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# MEMORANDUM

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August 26, 2005

**To:** Jeffrey Risinger  
**From:** Walter Stachnik *W Stachnik*  
**Re:** Recruitment, Classification, and Staffing Audit

Attached is our audit report (No. 389) of Recruitment, Classification, and Staffing in the Office of Human Resources.

We would appreciate receiving any additional comments you have concerning this audit and the report. In particular, we would like to know whether you found the audit useful. We also welcome any suggestions from you concerning how we could improve future audits.

The courtesy and cooperation of you and your staff during this audit are appreciated.

## Attachment

cc:

Peter Uhlmann  
Rick Hillman  
Carol Smith  
Trinette Smith  
Dana Schlichtmann  
Christopher Kubelick  
Marcia Spillane  
Lemont Neal  
James McConnell  
Darlene Pryor

# RECRUITMENT, CLASSIFICATION, AND STAFFING

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## EXECUTIVE SUMMARY

*We found that for the most part, the Office of Human Resources' (OHR) recruitment, staffing, and classification procedures were efficient and effective. Over the last several years, OHR has expanded its recruitment efforts and hired over 1000 new staff as the Commission's budget increased. To further enhance its procedures, OHR recently implemented a human resources staffing and classification service, Avue Digital Services (ADS), to automate the staffing and classification process.*

*The use of Avue can be improved by providing additional training to OHR staff and Commission managers, and by updating position descriptions in the ADS system. We are also recommending improved procedures for terminating management level access for separating employees.*

## SCOPE AND OBJECTIVES

Our objective was to determine whether the Office of Human Resource's recruitment, classification, and staffing procedures were effective and efficient. We also reviewed whether the implementation of the Avue automated service needed to be improved.

Our audit steps included tests of ADS's access controls, review of relevant documentation, interviews with OHR staff and the ADS contractor, and a survey of Commission staff with management level access to the ADS system. Our audit was performed in accordance with generally accepted government auditing standards between January 2005 and May 2005.

## BACKGROUND

### RECRUITMENT

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OHR's Branch of Recruitment, Work-life, and Disability Programs is responsible for Commission recruitment. Together with search firms and program office staff, the Branch staff attend job fairs and conferences at universities.

The Commission offers recruitment bonuses and student loan repayment as incentives to attract and retain highly qualified staff. Another recruitment tool is the summer intern program for honor students in fields such as accounting, finance, law, and information technology. The program provides an opportunity for these students to assess their interest in a position at the Commission after graduation.

Between fiscal years 2002 and 2004, the Branch staff participated in more than 100 recruitment events. During fiscal year 2004, OHR appointed 186 summer interns.

## **CLASSIFICATION**

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OHR's three Classification, Staffing, Benefits, and Payroll Branches classify Commission positions based on the position description (PD) developed by management. The PD describes the qualifications for a position, its duties and responsibilities, and supervisory relationships. OHR recommends the use of standard language in a PD to make classification easier.

Each position is assigned an occupational series (e.g., 905 for attorney, 510 for accountant) and grade level. Generally, the classification is based on nine standard factors (knowledge required by the position, supervisory controls, guidelines, complexity, scope and effect, personal contacts, purpose of contacts, physical demands, and work environment).

The Pay, Employee Benefits, and Special Projects Branch Chief acts as the Contracting Officer's Technical Representative (COTR) for ADS, it has overseen ADS implementation, including training for OHR and other Commission staff.

## **STAFFING**

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The three Classification, Staffing, Benefits, and Payroll Branches manage the hiring of new employees. Between fiscal years 2002 and 2004, the branches processed approximately 3000 employment applications, and appointed 1174 new employees, including 461 attorneys, 309 accountants, and 208 examiners.

To expedite this surge in hiring (resulting from Commission budget increases), the Commission sought and was granted certain hiring flexibilities in the Accountant, Compliance, and Enforcement Staffing Act of 2003 (Public Law 108-44). The Act allows Commission accountants, economists, and securities compliance examiners to be hired without regard to certain civil service rules and procedures.

During the hiring process, the branches advise and assist Commission management. This process includes posting of vacancy announcements, review of applicants to determine which are qualified for the position, interviews of qualified applicants, selection of the new employee, and procedures to bring the employee on board.

The branch staff analyze jobs and apply Office of Personnel Management (OPM) qualification standards which establish the skills, experience, and education required for filling the job. All positions are posted on the Commission's and OPM's web sites. In addition, the recruitment staff may publish paid advertisements to solicit applications for certain vacancies (e.g., an advertisement in a legal journal for

an attorney position). Branch staff rank the applicants based on their background and the qualification standards for the position.

## **AVUE DIGITAL SERVICES**

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In May 2004, OHR contracted with ADS for an automated, Internet-based human resource staffing and classification service. The service is designed to reduce staffing cycle time for OHR staff and program management by automating many classification and staffing functions.

The Commission uses the service to automate the processes involved to create classified positions and provide key documentation related to the position. ADS uses rule engines to determine relationships between duties, job classification, and the recruitment and staffing criteria necessary to evaluate applicants for the job.

ADS maintains an occupational content database which contains major duty areas and responsibilities for a wide range of federal positions at various grade levels. The HR Specialist selects from this pre-established occupational content to generate position descriptions. In order to produce accurate position descriptions, the service requires that occupational content relevant to the specific position or industry reside in the database.

The HR Specialist using the service builds a custom vacancy announcement based on the position description. The applicant completes the application online and submits it for rating and ranking. The service then automatically rates and, where appropriate, ranks the applicants.

As a standard procedure, OHR reviews the service-generated rating to ensure validity and integrity. OHR has the option of overriding system determinations, where appropriate. With the assistance of the service, OHR then generates a certificate (a list of qualified candidates). This list is electronically provided to referral team members and the selecting official for final selection.

ADS also notifies applicants of canceled vacancy announcements and the disposition of their applications. The service allows applicants to define their interest so that they are automatically informed by e-mail when positions are posted that match their profile.

All applications are electronically archived to provide an historical record of all applicant transactions. A centralized database of applicant information can be queried to retrieve applications of candidates with previously determined skill sets and competencies for open positions.

ADS implementation was phased in from mid-June to mid-September of 2004. OHR allowed each office or division to select its implementation period.

Implementing an automated classification and staffing service involved a culture change, which OHR recognized. OHR helped offices and divisions set up an ADS Migration Team to help provide ADS training for Commission staff.

Most ADS Migration Team representatives are administrative personnel who help schedule training sessions and are involved in the classification and staffing process. The representatives inform the HR Specialists in the three Classification,

Staffing, Benefits, and Payroll Branches of the designated selecting official for each automated vacancy announcement.

OHR and the Migration Team arranged over 60 on-site training sessions for over 700 employees and managers. Additional training is anticipated. ADS offers unlimited training as a feature of the Commission contract.

OHR has established internal procedures for ADS use by OHR staff and administrative contacts. OHR indicated that these procedures are reviewed continually by OHR managers to ensure that the procedures meet user needs, match previous staffing procedures, and ensure proper information security.

## **AUDIT RESULTS**

We found that for the most part, OHR's classification, recruitment, and staffing activities were efficient and effective. OHR has hired a large number of new staff over the last few years, and has implemented an automated classification and staffing service (ADS) to increase efficiency.

We also found that the ADS implementation and system access procedures can be improved. Our detailed findings and recommendations are discussed below.

### **AVUE DIGITAL SERVICES IMPLEMENTATION**

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Based on our limited and informal survey, some Commission managers who have used the ADS to fill vacancies were not satisfied with the system. We surveyed 117 users, and obtained 42 responses (several respondents did not answer all questions).

Only 12 users were satisfied with the system, 8 were neutral, and 18 were dissatisfied with it. Some users found the system cumbersome and difficult to use. The responses were somewhat more positive for the hiring process as a whole (23 positive and 18 negative responses), and for the level of OHR service (25 positive and 11 negative responses).

One reason for the dissatisfaction with ADS appeared to be that OHR and program office staff did not achieve an adequate comfort level with the use of the service before they attempted to deploy it. Since the staff were unfamiliar with the service and how it worked, they were unable to use it comfortably, despite the training offered and ADS's on-site assistance. Nevertheless, OHR has been able to advertise more than 300 positions using the ADS service.

Additional ADS training appears appropriate to supplement the training and assistance already provided by OHR and ADS.

Another problem with ADS implementation was that position descriptions for many positions were uploaded into the Avue system without Commission-specific content. OHR indicated that it forwarded Commission information to the vendor prior to the deployment of the service. ADS needs Commission-specific content to build current position descriptions in order to rank applicants properly.

OHR also has developed procedures to survey users periodically on how to improve use of ADS. Its staff has developed a 15-point plan of action incorporating management issues and concerns reflected in the OHR survey results.

OHR indicated that many of the issues have been resolved, and the OHR staff is working to resolve the outstanding issues. In collaboration with office and division staff, OHR is revising ADS position content to include Commission-specific wording, as most ADS users surveyed prefer.

### **Recommendation A**

In consultation with the ADS contractor, OHR should provide additional ADS training to OHR staff and to managers who use the service for staffing.

### **Recommendation B**

In consultation with the program offices, OHR should revise position descriptions using Commission-specific content in accordance with OPM guidelines.

## **AVUE SYSTEM ACCESS**

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The Commission's contract with ADS provides that only authorized Commission managers have the right to use ADS. OHR is responsible for granting management-level Avue access rights (i.e., the ability to construct position descriptions). It maintains a listing of authorized users (approximately 190).

We reviewed the March 2005 listing and found seven users who had separated from the Commission between November 2004 and February 2005, yet still had management-level access. OHR has now established procedures to cancel managers' ADS access when appropriate.

### **Recommendation C**

OHR should follow clearance procedures for the cancellation of a manager's access to ADS when they leave the Commission. It should also periodically review the listing of authorized ADS users to verify and cancel access rights as appropriate (including the seven separated staff we identified).