally fell into the categories of (1) networking with Hispanic communities, (2) recruiting at colleges with sizable Hispanic student bodies, and (3) using multiple outreach techniques that targeted Hispanic applicants.

Network With Hispanic Communities

The federal units and private sector companies considered networking with Hispanic communities through contact with Hispanic groups to be one of their most effective tools for recruiting and hiring qualified Hispanic applicants. One federal unit said it seemed to reach more people and the word seemed to spread faster when it networked through Hispanic organizations and colleges. A company said many prospective job candidates have come from word-of-mouth referrals, and its most effective technique to obtain referrals has been to establish and maintain contact in the Hispanic community.

Units and companies reported various ways of establishing and maintaining contacts with Hispanic organizations. These included participating in scheduled meetings and conferences of Hispanic organizations, attending seminars sponsored by Hispanic professional organizations, speaking at local chapter meetings of Hispanic organizations, working on stay-in-school projects, meeting with Hispanic student groups, and participating in workshops and job fairs.

To obtain applicants, federal units and companies made Hispanic organizations aware of job vacancies. For example, one federal unit said it uses a mailing list that it developed to make sure Hispanic groups are regularly informed about job opportunities and other issues of interest to them. Another unit said that it sends vacancy announcements for all departmental senior executive service positions to Hispanic-serving organizations in addition to the other distributions that it makes. Another federal unit said that it lacked funds to attend job fairs and conduct on-site recruiting but it found another effective means of reaching Hispanic applicants by mailing copies of vacancy announcements to Hispanic organizations. A company said it contacts local, community-based Hispanic groups, such as Mi Casa and the League of United Latin American Citizens, to recruit clerical employees. The company said it also recruits from national professional organizations, including those representing Hispanic professionals, to obtain applicants for marketing, sales, finance, and other professional positions. Finally, for director positions and certain other management-level positions, the company said it uses minority search firms.

Some of the organizations we surveyed remarked that employers' relationships with Hispanic organizations are enhanced when there is active contact and a spirit of mutual trust. For example, a federal unit strongly emphasized the importance of building lasting relationships with Hispanic organizations rather than relationships that are turned on or off, depending on the funding level. The unit also said that recruitment efforts are usually not successful without a positive history with the group. A company said recruiters have to create and sustain long-lasting relationships with Hispanic organizations and college campus officials. Recruiters, the company said, must be honest with organizations and must maintain a presence with them even

in a business downturn. The company concluded that lasting relationships take a long time to nurture and, consequently, employers must be willing to invest money and personnel.

Several organizations that we surveyed pointed out that Hispanic employees provide another means for reaching the Hispanic community and obtaining job applicants. For example, one company said an Hispanic employee had been successful in recruiting Hispanic applicants because she had developed a rapport with the Hispanic community. Employee advisory groups were also helpful in the recruitment process. At one federal unit, the Hispanic advisory committee worked with management to bring several changes to the unit's Hispanic recruiting and hiring efforts, such as providing training to recruiters to improve their interviewing skills. At one of the companies, the Hispanic employees group would sometimes recommend to management individuals and organizations that the group believed would be interested in applying for or referring individuals for employment.

Recruit at Colleges With Large Hispanic Populations

The federal units and private sector companies we surveyed often said they recruit at colleges and universities where there are large populations of Hispanic students. Some organizations chose specific institutions on the basis of the strength of the disciplines the institutions offered. For example, one company said it recruited at the University of Texas, Texas A & M, the University of New Mexico, and the University of Puerto Rico because these institutions produced the type of engineers the company needed and because they also had a large Hispanic enrollment.

A federal agency, with special authority, had a scholarship/fellowship grant program with an Hispanic-serving institution that provided numerous opportunities for the agency to get to know some of the participating students prior to their graduation. Participation in the grant program also gave some of the students opportunities to learn more about the agency and its mission.

Employing Hispanics while they were still in school (high school and college) was another approach mentioned frequently by federal units. This hiring was done by working with educational institutions and through co-op and other student employment programs. The three private sector companies also reported using student employment programs. Federal units reported that they were able to bring in co-op students even during downsizing or a hiring freeze. Federal agencies may offer co-op students career positions without further competition after they complete their educational requirements.

Focus group participants and several organizations that we surveyed said it was important or beneficial to include Hispanics on the recruiting team when visiting college campuses. This inclusion was important, according to one organization, for developing rapport with candidates, for serving as role models to students, and for demonstrating the success of Hispanics at the organization.

Colleges and universities with large numbers of Hispanic students are generally located in geographic areas with large numbers of Hispanics. According to the 1990 Census, the distribution of the Hispanic population in the United States varied greatly. About 45 percent of the Hispanic population lived in the Western region of the country, about 30 percent lived in the South, about 17 percent lived in the Northeast, and about 8 percent lived in the Midwest.

One of the private sector companies that we surveyed, which was located in an area with relatively few Hispanics, said it was concerned about whether potential Hispanic employees would be willing to relocate to the area. The company employed several strategies to encourage Hispanics to relocate. For example, the company used summer intern programs to give college students an opportunity to acclimate to the company and its location. It also encouraged current Hispanic employees to be mentors to new Hispanic hires and to connect with Hispanic employee groups. Finally, the company emphasized the similarities in lifestyles between the students' geographic area and the company's location.

Use Multiple Outreach Techniques

Federal units and private sector companies included in this study said they used multiple efforts to reach Hispanic applicants. In addition to networking with Hispanic groups and recruiting at educational institutions with large Hispanic enrollments, units and companies reported advertising on radio and television and in newspapers, trade magazines, or publications that target minorities and women. The units and companies also participated in job fairs, conferences, and other special events that attracted Hispanics.

Ensure Effective Retention Practices for Hispanics

Retention of Hispanic employees was not identified as a problem by the federal units and private sector companies we surveyed. In fact, many made the point that retention rates for Hispanic and non-Hispanic employees were similar. A few

organizations said that the turnover rate for Hispanic employees was lower than the rate for non-Hispanic employees.¹²

Only a few organizations said that they instituted formal programs to encourage good retention rates for Hispanics. An Army Hispanic Employment Program committee participated in an Hispanic Employment Resource Conference that was geared toward agency managers and supervisors and EEO and personnel office staff on topics such as career development. Several other organizations said that, while they had no formal program specifically for retaining Hispanics, their employee developmental and educational programs were available to all employees, which helped to promote the retention of Hispanics and all other employees.

Several organizations provided factors that were viewed as having had the most positive influence on Hispanic employees' accepting employment and staying with the organizations. Although each factor was not uniformly cited, they included pay level, employee benefits and incentives (such as retirement benefits and educational opportunities), job security, the opportunity for advancement, the opportunity to do interesting and challenging work, acceptance of Hispanics in the workplace and in the community, and the opportunity to work in locations that have Hispanic communities.

Among the reasons cited by organizations for Hispanics' leaving were the following: (1) dissatisfaction with promotional opportunities, (2) dissatisfaction with work assignments, (3) the belief that they were not supported by the organization, and (4) the belief that the organization had not delivered on the promises it had made. Regarding promotional opportunities, some participants of the focus groups we held said there was still room for more improvement in increasing Hispanic representation in the managerial ranks.

According to three federal units, the pay level of federal employment is sometimes a barrier in attracting Hispanic employees. Highly qualified Hispanic employees are sought by both the federal and private sectors. However, the three federal units said that when private sector salaries are higher than federal salaries, agencies find it more difficult to hire and retain Hispanic employees.

¹²One unit reported that the turnover rate for Hispanic employees was higher than for non-Hispanic employees. The unit explained that its Hispanic employees were concentrated in two geographic locations and were affected by downsizing, base closures, and activity realignments at those locations. Still, overall Hispanic representation in the unit remained above the Hispanic representation level of the 1990 CLF.

As the federal government streamlines its workforce, agencies have been faced with other challenges in hiring and retaining Hispanic employees. For example, many of the federal units reported finding it more difficult to recruit and hire Hispanics because there were constraints on new hiring. The federal units also cited the challenge of ensuring that the representation of women and minorities, including Hispanics, is not disparately affected by federal downsizing. Reductions-in-force, which result in employees' being involuntarily terminated, can adversely affect women and minority employees since such employees maybe disproportionately ranked lower than white males in the standard retention factors, which include length of service and veterans' preference.

In response to the challenge of ensuring that the representation of women and minorities in the workforce is not disproportionately affected by downsizing, some of the federal units reported that they had or were implementing various strategies to address this issue. Some of these strategies involve offering employees retraining programs and financial incentives to voluntarily retire or separate from employment. As we reported in August 1996,¹³ the demographic profile of buyout recipients—those who received financial incentives to retire or separate from federal employment—is one reason why the personnel reductions that have taken place over the past few years were carried out without disproportionately affecting the employment of women and minorities. We reported that of the nearly 83,000 employees governmentwide who accepted buyouts from fiscal year 1993 through the first half of fiscal year 1995, 52 percent were white males.

AGENCY COMMENTS

Because EEOC is responsible for guiding and monitoring the government's EEO efforts, we asked the EEOC Chairman or his representative to comment on a draft of this letter. Also, because of OPM's responsibilities for the Federal Equal Opportunity Recruitment Program, we asked the OPM Director or his representative to comment on the draft letter.

The Inspector General of EEOC responded that EEOC had no substantive comments. The Director of OPM reviewed the letter and supported our findings. In addition, OPM brought to our attention that it had initiated the first Memorandum of Understanding (MOU) between a federal unit and the Hispanic community. According to OPM, since that time, more than 10 federal departments and agencies have signed individual MOUs with Hispanic organizations. OPM is currently exploring ways to improve Hispanic representation at the Senior Executive Service level. OPM also

¹³Federal Downsizing: Better Workforce and Strategic Planning Could Have Made Buyouts More Effective (GAO/GGD-96-62, Aug. 26, 1996).

noted that it has streamlined the student employment program to give agencies more flexibility in using the program as a tool to bring minorities and women into the federal government.

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As agreed with your office, unless you publicly announce this letter's contents earlier, we plan no further distribution of it until 30 days after the date of this letter. We will then send copies to the Chairman and Ranking Minority Member of the Senate Committee on Governmental Affairs and the Subcommittee on International Security, Proliferation, and Federal Services; the Chairman and Ranking Minority Member of the House Committee on Government Reform and Oversight and the Subcommittee on Civil Service; the Chairman, EEOC; the Director, OPM; the heads and personnel directors of federal departments and agencies, including those we surveyed for this letter; and other interested parties. We also will make copies available to others on request.

The major contributors to this review were Xavier Richardson, Assistant Director; Helen D. Branch, Senior Evaluator; Rudolfo G. Payan, Evaluator; and Terry J. Hanford, Senior Evaluator. If you have any questions about this letter, please call me on (202) 512-9039.

Sincerely yours,



Michael Brostek
Associate Director
Federal Management and
Workforce Issues

Enclosure

FEDERAL UNITS THAT PARTICIPATED IN GAO'S SURVEY
ON HISPANIC EMPLOYMENT PRACTICES

Department of Agriculture

Animal and Plant Health Inspection Service

Department of the Air Force

Air Force Materiel Command
Air Education and Training Command
Air Force Reserve
Air Intelligence Agency
United States Air Force Academy
Air Force Civilian Personnel Management Center

Department of the Army

United States Military Entrance Processing Command
United States Army Training and Doctrine Command
United States Army, Pacific Processing Command
Personnel and Employment Washington Service
United States Military Academy
United States Total Army Personnel Command
United States Army Tank Automotive and Armaments Command
United States Army Test and Evaluation Command - Processing Command
United States Army Test and Evaluation Command - Aberdeen Proving Ground
United States Army Test and Evaluation Command - White Sands Missile Range
Army Materiel Command - Corpus Christi Army Depot
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Departmentwide

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Naval Education and Training Command
Military Sealift Command
Naval Facilities Engineering Command

National Aeronautics and Space Administration

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