

Office of Inspector General | United States Postal Service

Audit Report

Peak Season Hiring

Report Number 20-316-R21 | September 23, 2021



Table of Contents

- Cover
- Highlights..... 1
 - Objective 1
 - Finding..... 1
 - Recommendation..... 2
- Transmittal Letter 3
- Results..... 4
 - Introduction/Objective 4
 - Background..... 4
 - Peak Season Hiring Process and Timeline..... 4
 - Finding #1: Timeliness of Filling Open Positions 7
 - Recommendation #1..... 10
 - Recommendation #2..... 10
 - Finding #2: Peak Season Hiring Challenges..... 11
 - Recommendation #3..... 12
 - Management’s Comments..... 12
 - Evaluation of Management’s Comments 13
- Appendices 16
 - Appendix A: Additional Information..... 17
 - Scope and Methodology..... 17
 - Prior Audit Coverage 19
 - Appendix B: Management’s Comments..... 20
- Contact Information 24

Highlights

Objective

Our objective was to assess whether the U.S. Postal Service effectively hired bargaining employees for the peak season periods of 2019 through 2021.

Peak season employees help ensure that Postal Service customers receive quality mail service and parcels on-time during the holiday season. Individuals hired during peak season are non-career bargaining unit employees who supplement existing staffing and work from November until January. These individuals include postal support employee clerks and city carrier assistants. Peak season dates for 2019 through 2021 were:

- 2019: November 10, 2018, through January 4, 2019.
- 2020: November 9, 2019, through January 3, 2020.
- 2021: November 7, 2020, through January 1, 2021. However, this season extended through March 26, 2021 due, in part, to COVID-19.

In September 2019, the Postal Service adopted a fast track hiring process. The goals of fast track hiring included shortening the time for extending job offers and getting applicants on the rolls, as well as eliminating interviews for 67 bargaining positions. Fast track is now considered the normal hiring process for all applicants, not just peak season hires.

Finding

While the Postal Service met its 2021 peak season hiring goals, it did not always fill peak season positions timely. We statistically sampled 203 positions from peak season 2019 to 2021 and found that 195 of them (96 percent) were open longer than the suggested guidance for filling temporary positions.

Specifically, of the 195 positions noted:

- For non-driving positions that did not require an interview, 144 (74 percent) were open over 17 days. Suggested guidance for fast track hiring notes that the Postal Service should fill non-driving positions within 14 to 17 days (from posting to hiring).

- Fifty-one (26 percent) positions with an interview requirement for hire were delayed. Non-driving positions requiring an interview should be filled within 26 days and driving positions requiring an interview should be filled within 29 days.

Peak season positions were not filled timely because the Postal Service did not monitor hiring activities, to include following up with hiring officials when officials did not complete their required activities timely. Additionally, the suggested guidance for temporary positions did not always reflect the actual time spent on completing peak season hiring activities. For example, the Postal Service could not fill positions within suggested guidance timeframes because there could be a large number of candidates to evaluate or delays in interim background investigations. The guidance did not consider these situations.

When the Postal Service does not fill open peak season positions timely, there is an increased risk of those staff shortages negatively affecting service performance, employee availability, overtime, and the workload of other peak season employees.

Additionally, management has a process for projecting resources to manage peak season mail and package volume that varies by facility location, current staffing levels, and operational needs. According to its projections, the number of individuals hired by the Postal Service for peak season 2021 should have been sufficient to provide coverage of the operations. During COVID-19, though, declining mail and increasing package volume created operational challenges that were compounded by workforce and transportation issues. Mail processing facilities did not always have adequate staff to manage the increased package volume during peak season, even though the Postal Service met its 2021 peak season hiring goals.

“While the Postal Service met its 2021 peak season hiring goals, it did not always fill peak season positions timely.”

However, management did not meet its hiring goals for peak seasons 2019 and 2020. The Postal Service hired only 69 percent and 87 percent, respectively, of its projected hires. These issues occurred because the Postal Service did not have a formal, standardized process or strategy in place to address current and past recruiting challenges during peak season.

Further, there were no specific requirements or controls established to assess the return on investment or evaluate the effectiveness of resources spent for peak season recruiting activities.

Management is considering a new strategy for tracking the effectiveness of digital outlets to evaluate funds obligated for recruiting efforts. Additionally, in response to our audit, management is developing finance numbers for Field Recruitment and Veterans Recognition programs to track recruiting expenses. As a result, we will not make a recommendation to track recruiting expenses.

Without a formal strategy to address recruiting challenges, there is an increased risk there will not be enough employees available to achieve maximum productivity and meet service performance standards during peak season, affecting customer service.

Recommendation

We recommend management:

- Establish and implement formal timeframes for peak season hiring activities that reflect actual hiring operations.
- Establish and implement a formal monitoring program over the peak season hiring process to help ensure hiring officials complete their hiring activities in a timely manner.
- Develop a strategy that includes an action plan to address peak season hiring challenges and performance indicators to assess peak season recruiting activities.

Transmittal Letter



OFFICE OF INSPECTOR GENERAL
UNITED STATES POSTAL SERVICE

September 23, 2021

MEMORANDUM FOR: SIMON M. STOREY
VICE PRESIDENT, HUMAN RESOURCES

JENNIFER D. UTTERBACK
VICE PRESIDENT, ORGANIZATION DEVELOPMENT

A handwritten signature in black ink that reads "John E. Cihota".

FROM: *for*
Jason M. Yovich
Deputy Assistant Inspector General
for Supply Management and Human Resources

SUBJECT: Audit Report – Peak Season Hiring
(Report Number 20-316-R21)

This report presents the results of our audit of Peak Season Hiring.

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact John E. Cihota, Director, Human Resources & Support, or me at 703-248-2100.

Attachment

cc: Postmaster General
Vice President, Delivery Operations
Vice President, Logistics
Vice President, Processing & Maintenance Operations
Vice President, Retail & Post Office Operations
Corporate Audit Response Management

Results

Introduction/Objective

This report presents the results of our self-initiated audit of Peak Season Hiring (Project Number 20-316). Our objective was to assess whether the U.S. Postal Service effectively hired bargaining employees for the peak season periods of 2019 through 2021. See [Appendix A](#) for additional information about this audit.

Background

Peak season employees help ensure that Postal Service customers receive quality mail service and their parcels on-time during the holiday season. Individuals hired during peak season are non-career bargaining unit employees¹ who supplement existing staffing and work from November until January. The peak season dates for 2019 through 2021 were:

- 2019: November 10, 2018, through January 4, 2019.
- 2020: November 9, 2019, through January 3, 2020.
- 2021: November 7, 2020, through January 1, 2021. However, the period of peak season extended through March 26, 2021.²

In September 2019, the Postal Service adopted a fast track hiring process. The goals of fast track hiring include shortening the time for extending job offers and getting applicants on the rolls, as well as, eliminating interviews for 67 bargaining positions. Fast track is now considered the normal hiring process for all applicants, not just peak season hires.

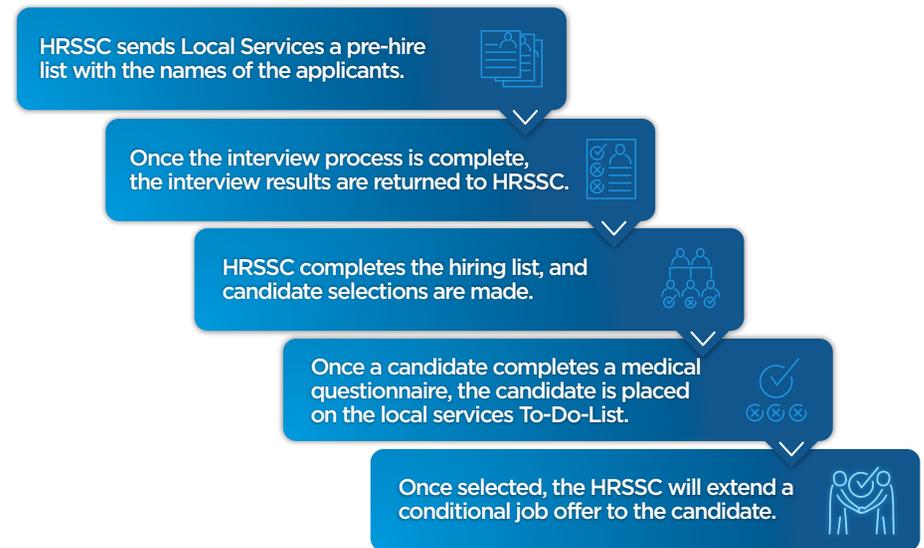
“In September 2019, the Postal Service adopted a fast track hiring process.”

The Human Resources Shared Service Center (HRSSC) is the central processing center for hiring activities at the Postal Service. Hiring is administrated by HRSSC and Local Services.³ Local Services coordinates with facility personnel to complete hiring activities, such as posting job positions externally on the Postal Service website⁴ for bargaining (craft) and non-bargaining applicants. Most positions during the peak season are filled at the bargaining unit level.

Peak Season Hiring Process and Timeline

During peak season, the hiring process is critical to Postal Service operations and mail delivery. As shown in Figure 1, HRSSC and Local Services coordinate to fill open positions during the peak season hiring process.

Figure 1. HRSSC and Local Services Vacancy Coordination



Source: Postal Service management and intranet.

¹ Includes Postal Support Employee (PSE) clerks mail processing; mail handler casualls; city carrier assistants (CCA); holiday term, CCA annuitant holiday term, holiday transportation assistants motor vehicle and tractor trailer operators (annuitant and non-annuitant); and holiday clerk assistants (HCA).

² Due to COVID-19 issues related to leave, the American Postal Workers Union and National Postal Mail Handlers Union worked with the Postal Service to extend the peak season period.

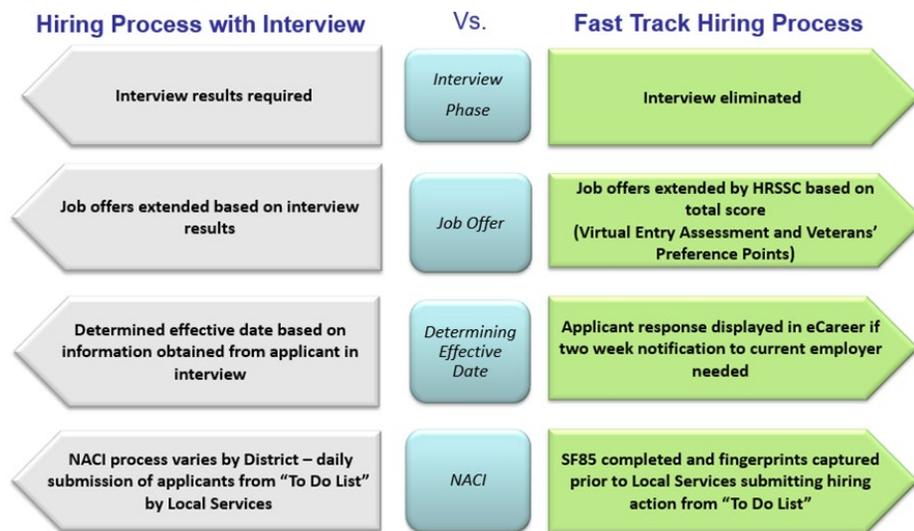
³ District Human Resources (HR) offices that support and coordinate personnel activities. On August 7, 2020, the Postmaster General announced a reorganization that changed the reporting structure for Postal Service area support functions, including HR. The area (and district) managers now report to the Vice President, Human Resources.

⁴ [Postal Service LINK](#), as of July 13, 2021.

The Postal Service’s suggested guidance for posting vacancy announcements, conducting interviews, and selecting applicants for hire (Post-to-Hire) is 26 days for non-driving positions and 29 days for driving positions. The suggested guidance for fast track hiring of positions that do not require interviews is 14 to 17 days for non-driving positions and 19 to 25 days for driving positions. When no interview is required, HRSSC completes the pre-hire list and eCareer⁵ selects and extends the offer to the candidate. Once the applicant accepts the offer, Local Services completes the To-Do-Lists and HRSSC processes the PS Form 50.

The interview and virtual entry (online) assessments⁶ only apply to specific peak season positions. See Figure 2 and Table 1 for information on the hiring process and those positions requiring interviews and/or virtual assessments.

Figure 2. Hiring Process⁷



Source: Postal Service intranet.

Table 1. Hiring Process by Position Title

Position Title	Hiring Process	Assessment
PSE Mail Processing Clerk ⁸	Fast Track Hiring	Virtual Entry Assessment
Mail Handler Casual ⁹	Fast Track Hiring	Virtual Entry Assessment
Mail Handler Assistant ¹⁰	Fast Track Hiring	Virtual Entry Assessment
CCA (Holiday Term) ¹¹	Interview	N/A
Holiday Clerk Assistant ¹²	Interview	N/A
Holiday Transportation Assistant ¹³ Tractor Tractor Operator	Interview	N/A
Holiday Transportation Assistant Motor Vehicle Operator ¹⁴	Interview	N/A

Source: Postal Service management and intranet.

During peak seasons in 2019 through 2021, the Postal Service hired 109,384 employees nationwide. Overall, peak season hiring increased by 26 percent during 2019 through 2020, and 42 percent during 2020 through 2021. See Table 2 for peak season employees hired geographically.

“During peak seasons in 2019 through 2021, the Postal Service hired 109,384 employees nationwide.”

⁵ An online application used by applicants and the Postal Service to process the promotion and hiring activities.

⁶ Set of four assessments on work ethic, resiliency, customer focus, and attention to detail.

⁷ U.S. Postal Inspection Service National Agency Check with Inquiries (NACI).

⁸ Hired for a term not to exceed 360 calendar days per appointment. The workforce is comprised of employees who do not yet have career appointments but who enjoy union representation and negotiated rights.

⁹ Perform mail handling, mail processing, or a combination of such duties on a supplemental basis.

¹⁰ Loads, unloads, and moves bulk mail and performs other duties incidental to movement and processing of mail.

¹¹ Deliver and collect mail on foot or by vehicle in a prescribed area.

¹² Perform any variety of mail processing tasks, such as preparing work area and monitoring mail flow.

¹³ Operates a heavy duty tractor-trailer either in over-the-road, city shuttle service, or trailer spotting operations.

¹⁴ Operates a mail truck on a pre-established route to pick up and transport mail in bulk.

Table 2. Peak Season Employees Hired by Location¹⁵

Location	Peak 2019	Peak 2020	Peak 2021	Total
Retail and Delivery				
Southern Area	3,364	3,403	4,808	11,575
Atlantic Area	2,261	2,603	2,841	7,703
Westpac Area	1,854	2,098	2,633	6,585
Central Area	1,582	1,773	1,848	5,203
Subtotal	9,061	9,877	12,130	31,066
Logistics and Processing				
Eastern Region ¹⁶	10,377	14,372	20,896	45,645
Western Region ¹⁷	6,660	8,711	14,162	29,533
Headquarters Logistics & Processing – Field	880	1,039	1,220	3,139
Fleet Management	-	-	1	1
Subtotal	17,917	24,122	36,279	78,318
Total	26,978	33,997	48,409	109,384

Source: U.S. Postal Service Office of Inspector General (OIG) analysis of Postal Service data.

During peak seasons 2019 through 2021, 94 percent of peak season employees worked as PSE mail processing clerks, holiday clerk assistants, and mail handler casuals and assistants (see [Table 3](#)).

¹⁵ On August 7, 2020, the Postmaster General announced a reorganization that transformed the prior seven Postal Service areas to four retail and delivery areas and two regional processing operations. The locations used in Table 2 are based on the reorganized structure. The employee data was adjusted for FYs 2018 and 2019 to the new structure.

¹⁶ Includes logistics and processing.

¹⁷ Includes logistics and processing.

Table 3. Peak Season Employees Hired by Occupation Title

Occupation Title	Peak 2019	Peak 2020	Peak 2021	Total	Percentage
PSE Mail Processing Clerk	8,018	12,038	21,715	41,771	38.19%
Holiday Clerk Assistant	7,207	7,075	8,176	22,458	20.53%
Mail Handler Casual	9,948	12,476	-	22,424	20.50%
Mail Handler Assistant	-	-	16,054	16,054	14.68%
CCA (Holiday Term)	1,002	1,431	2,074	4,507	4.12%
Annuitant Holiday Clerk Assistant	666	837	295	1,798	1.64%
Annuitant Holiday CCA	81	69	27	177	0.16%
Holiday Transportation Assistant Tractor Trailer Operator	38	44	39	121	0.11%
Holiday Transportation Assistant Motor Vehicle Operator	14	23	27	64	0.06%
Annuitant Holiday Transportation Assistant Tractor Trailer Operator	2	3	2	7	0.01%
Annuitant Holiday Transportation Assistant Motor Vehicle Operator	-	3	-	3	0.003%
Total	26,976	33,999	48,409	109,384	100%

Source: OIG analysis of Postal Service data.

Finding #1: Timeliness of Filling Open Positions

While the Postal Service met its 2021 peak season hiring goals,¹⁸ it did not always fill peak season positions timely. We statistically sampled 203 of 150,936 positions from peak seasons 2019 to 2021 and found that 195 (96 percent) positions were open longer than the suggested guidance for filling temporary positions, as shown in [Table 4](#).

¹⁸ The Postal Service met its 2021 goals due, in part, to the extended peak season period because of COVID-19.

Table 4. Delays Filling Open Positions during Peak 2019 to 2021¹⁹

Days to Fill Vacancies	Peak 2019	Peak 2020	Peak 2021	Total
18-30	17	12	18	47
31-60	40	20	71	131
61-90	4	3	9	16
91-110	0	0	1	1
Total	61	35	99	195

Source: OIG analysis of Postal Service data.

Specifically, of the 195 positions noted:

- For non-driving positions that did not require an interview,²⁰ 144 (74 percent) were open for over 17 days. Suggested guidance for fast track hiring notes that the Postal Service should fill non-driving positions within 14 to 17 days (from posting to hiring). As shown in Table 5 the delays ranged from 18 to 110 days.

Table 5 Delays for Non-Driving, Non Interview Open Positions

Days to Fill Open Positions	Peak 2019	Peak 2020	Peak 2021	Total	Percent of Total
18-30	14	11	18	43	30%
31-60	27	10	52	89	62%
61-90	3	2	6	11	7%
91-110	0	0	1	1	1%
Total	44	23	77	144	100%

Source: OIG analysis of Postal Service data.

¹⁹ Days to Fill Vacancy calculated from the closing date of the vacancy announcement to the processing of the PS Form 50.
²⁰ Positions include PSE mail processing clerks, mail handler assistants, and mail handler casuals.
²¹ Holiday clerk assistant.
²² Such as CCAs, holiday clerk assistants and holiday transportation assistants.

- As noted in Table 6, 51 (26 percent) positions requiring an interview for hire were delayed. Non-driving positions²¹ should be filled within 26 days and driving positions²² within 29 days. Of those 51 positions, 38 non-driving positions were open for over 26 days and 13 driving positions were open for over 29 days. The delays for these non-driving and driving positions requiring an interview for hire ranged from 27 to 78 days.

Table 6. Delays for Interview-Required Open Positions

Days to Fill Open Positions	Peak 2019	Peak 2020	Peak 2021	Total
Non-Driving				
27-60	12	8	14	34
61-78	1	1	2	4
Total	13	9	16	38
Driving				
30-60	4	3	5	12
61-78	-	-	1	1
Total	4	3	6	13
Total	17	12	22	51

Source: OIG analysis of Postal Service data.

- We did not identify any delays in our sample for the open driving positions that did not require an interview.

Based on reviews of the positions in our statistical sample, HRSSC and Local Services did not complete their hiring activities timely. We found that there were delays in completing pre-hire and hiring lists, conducting interviews, selecting a candidate, extending job offers, and generating PS Forms 50. Based on our sample, we noted:

- HRSSC took more than eight days to complete pre-hire lists for 60 positions that did not require an interview, including six that were delayed from 32 to 57 days. According to the Expedited Hiring Flow Chart, the estimated timeframe to complete this hiring activity is eight days or less.²³
- Local Services took more than eight days to complete pre-hire lists for 39 positions that do not require an interview, including four that were delayed from 31 to 38 days. The estimated timeframe to complete this hiring activity was eight days or less.
- HRSSC took more than six days to extend conditional job offers to candidates for three positions, including one that was delayed 33 days. The estimated timeframe to complete this hiring activity was six days or less.
- HRSSC took more than two days on 95 positions to complete a hiring list and select a candidate for hire, including five that were delayed from 34 to 52 days. The estimated timeframe to complete this hiring activity was two days.
- HRSSC took more than five days to generate PS Forms 50 for 186 positions, including 36 that were delayed from 32 to 104 days. The estimated timeframe to complete this hiring activity was five days or less.

“We found that there were delays in completing pre-hire and hiring lists, conducting interviews, selecting a candidate, extending job offers, and generating PS Forms 50 .”

Peak season positions were not filled timely because the Postal Service did not monitor hiring activities, including following up with hiring officials when officials did not complete their required activities timely. Additionally, the suggested guidance for temporary positions did not always reflect the actual time spent on completing peak season hiring activities.

According to management, the process for peak season hiring begins in September each year and candidates begin to be hired in November. Management added that they informally monitored the status of peak season open positions and hiring data in the Workforce Planning and Complement Dashboard and discussed positions

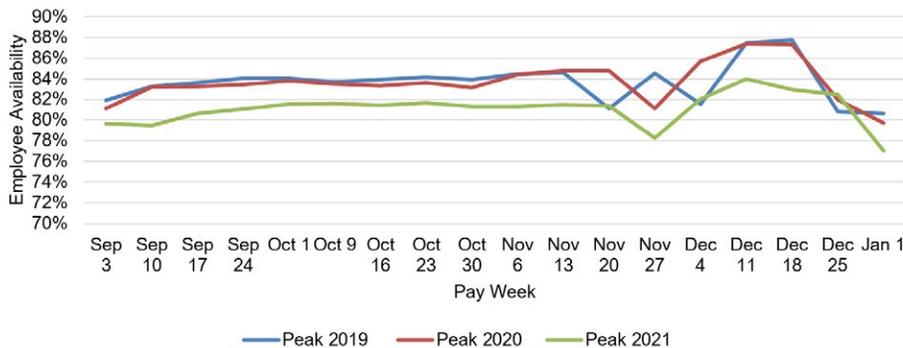
during weekly complement reviews. However, the dashboard does not monitor the timeliness of filling peak season positions. When positions were open for extended periods, district managers and Human Resources personnel work together to resolve staffing issues. Management would escalate more complex concerns and work with the HRSSC until the staffing issue is resolved.

HRSSC officials stated that delays in completing pre-hire lists occurred because pre-hire lists can have up to 999 candidates. The number of candidates affects the time it takes for hiring officials to determine eligibility for employment, conduct interviews, and select a candidate. Issues may also occur when processing PS Forms 50 due to delays in interim NACI background investigation results, Local Services completing their To-Do-Lists, and whether or not the candidate has a medical issue and needs further clearance to start employment. Further, HRSSC explained that eCareer does not capture To-Do-List dates and NACI data is removed from the system after 90 days. However, when we compared these issues with the fast track hiring process' criteria used to determine timeliness, the fast track hiring process did not address these factors.

²³ An internal document used to outline the timeframes for completing hiring activities during peak season.

When the Postal Service does not fill open peak season positions timely, there is an increased risk of those staff shortages negatively affecting service performance, employee availability, overtime, and the workload of other peak season employees. For example, as shown in Figure 3, during peak seasons 2019 through 2021, employee availability, on average, was 83 percent.²⁴ Overall employee availability increased by 0.005 percent during peak season 2019 through peak season 2020. Availability decreased by 3.1 percent during peak seasons 2020 through 2021, primarily due to COVID-19.

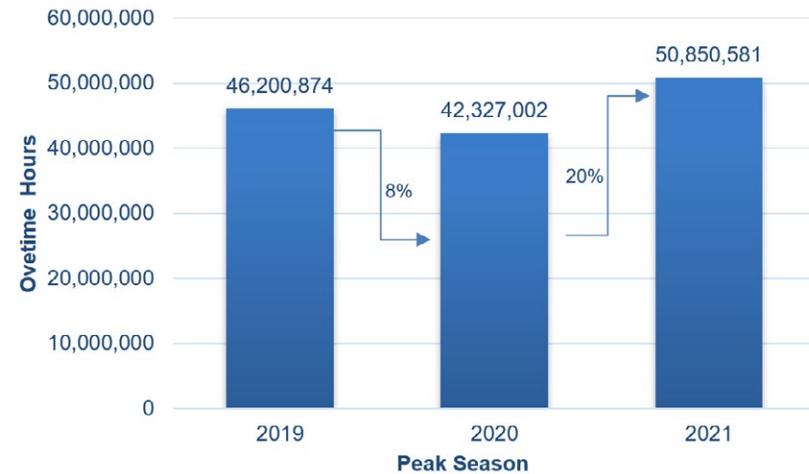
Figure 3. Employee Availability During Peak Seasons 2019 through 2021



Source: Enterprise Data Warehouse (EDW)²⁵ and Time and Attendance System (TACS).²⁶

Postal Service employees worked over 46.2 million, 42.3 million, and 50.8 million, overtime hours during peak seasons 2019, 2020, and 2021, respectively. Additionally, as shown in Figure 4, overtime decreased by 8 percent between peak periods of 2019 and 2020 and increased by 20 percent between peak periods of 2020 through 2021, again primarily due to COVID-19.

Figure 4. Overtime Hours During Peak Seasons 2019 through 2021



Source: EDW.

Formal monitoring of the timeliness of the hiring process should assist the Postal Service in increasing employee availability, reducing overtime hours, and balancing the workload of other employees during peak season.

Recommendation #1

We recommend the **Vice President, Human Resources**, establish and implement formal timeframes for peak season hiring activities that reflect actual hiring operations.

Recommendation #2

We recommend the **Vice President, Human Resources**, establish and implement a formal monitoring program over the peak season hiring process to help ensure hiring officials complete their hiring activities in a timely manner.

²⁴ Employee availability is calculated based on locations noted in Table 2 of this report, where the employees were hired, not the nationwide employee availability averages. The Postal Service's employee availability threshold to keep essential operations running is 60 percent.

²⁵ EDW provides a single repository for managing all of the Postal Service's data assets for reporting and analysis.

²⁶ TACS captures the number of workhours employees spend working in various Postal Service operations.

Finding #2: Peak Season Hiring Challenges

Management has a process for projecting resources to manage peak season mail and package volume that varies by facility location, current staffing levels, and operational needs. They also review same period last year information, workload and employee availability data, current mail and package volume trends, and feedback from local sites and headquarters. According to its projections, the number of individuals hired by the Postal Service for peak season 2021 should have been sufficient to provide coverage of the operations. During COVID-19, though, declining mail and increasing package volume created operational challenges that were compounded by workforce and transportation issues. Mail processing facilities did not always have adequate staff to manage the increased package volume during peak season, even though the Postal Service met its 2021 peak season hiring goals.

However, management did not meet its hiring goals for peak seasons 2019 and 2020. The Postal Service hired only 69 percent and 87 percent, respectively, of its projected hires, as shown in Table 7. The Postal Service did not have a formal, standardized process or strategy in place to address current or past peak season recruiting challenges.

Table 7. Planned and Actual Hires for Peak Seasons 2019 through 2021

Peak Season	Planned Hires	Actual Hires	Planned vs. Actual (Difference)	Planned vs. Actual (Percentage)
Peak 2019	39,181	26,978	12,203	69%
Peak 2020	39,271	33,997	5,274	87%
Peak 2021 ²⁷	48,084	48,409	(325)	101%
Total	126,536	109,384	17,152	86%

Source: OIG analysis of Postal Service data.

²⁷ In December 2021, the Postal Service created Memorandums of Understanding and agreed with Postal Service unions to extend the peak season hiring period for mail processing operations only.

²⁸ We consider this amount other impact, assets or accountable items at risk of loss, because of inadequate internal controls. Examples include, but are not limited to cash, stamps, or money orders.

²⁹ FY 2021 funds were obligated through April 30, 2021.

³⁰ *Mail Delivery & Customer Service Operations – Select Baltimore Unit in Baltimore, MD* (Project Number 21-194).

Further, there were no specific requirements or controls established to assess the return on investment or evaluate the effectiveness of resources spent for peak season recruiting activities. For example, as shown in Table 8, the Postal Service obligated \$340,345²⁸ on radio, digital, and billboard advertising during FYs 2019 through 2021 for field recruiting activities. Management was unable to breakout which funds were obligated for peak season hiring activities.

Table 8. Advertising Funds Obligated for Field Recruiting Activities

Fiscal Year	Amount
2019	\$89,028
2020	121,818
2021 ²⁹	129,499
Total	\$340,345

Source: Postal Service management.

Depending on the facility's hiring needs, the challenges that prevented the Postal Service from meeting its hiring goals included:

- A higher cost of living in certain geographical locations with no locality pay.
- Low unemployment rates in certain cities can make it difficult to find employees.
- Physical contact with other people was limited due to health concerns during COVID-19.
- Staffing challenges due to location of offices.
- Competitors were located in the same areas as the Postal Service.

Additionally, in an ongoing audit in the Baltimore District,³⁰ management discussed staffing shortages related to CCAs. They noted that these shortages

were due, in part, to a hiring stoppage that occurred in April 2020 and a backlog for training. The backlog in training occurred because of limitations in the number that could be trained at their City Carrier Academy and the unavailability of trainers. Although these issues dealt with CCAs outside of the peak season process, inadequate or untimely training could affect peak season CCAs from working in the stations and branches.

To their credit, management has improved their peak season hiring and recruiting strategies. Management implemented several recruiting initiatives, such as using social media, radio advertising, billboard advertising, online job boards,³¹ and virtual job fairs. The Postal Service has also had discussions with a supplier to examine the effectiveness of certain media outlets and a new strategy was formed to emphasize the use of digital media outlets, which allow for better tracking capability. The planned execution date of this new strategy was delayed due to the reorganization of the Postal Service.

Further, management is considering a new strategy for tracking the effectiveness of digital outlets to evaluate funds obligated for recruiting efforts. Additionally, in response to our audit, management is developing finance numbers for Field Recruitment and Veterans Recognition programs to track recruiting expenses. As a result, we will not make a recommendation to track recruiting expenses.

Further, in March 2021, the Postal Service developed a Ten-Year Plan³² to provide the right workforce complement to processing facilities. The Postal Service's goal is to build and retain a diverse pipeline of candidates through enhanced employee development, strengthening succession planning, and improved retention strategies. This initiative has already started with the conversion of more than 10,000 non-career employees to career status initiated in January 2021.

Without a formal strategy to address recruiting challenges, there is an increased risk there would not be enough employees available to achieve maximum productivity to meet service performance standards during peak season, affecting customer service.

Recommendation #3

We recommend the **Vice President, Human Resources**, in coordination with the **Vice President, Organizational Development**, develop a strategy that includes an action plan to address peak season hiring challenges and performance indicators to assess peak season recruiting activities.

Management's Comments

Although management disagreed with our findings, they generally agreed with the recommendations and stated that corrective actions have already been taken because of existing activities.

Regarding recommendation 1, management stated that the Postal Service establishes a timeline that covers the posting dates and expected onboarding dates of peak season employees every year, based on memorandums of understanding established in collective bargaining. Formal timelines and posting schedules are already established and management provided that information to the OIG numerous times, both verbally and via email. Postal Service management stated that they are continually refining the hiring processes for increased efficiencies; however, the Postal Service does not believe it needs to publish an alternate process for peak season.

Regarding recommendation 2, management affirms the necessity of providing frequent and robust peak season reporting on hiring progress through biweekly reporting and daily data updates on the Workforce Planning, Insights & Analytics Hiring Summary dashboard. Additionally, the Postal Service Executive Leadership team reviews the reporting on a biweekly basis. As part of the administrative restructure that began in August 2020, the Human Resources function responsible for hiring is now aligned exclusively under the Vice President, Human Resources, with clearer lines of authority and accountability to execute the Postal Service's hiring processes. Personnel under the Vice President, Human Resources, conduct formal monitoring as part of their duties and responsibilities, using a reporting dashboard, processing transactions, and conducting weekly meetings.

³¹ Examples include recruiters Zip Recruiter, Monster, and Indeed.

³² *Delivering for America: Our Vision and Ten-Year Plan to Achieve Financial Sustainability and Service Excellence*, issued March 23, 2021.

Regarding recommendation 3, management stated that the Postal Service begins strategizing and planning in January of every year, after debriefing of the prior peak hiring season is completed. Human Resources creates a Peak Season plan in collaboration with other functions. Additionally, the Workforce Planning, Insights & Analytics team provides detailed tracking, by finance number and bargaining unit, that monitors performance indicators and identifies sites that need additional assistance or oversight. In January 2021, Human Resources worked with the Marketing team to establish a national marketing campaign designed to increase the number of applicants in support of Postal Service recruitment efforts and in advance of peak season. The Postal Service stated that it provides the Executive Leadership Team with regular updates on challenges and performance indicators.

Postal Service management disagreed with our findings and stated we neglected to discuss or consider several items in our report:

- The full scope and level of hiring over the years.
- The impact of the pandemic.
- Reappointments or non-peak hires.
- Certain challenges, including the near obsolescence of its hiring technology, federal hiring requirements, proper background checks, fluidity of the hiring process, and time periods mandated by collective bargaining agreements.
- The efforts and successes of the Postal Service over the last several years and its work to improve the process in the short- and long-term.

They also stated that we relied on suggested guidance for hiring, noting these internal guidelines are applicable to standard, non-peak season hiring efforts, resulting in an inaccurate representation of the facts. Further, management discussed that the report identified failures where interviews were not performed timely, noting this was the reason the Postal Service adjusted its process to eliminate the interview step. They added that interviews continue to be required for select bargaining unit positions to ensure that management makes appropriate

hiring decisions. A blanket removal of the interview process is neither appropriate nor responsible.

The Postal Service also noted that we were not clear regarding the timing of the delayed hirings, noting that management tracks timeliness from the closing date of the vacancy announcement to the processing of the PS Form 50.

See [Appendix B](#) for management's comments in their entirety.

Evaluation of Management's Comments

The OIG recognizes the challenges the Postal Service faces with its peak season hiring process, particularly considering how the pandemic has tested many employers in the U.S. Although management did not believe additional actions were necessary to address the issues noted in our report, they stated that current practices or other actions already taken satisfy our recommendations.

Management stated in their response that Human Resources created a peak season plan in collaboration with other functions. Management did not provide this plan to us during our audit. However, after the issuance of our draft report, we received information on the Peak Season Readiness Tracking Tool used during the 2022 peak season. Based on the information we received, the tool lists the critical tasks for Mail Processing, Annex Readiness, Maintenance, Logistics and Complement that each plant needs to complete to have a successful peak season. Information is updated weekly and a report is generated to share with the divisions.

Regarding recommendation 1, we acknowledge that the Postal Service did provide the OIG with timelines regarding peak season. Management noted there was no specific guidance in Postal Service handbooks; rather, guidance and presentations issued by headquarters is the policy. Management also noted that they use the same hiring process all year (whether peak or non-peak season). As a result, we received — and noted in our report — suggested guidance that defines, as management described to us, the “ideal timelines” for hiring during peak season.

We understand that many challenges exist in the hiring process, as noted by the Postal Service's response and captured in our report. Although management noted that they do not believe publishing an alternate process for peak season is needed, they suggested that "(m)asuring cycle times for hiring and measuring cycle times for peak hiring would be a more accurate reflection of current state processes." Our audit measured the hiring for peak season against the Postal Service's suggested guidance and found that the Postal Service was generally not meeting its own expectations.

Separating these two processes (peak vs. non-peak season hiring) and adopting separate peak season hiring goals would address the issues identified with the Postal Service's current process. Further, the basis for our recommendation is to establish and implement timeframes for peak season hiring activities that reflect actual peak season hiring operations. We believe that without realistic hiring timeframes to measure timeliness, management cannot accurately assess whether sufficient personnel are available to handle peak season mail volume.

Regarding recommendation 2, as noted in our report, we concur that management does review data and meet to discuss peak season hiring progress and challenges. Our report captured some of these items, including the Workforce Planning and Complement Dashboard, hiring discussions, and the reorganization, all described in management's response. During our discussions with management during the audit, they noted concerns with the accuracy of data on some dashboards. Additionally, as stated in our report, the Workforce Planning and Complement Dashboard does not monitor the timeliness of filling peak season positions.

When positions are open for extended periods, district managers and Human Resources personnel work together to resolve staffing issues. Management escalates more complex concerns to and works with the HRSSC until the staffing issue is resolved. If, for example, the Workforce Planning and Complement Dashboard could be modified to monitor the timeliness of filling peak season positions, the tool could help focus on where timely hiring issues exist in the short

term for a potentially faster resolution and guide future assessment of overall issues and potential corrective actions.

Regarding recommendation 3, we appreciate the early start and ongoing efforts in planning for the next peak season. As described in the response, the Postal Service discussed hiring plans and targets, establishing a national marketing plan to increase the number of applicants, and making periodic updates to the Executive Leadership team. However, absent in the response was any discussion or direction on addressing peak season hiring challenges directly as discussed in recommendation 3. As with the monitoring, we believe a clear, documented plan that identifies the challenges described by the Postal Service in its response and the OIG on how it plans to address these challenges (nationally, regionally, locally) is critical to helping with the success of the hiring process. Further, evaluating documented objectives, goals, and outcomes at the end of peak season could help the Postal Service determine what strategies did or did not work as planned. Management could use this evaluation to adjust the plan for the following year to address new or continued challenges to help mitigate these challenges going forward.

Regarding management's disagreements with the findings, as discussed in our objective and [Appendix A](#), the focus of the report was hiring during the peak seasons of 2019, 2020, and 2021. We did not evaluate non-peak season or reappointment hires. Further, throughout the report, we discuss several challenges experienced by the Postal Service, including COVID-19. Admittedly, we did not include every challenge the Postal Service encounters with the hiring process. We believe that supports the need for a written plan addressing all identified challenges, as discussed in recommendation 3, and to ensure management hires sufficient personnel annually.

Regarding the issues we identified with timely filling of vacancies that require interviews, we separated our sample for those positions requiring interviews and those not requiring interviews. As shown in [Table 6](#), delays in hiring for positions requiring an interview ranged from 27 to 78 days. We did not recommend blanket removal of the interview process, as suggested in management's response.

We acknowledge we could have been clearer in our report regarding the number of days it took to complete the hiring process. Consistent with the Postal Service, we also tracked timeliness from the closing date of the vacancy announcement to the processing of PS Form 50. For clarity, we added a footnote to [Table 4](#) on the timing of the delayed hirings.

Due to the current practices and actions instituted by the Postal Service, we consider all recommendations closed with the issuance of this report. However, we remain uncertain as to whether the actions taken will fully address our findings and intend to follow-up after peak season to evaluate whether the actions and practices described by the Postal Service were effective. Additionally, we have one related ongoing audit that focuses on a broader evaluation of the Postal Service's preparedness for the FY 2022 peak mailing season.³³

³³ Fiscal Year 2022 Peak Mailing Season Preparedness (Project Number 21-206).

Appendices

Click on the appendix title below to navigate to the section content.

- Appendix A: Additional Information 17
 - Scope and Methodology 17
 - Prior Audit Coverage 19
- Appendix B: Management’s Comments 20

Appendix A: Additional Information

Scope and Methodology

Our audit scope consisted of bargaining craft employees hired for the peak seasons 2019 through 2021. We reviewed and analyzed peak season employee hiring data for timeliness including open positions requiring an interview and open positions not requiring an interview. As shown in Table 9, we judgmentally selected 10 facilities³⁴ for each craft and forwarded a questionnaire to district, Human Resources, and plant managers nationwide.

Table 9. Selected Vital Hiring Locations

Region	District	Facility Name
Atlantic	Maryland	Baltimore Processing & Distribution Center (P&DC)
	New York 1	Brooklyn P&DC
		Morgan P&DC
	Maine-New Hampshire-Vermont (ME-NH-VT)	Northern New England District
	North Carolina	Mid Carolina P&DC
Pennsylvania 1	Pennwood Place P&DC	
	Pittsburgh Network Distribution Center (NDC)	
Central	Illinois 1	Chicago P&DC
	Ohio 2	Cincinnati NDC
	Minnesota/North Dakota (MN-ND)	Northland District
	Kansas-Missouri (KS-MO)	Gateway District
Southern	South Carolina	Greenville P&DC
	Texas 2	North Houston P&DC
	Florida 2	Lakeland P&DC
		Tampa P&DC
	Arkansas-Oklahoma (AR-OK)	Oklahoma P&DC

³⁴ Postal Service provided documentation of vital hiring spots from December 14 to 21, 2020, identifying 20 facilities for each peak season by craft where there were hiring problems for Function (F) 1 clerks, F1 mail handlers, F4 clerks, and F2B carriers from each craft.

Region	District	Facility Name
Westpac	Idaho-Montana-Oregon (ID-MT-OR)	Portland P&DC
	Nevada-Utah (NV-UT)	Salt Lake City P&DC
	California 1	San Francisco P&DC
		San Francisco International Service Center
	California 2	San Jose P&DC
	California 3	Oakland P&DC
		Santa Clarita P&DC

To accomplish our objective, we:

- Obtained hiring and recruiting strategies and initiatives established for peak season hiring from Postal Service Headquarters hiring officials.
- Obtained data illustrating trends of operational functions (positions) by districts that included peak seasons 2019 through 2021.
- Reviewed and analyzed Postal Service peak season hiring projections versus actuals for peak seasons 2019 through 2021.
- Reviewed and analyzed 203 of 150,936 Postal Service positions from peak seasons 2019 through 2021.
- Determined the process and timeframes for peak season hiring activities.

- Obtained fast track hiring goals and processes for peak season employees.
- Interviewed union members to determine if peak season employees were covered under collective bargaining agreements.³⁵

We conducted this performance audit from October 2020 through September 2021 in accordance with generally accepted government auditing standards and included such tests of internal controls as we considered necessary under the circumstances. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. We discussed our observations and conclusions with management on August 16 and 20, 2021, and included their comments where appropriate.

³⁵ We met with officials from National Association of Letter Carriers, American Postal Workers Union, and National Postal Mail Handlers Union.

Prior Audit Coverage

Report Title	Objective	Report Number	Final Report Date	Monetary Impact (in millions)
<i>Management Alert – Excessive Wait Times to Accept Commercial Mail Shipments at the Cleveland Processing & Distribution Center</i>	Assess the U.S. Postal Service's efficiency of processing drop shipments at the Cleveland P&DC.	21-071-R21	3/10/2021	None
<i>First Line Supervisor Recruitment and Retention</i>	Assess whether the Postal Service is effectively hiring and retaining first-line supervisors.	19SMG008HR000-R20	4/13/2020	\$16.4
<i>Nationwide Employee Background Screening, August 22, 2019</i>	Assess the Postal Service's employee background screening process to determine whether individuals selected for employment are suitable to maintain the safety and security of the mail and uphold public trust in the Postal Service.	HR-AR-19-003	8/22/2019	None
<i>Sunday Operations – San Francisco District, May 1, 2018</i>	Assess the efficiency of Sunday operations in the San Francisco District.	DR-AR-18-003	5/1/2018	\$5.5

Appendix B: Management's Comments

September 9, 2021

JOSEPH WOLSKI
DIRECTOR, AUDIT OPERATIONS

SUBJECT: Peak Season Hiring (Report Number 20-316-DRAFT)

The Postal Service appreciates the opportunity to review and respond to the draft of the above-referenced report. However, the Postal Service disagrees with the findings of this report and believes existing practices not recognized in the report satisfy the recommendations.

The basic findings of this report are that the Postal Service failed in its peak season hiring efforts in terms of timeliness to hire and oversight of its recruitment efforts' responsiveness to specific hiring challenges and return on investment. It neglects to highlight the scope and level of hiring the Postal Service has accomplished over the last several years, including the hiring from March 2020 to present during the COVID-19 pandemic crisis. During this crisis the Postal Service was called upon to continue to provide service to our customers, at the same time dealing with low employee availability and increased mail volumes. The Postal Service has hired more than 250,000 employees (including seasonal) since March 2020.

The report begins with the premise that the Postal Service failed to meet its hiring goals in 2018, 2019 and 2020; although the report also acknowledges that in 2020 the Postal Service did, in fact, meet its hiring goals. Nevertheless, the numbers cited in the report do not accurately reflect the Postal Service's peak season hiring efforts because they represent only new hires and exclude other peak season employees, such as reappointments. This information was shared with the OIG, both verbally and via e-mail, but was not included in the report. The report also does not account for the non-peak employees who were also hired during peak season and available to assist with peak work.

While highlighting what is perceived as failures, the report further neglects to recognize efforts by the Postal Service to improve hiring despite the scope of its hiring needs and the current near obsolescence of its hiring technology. While investing the time and resources to complete a full technology replacement, the Postal Service has concurrently reviewed and improved its hiring processes to increase our speed-to-hire. Additionally, the Postal Service continues to focus on ensuring we meet the selection and hiring requirements we are subjected to as a federal agency; thereby, fortifying the safety and security of the Postal Service. To that end, the Postal Service must ensure applicants who are veterans are given proper preference in the hiring process and any employee who receives a job offer has a proper background check before having access to the mail. Previous audits by the OIG have charged the Postal Service with improving our methods for ensuring proper background checks and our current processes reflect those efforts.

Similarly, the report relies on suggested guidance for hiring, which notes that the Postal Service should fill non-driving positions within 14 to 17 days (from posting to hiring) and driving positions within 26 days. However, the report does not specify the 17 days is posting close date to process date for the first Form 50 on the requisition. Moreover, the report does not recognize that these internal guidelines are set for completing hiring activities during the Postal Service's standard, non-peak hiring efforts (i.e., fast track hiring, which was implemented in September 2019 and is now the Postal Service's standard). As the focus of this report was peak hiring, which generally requires extraordinary efforts above and beyond our standard hiring processes, it appears the report is attempting to draw conclusions applying the standard hiring process and timelines to an extraordinary period of time for our seasonal hires; resulting in an inaccurate representation of the facts. The report notes, but does not integrate into its findings, that peak positions are limited in authorization to specific time periods as mandated by collective bargaining agreements.

The report itself focuses on distinct steps but fails to recognize the following:

- The Postal Service does not track time to extend a job offer. The Postal Service tracks posting close date to the first form 50 processed date. This information was shared with the OIG, both verbally and via e-mail, but was not included in the report.
- The hiring process is fluid. If applicants fall out of the hiring process, additional applicants will be extended job offers until the complement needs are met. This may take multiple returns to the same requisition.
- When a job posting, or requisition is created, certain steps in the process may be repeated. For instance, a number of job offers are extended after the application and assessment steps are completed. If applicants decline the job, fail to accept the job, or are otherwise rejected, secondary job offers are made to replace those candidates in the process.
- The report cites identified failures where interviews were not performed timely. This was the reason the Postal Service adjusted its process to eliminate the interview step. Your findings concur with our decision to eliminate the interview whenever possible. Interviews continue to be required for select bargaining unit positions to ensure appropriate hiring decisions are made. A blanket removal of the interview process is neither appropriate, nor responsible.
- The Postal Service continues to seek improvement in all aspects of its hiring processes. The recent restructure of the Postal Service has improved line-of-sight for Human Resources, providing greater visibility and more control on how the hiring process is executed for the organization.
- The hiring process at the Postal Service is dependent on manual work to fully execute a hire, leaving us with variation to include delays or processing errors. The error rate for an organization and volume of this magnitude is not indicative of a failed process.

The Postal Service traditionally begins posting in August to ensure we can successfully process thousands of applications, specific by craft, understanding we must often make multiple returns for replacement applicants within the same requisition. Designated peak employees report to work as authorized by collective bargaining agreements. Based on this, many peak employees will be processed well beyond the normal processing cycle for hiring. Measuring cycle times for hiring and measuring cycle times for peak hiring would be a more accurate reflection of current state processes. This information was shared with the OIG, both verbally and via e-mail, but was not included in the report.

Ultimately, the Postal Service's goal is to ensure we have the right candidates, at the right time to meet the needs of the organization. While we have continued to push for speed, hiring speed for speed's sake is not the goal. The Postal Service acknowledges its challenges with hiring processes. This report fails to recognize the efforts and successes of the Postal Service over the last several years and its work to improve the process in the short-term, as outlined above, and in the long-term with the acquisition of a new applicant tracking system.

Recommendation [1]:

We recommend the Vice President, Human Resources, establish and implement formal timeframes for peak season hiring activities that reflect actual hiring operations.

Management Response/Action Plan:

The Postal Service has already satisfied this recommendation for the crucial hiring activities. The Postal Service establishes a timeline that covers the posting dates and expected onboarding dates of "peak employees", every year, based on the MOUs established in collective bargaining. The Postal Service's Human Resource function, under the VP of Human Resources, directs the posting, job offers and other steps in hiring to accomplish the goal of onboarding the employees as needed. Formal timelines and posting schedules are already established and that information was provided to the OIG numerous times, both verbally and via email. This endeavor is a multi-functional collaboration with Retail & Delivery, Logistics & Processing, Marketing, Organization Development, and Human Resources. As noted above, the Postal Service is continually refining its processes to find opportunities for increased efficiencies. The Postal service does not believe publishing an alternate process for peak is needed.

Recommendation [2]:

We recommend the Vice President, Human Resources, establish and implement a formal monitoring program over the peak season hiring process to help ensure hiring officials complete their hiring activities in a timely manner.

Management Response/Action Plan:

The Postal Service believes current practices satisfy this recommendation. The Postal Service affirms it has always provided frequent and robust peak season reporting on hiring progress. Through bi-weekly reporting and daily data updates on the Workforce Planning, Insights & Analytics Hiring Summary dashboard. Additionally, the Postal Service Executive Leadership team reviews the reporting on a bi-weekly basis.

As part of the administrative restructure begun in August 2020, the Human Resources function responsible for hiring is now aligned exclusively under the Vice President, Human Resources, with clearer lines of authority and accountability to execute the Postal Service's hiring processes. Formal monitoring of the hiring process includes, but is not limited to:

- Senior Director, Human Resources (HR) Field Operations: Oversees hiring operations in the field and monitors the hiring status and progress in the field daily utilizing a standard reporting dashboard; holds two meetings per week on complement with direct reports and various operational partners.
- Senior Director, National HR - oversees the HR Shared Service Center, which is responsible for processing the transactions associated with the hiring processes; on a weekly basis, meets with Vice President, Human Resources, Inspection Service Security Investigations Service Center team, and various operational partners.
- Director, Workforce Planning, Analytics & Insights: provides reports and insights related to hiring processes; meets weekly with HR counterparts to report on hiring targets established for peak.

Recommendation I3:

We recommend the Vice President, Human Resources, in coordination with the Vice President, Organization Development, develop a strategy that includes an action plan to address peak season hiring challenges and performance indicators to assess peak season recruiting activities.

Management Response/Action Plan:

The Postal Service believes its existing practices satisfy this recommendation. The Postal Service begins strategizing and planning in January of every year, after debriefing of the prior peak hiring season is completed. Human Resources creates the peak plan in collaboration with Retail & Delivery, Logistics & Processing, Marketing, and Organization Development. Additionally, all groups hold at least weekly meetings around peak hiring plans and current success to target. Additionally, the Workforce Planning, Insights & Analytics team provides detailed tracking, by finance number and bargaining unit, monitoring performance indicators and identifying sites that are in need of additional assistance or oversight.

In January 2021, Human Resources worked with the Marketing team to establish a national marketing campaign designed to increase the number of applicants in support of our recruitment efforts and in advance of peak season. This plan addresses the peak hiring needs of the Postal Service and has trackable tools to indicate its impact on Postal Service recruiting. This plan is a multi-functional collaboration with Retail & Delivery, Logistics & Processing, Marketing, Organization Development, and Human Resources. The Postal Service's Executive Leadership Team is provided regular updates on challenges and performance indicators to oversee that peak season recruiting activities remain on target.

Responsible Official:



Simon Storey
Vice President, Human Resources



Jennifer D. Utterback
Vice President, Organization Development

cc: *Manager, Corporate Audit Response Management*

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