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DISABLED VETERANS' EMPLOYMENT

Performance Standards Needed  
To Assess Program Results

Statement of  
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General Government Division

Before the  
Subcommittee on Education, Training  
and Employment  
Committee on Veterans' Affairs  
United States House of Representatives



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**DISABLED VETERANS' EMPLOYMENT: PERFORMANCE**  
**STANDARDS NEEDED TO ASSESS PROGRAM RESULTS**

**SUMMARY OF STATEMENT BY**  
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There are no established performance standards or other criteria for measuring agencies' success in employing and advancing disabled veterans under the Disabled Veterans' Affirmative Action Program (DVAAP). GAO used a variety of measurements, comparisons, and analyses, which when taken together, suggest that all five agencies GAO reviewed could do more to promote the employment and advancement of disabled veterans.

Results in Five Agencies - Overall, we found mixed results among the five agencies. While the DOL and OPM programs were more successful at employing and advancing disabled veterans than were programs at HHS, NASA, and OMB, all five agencies' disabled veteran employment rates declined from 1982 to 1987. Appendix I shows similar data for executive agencies with over 10,000 employees.

Shortcomings In Agency Plans and OPM Oversight - Regulations require plans and reports to be based on detailed analysis of disabled veterans' employment and advancement. However, none of the five agencies, nor OPM as governmentwide program manager, based their plans and reports on such analyses. Although their plans and reports included most of the elements required by OPM, they were so general that they were of little use to GAO in evaluating the agencies' programs. OPM officials said that they did not assess and report to Congress on individual agency progress in meeting program objectives because of the lack of performance criteria.

Perceptions of Program Coordinators - The five agencies employed a total of 61 program coordinators to provide DVAAP leadership. Most said that they (1) spent less than 10 percent of their time on the program; (2) were not specifically evaluated on their program activities in their annual performance appraisals, contrary to OPM instructions; and (3) perceived the program as falling short of achieving its objectives.

Recommendations - GAO recommended that OPM develop, with agency assistance, the criteria and analyses needed for measuring and reporting to Congress agencies' disabled veteran employment and advancement performance.

Mr. Chairman and Members of the Subcommittee:

I am pleased to appear today to discuss the results of our review of the Federal Government's Disabled Veterans' Affirmative Action Program (DVAAP). My comments are based on our report<sup>1</sup> done at the request of Chairman Montgomery, at five agencies: the Department of Labor (DOL), the Department of Health and Human Services (HHS), the National Aeronautics and Space Administration (NASA), the Office of Management and Budget (OMB) and the Office of Personnel Management (OPM). At Chairman Montgomery's request we also analyzed the performance of the Office of Personnel Management in its role as governmentwide program manager.

While it is the policy of the United States "...to promote the maximum of employment and job advancement for qualified disabled veterans..." neither the law nor regulations provide specific performance standards or other criteria for measuring success. Without specified performance criteria, it is not possible to conclusively determine to what extent agencies' disabled veterans' programs have been successful or unsuccessful. Since performance standards had not been established, we used a variety of measurements, comparisons, and analyses that we believe, when taken together, suggest that the five agencies could do more to promote the employment and advancement of disabled veterans.

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<sup>1</sup>Disabled Veterans' Employment: Performance Standards Needed to Assess Program Results, GAO/GGD-89-45, February 28, 1989.

Overall, we found mixed results among the five agencies. While the DOL and OPM programs were more successful at employing and advancing disabled veterans than were programs at HHS, NASA, and OMB, all five agencies' disabled veteran employment rates declined from 1982 to 1987.

None of the five agencies, nor OPM as governmentwide program manager, did the analyses needed to define and correct problems in employing and advancing disabled veterans. Program coordinators in the five agencies were responsible for providing program leadership, but a majority believed the program was falling short of achieving its objectives.

#### ASSESSMENT OF AGENCIES' DVAAP PERFORMANCE

We obtained data on five dimensions of agency performance in employing and advancing disabled veterans. The five dimensions were: overall employment trends and rates, employment rates for 30-percent or more disabled veterans, promotion rates, new hire rates, and use of special hiring authorities. The five agencies' performances were then compared with 16 indicators of governmentwide or national performance in these same five areas. DOL scored positively on 11 of these indicators, OPM on 9, HHS on 3, and NASA on 2; OMB did not score positively on any.

For example, despite OPM's expectation that agencies would make measurable improvements in their disabled veteran employment profiles, disabled veterans employed at all five agencies actually decreased both in number and as a percentage of each agency's workforce from 1982 to 1987. In addition, except for DOL's 1982 employment rate for 30-percent disabled veterans, none of the five agencies equaled the average percentages of either disabled veterans or 30-percent or more disabled veterans employed governmentwide during this six-year period.

Agency officials said, and data confirm, that governmentwide disabled veteran employment averages were dominated by the United States Postal Service (USPS), the Department of Defense (DOD), and the Department of Veterans Affairs (VA). They believed that these agencies had unique attributes, such as disabled veteran-related missions, more immediate access to disabled veterans, or greater hiring opportunities, that gave them advantages over other agencies in employing disabled veterans. Since information was not readily available for use in evaluating these assertions, where possible we used separate indicators with, and without, USPS, DOD, and VA statistics.

The governmentwide employment rates for disabled veterans in 1985 and 1987 were more than five times their percentage share of the national labor force. When the Postal Service, the DOD, and the VA were subtracted from the governmentwide figures, the resulting

disabled veteran employment rate for the rest of the government was about double their national employment rate. While DOL, OPM, NASA and HHS exceeded the national rate, only DOL and OPM met or exceeded the governmentwide disabled veteran employment rate after USPS, DOD and VA were subtracted from the base.

In addition:

-- none of the five agencies met or exceeded the governmentwide new hire rate for disabled veterans for 1986, but DOL and OPM exceeded it when USPS, DOD and VA data were excluded.

-- The governmentwide promotion rate for disabled veterans compared with other government employees in fiscal year 1986 was 83 percent. Agency comparative rates were 103 percent at OPM, 95 percent at DOL, 71 percent at NASA, and 63 percent at HHS. OMB did not promote either of the two disabled veterans it employed during the year.

Agency officials believed that certain factors reduced their ability to employ disabled veterans, such as (1) limited hiring opportunities; (2) disabled veterans rejecting available entry-level positions, especially clerical positions; and (3) disabled veterans' low education levels. Our analysis of available data showed that the agencies hired a substantial number of employees during the period covered and that disabled veterans have, in

fact, been accepting entry-level positions. Although disabled veterans' education levels were lower on the average than were other employees', two special hiring authorities are available that if used, can help overcome this potential employment obstacle. These two special hiring authorities are veterans readjustment appointments and noncompetitive appointments for 30-percent or more disabled veterans. They are rarely used outside of DOD and VA even though they accounted for over 42 percent of new hires of disabled veterans governmentwide from 1983 through 1987. Of the 4,849 times these special hiring authorities were used governmentwide to hire disabled veterans in fiscal year 1987, all but 409 of those appointments were made in either DOD or VA.

#### SHORTCOMINGS IN AGENCY PLANS AND OPM OVERSIGHT

OPM requires each executive agency to annually (1) develop a plan to promote government employment and job advancement opportunities for qualified disabled veterans, and (2) submit an accomplishment report on meeting the previous year's plan.

OPM regulations require agencies' DVAAP plans and reports to be based on detailed analysis and assessment of disabled veterans' employment and advancement. Despite declines in their disabled veteran employment, the five agencies' plans and reports were general and did not change much from year to year. While the

plans and reports contained most of the elements required by OPM, none of the five agencies had based its plans and reports on the detailed analyses needed to define and correct problems in employing and/or advancing disabled veterans.

The law requires OPM to report to Congress annually on DVAAP activities. Regulations require the OPM reports to cover program implementation and specifically assess agencies' progress toward meeting program objectives. Since 1984, OPM's reviews of agency plans have not evaluated their usefulness in meeting DVAAP objectives. While OPM has prepared annual reports to Congress, OPM officials said they have not used the reports to discuss program compliance or to assess agencies' progress because of the lack of performance criteria.

#### Coordinators' Views on DVAAP Implementation

DVAAP coordinators in agency headquarters, regional offices, and other units of the agency are responsible for implementing DVAAP plans. As part of our review, we sent a questionnaire to all 61 DVAAP coordinators in the five agencies, which they all completed. The questionnaire was designed to identify the duties and responsibilities of DVAAP coordinators and their perceptions about the program's effectiveness. The questionnaire responses showed that most DVAAP coordinators perceived the program as falling short of achieving its objectives.

DVAAP coordinators' negative perceptions centered on the following:

- Forty-seven DVAAP coordinators said that they spent less than 10 percent of their time on DVAAP.
  
- Almost half of the DVAAP coordinators said that they had received no training on the program, and some were unfamiliar with basic tools for improving program results.
  
- Forty-five DVAAP coordinators said that they were not evaluated on their DVAAP responsibilities in their annual performance appraisals.
  
- About 40 percent of the DVAAP coordinators said that their units did not use the veterans representatives funded by DOL in the state employment offices to recruit disabled veterans, even though this source was cited by other questionnaire respondents as being the most useful recruiting source. (Agency officials concurred with the outreach potential of DOL's program, and OPM said that efforts were underway to encourage its use.)

## GAO Recommendations and Agency Views

Although OPM reviews agencies' DVAAP plans and accomplishment reports and prepares reports to Congress, GAO recommended that OPM do more to satisfy the evaluation requirement of the law and regulations. In particular, OPM needs to evaluate agency progress in meeting program objectives.

We recommended that OPM could more effectively carry out its DVAAP responsibilities and Congress would be better informed of program results if OPM would

- develop, with agency assistance, criteria for measuring agencies' disabled veteran employment and advancement performance;
- help agencies do the indepth data analysis necessary to find the causes of problems and ways to improve performance; and
- use these criteria and indepth analyses to determine good and bad performance and to include such assessments in its reports to the Congress.

We also recommended all five agencies could make more effective use of their DVAAP program coordinators to meet program objectives if they would

- examine the manner in which coordinators are used and trained, ensuring that they are knowledgeable about how to best use such program tools as the special hiring authorities and veterans representatives in state employment offices, and
- assure compliance with the OPM instruction that all officials with DVAAP responsibilities are evaluated on their effectiveness.

We discussed our findings and recommendations with OPM, DOL, HHS, NASA and OMB officials, who generally agreed with the facts and supported the recommendations. OPM officials also said that we (1) identified gaps in the DVAAP and (2) suggested worthwhile ways to improve the program. The other agencies' officials said that they would welcome the opportunity to work with OPM to develop the criteria needed for measuring disabled veteran employment and advancement performance. Generally, they agreed that evaluation of agency progress would benefit the program.

While OMB officials said that they thought that our recommendations would help the governmentwide program, they doubted the potential benefit to OMB because of concerns that its workforce composition was uniquely unsuited for using the special appointing authorities. They agreed, however, to reexamine the positions occupied by disabled veterans in prior years to

determine whether these positions were candidates for using the special appointing authorities.

Mr. Chairman, this concludes my statement. I would be pleased to respond to questions.

DISABLED VETERANS EMPLOYED BY SELECTED AGENCIES,  
FISCAL YEARS 1982 THROUGH 1987

(Ranked in descending order by percentage representation of disabled veterans in the agency's employee population at the end of fiscal year 1987)

<u>Agency</u>	<u>Fiscal Year</u>	<u>Total Employees</u>	<u>Disabled Veterans</u>		<u>30-percent Disabled Veterans</u>	
			<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
U.S. Postal Service	1982	653,459	72,494	11.1	11,729	1.8
	1983	654,675	74,479	11.4	12,765	1.9
	1984	679,598	78,055	11.5	14,285	2.1
	1985	716,260	80,271	11.2	15,557	2.2
	1986	744,628	81,690	11.0	16,530	2.2
	1987	764,933	81,928	10.7	17,117	2.2
Department of Defense	1982	918,355	56,152	6.1	9,208	1.0
	1983	941,373	57,863	6.1	12,169	1.3
	1984	950,021	58,731	6.2	14,063	1.5
	1985	1,006,141	61,280	6.1	16,644	1.7
	1986	986,867	60,793	6.2	17,577	1.8
	1987	997,747	61,301	6.1	18,599	1.9
Governmentwide <sup>a</sup>	1982	2,726,009	167,055	6.1	26,705	1.0
	1983	2,712,482	168,923	6.2	31,661	1.2
	1984	2,743,006	172,089	6.3	35,776	1.3
	1985	2,830,910	175,620	6.2	40,263	1.4
	1986	2,849,560	175,132	6.1	42,511	1.5
	1987	2,910,716	175,675	6.0	44,614	1.5
General Services Administration	1982	33,623	2,027	6.0	345	1.0
	1983	31,928	1,817	5.7	356	1.1
	1984	31,860	1,742	5.5	377	1.2
	1985	25,797	1,486	5.8	403	1.6
	1986	23,563	1,309	5.6	373	1.6
	1987	21,712	1,225	5.6	363	1.7
Department of Veterans Affairs	1982	239,602	12,779	5.3	2,886	1.2
	1983	239,489	12,499	5.2	3,195	1.3
	1984	243,014	12,550	5.2	3,646	1.5
	1985	248,409	12,483	5.0	3,957	1.6
	1986	243,876	11,962	4.9	3,978	1.6
	1987	254,076	12,411	4.9	4,341	1.7

<sup>a</sup>These figures include the Postal Service and all departments and agencies of the Executive Branch except the Central Intelligence Agency, National Security Agency, and the Defense Intelligence Agency.

<u>Agency</u>	<u>Fiscal Year</u>	<u>Total Employees</u>	<u>Disabled Veterans</u>		<u>30-percent Disabled Veterans</u>	
			<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Department of Labor	1982	19,562	951	4.9	186	1.0
	1983	20,315	945	4.7	215	1.1
	1984	17,467	822	4.7	210	1.2
	1985	18,611	860	4.6	240	1.3
	1986	17,625	779	4.4	235	1.3
	1987	17,679	751	4.2	237	1.3
Department of Housing and Urban Development	1982	14,439	639	4.4	63	0.4
	1983	13,150	567	4.3	151	1.1
	1984	12,566	503	4.0	141	1.1
	1985	12,530*	455	3.6	126	1.0
	1986	12,099	415	3.4	121	1.0
	1987	13,042	438	3.4	150	1.2
Department of Transportation	1982	62,400	2,501	4.0	311	0.5
	1983	62,956	2,439	3.9	341	0.5
	1984	63,739	2,403	3.8	365	0.6
	1985	61,686	2,232	3.6	392	0.6
	1986	61,284	2,170	3.5	411	0.7
	1987	62,506	2,140	3.4	430	0.7
Department of Energy	1982	18,899	680	3.6	84	0.4
	1983	17,477	606	3.5	113	0.6
	1984	17,113	584	3.4	132	0.8
	1985	16,942	542	3.2	121	0.7
	1986	16,910	511	3.0	122	0.7
	1987	16,770	475	2.8	126	0.8
Department of the Interior	1982	85,391	2,275	2.7	190	0.2
	1983	82,313	2,521	3.1	360	0.4
	1984	82,748	2,418	3.1	415	0.5
	1985	76,220*	2,257	3.0	465	0.6
	1986	77,839	2,261	2.9	487	0.6
	1987	77,205	2,151	2.8	521	0.7
Office of Personnel Management	1982	7,429	223	3.0	34	0.5
	1983	6,696	194	2.9	42	0.6
	1984	6,922	196	2.8	51	0.7
	1985	6,629	194	2.9	57	0.9
	1986	6,155	178	2.9	50	0.8
	1987	6,325	170	2.7	43	0.7

\*Note: The last digits of these numbers were rounded to zero due to the illegibility of the source documents.

<u>Agency</u>	<u>Fiscal Year</u>	<u>Total Employees</u>	<u>Disabled Veterans</u>		<u>30-percent Disabled Veterans</u>	
			<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Department of Justice	1982	57,675	1,959	3.4	108	0.2
	1983	39,686	1,712	4.3	154	0.4
	1984	41,008	1,665	4.1	175	0.4
	1985	43,824	1,605	3.7	187	0.4
	1986	66,211	1,683	2.5	193	0.3
	1987	71,145	1,706	2.4	204	0.3
Tennessee Valley Authority	1982	39,899	986	2.4	317	0.7
	1983	37,275	757	2.0	311	0.8
	1984	33,585	662	2.0	285	0.8
	1985	32,032	815	2.5	283	0.9
	1986	30,555	741	2.4	263	0.9
	1987	32,719	719	2.2	250	0.8
Governmentwide minus USPS, DOD and VA	1982	914,593	25,630	2.8	2,882	0.3
	1983	876,945	24,082	2.7	3,532	0.4
	1984	870,373	22,753	2.6	3,782	0.4
	1985	860,100	21,586	2.5	4,105	0.5
	1986	874,189	20,687	2.4	4,426	0.5
	1987	893,960	20,035	2.2	4,557	0.5
Department of the Treasury	1982	124,215	3,811	3.1	590	0.5
	1983	128,809	3,679	2.9	660	0.5
	1984	132,775	3,542	2.7	713	0.5
	1985	134,743	3,338	2.5	705	0.5
	1986	140,520	3,204	2.3	717	0.5
	1987	153,154	3,238	2.1	773	0.5
Department of Commerce	1982	37,203	741	2.0	74	0.2
	1983	34,914	763	2.2	125	0.4
	1984	35,659	756	2.1	162	0.5
	1985	36,577	746	2.0	176	0.5
	1986	36,029	720	2.0	187	0.5
	1987	35,171	688	2.0	187	0.5
Department of Agriculture	1982	141,174	3,108	2.2	NA	NA
	1983	130,248	2,649	2.0	NA	NA
	1984	127,198	2,412	1.9	NA	NA
	1985	123,725	2,354	1.9	166	0.1
	1986	118,967	2,321	2.0	455	0.4
	1987	122,493	2,223	1.8	449	0.4

<u>Agency</u>	<u>Fiscal Year</u>	<u>Total Employees</u>	<u>Disabled Veterans</u>		<u>30-percent Disabled Veterans</u>	
			<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
National Aeronautics and Space Admin.	1982	22,700	563	2.5	108	0.5
	1983	22,860	532	2.3	107	0.5
	1984	22,287	465	2.1	88	0.4
	1985	22,741	439	1.9	79	0.3
	1986	22,475	395	1.8	71	0.3
	1987	23,223	377	1.6	70	0.3
Department of Health and Human Services	1982	144,241	2,581	1.8	248	0.2
	1983	143,254	2,454	1.7	311	0.2
	1984	138,457	2,277	1.6	328	0.2
	1985	136,523	2,085	1.5	332	0.2
	1986	131,057	1,934	1.5	343	0.3
	1987	126,268	1,773	1.4	337	0.3
Environmental Protection Agency	1982	12,470	237	1.9	15	0.1
	1983	12,716	226	1.8	26	0.2
	1984	13,155	222	1.7	27	0.2
	1985	13,651	208	1.5	33	0.2
	1986	14,231	194	1.4	34	0.2
	1987	15,380	189	1.2	37	0.2
Department of State	1982	13,946	186	1.3	6	0.0
	1983	14,294	190	1.3	10	0.1
	1984	14,281	171	1.2	11	0.1
	1985	16,268	160	1.0	11	0.1
	1986	16,250	143	0.9	9	0.1
	1987	16,183	133	0.8	11	0.1
Office of Management and Budget	1982	608	10	1.6	0	0.0
	1983	613	8	1.3	0	0.0
	1984	601	4	0.7	1	0.2
	1985	568	3	0.5	1	0.2
	1986	546	2	0.4	1	0.2
	1987	571	1	0.2	0	0.0

Note: In addition to the five agencies (DOL, NASA, HHS, OPM and OMB) reviewed in GAO/GGD-89-45, February 28, 1989, this appendix includes executive branch agencies with total employment populations over 10,000.