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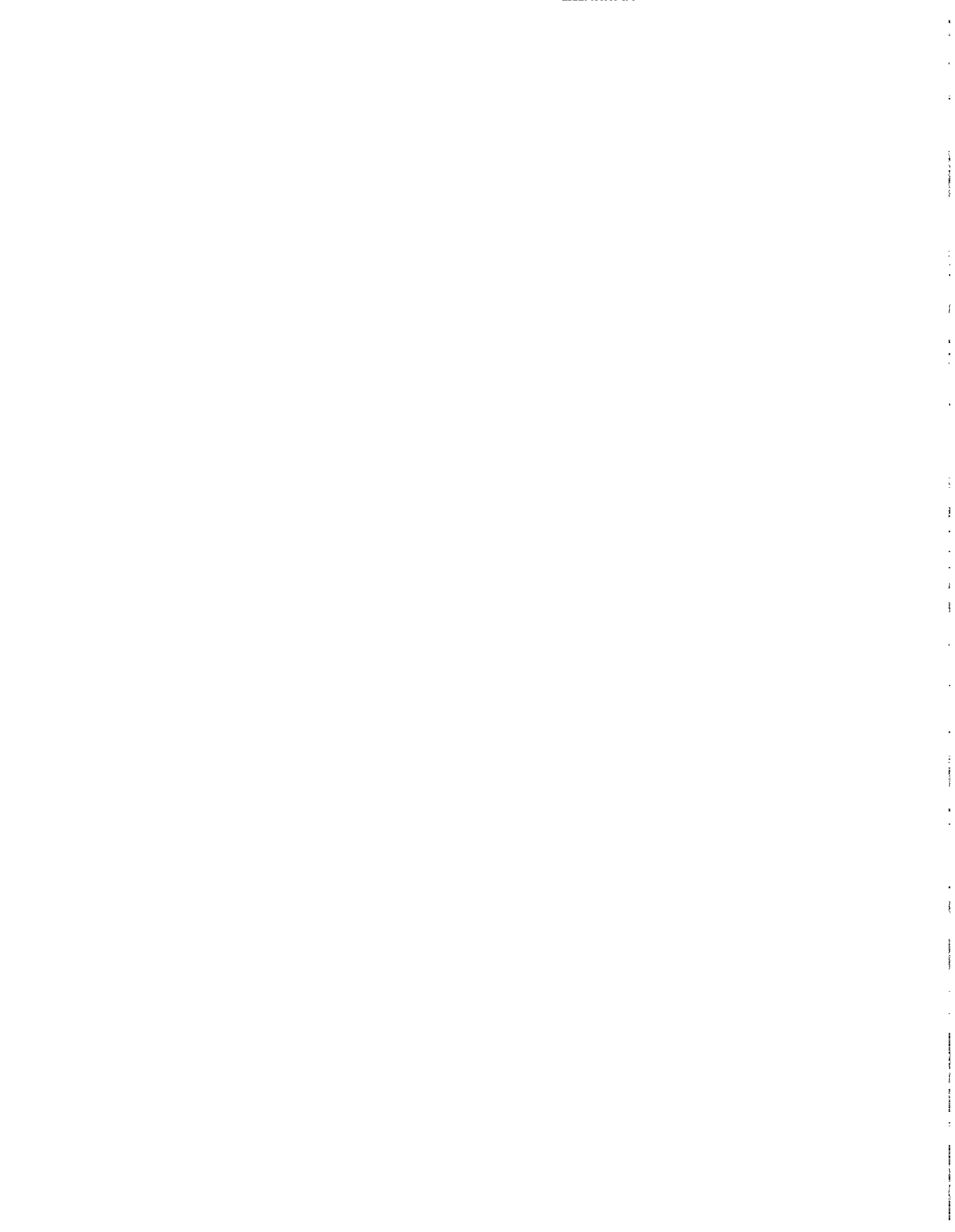
Report to the Chairman, Subcommittee
on the Civil Service, Committee on Post
Office and Civil Service, House of
Representatives

March 1994

FEDERAL HIRING

Testing for Entry-Level Administrative Positions Falls Short of Expectations







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

General Government Division

B-249943

March 30, 1994

The Honorable Frank McCloskey
Chairman, Subcommittee on the Civil Service
Committee on Post Office and
Civil Service
House of Representatives

Dear Mr. Chairman:

This report responds to your request that we review Administrative Careers With America (ACWA), the federal government's most recent program to test and qualify applicants for many entry-level jobs. Although OPM intended ACWA to be a major vehicle for applicants with college degrees or equivalent experience to obtain entry-level jobs in over 100 professional and administrative occupations, you were concerned that agencies were infrequently using the program to fill vacancies. Because of your concerns about ACWA's usage rate, we agreed to

- determine the extent to which ACWA is used in relation to other hiring methods,
- determine the reasons for ACWA's usage rate and applicants' perceptions about ACWA, and
- review changes planned by the Office of Personnel Management (OPM) as a result of ACWA's usage rate.

To determine the extent to which ACWA is used in relation to other hiring methods, we reviewed OPM reports for calendar years 1991 and 1992 that showed hiring into ACWA occupations by hiring methods. We also obtained hiring statistics from OPM's Central Personnel Data File for fiscal years 1991 and 1992, the latest years for which data were available during our review.

To determine reasons for ACWA's usage rate, we sent questionnaires to 793 randomly selected federal personnel offices asking for opinions regarding the use of ACWA and other hiring methods. We also reviewed a random sample of 306 ACWA candidate lists, or certificates, issued by OPM to agencies during fiscal year 1992 to determine the characteristics of applicants on the certificates and to analyze agencies' use of these certificates. To determine the applicants' perceptions of ACWA, we sent questionnaires to 600 randomly selected applicants who passed an ACWA examination between July 1 and December 31, 1991. The results of our

surveys and our review of ACWA certificates can be projected to the universes from which they were selected.

To determine if OPM plans to modify ACWA, we met with members of an OPM task force that has been studying the use of ACWA and reviewed the task force's proposed changes to ACWA. The task force also gave us information on current hiring procedures under ACWA.

Our methodology is described in greater detail in appendix I.

Background

Federal managers have several options for filling vacancies. One method is ACWA—OPM's system for testing applicants for entry-level positions in over 100 professional and administrative occupations at the GS-5 and GS-7 grade levels. OPM established ACWA in 1990 as a result of a judicially approved consent decree.¹ ACWA replaced an examination system that the plaintiffs believed was having an adverse effect on the hiring of minorities.

Unlike the other hiring methods, which are limited to specific types of candidates (such as veterans or current federal employees), the ACWA examination is intended to give all citizens with a college degree or equivalent experience a chance to be objectively considered for federal employment. Because of this consideration, OPM expected ACWA to be a major vehicle for college graduates and other candidates with equivalent experience to obtain federal employment in those occupations and grades to which it applies. However, ACWA's use is not mandatory. Agencies have several options for filling vacancies in addition to ACWA.

Applicants for jobs covered by ACWA take one of six written examinations administered by OPM, depending on the occupational category in which the applicant is seeking employment.² No written examination is required for applicants seeking employment in a seventh, largely social science, occupational category. Instead, OPM rates and ranks applicants on the basis of a review of their education and experience.

Applicants receiving a passing score are ranked on an applicant register. Eligible veterans have points added to their passing scores, and eligible

¹Luevano v. Campbell, 93 F.R.D. 68 (D. D.C. 1981).

²The six occupational categories for which written tests are required include (1) health, safety, and environmental; (2) writing and public information; (3) business, finance, and management; (4) personnel, administration, and computer; (5) benefits review, tax, and legal; and (6) law enforcement and investigations.

disabled veterans with passing scores are placed above all others on the registers.³ Applicants can remain on the register for 1 year, unless they are hired or elect to have their names removed. Upon agency request, the names of qualified applicants are taken from the register and placed on a hiring list, or certificate, containing the top-ranked candidates who have qualified for and expressed interest in the type of position, grade, and location being offered by the agency. The agency may then hire one of the top three available candidates on the certificate but may not select a nonveteran if a higher placed veteran is on the certificate. If the agency is dissatisfied with the candidates on the list it may return the certificate to OPM and use another hiring method to obtain an outside candidate, fill the vacancy with a current federal employee, or leave the vacancy unfilled.

Applicants can bypass the examinations and qualify for a federal job on the basis of superior academic achievement. This authority, known as the Outstanding Scholar Program, allows agencies to directly hire people who have an undergraduate grade point average of 3.5 or higher on a 4.0 scale or who have graduated in the upper 10 percent of their undergraduate class.

Results in Brief

Although OPM expected ACWA to be a major vehicle for filling vacancies in the occupations and grades to which it applies, agencies said they have generally found that alternative hiring methods better meet their needs. During fiscal years 1991 and 1992, agencies filled 2,797 vacancies through ACWA while filling another 19,406 vacancies in occupations covered by ACWA at the GS-5 and GS-7 grade levels through other hiring methods. They have filled another 15,002 vacancies internally at these grade levels by reassigning, transferring, reinstating, or promoting government employees into occupations to which ACWA applies.⁴

Agency hiring officials said they prefer other hiring methods to ACWA for several reasons. They believe that using ACWA certificates is more time-consuming than using other hiring methods. Agencies receive ACWA certificates from OPM soon after they are requested, but the agencies may need/take several weeks to (1) contact the candidates; (2) receive and review their resumes; (3) interview them; and (4) verify past employment, education, and experience. Although these steps are required when

³Veterans' preference is explained in detail in our report, Federal Hiring: Does Veterans' Preference Need Updating? (GAO-GGD-92-52, Mar. 20, 1992).

⁴Data on internal placements are for calendar years 1991 and 1992. Fiscal year data were not readily available.

agencies use other hiring methods, they can often be completed earlier in the process.

A large number of applicants, many of whom may have lost interest in federal employment during the interim, also fail to respond to agency inquiries or decline consideration for jobs, further delaying the process.

Statutes require agencies to select from the top three candidates on a certificate. Even if a hiring official determines that another candidate on the certificate with an ACWA score close to those in the top three can best meet the needs of the agency, the selection is still limited to the top three. Statutory requirements also provide hiring preference to eligible veterans. Hiring officials said they have found that nonveterans have limited chances of being selected from ACWA certificates and, because most veterans are male, agencies have difficulty meeting affirmative action goals for females through ACWA certificates. Although we found that hiring officials prefer to use hiring methods to which these statutory requirements do not apply, we have not reviewed the relative merits of the requirements, nor have we made any judgments concerning their value. We are reviewing statutory requirements applicable to the federal hiring system as part of another assignment and will assess their impact on hiring in a future report.

Most applicants are frustrated with the ACWA process as well. For example, 72 percent of the applicants responding to our questionnaire said they were dissatisfied with the process for filling vacancies in ACWA occupations. Eighty-five percent of respondents provided us with narrative comments that were negative or expressed frustration about some aspect of the ACWA process.

Applicants said they received little or no information from OPM or other agencies on ACWA hiring patterns. Consequently, in spite of their slim chances of obtaining jobs, 63 percent of questionnaire respondents said they thought their chances of obtaining federal employment were outstanding or good after being notified of their examination scores. From July 1, 1990, through December 31, 1992, over 300,000 ACWA examinations were given; 182,305 applicants passed, and 3,228 were hired.⁵

⁵Data pertain only to four of the seven ACWA occupational series for which comparable data on testing and hiring are maintained. About 92 percent of all tests taken were in these four series.

OPM is considering changes to ACWA for all but its seven largest occupations.⁶ Applicants would be able to apply for specific vacancies rather than consideration for potential openings. As a result, the number of applicants declining consideration for positions would likely be lower. Further, agencies would help decide the criteria used to score applicants. This should increase agencies' flexibility to select candidates they feel are best suited for their jobs while still providing veterans with preference in hiring. The ACWA examination would also be made optional.

To alleviate the frustration of applicants seeking jobs through ACWA, OPM, in September 1993, started providing information to candidates showing (1) the number of eligible applicants for jobs, (2) the selections made during the past year, (3) the average scores of candidates hired from certificates, and (4) the best opportunities for jobs by occupational specialty and geographic location.

We are making recommendations to OPM that are designed to expand its improvements of ACWA and provide additional information to applicants on obtaining federal employment.

The Number of ACWA Hires Is Small Relative to Other Hiring Methods

As shown in table 1, ACWA represents a relatively small percentage of the hiring into ACWA occupations at the GS-5 and GS-7 levels. During fiscal years 1991 and 1992, agencies filled 2,797 vacancies from ACWA certificates. Another 19,406 vacancies in ACWA occupations at the GS-5 and GS-7 grade levels were filled through other hiring methods. Additionally, OPM found that 15,002 vacancies were filled through reassignments, transfers, reinstatements, or promotions of government employees during calendar years 1991 and 1992.

⁶The seven occupations that are not currently being studied for change by OPM include (1) Internal Revenue Officer, (2) Immigration Inspector, (3) Customs Inspector, (4) Social Insurance Administration, (5) Tax Technician, (6) Social Insurance Claims Examiner, and (7) Contract Specialist.

Table 1: GS-5, GS-7 Hires Into Occupations Covered by ACWA During Fiscal Years 1991 and 1992 and Internal Placements Into ACWA Occupations During Calendar Years 1991 and 1992

| Type of appointment | Number of appointments |
|---|------------------------|
| ACWA | 2,797 |
| Outstanding Scholar Programs, other direct hire methods | 8,905 |
| Veterans readjustment | 1,194 |
| Temporary | 3,733 |
| Excepted | 5,574 |
| Internal placements | 15,002 |

Source: OPM's Central Personnel Data File.

Nearly 9,000 vacancies were filled through direct hire methods, such as the Outstanding Scholar Program and Bilingual/Bicultural Program. Under the Outstanding Scholar Program, agencies may hire candidates of their choice who are college graduates with a 3.5 or better grade point average or who have graduated in the top 10 percent of their class. These candidates are not required to take the ACWA examination. Agencies may also hire candidates of their choice under the Bilingual/Bicultural Program if the candidates have passed the ACWA examination and if they are proficient in the Spanish language or have knowledge of the Hispanic culture. These appointments must be to positions in which public interaction or job performance would be enhanced by the language skill or cultural knowledge.

Veterans Readjustment Appointments (VRA) were used to fill 1,194 positions. Under VRA, agencies may noncompetitively hire eligible veterans.

Temporary appointments from application files maintained by agencies accounted for 3,733 selections. Agencies may hire temporary employees for periods of up to 4 years without seeking OPM approval but must renew each appointment annually. Although temporary appointments are supposed to be made for work that is temporary in nature, we found in a previous study that agencies frequently filled permanent positions with temporary employees.⁷ Agencies have hired temporary employees into permanent positions to (1) expedite the hiring process, (2) avoid ceilings on permanent employment levels, and (3) hire a selected employee who could not be reached on an OPM certificate.

⁷Federal Workforce: Selected Sites Cannot Show Fair and Open Competition for Temporary Jobs (GAO/GGD 90-106, Sept. 5, 1990).

Excepted appointments were used to fill 5,574 positions. These appointments are made independent of the ACWA examination and consist of three categories—Schedule A, B, and C—all of which may include hires into ACWA occupations. Schedule A appointments (4,875 of the 5,574 appointments) may be authorized by OPM for certain positions that are not of a confidential or policy determining nature. Examples are vacancies filled by persons who are severely handicapped, legal intern positions, and Presidential Management Interns. Schedule B appointments (618 of 5,574 appointments) were used to fill positions supporting career-related work/study and cooperative education programs. Schedule C appointments (81 of 5,574 appointments) are for positions that are policy-determining or that involve a close and confidential working relationship with the head of an agency or other key appointed officials.

Agencies also filled thousands of vacancies by reassigning, transferring, reinstating, or promoting government employees. These employees are not required to take the ACWA examination. According to OPM, 15,002 internal placements were made into ACWA occupations during calendar years 1991 and 1992. These placements were at the GS-5 and GS-7 grade levels and included only placements where employees were moving from a non-ACWA occupation to an ACWA occupation.

Reasons for Low Usage of ACWA

Compared to other hiring methods, agency officials responding to our questionnaire felt that ACWA was time-consuming to use. They also felt that ACWA was inflexible, making it difficult to obtain quality candidates or candidates of their choice. In general, applicants were frustrated with ACWA and perceived it as an ineffective hiring method.

ACWA Is Perceived as Time-Consuming and Difficult to Use Compared to Other Hiring Methods

Questionnaire respondents from federal agencies said that requirements applicable to ACWA have resulted in a process that is more time-consuming and difficult to use than other hiring methods commonly used to fill vacancies in ACWA occupations. When an agency decides to fill a vacancy in an ACWA occupation with an ACWA certificate, the agency must take several steps:

- The agency must first request a certificate from OPM. The request can be faxed to OPM, and the certificate can be faxed back to the agency the same day. A mailed request takes longer. The certificate contains names, addresses, Social Security numbers, telephone numbers, ACWA scores augmented by applicable veterans' preference points, and veterans' status.

- The agency must then contact the applicants, ask about their availability and interest in the job, and request resumes or job applications.
- The agency may arrange for interviews. If an applicant resides in a location other than that in which the hiring official works, the hiring office may ask an agency official in the vicinity where the applicant resides to interview the applicant, or the selecting official may elect to interview the applicant by telephone.
- The agency must verify the applicants' education and experience to ensure they qualify for the job. OPM does not perform this verification before listing applicants on certificates.
- If an agency finds an applicant unacceptable, it can ask OPM to remove the applicant from the certificate. For instance, if an agency determines that an applicant does not have the education or experience required for the position, it can file a formal objection with OPM and wait for a decision. If OPM sustains the objection, the agency can then remove the candidate from the certificate and consider another in place of the candidate.
- A job offer can be made to one of the top three available candidates on the certificate, but not to a nonveteran if a higher placed veteran is available.

The impact of these administrative processes on satisfaction with ACWA is demonstrated by comments we received from respondents to the questionnaire we sent to agency personnel offices. For example:

"ACWA is a time-consuming, burdensome, and inefficient way of filling positions. No matter how quickly you receive the certificate, you have to contact these individuals by mail, allow a reasonable time for them to respond, you have to set up interviews, etc...."

As shown in table 2, although 62 percent of the respondents to our questionnaire said that ACWA was effective in enabling them to obtain candidates in a timely manner, at least 91 percent of the respondents felt the same about other hiring methods.

Table 2: Percentages of Questionnaire Respondents Reporting Whether Certain Hiring Methods Helped Them Obtain a Candidate in a Timely Manner

| Hiring method | Effective | Neither effective nor ineffective | Ineffective |
|--|-----------|-----------------------------------|-------------|
| ACWA | 62% | 18% | 20% |
| Outstanding Scholar Program | 91 | 5 | 4 |
| Temporary appointments using application files | 94 | 3 | 3 |
| VRA | 91 | 6 | 3 |
| Merit promotion/ internal placements | 92 | 3 | 5 |

Note: Percentages apply only to those responding to our specific questions on timeliness.

Although many of the hiring steps applicable to ACWA apply to noncompetitive hiring methods, an agency can often complete certain tasks before a vacancy occurs when it uses other hiring methods. For example, an agency can recruit candidates eligible for an Outstanding Scholar appointment on a college campus, conduct interviews, and review applications before a vacancy exists. Once a vacancy occurs, the agency can contact all acceptable applicants to see if they are still interested in a federal job and make an immediate offer to anyone still interested.

Using ACWA becomes more time-consuming and difficult if applicants on certificates are not interested in the jobs agencies have to offer. Applicants taking ACWA examinations do not apply for specific job vacancies but apply for consideration for a number of occupations in numerous agencies, often in a wide geographic area. They also apply for consideration for jobs for a period of up to a year. Not surprisingly, many applicants fail to reply to agency communication regarding specific openings or decline consideration for jobs.

The 306 ACWA certificates we reviewed contained the names of 5,431 applicants, 2,770 of whom were contacted by agencies. As shown in table 3, 1,285 candidates (about 46 percent) who were contacted either did not respond to agency communication or declined consideration for jobs.

Table 3: Almost Half of All Candidates Contacted Were Unavailable for the Position

| Reasons candidates were unavailable or declined consideration for positions | Number of candidates contacted |
|--|---------------------------------------|
| Failure to respond to communication or communication undeliverable | 685 |
| Location | 156 |
| Grade level | 115 |
| Position | 97 |
| Timing | 72 |
| Agency | 32 |
| Other | 128 |
| Total | 1,285 |

ACWA Offers Agencies Little Flexibility

ACWA offers little flexibility in allowing agencies to select candidates of their choice. Consequently, hiring officials view ACWA as providing candidates who are less qualified or who otherwise fail to meet their expectations.

Statutes pertaining to filling positions in the competitive service, including ACWA, limit agencies to selecting from the top three available candidates on certificates. This process is in contrast to other hiring methods that allow agencies to directly recruit candidates who meet an agency's needs in terms of education, experience, diversity, and other factors. For example, although available candidates may have demonstrated their reasoning ability through the ACWA examination, they may not necessarily possess specific skills or qualifications deemed important by the hiring agency.

Veterans' preference allows eligible veterans to receive an additional 5 or 10 points on their passing examination scores. It also allows disabled veterans with at least a 10-percent compensable disability to be placed above all others on certificates. As a result, veterans' preference may limit an agency's ability to select nonveterans, especially females.

Other hiring methods commonly used to fill vacancies in ACWA occupations allow agencies more flexibility because they do not limit selection to the top three candidates on a certificate or do not require veterans' preference. For instance, a manager filling a vacancy through the Outstanding Scholar Program may select from among any available college graduates with at least a 3.5 college grade point average without regard to veterans' status. When using internal merit promotion hiring lists, a manager may be restricted in the number of candidates from which to

choose but, because veterans' preference does not apply to merit promotion, the manager is not restricted to selecting a veteran. Veterans' preference does apply to temporary selections made from application files, and candidates for VRAS must, of course, be veterans. However, managers are not restricted to only the top three candidates when using these hiring methods.

As shown in table 4, agency officials responding to our questionnaire were less satisfied with ACWA, as compared to other hiring methods, in its ability to help them obtain quality candidates. Comments provided by the officials showed a link between the agencies' quality concerns and ACWA's lack of flexibility.

"We have found good candidates but we cannot reach them. I have told my staffing people to forget ACWA and go for another source. This is unfortunate since we are having to pass some really bright young people...."

"[Our office] has used ACWA, but not recently. Our managers are dissatisfied with receiving only 3 names at a time—all of whom are veterans who cannot be passed. It is highly unlikely that an agency will find the person needed from only 3 candidates. As a result, we now use other, more flexible, methods."

"We have attempted to use ACWA as a hiring mechanism. Apparently, [selecting officials] are not always interested in the candidates with the highest scores. They often want to select the 9th or 10th candidate on the list but are prohibited."

Table 4: Percentage of Questionnaire Respondents Who Were Satisfied or Dissatisfied With the Quality of Candidates Obtained Through Various Hiring Methods

| Hiring method | Satisfied | Neither satisfied nor dissatisfied | Dissatisfied |
|--|-----------|------------------------------------|--------------|
| ACWA | 42% | 20% | 38% |
| Outstanding Scholar Program | 89 | 8 | 3 |
| Temporary appointments using application files | 84 | 14 | 2 |
| VRA | 83 | 11 | 6 |
| Merit promotion/ internal placements | 96 | 2 | 2 |

Note: Percentages apply only to those responding to our specific questions on candidate quality.

Hiring officials also believed that ACWA's lack of flexibility prohibits them from selecting candidates that they need to meet affirmative action goals. As shown in table 5, respondents to our questionnaire felt that ACWA was

less effective than other hiring methods in helping them to meet affirmative action goals.

Table 5: Percentage of Questionnaire Respondents Reporting Whether Certain Hiring Methods Helped Them Meet Affirmative Action Goals

| Hiring method | Effective | Neither effective nor ineffective | Ineffective |
|--|-----------|-----------------------------------|-------------|
| ACWA | 29% | 32% | 39% |
| Outstanding Scholar Program | 64 | 22 | 14 |
| Temporary appointments using application files | 66 | 23 | 11 |
| VRA | 62 | 28 | 10 |
| Merit promotion/ internal placements | 72 | 20 | 8 |

Note: Percentages apply only to those responding to our specific questions on affirmative action goals.

Statutory requirements applicable to competitive positions, including ACWA, can make it difficult for agencies to achieve affirmative action goals for two reasons. First, veterans' preference increases the chance that veterans—who are predominantly male—will be placed at the top of certificates. Second, agencies are limited to the top three candidates on a certificate, which can restrict their ability to meet affirmative action goals.

Although veterans make up a small percentage of applicants passing the ACWA examination (17 percent), most of the candidates at the top of ACWA certificates are veterans (74 percent), as shown in table 6. OPM found a similar situation in a sample of ACWA certificates it reviewed. OPM reviewed the characteristics of candidates who were available and could be selected from certificates, generally the top three available candidates. OPM found that all candidates were veterans on about two thirds of the certificates and that only one third of the certificates contained at least one available female who could be considered for employment.

Table 6: Comparison of Candidates Passing the ACWA Examination and Candidates Heading Certificates

| Candidates | Percent passing examination | Percent heading certificates |
|-------------------|------------------------------------|-------------------------------------|
| Male | 59 | 84 |
| Female | 41 | 16 |
| Disabled veterans | 2 | 59 |
| All veterans | 17 | 74 |
| Nonveteran | 83 | 26 |

Source: Statistics on those passing the examination are from OPM's Staffing Service Center and are based on 41,551 candidates passing ACWA examinations during the 6 months ending December 31, 1991. Statistics on those heading certificates were developed by us from a review of 306 randomly selected certificates issued to agencies by OPM during fiscal year 1992.

Hiring statistics for fiscal years 1991 and 1992 tend to support the belief that ACWA is less effective in helping agencies to meet affirmative action goals for females, as shown in table 7. However, the percentage of minorities hired through ACWA was similar to that of minorities hired through other methods.

Table 7: Percentage of Hires by Gender, Ethnicity, and Hiring Method for Fiscal Years 1991 and 1992.

| Hiring method | Percent female | Percent minority |
|--|-----------------------|-------------------------|
| ACWA | 35 | 20 |
| Outstanding Scholar, other direct hires | 55 | 20 |
| Temporary appointments using application files | 45 | 23 |
| VRA | 12 | 23 |
| Excepted appointments | 52 | 24 |

Source: OPM's Central Personnel Data File.

The Effect of Low ACWA Usage on Applicants

Applicants were frustrated with ACWA and perceived it as being an ineffective hiring process. OPM and other federal agencies made very little effort to communicate with applicants beyond notifying them of their ACWA examination scores. The lack of communication left applicants, including those with high scores, with no knowledge of their chances of obtaining federal employment.

Applicants with seemingly high scores on their examinations have little chance of having their names placed on certificates. For instance, on 74 percent of the 306 ACWA certificates we reviewed, no one scored lower than 90. Under these circumstances, it is not surprising that applicants

would overestimate their chances of obtaining employment. As shown in table 8, 57 percent of the applicants responding to our questionnaire thought their chances of obtaining federal employment were at least good, even after being notified of their ACWA examination scores. However, only 28 percent of the respondents said they were contacted by an agency after they had passed the ACWA examination; of these only 6 percent were offered jobs.

Table 8: How Applicants Perceived Their Chances of Obtaining Federal Employment

| Applicants' perception of obtaining employment | Outstanding or good | Average | Fair or poor |
|---|---------------------|---------|--------------|
| At the time they took the ACWA examination | 63% | 16% | 21% |
| At the time they were notified of their examination score | 57 | 15 | 28 |

Note: Percentages apply only to those responding to our specific questions on perceived chances of obtaining federal employment.

OPM has not furnished applicants with information related to their chances of obtaining employment through ACWA, nor has it provided complete information on other hiring methods used to fill vacancies in ACWA occupations. When applicants inquire about entry-level positions in these occupations, OPM informs them of the ACWA examination. Some OPM offices also explain the requirements for the Outstanding Scholar and Bilingual/Bicultural programs. However, OPM has not informed applicants of the numbers of vacancies filled through various methods.

In addition it has not explained hiring methods, such as the various excepted hiring authorities agencies have, the procedures for obtaining temporary employment, or the methods used to fill vacancies above the GS-7 grade level (about 12 percent of those passing the ACWA examination have graduate degrees and may qualify for jobs above the GS-7 grade level). Furthermore, OPM has not consistently provided applicants with information on the agencies, occupations, or locations offering the best chances of employment through ACWA.

Finally, when OPM notified applicants of their examination scores, it enclosed a pamphlet telling applicants "[w]e cannot give you specific information on employment prospects. Consideration for employment depends on: [y]our qualifications for the job to be filled compared to the qualifications of other eligible applicants; and [t]he number and type of jobs to be filled." This communication from OPM may be the last an

applicant receives unless the applicant's name is placed on a certificate and the hiring agency corresponds with the applicant.

Overall, 72 percent of respondents to our questionnaire said that given their experiences, they were either somewhat dissatisfied or very dissatisfied with the process for filling vacancies in occupations covered by ACWA. Even 42 percent of the applicants who were offered jobs as a result of the ACWA examination expressed dissatisfaction.

We invited respondents to provide narrative comments about their experiences and feelings concerning ACWA. Of 390 applicants responding to our questionnaire, 340 provided comments. Of these, 330 applicants were negative or expressed frustration about some aspect of the ACWA process, such as the lack of information they were provided on their chances of obtaining employment. Applicants were especially frustrated by the lack of communication from OPM or hiring agencies, after they were informed that they had passed the examination. Examples of comments are shown in appendix II.

OPM's Plans to Modify ACWA

Because OPM was concerned about the low use of ACWA, it established a task force to review the program and recommend changes. The task force held focus group meetings with agencies to determine their experiences with using ACWA and to solicit their recommendations. The task force also reviewed ACWA certificates that had been requested by agencies. OPM's study concentrated on ACWA occupations in which there has been relatively little hiring.

The task force's objective in proposing changes to ACWA was to increase the use of competitive hiring for entry-level candidates and to increase accessibility to all types of external applicants for professional and administrative occupations. For example, OPM did not wish to limit jobs to current federal employees or to external candidates with high college grade point averages. Therefore, for those occupations in which there has been relatively little hiring, OPM is considering eliminating the need for applicants to take the ACWA examination.

Under its proposal, OPM and agencies would advertise specific vacancies as they occur. Applicants would apply for these vacancies, and OPM would examine and score their education, experience, and any other qualifications deemed necessary by the agencies. Qualified applicants would receive scores of 70, 80, or 90 based on their qualifications, and

eligible veterans would receive either 5 or 10 additional points. OPM would then give the agency a certificate containing the names of applicants with scores of at least 90. Those with lower scores would be added to the certificates if the number of applicants was low. The agency could then augment the scores with up to 10 additional points using the results of an interview or some other screening device. For example, the agency could ask applicants to take the ACWA examination and use the results to augment applicants' scores. Although the agency would still be limited to selecting from the top three candidates on a certificate, those applicants should be better matched to the requirements of the position.

Because ACWA was established as a result of a consent decree, OPM officials said they must obtain the approval of the plaintiffs in the decree before making any changes to ACWA. If the plaintiffs agree, OPM officials said they could implement their proposed changes by the end of 1994.

OPM's proposed changes to ACWA would make it easier for agencies to use and give agencies greater flexibility while retaining a hiring system that is open to all qualified applicants who are interested in federal employment.

- The new hiring system would give agencies more flexibility than they now have because agencies could determine the criteria to be used in augmenting candidates' scores.
- Because agencies would decide on the criteria used to augment candidates' scores, they would be less likely to be dissatisfied with the quality of candidates. Although agencies would still be limited to the top three candidates on a certificate, agencies would help decide which candidates were placed in the top three.
- Although veterans would still receive preference, nonveterans, including females, would be better able to compete for jobs. All well-qualified candidates, nonveterans as well as veterans, could receive additional points for qualifications deemed essential by the agency, rather than receiving scores based solely on an examination and veterans' preference points.
- OPM anticipates that the proposed hiring system will take no longer than hiring a candidate through ACWA. Also, fewer candidates would be expected to decline consideration for a job, because candidates would be applying for a specific job opening at a specific location, at a specific point in time.

OPM's proposed hiring system could also benefit candidates. Currently, candidates apply for job consideration and often wait for a year without

hearing from agencies. The new system would eliminate much uncertainty for applicants because they would be applying for specific vacancies and would receive more immediate feedback on the status of their applications.

In September 1993, OPM began assisting applicants by sending ACWA hiring statistics to those on registers. The information is provided by occupational specialty and contains (1) the number of eligible applicants for jobs, (2) the number of selections made during the past year, (3) the average scores of selected candidates, and (4) the best opportunities for jobs by occupational specialty and geographic location. For example, information on business occupations as of August 1, 1993, shows that there were about 15,000 applicants on the register, there had been only 3 hires in the past 10 months, the average score of selected applicants was 92.5, and the best job opportunities were in Washington, D.C. The information does not, however, include statistics on other hiring methods that agencies use to fill vacancies in ACWA occupations.

Potential for Expanding Proposed Initiative

Although OPM has not yet studied modifications to ACWA for the seven largest occupations, there appears to be high potential for increasing the use of competitive hiring and opening up more jobs to a wider segment of external candidates. For example, according to OPM statistics on hiring into ACWA occupations at the GS-5 and GS-7 grade levels for calendar years 1991 and 1992, only 18 percent of 7,389 hires into these 7 occupations were made through ACWA, while 6,032 hires (about 82 percent) were made through other hiring methods.

We discussed ACWA usage with representatives of four agencies that have hired relatively large numbers of applicants into the larger occupations. They said that they face many of the same problems with ACWA as do other agencies. They said that while they have extensive training programs for new employees and are not overly concerned about specific education or experience for entry-level employees, they typically need employees with good communication skills. These skills are judged in personal interviews. The representatives said they need more discretion in selecting candidates based on interviews. For example, if the top three candidates on an ACWA certificate do poorly in interviews, the agency cannot generally select a lower placed candidate.

They also told us that when they anticipate vacancies to occur over an extended time period, they are not bothered by the length of time it takes

to fill vacancies through ACWA. However, they have been dissatisfied with the large number of candidates on ACWA certificates who are not interested in the jobs they have to offer. They often spend considerable time contacting candidates, only to find that they are not interested. Representatives of one agency said that the problem could be overcome if they could solicit applications for specific vacancies from those who have passed the ACWA examination. Representatives of two of the four agencies said that they use ACWA only as a last resort. They first try to use other hiring methods if candidates are available.

Conclusions

We believe that OPM's proposed modifications to ACWA hiring would alleviate many of the drawbacks that limited agencies' use of ACWA. The information OPM is providing on ACWA should also lessen the level of frustration for thousands of applicants who are not contacted about openings after they have taken the ACWA examination. The objective of making applicants fully informed of federal employment procedures would be enhanced if similar information were provided on the various alternative hiring methods as well.

However, OPM's proposed modifications will not affect seven of the largest ACWA occupations. These occupations have had substantial hiring through methods other than ACWA. There is, therefore, high potential for OPM to make more jobs available to a wider segment of external candidates if it modifies the hiring methods used for these seven occupations.

Recommendations to the Director, OPM

To further increase the use of competitive hiring and to be more responsive to the needs of agencies, we recommend that the Director of OPM consider including the seven largest ACWA occupations in its proposals to redesign ACWA. Even if OPM does not make the ACWA examination optional for these seven occupations, as it is proposing to do for others, OPM's ACWA task force should consider allowing agencies to (1) solicit applications for specific vacancies from those who pass the ACWA examination and (2) augment examination scores using criteria established by the agency. If an agency or office expects periodic hiring in a specific occupation, it could solicit applications from those passing the examination and maintain its own registers in augmented score order, still considering veterans' preference.

To further alleviate applicants' frustrations with the hiring process and provide them with complete information on obtaining employment, we

recommend that OPM provide them with information on the other hiring methods that are used to fill vacancies in ACWA occupations.

Agency Comments

In a February 3, 1994, letter, OPM's Director provided us with comments on a draft of our report. The Director said that the report was helpful and that OPM was implementing our recommendations. Specifically, the Director said that OPM was planning an examination procedure for the seven largest ACWA occupations that will be the same as for the other occupations. The Director also said that OPM is strengthening its job information procedures to provide applicants with more information on alternatives to the ACWA written test. (OPM's comments are shown in app. III.)

As agreed with the Subcommittee, unless you publicly announce its contents earlier, we plan no further distribution of this report until 7 days from the date of this letter. At that time we will send copies of this report to the Director of OPM and will make copies available to others on request.

Major contributors to this report are listed in appendix IV. Please contact me at (202) 512-2928 if you or your staff have any questions concerning this report.

Sincerely yours,



Nancy Kingsbury
Director
Federal Human Resource Management
Issues

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Abbreviations

| | |
|------|-------------------------------------|
| ACWA | Administrative Careers With America |
| OPM | Office of Personnel Management |
| VRA | Veterans Readjustment Appointment |

Scope and Methodology

To determine the number of vacancies filled in professional and administrative occupations through the use of ACWA and other hiring methods, we reviewed hiring statistics in OPM's Central Personnel Data File for fiscal years 1991 and 1992. We also reviewed OPM reports for calendar years 1991 and 1992 that showed hiring into ACWA occupations by hiring method. These reports were based on information extracted from the Central Personnel Data File. We did not verify the accuracy of information contained in the Central Personnel Data File or in OPM's reports.

To determine reasons for ACWA's low usage, we sent questionnaires to a random sample of 793 out of 1,590 federal personnel offices. We obtained our listing of personnel offices from OPM. We asked for personnel and hiring officials' experience with using ACWA and other hiring methods. Four questionnaires were returned undeliverable and 720 were returned completed for a 91-percent response rate. We also reviewed a random selection of 306 ACWA certificates that OPM issued to agencies during fiscal year 1992.

The sample represented 20 percent of an estimated 1,530 certificates issued during that time for 4 of ACWA's 7 occupational categories. To determine applicants' perceptions of ACWA's low usage, we sent questionnaires to a random sample of 600 out of 41,551 applicants who passed ACWA examinations between July 1 and December 31, 1991. We also reviewed information that OPM sends to applicants when they inquire about jobs in ACWA occupations and after they take the ACWA examination. Applicants passing ACWA examinations during the time frame we selected had been placed on OPM's hiring registers at least 1 year before our review. Forty-six of the questionnaires were returned undeliverable and 390 were returned completed for a 70-percent response rate.

The results of our reviews of sampled data can be projected to the universes from which the samples were drawn. All sample surveys are subject to sampling errors that define the upper and lower bounds of the estimate calculated from the survey responses—that is, the confidence interval. All sampling errors for the estimates in this report were calculated at the 95-percent confidence level and are shown in tables I.1 through I.4. This confidence level means that 95 percent of the time the sampling procedure used in this survey will yield a confidence interval that includes the true value we are estimating.

To determine OPM's plans to modify ACWA, we met with representatives of its task force that has been studying ACWA's low use. We evaluated the task

force's proposals to modify the hiring process for ACWA occupations. The task force also provided information on current hiring procedures under ACWA.

We also met with representatives of four agencies that did considerable hiring into the larger ACWA occupations to determine if changes were warranted for those occupations.

We requested written comments on a draft of this report from OPM. OPM agreed with its contents and stated that it was implementing our recommendations.

We conducted our review from April 1992 through September 1993 in accordance with generally accepted government auditing standards.

Table I.1: Population Estimates and Sampling Errors for Percentages Shown in Table 2

| Statistic | Population estimate | Sampling error |
|--|----------------------------|-----------------------|
| ACWA, Effective | 62% | + or - 8% |
| ACWA, Neither effective nor ineffective | 18 | + or - 6 |
| ACWA, Ineffective | 20 | + or - 6 |
| Outstanding Scholar, Effective | 91 | + or - 4 |
| Outstanding Scholar, Neither effective nor ineffective | 5 | + or - 3 |
| Outstanding Scholar, Ineffective | 4 | + or - 3 |
| Temporary, Effective | 94 | + or - 4 |
| Temporary, Neither effective nor ineffective | 3 | + or - 3 |
| Temporary, Ineffective | 3 | + or - 3 |
| VRA, Effective | 91 | + or - 4 |
| VRA, Neither effective nor ineffective | 6 | + or - 3 |
| VRA, Ineffective | 3 | + or - 3 |
| Merit Promotion, Effective | 92 | + or - 3 |
| Merit Promotion, Neither effective nor ineffective | 3 | + or - 2 |
| Merit Promotion, Ineffective | 5 | + or - 2 |

**Appendix I
Scope and Methodology**

Table I.2: Population Estimates and Sampling Errors for Percentages Shown in Table 4

| Statistic | Population estimate | Sampling error |
|---|----------------------------|-----------------------|
| ACWA, Satisfied | 42% | + or - 7% |
| ACWA, Neither satisfied nor dissatisfied | 20 | + or - 6 |
| ACWA, Dissatisfied | 38 | + or - 7 |
| Outstanding Scholar, Satisfied | 89 | + or - 4 |
| Outstanding Scholar, Neither satisfied nor dissatisfied | 8 | + or - 3 |
| Outstanding Scholar, Dissatisfied | 3 | + or - 2 |
| Temporary, Satisfied | 84 | + or - 5 |
| Temporary, Neither satisfied, nor dissatisfied | 14 | + or - 5 |
| Temporary, Dissatisfied | 2 | + or - 2 |
| VRA, Satisfied | 83 | + or - 5 |
| VRA, Neither satisfied nor dissatisfied | 11 | + or - 4 |
| VRA, Dissatisfied | 6 | + or - 3 |
| Merit Promotion, Satisfied | 96 | + or - 2 |
| Merit Promotion, Neither satisfied nor dissatisfied | 2 | + or - 1 |
| Merit Promotion, Dissatisfied | 2 | + or - 1 |

Table I.3: Population Estimates and Sampling Errors for Percentages Shown in Table 5

| Statistic | Population estimate | Sampling error |
|--|----------------------------|-----------------------|
| ACWA, Effective | 29% | + or - 7% |
| ACWA, Neither effective nor ineffective | 32 | + or - 8 |
| ACWA, Ineffective | 39 | + or - 8 |
| Outstanding Scholar, Effective | 64 | + or - 6 |
| Outstanding Scholar, Neither effective nor ineffective | 22 | + or - 5 |
| Outstanding Scholar, Ineffective | 14 | + or - 4 |
| Temporary, Effective | 66 | + or - 9 |
| Temporary, Neither effective nor ineffective | 23 | + or - 8 |
| Temporary, Ineffective | 11 | + or - 6 |
| VRA, Effective | 62 | + or - 7 |
| VRA, Neither effective nor ineffective | 28 | + or - 6 |
| VRA, Ineffective | 10 | + or - 4 |
| Merit Promotion, Effective | 72 | + or - 4 |
| Merit Promotion, Neither effective nor ineffective | 20 | + or - 4 |
| Merit Promotion, Ineffective | 8 | + or - 3 |

**Appendix I
Scope and Methodology**

Table I.4: Population Estimates and Sampling Errors for Percentages Shown in Table 8

| Statistic | Population estimate | Sampling error |
|--|----------------------------|-----------------------|
| At the time they took examination, Outstanding or Good | 63% | + or - 5% |
| At the time they took examination, Average | 16 | + or - 4 |
| At the time they took examination, Fair or Poor | 21 | + or - 4 |
| At the time they were notified, Outstanding or Good | 57 | + or - 5 |
| At the time they were notified, Average | 15 | + or - 4 |
| At the time they were notified, Fair or Poor | 28 | + or - 5 |

Examples of Comments Provided by Applicants Responding to Our Questionnaire

Applicants responding to our questionnaire were invited to provide us narrative comments regarding their experiences and feelings concerning ACWA. Of 390 applicants responding to our questionnaire, 340 provided comments, nearly all of which expressed frustration with ACWA. The following examples are, in our opinion, representative of the 330 applicants/responses that expressed frustration with ACWA:

"I was not informed on how well I had scored in relation to other examinees. I didn't know if I had passed or failed and I was never contacted by a federal agency."

"I received a high mark (94) yet was never contacted by any agency. . . What do you have to do?"

"I feel candidates should be better informed about hiring conditions in the states they apply for jobs in."

"At 97%, I thought I might get a nibble, and got nix!, zippo!"

"[I] Scored 100 on all tests but was never contacted about a job. My experience with the ACWA written test was disgusting."

"After taking the test, no one explained what my score meant, where I stood, I was never contacted by any agency. Either my score was too low or no one was paying attention to the list of people who passed the ACWA."

"I took all six tests. My lowest final grade was 105 (high 109). I am a white male, compensable disabled Vietnam veteran . . . Stop kidding people like me. False hope is worse than no hope at all."

"The fact that I did reasonably well on the test and was never contacted, makes me think the system doesn't work."

"I felt as though, after I passed the test, my name was thrown into a black hole never to surface again."

"It is now my understanding that few federal agencies use the ACWA list to fill vacancies. I scored '97' on two different exams and '89' on another but have not heard from one federal agency in one and one half years."

"I feel testing conditions and receipt of results were excellent, but after I received my results I became very frustrated and have no idea if I was ever considered for a job because of the lack of communication after I received my results. . ."

"There were no clear instructions as to what to do if you passed."

**Appendix II
Examples of Comments Provided by
Applicants Responding to Our
Questionnaire**

"From what I could determine, agencies in my area . . . are unfamiliar with ACWA. Perhaps I was unrealistic in my expectations, but I felt that my scores, education, work experience and, yes, sex would enhance my chances of employment. Are most appointments made from the 'outstanding scholar' rosters? If so, why bother with a test?"

"I scored relatively high, and received one inquiry one year later. I never heard from the interested agency again. Not one word - yes, no, thanks for your interest, we received your application, etc. The general population of eligible and interested workers has no idea of how to apply for or secure federal government employment."

"I have two recommendations for improving the process. The first . . . would be to provide a step-by-step pamphlet outlining the most likely way to proceed after taking the test. The second would be to provide some statistical analysis of the scores . . . so that applicants could get a feel for where they stand in relation to others."

Comments From the Office of Personnel Management



OFFICE OF THE DIRECTOR

UNITED STATES
OFFICE OF PERSONNEL MANAGEMENT

WASHINGTON, D.C. 20415

FEB 23 1994

Ms. Nancy Kingsbury
Director, Federal Human Resource
Management Issues
General Government Division
U.S. General Accounting Office
Washington, DC 20548

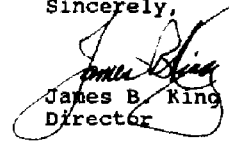
Dear Ms. Kingsbury:

Thank you for the opportunity to comment on the draft report FEDERAL HIRING: Applicant Testing System Falls Short of Expectations. We found it very comprehensive and to contain many worthwhile suggestions. We also found it extremely helpful to work with your staff during its factfinding and get status reports as the project progressed. This cooperative effort enabled us to take immediate action. As noted in the report, we have already implemented some of the recommendations and others we are taking action to implement.

As to the first recommendation on page 30 of the draft, we are planning an examining procedure for the seven largest ACWA occupations which will be the same as for the other occupations.

Regarding the second recommendation, we are strengthening our job information procedures to provide applicants with more information on alternatives to the ACWA written test. Delivery methods include posters, brochures, and other written materials as well as the Federal Job Information computer touchscreens and the Career America Connection telephone systems.

Sincerely,



James B. King
Director

CON 131-64-4
July 1988

Now on p. 20.

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