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First-Line Supervisor Resources
Report Number 19SMG010HR000-R20
Highlights

Objective

U.S. Postal Service first-line supervisors oversee the day-to-day operations that drive services and delivery of mail to the public. As such, they significantly contribute to ensuring customers receive quality service and receive mail and parcels on time and in good condition.

For our audit, a first-line supervisor is defined as the first layer of management directly above the employee. We focused only on customer service, distribution, maintenance, and transportation operations supervisors at retail and delivery and processing facilities. As of September 28, 2018, the Postal Service had a complement of 18,433 permanent first-line supervisors plus an additional 4,394 employees who acted as supervisors detailed for a limited period to perform supervisory duties and responsibilities.

A first-line supervisor has direct responsibility for ensuring work is accomplished by employee efforts. Factors that contribute to the success of first-line supervisors include having an effective organizational structure, a clear understanding of job responsibilities, the right qualifications, an optimal span of control, and adequate training opportunities.

We conducted site visits at 18 facilities (12 retail and delivery facilities and six processing facilities) in three districts within two Postal Service areas. Additionally, we randomly selected 204 acting first-line supervisors to determine if they had Postal Service Forms 1723 authorizing them to become supervisors and validate that they received the correct higher-level pay. We also surveyed 500 randomly selected permanent and acting first-line supervisors and received responses from 217 of them.

Our objective was to assess whether Postal Service first-line supervisors are adequately prepared and positioned to meet operational goals and objectives. Specifically, we assessed first-line supervisor training, responsibilities, and qualifications. We address first-line supervisor organizational structure and span of control in a separate audit.

Findings

Opportunities exist for the Postal Service to better prepare and position its first-line supervisors to meet operational goals and objectives. Specifically, the Postal Service did not adequately manage acting first-line supervisor authorization and their higher-level pay or ensure first-line supervisors received adequate training to execute their job responsibilities. Specifically:

■ Sixty-two percent of the randomly selected acting first-line supervisors (or 127 of 204) did not have the required documentation (Postal Service Form 1723) authorizing them to become supervisors and receive higher-level pay.

■ Eighteen percent of the acting first-line supervisors who had the required documentation (or 14 of 77) did not receive higher-level pay.

■ Thirteen percent of permanent first-line supervisors (or 2,251 of 18,433) did not have documented support identifying that they took mandatory supervisory training or other supervisory training courses.

Additionally, neither management nor policy required acting first-line supervisors who worked in a supervisory capacity for at least 30 consecutive days to take mandatory supervisory training. Based on interview results, we concluded that 30 consecutive days is an optimal benchmark for required mandatory training as supervisory tasks and responsibilities are no longer temporary or short-term at that point. Further, the Postal Service did not have updated and descriptive job responsibilities and qualifications for first-line supervisors.

These issues occurred because the Postal Service did not have adequate controls in place to ensure first-line supervisors: (1) are properly assigned and authorized to be supervisors and receive higher-level pay, (2) receive mandatory...
training or other supervisory training, and (3) have descriptive and updated job responsibilities and qualifications.

Ineffective or nonexistent controls related to supervisory pay, training, job responsibilities, and qualifications increase the risk that first-line supervisors are not prepared and positioned to effectively execute their supervisory duties. This could affect employee performance and morale, thus affecting operations and hindering the Postal Service from meeting its organizational goals. There are also financial implications — we estimated the Postal Service paid $1.9 million in unauthorized higher-level pay in fiscal year 2018.

**Recommendations**

We recommended management:

- Correct the fourteen instances in which acting first-line supervisors did not receive the correct higher-level pay and implement a control to ensure appropriate documentation (Postal Service Forms 1723) is completed, approved, and retained.
- Update *Employee and Labor Relations Manual 47, Section 417* to require acting first-line supervisors receive higher-level pay for all workdays documented on the Postal Service Form 1723.
- Implement an oversight control to ensure all permanent first-line supervisors take mandatory supervisory training within a designated period from the appointment.
- Require supervisory training for all acting first-line supervisors who act for over 30 consecutive days.
- Update current first-line supervisor job responsibilities and qualifications and develop a process to perform periodic reviews and updates.
MEMORANDUM FOR: SIMON M. STOREY
VICE PRESIDENT, EMPLOYEE
RESOURCE MANAGEMENT

KEVIN L. MCADAMS
VICE PRESIDENT, DELIVERY AND
RETAIL OPERATIONS

DR. JOSHUA D. COLIN
VICE PRESIDENT (A), PROCESSING AND
MAINTENANCE OPERATIONS

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

SUBJECT: Audit Report – First-Line Supervisor Resources
(Report Number 19SMG010HR000-R20)

This report presents the results of our audit of First-Line Supervisor Resources.

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

Attachment

cc: Postmaster General
Corporate Audit Response Management
Results

Introduction/Objective
This report presents the results of our self-initiated audit of First-Line Supervisor Resources (Project Number 19SMG010HR000). Our objective was to assess whether U.S. Postal Service first-line supervisors are adequately prepared and positioned to meet operational goals and objectives. Specifically, we examined first-line supervisors’ training, responsibilities, and qualifications. We addressed first-line supervisor authorized positions and span of control in a separate audit.

Our focus was Customer Service supervisors at retail and delivery facilities; and distribution, transportation, and maintenance operation supervisors at processing facilities during fiscal years (FY) 2016 through 2018. We conducted site visits at 18 facilities (12 retail and delivery facilities and six processing facilities) in three districts within two Postal Service areas. Additionally, we randomly selected 204 acting first-line supervisors to determine if they had Postal Service Forms 1723 authorizing them to become supervisors and to validate that they received the correct higher-level pay. We also surveyed 500 randomly selected permanent and acting first-line supervisors and received responses from 217 of them.

See Appendix A for additional information regarding the audit.

Background
Postal Service first-line supervisors oversee the day-to-day execution of operations that drive services and delivery of mail to the public. As such, they significantly contribute to ensuring that customers receive quality service and that mail and parcels are received on time and in good condition. A first-line supervisor is responsible for ensuring that employees complete their daily assignments. For our audit, a first-line supervisor is defined as the first layer of management directly above the employee.

As of September 28, 2018, the Postal Service had a complement of 18,433 permanent first-line supervisors and an additional 4,394 acting supervisors detailed into the position for a limited period to perform supervisory duties and responsibilities. As indicated in Table 1, our scope included first-line supervisors at the facility level.

Table 1: First-Line Supervisor by Facility Type

<table>
<thead>
<tr>
<th>Retail and Delivery Facilities</th>
<th>Processing Facilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Services Supervisor</td>
<td>Distribution Operations Supervisor</td>
</tr>
<tr>
<td>Maintenance Operations Supervisor</td>
<td></td>
</tr>
<tr>
<td>Transportation Operations Supervisor</td>
<td></td>
</tr>
</tbody>
</table>

Factors that contribute to the success of first-line supervisors include having adequate training opportunities, a clear understanding of job responsibilities, and the right qualifications.

**Training**

The Postal Service established the New Supervisor Program that consists of 16 weeks of specialized training. All permanent first-line supervisors are required to participate in the New Supervisor Program, which combines blended learning via classroom, online, and on-the-job training. The program provides new supervisors with an opportunity to gain practical experience while learning new management skills related to understanding the position, planning, and organizing. It includes:

- General leadership and administrative courses (weeks 1 and 2).
- Specific training courses based on supervisor position (weeks 3 and 4).
- On-the-job training, assessments, and manager evaluations (weeks 5-16).

**Job Responsibilities and Qualifications**

First-line supervisors are responsible for completing a wide variety of tasks each day. Some responsibilities are consistent for all first-line supervisors while others vary depending on function and facility type. Additionally, the Postal Service established qualifications for each type of first-line supervisor to ensure they know the different job skills needed to succeed.

**Finding #1: Higher-Level Pay for Acting First-Line Supervisors**

Appropriate supporting documentation was not available to support higher-level pay for all acting first-line supervisors. Facility managers did not maintain a signed Postal Service (PS) Form 1723 for 127 of 204 randomly sampled supervisors (or 62 percent), with an estimated $115,220 in total higher-level pay. Not creating and maintaining a signed Postal Service Form 1723 can lead to employees receiving incorrect higher-level pay or not being paid at the higher-level at all.

Additionally, of the 77 acting first-line supervisors who did have a documented Postal Service Form 1723, 14 (18 percent) did not receive the correct higher-level pay. Specifically, 13 supervisors (17 percent) were underpaid for 1,705 workhours totaling $1,902 and one supervisor (1 percent) was overpaid for 66 workhours totaling $73. The average number of days with incorrect pay for the 14 supervisors was 15 work days with a range of two work days ($22 of incorrect pay) to 59 work days ($563 of incorrect pay).

"Additionally, of the 77 acting first-line supervisors who did have a documented Postal Service Form 1723, 14 (18 percent) did not receive the correct higher-level pay."

During site visits in the Seattle District, we identified an instance where an acting first-line supervisor did not receive higher-level pay for the full 90 calendar days (65 work days) she was authorized on PS Form 1723. The supervisor received higher-level pay for 35 of the 65 workdays but did not receive higher-level pay for 30 workdays resulting in $253 of incorrect pay.

Higher-level pay assignments are entered into the Time and Attendance Collection System (TACS) as follows:

- **For assignments lasting less than one full week.** A facility manager enters short-term higher-level assignments into TACS manually.
- **For assignments lasting one week or longer.** Extended higher-level assignments are either sent to the TACS Help Desk to be entered as temporary assignments in the TACS Employee Maintenance Module or a facility manager creates a PS Form 1723 directly in TACS using the PS Form 1723 Module.

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1. Employee Labor Relations Manual 47 (ELM), Sections 417.334(b) and 417.335(a), authorizing the temporary assignment and higher-level pay.
2. A system that facility managers use to automate the collection TACS information.
4. TACSPak Guidelines for Timekeeping in the United States Postal Service and TACS Help Desk Website.
Proper completion of a PS Form 1723 is vital, otherwise employees may be paid an incorrect higher-level or not paid at the higher level at all, which could result in a payroll adjustment. Postal Service facility managers did not consistently follow the procedures in place regarding the assignment and authorization of employees as acting first-line supervisors. In addition, there are no systems controls in TACS to ensure facility managers properly authorize higher-level pay for acting first-line supervisors based on dates documented on PS Form 1723.

By not having appropriate supporting documentation to substantiate that employees are authorized as acting first-line supervisors and therefore entitled to receive higher-level pay, we estimated $4.3 million in unsupported pay for FYs 2017-2018. For FYs 2019-2021, we forecast an additional $2.1 million in unsupported higher-level pay due to a lack of proper authorization.

Because facility managers did not follow the prescribed procedures for higher-level pay, 14 of 77 (or 18 percent) acting first-line supervisors from our sample did not receive correct higher-level pay totaling $1,975 and an acting first-line supervisor from the Seattle District did not receive an estimated $253 in higher-level pay.

By not completing and maintaining appropriate documentation as required, there is an increased risk of making payroll adjustments, which can cost the Postal Service several million dollars per year. In FY 2019, the Postal Service processed over one million payroll adjustments in which many were avoidable. This delays the time it takes to get employees paid correctly and costs the Postal Service time and money to process. Mistakes in recording higher-level pay are a major cause for these adjustments.

**Recommendation #1**
We recommend the Vice President, Employee Resource Management, correct the fourteen instances in which acting first-line supervisors did not receive the correct higher-level pay and implement a control to ensure appropriate documentation (Postal Service Form 1723) is completed, approved, and retained in accordance with the document retention policy requirement of three years.

**Recommendation #2**
We recommend the Vice President, Employee Resource Management, update the Employee and Labor Relations Manual 47, Section 417 to require acting first-line supervisors receive higher-level pay for all workdays documented on the Postal Service Form 1723.

**Finding #2: First-Line Supervisor Training**
Overall, we found that permanent first-line supervisors did not always participate in mandatory supervisory training, acting first-line supervisors were not required to participate in any supervisory training, and the on-the-job training portion of the New Supervisor Program was not properly implemented.

**Permanent First-Line Supervisor Training**
First-line supervisors did not always participate in supervisor training and it was not always required. Of the 18,433 permanent first-line supervisors at the end of FY 2018, we could not obtain supporting documentation for 2,251 (or 12 percent) to validate they participated in the New Supervisor Program, Associate Supervisor Program, or other supervisory training course (see Table 2). The data we analyzed did not have start dates for first-line supervisors; therefore, we were unable to identify which supervisors were hired during 2010 through 2012, the period when mandatory supervisory training was not required. As a result, we did not exclude these supervisors from our analysis.

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5 We considered pay period 20 to be the end of FY 2018.
Table 2: First-Line Supervisor Training Records

<table>
<thead>
<tr>
<th>Description</th>
<th>Supervisors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Number of First-Line Supervisors</td>
<td>18,433</td>
</tr>
<tr>
<td>Less Number of First-Line Supervisors who Received Supervisor Training&lt;sup&gt;6&lt;/sup&gt;</td>
<td>12,140</td>
</tr>
<tr>
<td>Total Number of First-Line Supervisors with No Supervisory Training Records</td>
<td>6,293</td>
</tr>
<tr>
<td>Less Number of First-Line Supervisors Hired Prior to FY 2004&lt;sup&gt;7&lt;/sup&gt;</td>
<td>4,042</td>
</tr>
<tr>
<td>Total Number of First-Line Supervisors with No Supporting Documentation to Validate Supervisory Training</td>
<td>2,251</td>
</tr>
</tbody>
</table>

Source: Training records provided by Postal Service Headquarters (HQ).

From 2013 through June 2019, the New Supervisor Program was the mandatory training course for all first-line supervisors; however, supervisory training requirements have changed through the years. See Table 3 for first-line supervisor training requirements from 1997 to present.

Table 3: First-Line Supervisor Mandatory Training Requirements

<table>
<thead>
<tr>
<th>Timeframe</th>
<th>Mandatory Training</th>
<th>Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997-2009</td>
<td>Associate Supervisor Program</td>
<td>Employees must complete training before being assigned to a first-line supervisor position.</td>
</tr>
<tr>
<td>2010-2012</td>
<td>No mandatory training requirement.</td>
<td></td>
</tr>
<tr>
<td>2013-2019</td>
<td>New Supervisor Program</td>
<td>Employees must complete training being assigned to a first-line supervisor position.</td>
</tr>
</tbody>
</table>

Source: ASP and NSP websites and interviews with Postal Service HQ personnel.

Ensuring that first-line supervisors receive supervisor training is important for the Postal Service to meet its goals. Effective training of first-line supervisors can reduce grievances, increase productivity, and increase retention.

We surveyed 500 randomly selected first-line supervisors to obtain information about their day-to-day tasks including training. We sent the survey to the four types of first-line supervisors, both permanent and acting, in our audit scope and received responses from 217 of them (or 43 percent). Based on survey results, 75 of 217 respondents (or 35 percent) felt they were somewhat trained to carry out their first-line supervisor duties.

However, 25 of 217 respondents (or 11 percent) felt they were not trained at all to carry out their duties as a first-line supervisor. Additionally, 68 of 194<sup>8</sup> (or 35 percent) indicated they did not complete the mandatory New Supervisor Program or Associate Supervisor Program training until at least six months after they were hired as a permanent first-line supervisor.

This issue occurred because Postal Service facility managers did not have a tracking mechanism to ensure new permanent first-line supervisors received required training. Interview and survey results revealed that facility management placed more emphasis on facility operations and less on ensuring new permanent first-line supervisors received the required supervisor training.

Recommendation #3
We recommend the Vice President, Employee Resource Management, implement an oversight mechanism to ensure all permanent first-line supervisors take mandatory supervisory training within a designated period after being appointed.

“Based on survey results, 75 of 217 respondents (or 35 percent) felt they were somewhat trained to carry out their first-line supervisor duties.”

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<sup>6</sup> We obtained training records via various training databases. Supervisors participated in the Associate Supervisor Program, New Supervisor Program training, or other supervisor training courses.

<sup>7</sup> Prior to FY 2004, training records were not required to be maintained in a database and were maintained via hardcopy. These employees training records may or may not have been maintained via hardcopy.

<sup>8</sup> Acting first-line supervisors could not answer this question since they were not required to take mandatory supervisor training.
Acting First-Line Supervisor Training

Neither management nor policy required acting first-line supervisors who worked at least 30 consecutive days in a supervisory capacity to participate in the New Supervisor Program or any other supervisory training. Based on interview results, we concluded that 30 consecutive days is an optimal benchmark for required mandatory training as supervisory tasks and responsibilities are no longer temporary or short-term at that point. All acting first-line supervisors, regardless of how long they have been in the acting position, were eligible to participate in the New Supervisor Program; however, facility management decided whether the supervisor could participate. All 24 acting first-line supervisors we interviewed did not participate in the New Supervisor Program.

The Seattle District created a two-day acting first-line supervisors training course titled Principled Leadership Training. This training course includes topics such as supervisory skills, TACS, and labor relations to help prepare acting first-line supervisors. The other districts that we visited did not have a local acting first-line supervisor training program.

This issue occurred because the New Supervisor Program training is not mandatory and is assigned at the discretion of facility managers and there is no other mandatory training for acting first-line supervisors. Based on our interviews, facility management stated that facilities generally did not allow first-line supervisors to participate in supervisory training because they were understaffed and needed them at their facility. Further, due to understaffing, they could not allow acting first-line supervisors to participate in the New Supervisor Program as they were needed to help ensure the mail was delivered on time.

**Recommendation #4**

We recommend the Vice President, Employee Resource Management, require supervisory training for all acting first-line supervisors who act over 30 consecutive days.

On-the-Job Training

The on-the-job portion of the New Supervisor Program, which consists of employees executing their supervisory job responsibilities in real time, had not been properly implemented. Under the program, after weeks seven and 14, the supervisor’s manager determines whether the supervisor adequately performed the duties required by the position. If the supervisor passes this level, they finish the remaining OJT and graduate from the program. However, specific hands-on training with an on-site trainer was not required. In our interviews, nine of 28 permanent first-line supervisors who completed the New Supervisor Program (or 32 percent) stated there was either a lack of communication with their managers about the OJT or they would have preferred the OJT include more hands-on training.

According to best practices on implementing an on-the-job training program, a structured approach to OJT can effectively address a variety of organizational, training, and employee challenges versus leaving employees to figure things out on their own through trial and error. In the summer of 2019, the Postal Service recognized the need for stronger OJT and took corrective action regarding this issue with the NSP. The OJT portion of the new program includes a guide that provides specific instructions on how to ensure supervisors receive comprehensive OJT learning experiences such as requiring the on-site trainer to complete an OJT checklist. Therefore, we are not making any recommendations regarding OJT.

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10 The new mandatory first-line supervisor training implemented in July 2019.
Finding #3: First-Line Supervisor Job Responsibilities and Qualifications

The Postal Service did not have updated and descriptive job responsibilities and qualifications for first-line supervisors. While Postal Service HQ created lists of job responsibilities and qualifications for the four types of first-line supervisors in our scope, these lists have not been adequately reviewed and updated as displayed in Table 4.

Table 4: Job Responsibilities and Qualification Updates

<table>
<thead>
<tr>
<th>First-Line Supervisor Type</th>
<th>Last Updated (Job Responsibilities)</th>
<th>Last Updated (Qualifications)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Service</td>
<td>2002</td>
<td>2013</td>
</tr>
<tr>
<td>Distribution Operations</td>
<td>1992</td>
<td>2013</td>
</tr>
<tr>
<td>Transportation Operations</td>
<td>2002</td>
<td>2002</td>
</tr>
<tr>
<td>Maintenance Operations</td>
<td>2013</td>
<td>2002</td>
</tr>
</tbody>
</table>

Source: Job Descriptions Online System.

Additionally, job responsibilities did not effectively describe current work tasks and expectations. For example, at four of the 12 retail and delivery facilities we visited (or 25 percent), facility management established retail and delivery-specific Customer Service supervisors. One of the four facilities further delineated the delivery-specific Customer Service supervisors into city and rural carrier supervisors. Although all were Customer Service supervisors, many of these supervisors performed specific functions in their facility under this role, while others performed all supervisor responsibilities in rotation at the facility. However, the job responsibilities for these positions were generally very broad, thus not specifying actual daily duties for some supervisors.

A U.S. government research study stated that management should update job descriptions once a year. Additionally, according to the article, by outlining the responsibilities of a position clearly, new hire performance can improve by over 11 percent. This also allows organizations to identify the education, experience, and skills/competencies required for a position and, as a result, design more targeted employee training and development opportunities. Additionally, best practices for job descriptions include having regular reviews for updates and accuracy to help achieve organizational goals, understanding essential functions of the job, and providing support for employee performance evaluations. Although there should be an annual review of job descriptions, some circumstances may require more frequent updates. Job descriptions should be reviewed by both the manager and employee, as well as Human Resources for accuracy. In addition, a disclaimer may be necessary if the responsibilities listed are not comprehensive, if there are additional tasks assigned, or if the scope of the job changes.

Postal Service HQ Human Resources does not have a process in place to ensure job responsibilities or qualifications are periodically updated. They do not review the job responsibilities or qualifications until the Postal Service HQ Operations personnel request a review.

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12 Job responsibilities and qualifications are included within the overall job description.
13 Christine McDade, Why it is Important to Update Job Descriptions, dated April 23, 2016.
Defining specific job roles, responsibilities, and qualifications is a key part of an organization’s ability to successfully manage employees and define accountability. Not periodically reviewing and updating first-line supervisors’ job responsibilities and qualifications increases the risk that supervisors’ expectations are not aligned with required tasks. Additionally, the Postal Service may not hire the most qualified supervisors. This could affect employee performance and morale thus hindering the Postal Service from meeting its organizational goals.

**Recommendation #5**
We recommend the Vice President, Employee Resource Management, in coordination with the Vice President, Delivery and Retail Operations, and Acting Vice President, Processing and Maintenance Operations, update the current first-line supervisor job responsibilities and qualifications and develop a review process to include frequencies for conducting periodic reviews and updates.

**Management’s Comments**
Management agreed with recommendations 1, 3, and 5; however, they did not agree with recommendations 2 and 4.

Regarding recommendation 1, management stated that they will ensure employees receive correct pay for higher-level assignments and communicate to the field that existing procedures be put in place to ensure supervisors are properly compensated. The target implementation date is April 2020.

Regarding recommendation 2, management disagreed that a change in ELM Section 417 is necessary. They stated that Section 417.334B reads that bargaining unit employees are authorized higher-level pay, via approved PS Form 1723, for all time worked on higher-level assignments.

Regarding recommendation 3, management agreed to increase oversight to ensure that all permanent first-line supervisors receive mandatory training within six months of the processed PS Form 50. Management also plans to escalate noncompliance of this training to stakeholders quarterly. The target implementation date is April 2020.

Regarding recommendation 4, management disagreed with requiring supervisory training for all acting first-line supervisors in the position for over 30 days, stating they receive on-the-job training. Yet they also stated that they are currently developing a three-day “boot camp” training for these acting supervisors scheduled to start in the summer of 2020.

Finally, regarding recommendation 5, management agreed to update current first-line supervisor job responsibilities and qualifications and develop a review process. They have started a job analysis project to review these responsibilities and qualifications. The target implementation date is September 2020.

See Appendix B for management’s comments in their entirety.

**Evaluation of Management’s Comments**
The OIG considers management’s comments responsive to recommendations 1, 3, 4, and 5 and corrective actions should resolve the issues identified in the report. However, we consider management’s comments regarding recommendation 2 to be unresponsive.

Regarding management’s disagreement with recommendation 2 and the OIG’s statement to update the ELM to ensure acting first-line supervisors receive accurate pay for the days worked, we believe the Postal Service needs a policy or mechanism to ensure that PS Form 1723 dates match those in the TACS system. This would ensure that acting first-line supervisors receive higher-level pay for all days documented on PS Form 1723. We discussed this concern with management prior to issuance and they indicated that updating the policy was needed rather than a change to the system. As stated in the report, proper completion of a PS Form 1723 is vital or employees may be paid an incorrect higher level or not paid at the higher level at all. With management agreeing to make changes to employee pay based on recommendation 1, the OIG believes updating the policy is also needed; therefore, we view the disagreement on recommendation 2 as unresolved and plan to pursue it through the audit resolution process.
Regarding management’s disagreement with recommendation 4 and the OIG’s statement to require supervisory training for all acting first-line supervisors who act over 30 consecutive days, while management disagreed, we believe their intended action to develop an acting supervisor “boot camp” training course will mitigate this issue and satisfies the intent of the recommendation. Therefore, we view this disagreement as responsive and request concurrence when implemented.

All recommendations require OIG concurrence before closure. Consequently, the OIG requests written confirmation when corrective actions are completed. Recommendations 1, 3, 4, and 5 should not be closed in the Postal Service’s follow-up tracking system until the OIG provides written confirmation that the recommendations can be closed. We view the disagreement on recommendation 2 as unresolved; therefore, the recommendation will remain open as we coordinate resolution with management.
Appendices

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Appendix A: Additional Information

Scope and Methodology

The scope of our audit was permanent and acting first-line supervisors during FY 2016 through 2018. We judgmentally selected three districts (Nevada Sierra, South Florida, and Seattle) in two areas (Western and Southern) based on first-line supervisor turnover rates and vacancies. We conducted interviews with 82 permanent and acting first-line supervisors at 18 facilities (12 retail and delivery and six processing facilities) in the three districts (see Table 5). Further, we created a survey and received responses from 217 (out of 500) randomly selected permanent and acting first-line supervisors to obtain additional information.

Table 5: Facilities Visited by District

<table>
<thead>
<tr>
<th>District</th>
<th>Retail &amp; Delivery</th>
<th>Processing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nevada Sierra</td>
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<tr>
<td></td>
<td>East Las Vegas Station</td>
<td>Las Vegas</td>
</tr>
<tr>
<td></td>
<td>Summerlin Station</td>
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Source: Sites visited during fieldwork.

To accomplish our objective, we:

Interviewed Postal Service HQ personnel to gain an understanding of the following:

- First-line supervisor training requirements.
- How they establish first-line supervisor job responsibilities and qualifications.
- Obtained and reviewed training records to determine if all first-line supervisors have passed the required supervisory courses.
- Determined the training process for first-line supervisors, such as when are they required to take supervisor training and whether acting first-line supervisors are required to take supervisor training.
- Obtained and reviewed PS Form 1723 for acting first-line supervisors to determine if higher-level pay was supported.
- Using TACS data, we determined whether acting first-line supervisors were receiving higher-level pay for the timeframe documented on PS Form 1723.

“Obtained and reviewed PS Form 1723 for acting first-line supervisors to determine if higher-level pay was supported.”
We conducted this performance audit from May 2019 through March 2020 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 objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective. We discussed our observations and conclusions with management on January 30, 2020 and included their comments where appropriate.

We assessed the reliability of TACS by validating higher-level assignments against the PS Form 1723 and confirmation from management. Then we assessed the reliability of Web Complement Information System data by confirming employees designated as supervisors during on-site visits. We determined that the data was sufficiently reliable for the purposes of this audit.

Prior Audit Coverage
The OIG did not identify any prior audits or reviews related to the objective of this audit in the last five years.
Appendix B: Management’s Comments

March 4, 2020

LAZERICK POLAND
DIRECTOR, AUDIT OPERATIONS

SUBJECT: First-Line Supervisor Resources (Project Number 19SMG010HR000)

Thank you for the opportunity to respond to this audit report. The Postal Service has reviewed the report. The Postal Service agrees that employees who work at a higher level assignment should be properly compensated and those work hours appropriately documented. Postal Service management will communicate with the field to ensure existing policies are followed. The Postal Service has an established training program for new first-line supervisors, which is required for all newly promoted supervisors, and will ensure compliance. With regard to acting supervisors, the Postal Service disagrees with the finding that acting supervisors receive no training. Any employee acting as a supervisor receives on the job training by a manager or supervisor. Acting supervisors are taught certain skills and tasks which are required of them to supervise (time keeping, attendance control, safety reporting, etc). The Postal Service agrees that the job description and job qualifications for the first-line supervisor have not been updated. The Postal Service has already initiated a job analysis project to review the responsibilities and qualifications of first-line supervisors.

Recommendation #1: We recommend the Vice President, Employee Resource Management, correct the fourteen instances in which acting first-line supervisors did not receive the correct higher level pay and implement a control to ensure appropriate documentation (Postal Service Form 1723) is completed, approved, and retained in accordance with the document retention policy requirement.

Management Response/Action Plan:
The Postal Service agrees to ensure these employees receive the correct pay for their higher level assignments and communicate to the field that existing procedures be put in place to ensure supervisors are properly compensated.

Target Implementation Date: April 1, 2020

Responsible Manager: Director, National Human Resources

Recommendation #2: We recommend the Vice President, Employee Resource Management, update the Employee and Labor Relations Manual 47, Section 417 to require acting first-line supervisors receive higher level pay for all work days documented on the Postal Service Form 1723.

Management Response/Action Plan:
The Postal Service disagrees that a change in ELM Section 417 is necessary. ELM section 417.334B reads:

Bargaining Unit Employees. Bargaining unit employees, both career and eligible non-career, are authorized higher level pay — via approved PS Form 1723 — for all time worked on higher level assignments. They receive certain bargaining unit pay premiums according to their bargaining unit agreement when temporarily assigned to a nonbargaining position. However, they are not also eligible for supervisory differential adjustment (SDA) or the Pay for Performance Program.

475 L’Enfant Plaza SW
Washington DC 20250-4201
WWW.usps.com
Determination of eligibility for higher level pay for bargaining unit employees, as stated above, is
determined by the Collective bargaining process.

**Recommendation #3:** We recommend the Vice President, Employee Resource Management,
implement an oversight mechanism to ensure all permanent first-line supervisors take mandatory
supervisory training within a designated period after being appointed.

**Management Response/Action Plan:**

The Postal Service agrees to increase its oversight to ensure all permanent first-line supervisors take
mandatory training. Training is presently tracked through our HERO training system. Data is kept in
front of all District Managers, Learning & Diversity Development (MLDD) to ensure all of their team
members are tracking towards completion. Target completion is within 6 months of the Form 50
processed. The Postal Service will begin escalating noncompliance to key stakeholders on a quarterly
basis.

**Target Implementation Date:** April 1, 2020

**Responsible Manager:** Director, Learning & Development

**Recommendation #4:** We recommend the Vice President, Employee Resource Management,
require supervisory training for all acting first-line supervisors who act over 30 consecutive days.

**Management Response/Action Plan:**

The Postal Service disagrees with this recommendation to the extent it requires the Postal Service to
require all acting supervisors who may be utilized over 30 days to receive the formal new supervisor
training programs. Acting supervisors receive on the job training by management. The Postal Service is
developing an acting supervisor “boot camp” 3-day training courses to acting supervisors. This training is
scheduled to be released in the summer of 2020.

**Recommendation #5:** We recommend the Vice President, Employee Resource Management, in
coordination with the Vice President, Delivery and Retail Operations, and Acting Vice President,
Processing and Maintenance Operations, update the current first-line supervisor job responsibilities
and qualifications and develop a review process to include frequencies for conducting periodic reviews
and updates.

**Management Response/Action Plan:**

The Postal Service agrees to update the current first-line supervisor job responsibilities and qualifications
and develop a review process to include frequencies for conducting periodic reviews and updates. As
noted above the Postal Service has already initiated the foundation work related to accomplishing this
task.

**Target Implementation Date:** September 2020

**Responsible Manager:** Director, National Human Resources

Simon M. Storey
Contact us via our Hotline and FOIA forms.
Stay informed.

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(703) 248-2100

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