

GAO

Briefing Report to the Chairman and  
Ranking Minority Member, Committee  
on Governmental Affairs, U.S. Senate

August 1992

# PAY AND BENEFITS

## Data on Attrition at the U.S. Export-Import Bank



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

General Government Division

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The Honorable John Glenn  
Chairman, Committee on Governmental Affairs  
United States Senate

The Honorable William V. Roth, Jr.  
Ranking Minority Member  
Committee on Governmental Affairs  
United States Senate

This briefing report responds to your request for information regarding the recruitment and retention of staff at the U.S. Export-Import Bank ("Eximbank"). Specifically, you wanted to know if the agency was experiencing any difficulties recruiting and retaining qualified staff, in order to determine if special pay authority is needed. On August 26, 1992, we briefed your staff on the results of our work at the Eximbank. This letter summarizes the information provided at that briefing. More extensive data are provided in appendix I.

BACKGROUND

Eximbank officials have expressed concern that the agency has experienced difficulty attracting and retaining qualified staff in recent years because of its inability to compete with private firms and federal bank regulatory agencies in the areas of compensation (pay) and benefits. The federal banking agencies are exempt from the salary ceilings and position classification requirements applicable to most federal agencies under Title 5 of the U.S. Code.<sup>1</sup> The President and Chairman of the Eximbank stated that because the agency hires from the same pool of applicants as the federal banking agencies, it is unable to compete for the kind of "talent" needed to operate its programs without

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<sup>1</sup>Section 1206 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) applies to the Federal Deposit Insurance Corporation (FDIC), the Office of the Comptroller of the Currency, the National Credit Union Administration Board, the Federal Housing Finance Board, the Resolution Trust Corporation, the Farm Credit Administration, and the Office of Thrift Supervision. FDIC, however, was exempt from Title 5 prior to the enactment of FIRREA.

an exemption similar to that provided to these agencies. He expressed additional concerns about the numbers of Eximbank professional staff who have transferred to federal banking agencies since they were granted exemption from Title 5.

The Eximbank has a staff of about 330 people, with its core or "mainline" professional positions being economists, management/program analysts, accountants, engineers, attorneys, financial analysts, and loan specialists. According to Eximbank officials, these professionals become experts in their areas over the years, and, with its small staff, the Eximbank suffers considerable loss of expertise and historical perspective when these employees leave to pursue other interests. When senior staff leave the Eximbank to transfer to another federal agency, work for a private firm, retire, or for some other reason, Eximbank officials said the agency is unable to replace them with people with comparable experience.

The Eximbank operates under a renewable charter that currently extends through September 30, 1992. The draft bills reauthorizing the agency's charter (S. 2864 and H.R. 5739) include language that will allow the Eximbank Board of Directors ("Board") to set and adjust rates of basic pay without regard to the relevant provisions of Title 5. The Board will also be able to provide additional compensation and benefits to Eximbank employees if they are being provided by any federal bank regulatory agency.

## RESULTS

Our review of Eximbank employment data from June 1989 through June 1992 showed the following:

- Total employment increased from 313 (as of June 1, 1990) to 329 (as of June 1, 1992), with total professional staff growing from 202 to 216. (See fig. I.1.)
- Total staff separated from Eximbank decreased annually over the 3-year period--41 in 1989-1990, 34 in 1990-1991, and 22 in 1991-1992. (See fig. I.1.)
- Administrative staff had the highest attrition rate in 1989-1990 (21.6 percent) and 1990-1991 (15.0 percent), in comparison to professional staff and mainline professional staff turnover. Mainline professional staff had the highest attrition rate in 1991-1992 (9.9 percent). (Attrition shown as a percentage of the respective employee classification employed by Eximbank.) (See fig. I.3.)

- Of the 41 employees who left Eximbank during 1989-1990, 24.4 percent either transferred to FIRREA agencies (2.4 percent) or resigned to work for private firms (22.0 percent). In 1990-1991, this number rose to 41.2 percent of the 34 employees who left Eximbank (17.7 percent to FIRREA agencies, 23.5 percent to private firms). It then dropped to 22.8 percent of the 22 separated employees in 1991-1992 (4.6 percent to FIRREA agencies, 18.2 percent to private firms). (See figs. I.5 to I.7.)
- The number of total mainline professionals employed by the Eximbank remained fairly constant over the 3-year period (150, 154, and 152 as of June 1 of each year). While some mainline professionals left each year (11, 14, and 15 in each of the years), replacements were hired at the same or higher numbers (17, 16, and 15 in each of the years).
- Professional staff leaving Eximbank (as a percentage of total professional staff) decreased slightly each year--8.4 percent in 1989-1990, 8.1 percent in 1990-1991, and 6.9 percent in 1991-1992. In contrast, the percentage of departing mainline professionals (in comparison to total mainline professional staff) increased each year--from 7.3 percent to 9.1 percent to 9.9 percent. (See fig. I.3.)
- The engineer occupation had the highest attrition rate (as a percentage of engineers employed by Eximbank) in comparison to other mainline professionals, in 1989-1990--28.6 percent. The management/program analyst occupation had the highest attrition rate (as a percentage of management/program analysts employed by Eximbank) in 1990-1991 (33.3 percent) and 1991-1992 (42.9 percent). (See fig. I.10.)
- Separated mainline professional employees were generally replaced with new hires at the same or lower grade levels.

#### OBJECTIVE, SCOPE, AND METHODOLOGY

Our objective was to provide you with information regarding the hiring and retaining of permanent staff at the Eximbank. To accomplish this, we obtained and analyzed Eximbank raw data dealing with employment totals, separations, new staff hires, reassignments, and conversions by occupation and by grade level, for the time period ranging from June 1, 1989, to June 1, 1992. Eximbank officials categorized the various occupational series as professional or administrative. The employment data do not include the Chairman, Vice Chairman, Board of Directors, Schedule C appointees, or temporary staff. Due to time constraints, we did not verify this information with any Eximbank source documents, such as personnel files.

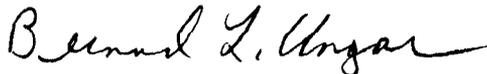
Movement of staff within the Eximbank affects the number of staff assigned to various positions, both professional and nonprofessional. Eximbank staff are reassigned into and out of these positions to help fulfill the needs of the agency. Additionally, Eximbank employees are at times converted from one employment classification to another. While these transfers are losses and additions to the particular occupational series, they do not represent a change to the Eximbank employment population as a whole. Over the 3-year period covered by our analyses, six employees were reassigned out of mainline professional positions, four employees were reassigned into mainline professional positions, and three employees were converted into permanent mainline professional positions. We did not include these movements within the Eximbank in our aggregate attrition analyses. We did, however, include these employees in our analyses of specific occupational series (mainline professionals), in order to account for the change in on-board strength over the years.

We did our work from June 1992 to August 1992 in accordance with generally accepted government auditing standards. We did not obtain official agency comments; however, we did discuss the results of our analyses with Eximbank officials responsible for human resources management. These officials said that because the Eximbank is a small agency, their staff attrition should be viewed as significant even though it may appear small. They also said the current economic situation most likely contributed to lower employee turnover governmentwide. Regarding the 3 years covered by our analyses, they noted that vacancies averaged 4 months per position.

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We are sending copies of this report to other Committees and Members of Congress, Eximbank officials, and other interested parties. We will also make copies available to others upon request.

Major contributors to this briefing report are listed in appendix II. If you or your staff have any questions about the report, please call me on (202) 275-5074.

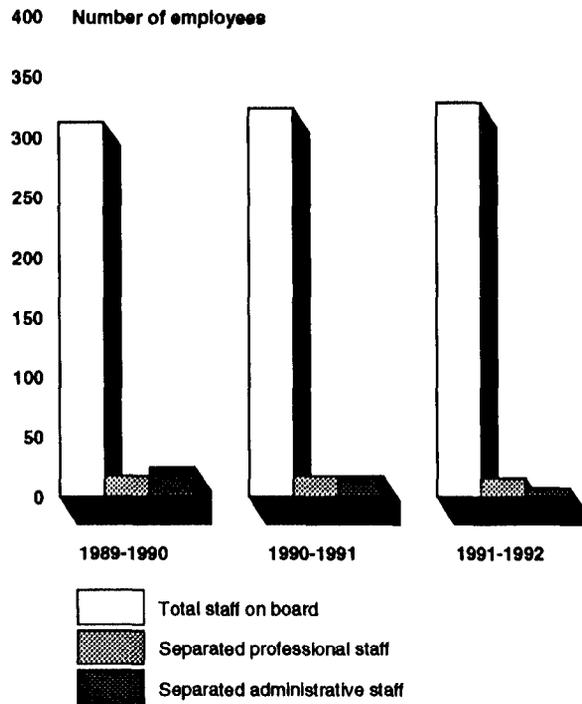


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## CONTENTS

	<u>Page</u>
LETTER	1
APPENDIXES	
I ANALYSES OF EXPORT-IMPORT BANK'S RECRUITMENT AND RETENTION EFFORTS	6
II MAJOR CONTRIBUTORS TO THIS BRIEFING REPORT	17
FIGURES	
I.1 Export-Import Bank Employee Population and Attrition: 1989-1992	6
I.2 Classification of Separated Export-Import Bank Employees	7
I.3 Attrition of Export-Import Bank Employees by Employment Classification	8
I.4 Attrition of Export-Import Bank Employees by Classification	9
I.5 Subsequent Employment Status of Export-Import Bank Employees Separated in 1989-1990	10
I.6 Subsequent Employment Status of Export-Import Bank Employees Separated in 1990-1991	11
I.7 Subsequent Employment Status of Export-Import Bank Employees Separated in 1991-1992	12
I.8 Subsequent Employment Status of Separated Export-Import Bank Employees	13
I.9 Subsequent Employment Status of Separated Export-Import Bank Professional Employees	14
I.10 Mainline Professional Staff Attrition at Export-Import Bank	15
I.11 Attrition of Mainline Professional Staff at Export-Import Bank	16

Figure I.1: Export-Import Bank Employee Population and Attrition: 1989-1992

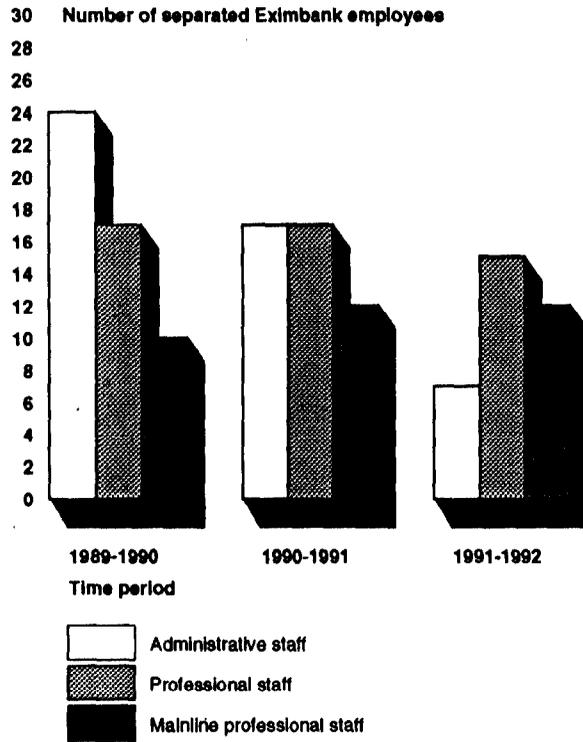


Note 1: Time periods for separated staff are from June 2 through June 1.

Note 2: Employee totals are as of June 1, 1990, 1991, and 1992.

Note 3: Employee totals do not include the Chairman, Vice Chairman, Board of Directors, or Schedule C appointees.

Figure I.2: Classification of Separated Export-Import Bank Employees

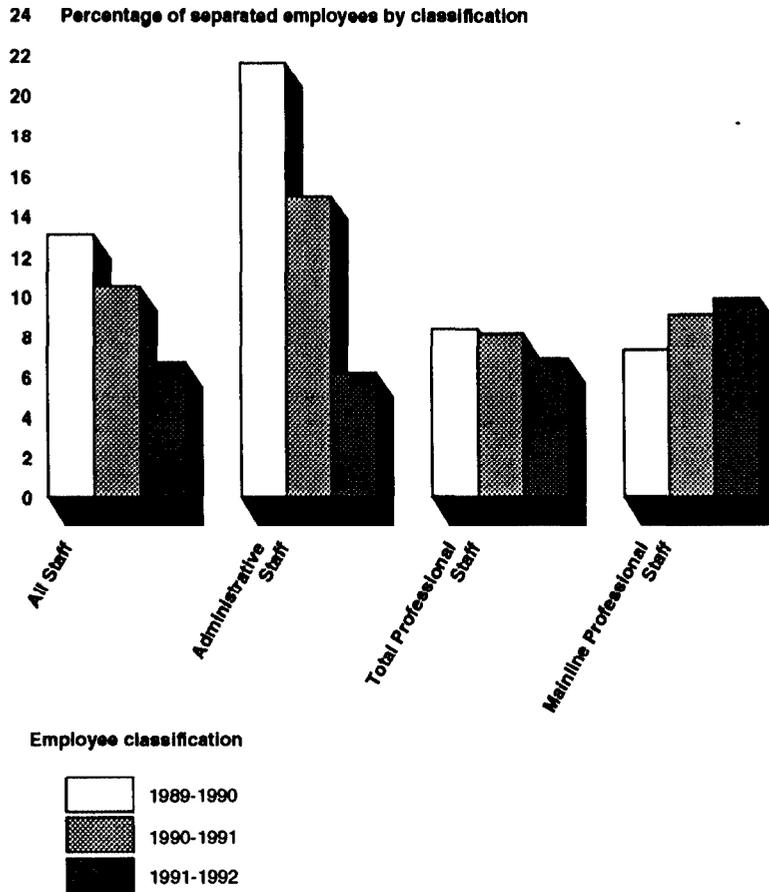


Note 1: Time periods are from June 2 through June 1.

Note 2: Mainline professionals are a subgroup of total professionals.

Note 3: Mainline professionals include economists, management/program analysts, engineers, attorneys, financial analysts, and loan specialists.

**Figure I.3: Attrition of Export-Import Bank Employees by Employment Classification**

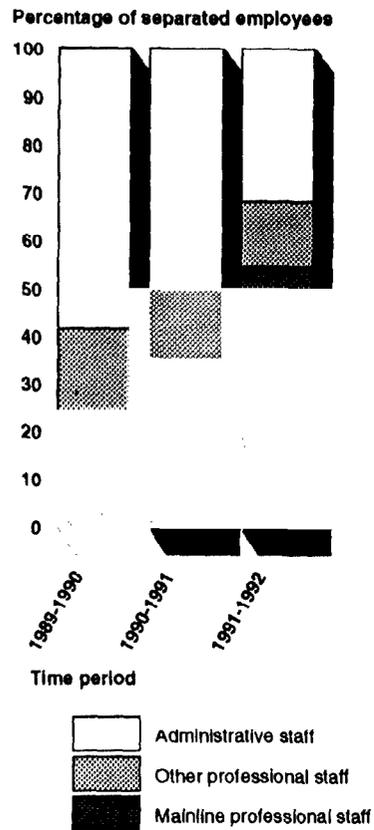


Note 1: Time periods are from June 2 through June 1.

Note 2: Percentages shown are of the respective employee classification (i.e., administrative staff who have separated as a percentage of total administrative staff on board).

Note 3: Mainline professional staff separations include those employees who were reassigned to a different occupational series (non-mainline professional) within the Export-Import Bank.

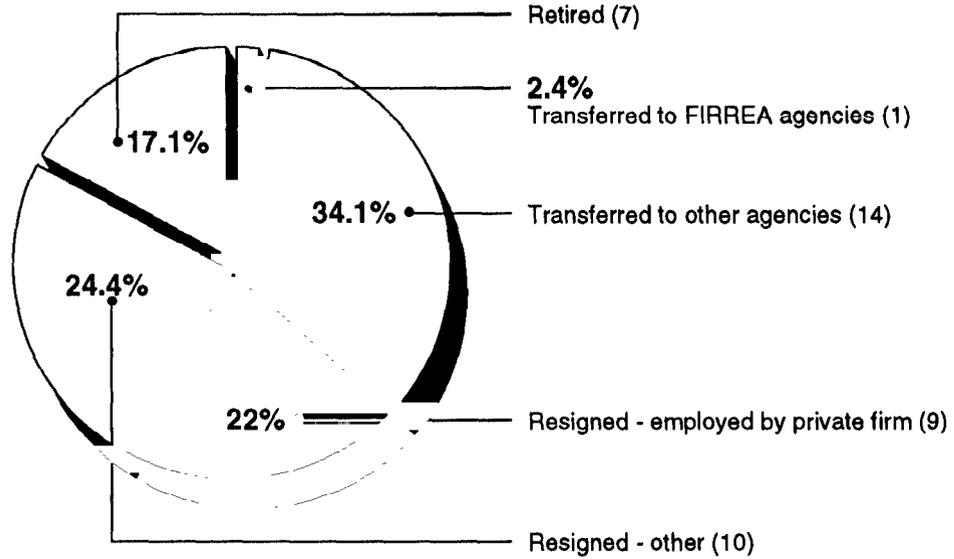
Figure I.4: Attrition of Export-Import Bank Employees by Classification



Note 1: Time periods are from June 2 through June 1.

Note 2: Percentages shown are of total staff attrition at Export-Import Bank.

Figure I.5: Subsequent Employment Status of Export-Import Bank Employees Separated in 1989-1990

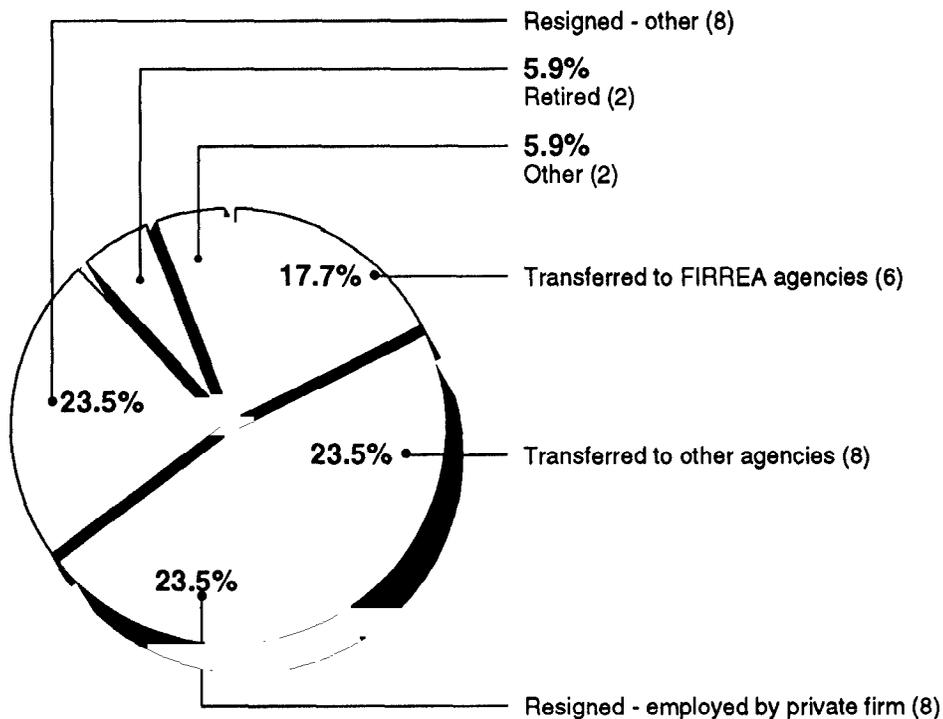


Note 1: Time period is from June 2 through June 1.

Note 2: "Resigned - other" includes changing careers, leaving the area, returning to school, etc.

Note 3: The numbers of employees represented by the percentages are shown in ().

Figure I.6: Subsequent Employment Status of Export-Import Bank Employees Separated in 1990-1991



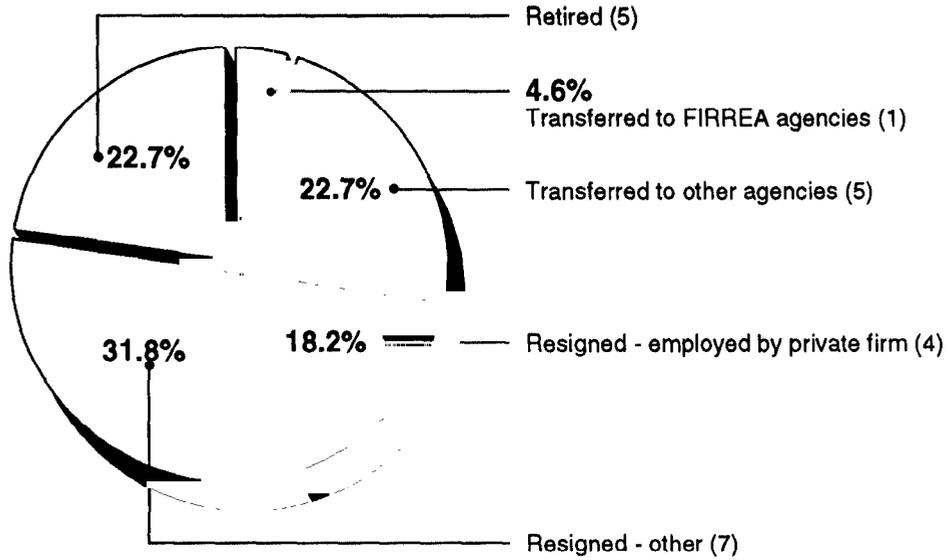
Note 1: Time period is from June 2 through June 1.

Note 2: "Resigned - other" includes changing careers, leaving the area, returning to school, etc.

Note 3: "Other" includes removals, deaths, and other involuntary actions.

Note 4: The numbers of employees represented by the percentages are shown in ().

Figure I.7: Subsequent Employment Status of Export-Import Bank Employees Separated in 1991-1992

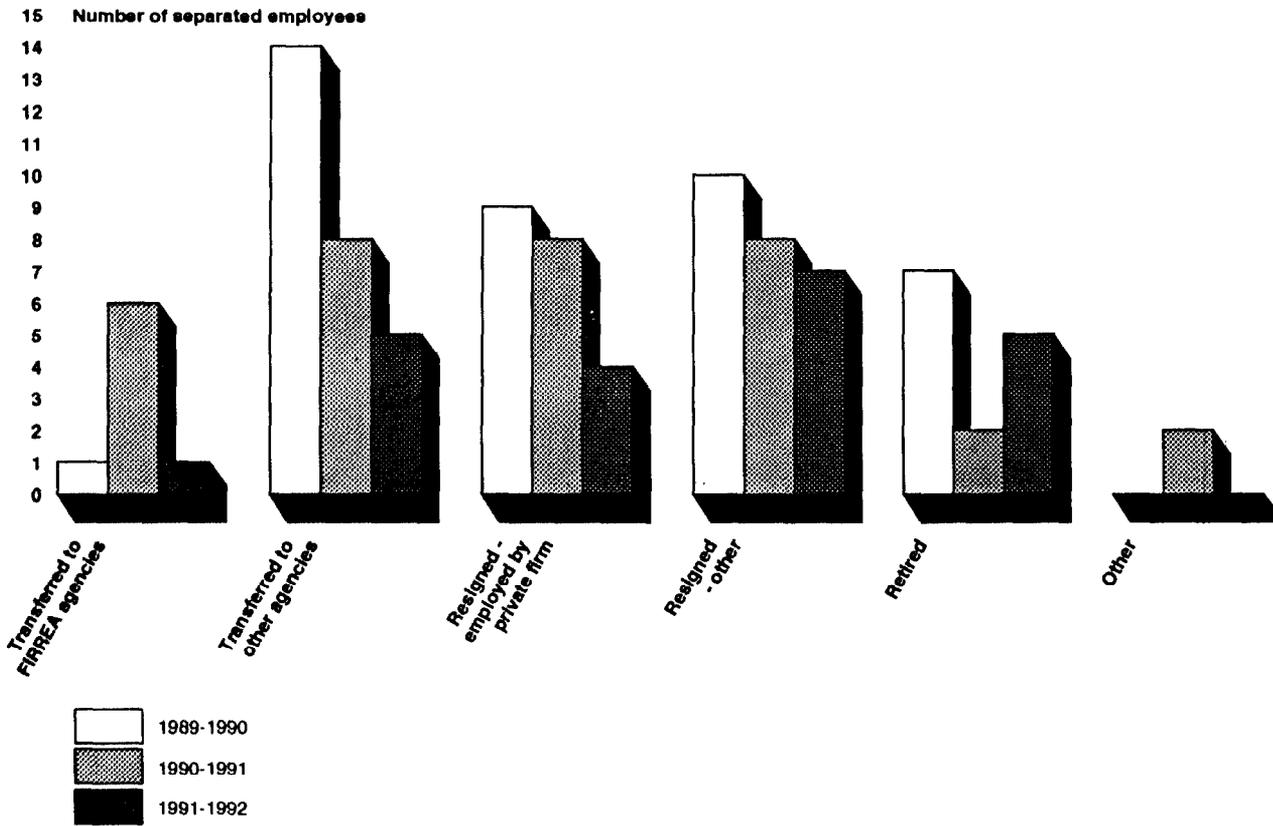


Note 1: Time period is from June 2 through June 1.

Note 2: "Resigned - other" includes changing careers, leaving the area, returning to school, etc.

Note 3: The numbers of employees represented by the percentages are shown in ().

Figure I.8: Subsequent Employment Status of Separated Export-Import Bank Employees

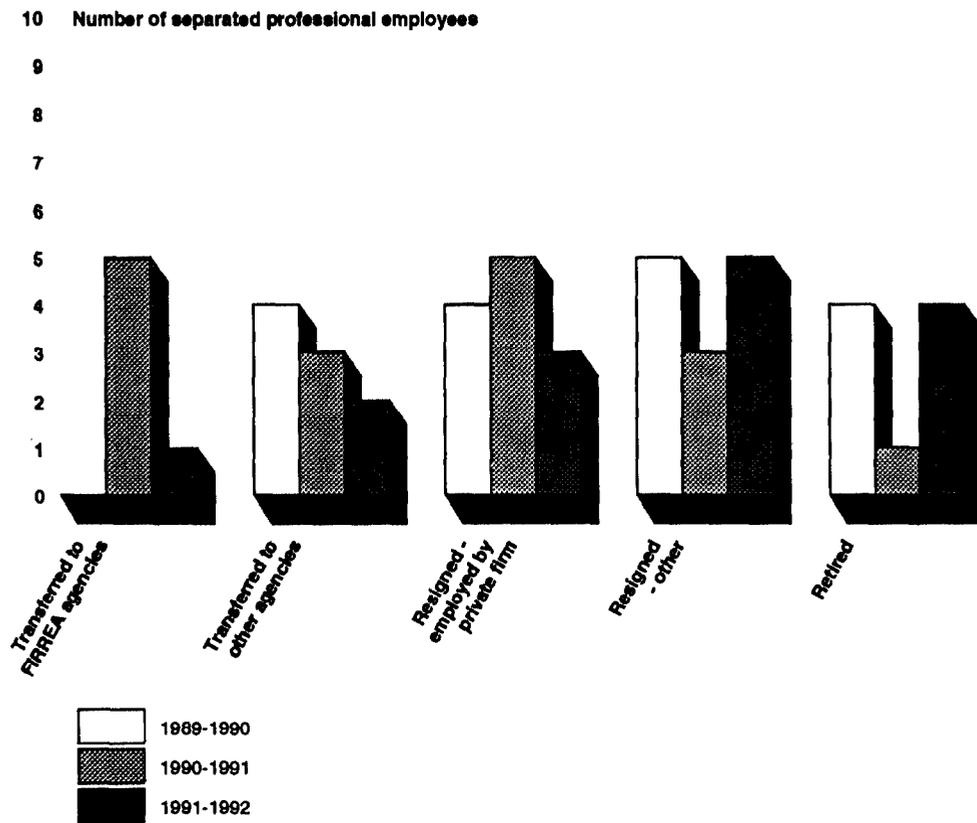


Note 1: Time periods are from June 2 through June 1.

Note 2: "Resigned - other" includes changing careers, leaving the area, returning to school, etc.

Note 3: "Other" includes removals, deaths, and other involuntary actions.

Figure I.9: Subsequent Employment Status of Separated Export-Import Bank Professional Employees

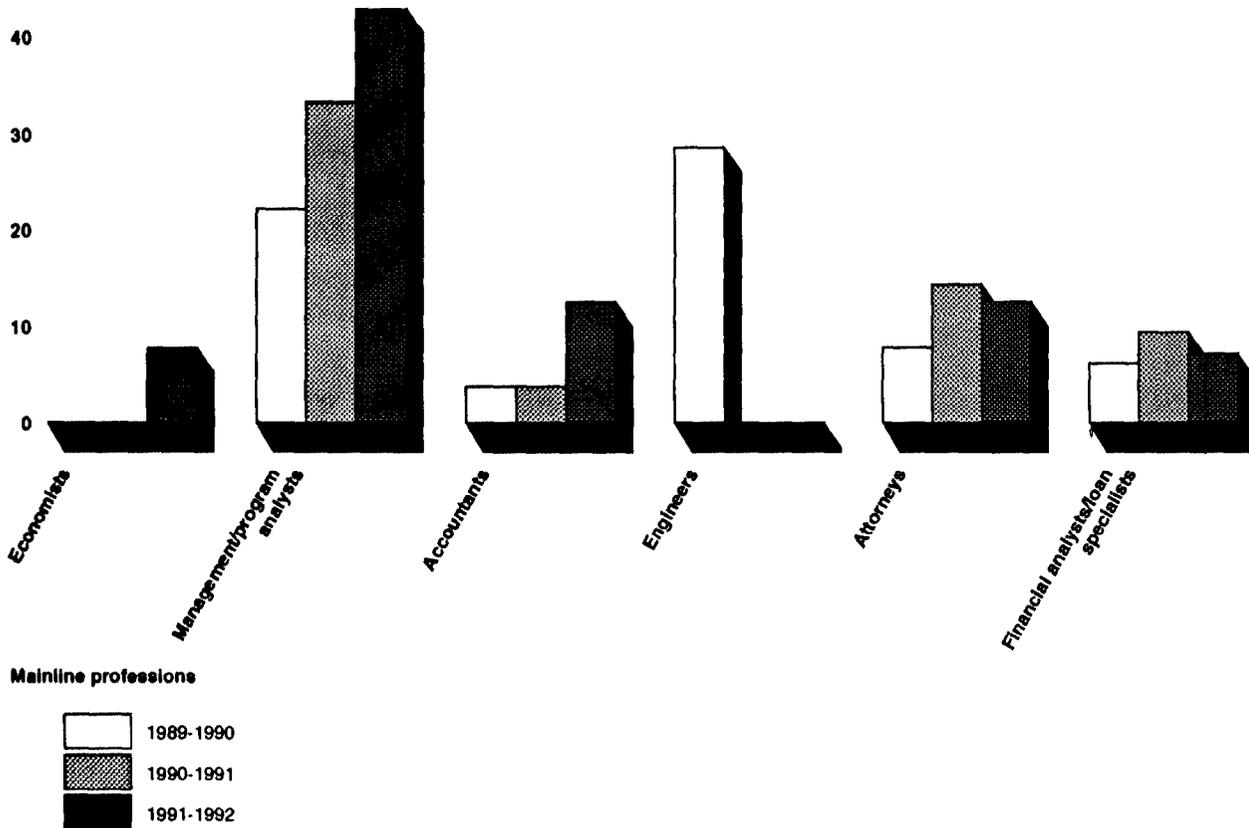


Note 1: Time periods are from June 2 through June 1.

Note 2: "Resigned - other" includes changing careers, leaving the area, returning to school, etc.

**Figure I.10: Mainline Professional Staff Attrition at Export-Import Bank**

50 Percentage of separated mainline professionals by classification



Note 1: Time periods are from June 2 through June 1.

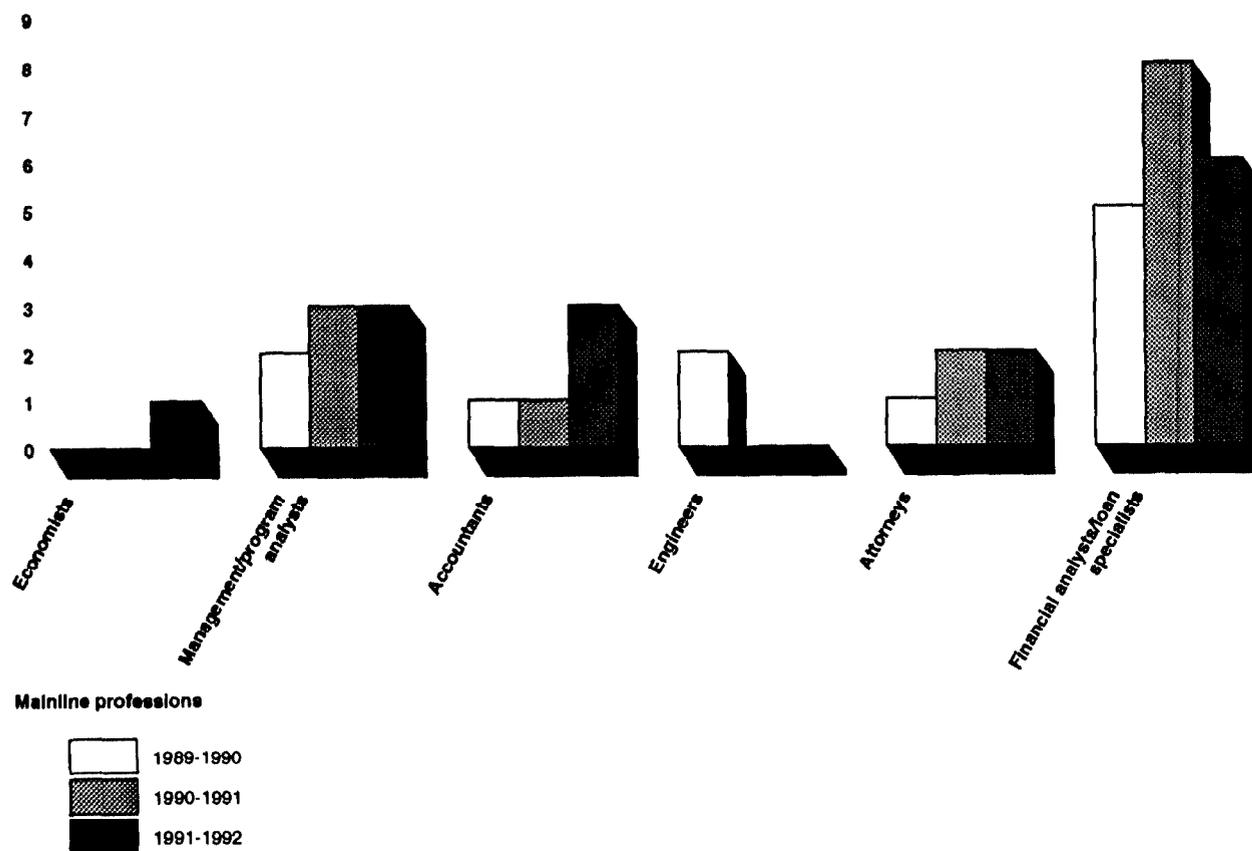
Note 2: Percentage shown are of the respective employee classification (i.e., attorneys who have separated as a percentage of total attorney staff on board).

Note 3: Financial analysts and loan specialists have been combined, since these employees move back and forth between the occupational series.

Note 4: "Separations" include mainline professional employees who were reassigned to a different occupational series (non-mainline professional) within the Export-Import Bank.

Figure I.11: Attrition of Mainline Professional Staff at Export-Import Bank

10 Number of separated mainline professionals by classification



Note 1: Time periods are from June 2 through June 1.

Note 2: "Separations" include mainline professional employees who were reassigned to a different occupational series (non-mainline professional) within the Export-Import Bank.

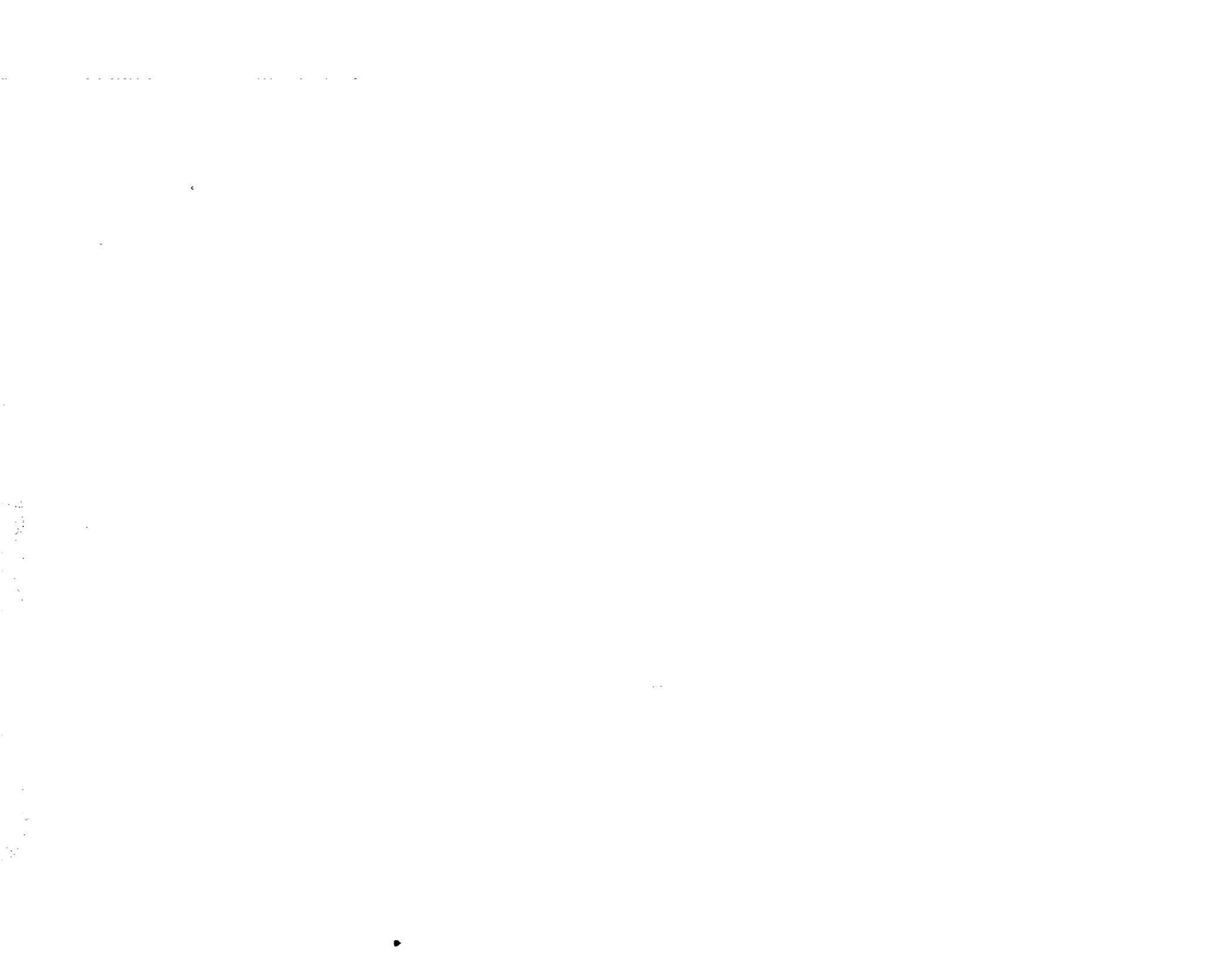
Note 3: Financial analysts and loan specialists have been combined, since these employees move back and forth between the occupational series.

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