

July 22, 1999

FOR: The Commissioners

FROM: William D. Travers
Executive Director for Operations

SUBJECT: EQUAL EMPLOYMENT OPPORTUNITY BRIEFING

PURPOSE:

To inform the Commission of the status of the Equal Employment Opportunity Program at the NRC.

BACKGROUND:

The Energy Reorganization Act of 1974, as amended, requires the Nuclear Regulatory Commission (NRC) Executive Director for Operations (EDO) to report to the Commission, at semi-annual public meetings, on the problems, progress, and status of the Agency's Equal Employment Opportunity (EEO) Program. For the next briefing, scheduled for August 5, 1999, the staff is providing an assessment of the impact of organizational change on the EEO Program at the NRC. During the last five years, FY 1995 to present, the Agency has undergone major changes in many areas including: 1) organizational structure, 2) downsizing, 3) budget reductions, 4) supervisor to employee ratio, and 5) performance appraisals and employee feedback. The focus of this briefing paper is the impact of these changes on the Agency's EEO Program and workforce diversity. The paper also addresses current strategies in place, and challenges the Agency faces in achieving an EEO Standard of Excellence as we move toward the new millennium.

Following the last briefing on December 8, 1998, the Commission requested, through a Staff Requirements Memorandum (SRM) dated February 23, 1999, that the staff respond to eight issues: 1) management's role in assessing employees' performance fairly and objectively and in providing tools to improve employee skills, 2) require all managers to be trained in Managing Diversity, 3) encourage use of Individual Development Plans for all employees, 4) encourage promotion from within the Agency, 5) provide upward mobility opportunities for employees (with degrees or special training) who have been underutilized, 6) encourage employees to set goals, and aim high, 7) encourage seasoned employees to volunteer as mentors, and 8) provide demographic data on applicants for the Agency's Intern Program. These issues were addressed in our response dated April 7, 1999. A copy of the SRM and our response are provided in [Attachment 1](#).

Additionally, during the last briefing, the Commission requested that staff provide an assessment of the impact of downsizing on women, minorities, and older employees. This briefing paper presents an assessment of the impact of downsizing and other organizational changes on the Agency's demographics.

This report also includes a statement by Ellis Merschoff, Regional Administrator, Region IV, on implementation of the EEO program within his region ([Attachment 2](#)). Also included are EEO complaint data and workforce profile data by grade, ethnicity, gender, occupation, and age for FY 1995 thru FY 1999 ([Attachment 3](#)); and a joint EEO committee statement from the six EEO Advisory Committees and the Joint Labor Management Equal Employment Opportunity Committee ([Attachment 4](#)).

DISCUSSION:

- [Organizational Structure](#)
- [Downsizing](#)
 - [Table A - Agency Workforce Profile](#)
 - [Table B - Non-SES Competitive Selections](#)
- [Moving toward a 1:8 supervisor/employee ratio](#)
 - [Table C - SES Staff](#)
 - [Table D - Managers and Supervisors](#)
 - [Table E - Hires](#)
 - [Table F - Rotational Assignments by Gender and Ethnicity](#)
 - [Table G - Rotational Assignments by Age](#)
- [Greater Emphasis on Realistic Performance Appraisals and Employee Feedback](#)
 - [Table H - Outstanding Performance Appraisals by Gender and Ethnicity](#)
 - [Table I - Outstanding Performance Appraisals by Age](#)
- [Summary and Conclusion](#)

Organizational Structure

Through the end of calendar year 1996, the day-to-day management of the NRC was vested in the EDO with two deputies. A new organizational structure was put in place in early 1997. The major components of the new organization include, in addition to the Office of the EDO, an Office of the Chief Financial Officer (CFO) and an Office of the Chief Information Officer (CIO) established as Commission level offices. The three Directors of these Offices (EDO, CFO, CIO) collectively make up the Executive Council, which is charged with setting the strategic direction of the Agency. The Office of Small Business and Civil Rights (SBCR) is included along with the Office of Human Resources (HR) and the Office of Administration (ADM) under the

Deputy Executive Director for Management Services. One of the purposes of this structure is to facilitate more effective team interaction between and among organizations having similar functions.

This new organizational structure included additional senior management positions. Staffing these new positions and the backfills resulted in promotions for 4 White women, 1 Asian woman, 4 White men, and 3 African American men; and the hiring of 2 White men.

The new organizational structure complements the Agency's efforts, over the last three years, to implement a strategic approach to Agency planning and management. Consistent with this strategic approach is the Agency's development of an Affirmative Employment Plan, which establishes the strategic direction for the Agency's EEO Program. The guiding principles included in this Plan form the basis for the EEO goals and objectives in the offices' operating plans. These guiding principles also feed into elements and standards for executives, managers and supervisors, and are used to assess EEO managerial performance and office achievements.

The management challenge continues to be improving and monitoring Agency-wide EEO activities, providing timely feedback to managers and supervisors, and recognizing extraordinary EEO achievements. The current strategy is for the Director, SBCR, to meet with each office director early in the fiscal year to discuss EEO goals, objectives and initiatives for the upcoming year. The Director, SBCR, will review EEO activities reported in the operating plans and provide feedback to office directors and regional administrators. An assessment of office accomplishments for office directors and regional administrators will continue to be provided to the EDO on an annual basis. Office accomplishments will be consolidated and included in one of the biannual EEO briefings to the Commission.

Downsizing

From its inception in 1975 to the late 1980's, NRC enjoyed a period of steady growth. In this growth environment, the Agency was able to put in place several initiatives and programs which provided opportunities to facilitate career development and enhance Agency diversity (e.g., Graduate Fellowship Program, Upward Mobility Program, Technical Intern Program, Computer Science Program, Administrative Skills Enhancement Program, and Professional Secretaries Program). The Agency is continuing to reap some of the benefits of these initiatives and programs. However, since 1995, the Agency's authorized full-time equivalent (FTE) resources have decreased by more than 10 percent (322 FTE staff years). To achieve this reduction and maintain an appropriate skill mix, restrictions were placed on hiring and some career development activities. As a result, several of these initiatives have been significantly reduced and some have been eliminated.

Organizational change can create an atmosphere of uncertainty and employee concern regarding career growth and job security. This can lead to an increase in EEO complaint activity. However, as reflected in the following data, there has been no significant change in the number of formal discrimination complaints filed:

Fiscal Year	Number of Complaints
1995	17
1996	11
1997	7
1998	12
1999 (3 rd qtr.)	10

Additionally, there has been no significant impact on the types of issues and bases alleged in formal complaints. Allegations of reprisal (30), race/color (24), and age (22) discrimination were the bases most frequently raised in formal complaints filed from FY 1995 through the 3rd quarter of FY 1999. For additional details on the EEO complaints, see [Attachment 3](#), Chart 1.

The SBCR staff are working with the EEO counselors and managers to place greater emphasis on resolving issues early in the process. As a result, 9 complaints have been settled to date in FY 1999.

The EEO Advisory Committees have continued to be concerned about the impact of downsizing on minorities and women in the workforce, specifically representation in supervisory, management, and SES positions. These issues are important to all employee groups. The Offices of SBCR and HR have engaged in ongoing discussions with the Committee Chairpersons and have shared with them the data discussed in this paper.

NRC's response to downsizing has been proactive and progressive. The Agency has been able to avoid a reduction-in-force and utilize less obtrusive means (such as early retirement and targeted buy outs) for managing staff reductions. The Agency has managed this process very tightly and during the past year has reinstated a limited technical intern program and moderate entry-level hiring. While many employees left the Agency during downsizing, the Agency's demographic profile has not been significantly impacted. In 1995, the makeup of the Agency's workforce was 80% (2513) Whites, 12% (385) African Americans, 6% (192) Asians, 2% (65) Hispanics and 6 Native Americans. As of May 31, 1999, the makeup of the Agency's workforce is 78% (2239) Whites, 13% (363) African Americans, 7% (196) Asians, 2% (59) Hispanics and 9 Native Americans. Table A shows this breakout, and more details are included in [Attachment 3](#), Chart 2. A workforce breakout by age is also included in [Attachment 3](#), Chart 3.

TABLE A - AGENCY WORKFORCE PROFILE

	FY 99	FY 98	FY 97	FY 96	FY 95
Totals	2866	2961	3047	3104	3161

Females	1065	37%	1093	37%	1130	37%	1157	37%	1178	37%
Males	1801	63%	1868	63%	1915	63%	1947	63%	1983	63%
African American	363	13%	374	13%	379	12%	377	12%	385	12%
Asian Pacific American	196	7%	200	7%	197	6%	196	6%	192	6%
Hispanic	59	2%	62	2%	63	2%	66	2%	65	2%
Native American	9	.3%	8	.3%	7	.2%	7	.2%	6	.2%
White Females	742	26%	765	26%	797	26%	819	26%	835	26%
White Males	1497	52%	1552	52%	1604	53%	1639	53%	1678	53%

Downsizing also resulted in a reduction of opportunities for advancement. Charts 4 - 9 in [Attachment 3](#) show a breakout of competitive selections from FY 1995 to May 31, 1999. Table B summarizes selections through the GG-15 grade level:

TABLE B - NON-SES COMPETITIVE SELECTIONS

	FY 99		FY 98		FY 97		FY 96		FY 95	
Totals	90		119		165		182		114	
Females	45	50%	70	59%	81	49%	95	52%	67	59%
Males	45	50%	49	41%	84	51%	87	48%	47	41%
African American	12	13%	23	19%	30	18%	34	19%	29	25%
Asian Pacific American	3	3%	3	3%	8	5%	5	3%	5	4%
Hispanic	1	1%	2	2%	5	3%	10	5%	2	2%
Native American	2	2%	0	0	1	1%	2	1%	1	1%
White Females	37	41%	49	41%	48	29%	62	34%	42	37%
White Males	35	39%	42	35%	73	44%	69	38%	35	31%

These data represent competitive selections made under the merit staffing process. They do not factor in the grade level of the positions. Selections for all minority groups, except Native Americans, show a downward trend from FY 1997 to FY 1999. Selections for White men and White women show a general upward trend. There were no minority applicants for some positions filled competitively. This is an area of focus for management.

While NRC management did a creditable job of maintaining diversity in the downsizing, we face a continuing challenge to attract and hire highly-qualified minorities and women, especially Hispanics, who remain underrepresented throughout the Agency. The recruitment environment is highly competitive. Generally, private industry can offer greater starting salaries and employment benefits that are not available to Federal agencies.

Our strategy is to continue focused recruitment efforts, market NRC positively by maintaining up-to-date recruitment literature, and emphasize our enhanced Federal benefits package, and NRC's family friendly work place initiatives. We continue to include women and minorities as members of our recruitment teams. Additionally, to retain employees, emphasis is placed on training, developing, and mentoring employees.

Moving toward a 1:8 supervisor/employee ratio

Another aspect of organizational change was driven by the Federal mandate to reduce the supervisor to employee ratio. NRC established a goal to achieve a 1:8 supervisor/employee ratio. The Agency used several strategies to achieve this goal. Voluntary early outs were offered to all eligible NRC employees and buy outs were offered to eligible NRC managers and supervisors. Many vacant positions were left unfilled until reorganizations were in place in order to facilitate employee placement. Additionally, some supervisors became team leaders, and some requested assignment to non-supervisory positions. This effort was monitored closely to ensure that women and minority supervisors and managers were not disproportionately impacted.

As shown in Table C (also see [Attachment 3](#), Chart 10), the number of SES employees decreased from 183 in FY 1995 to 146 in FY 1999 (the number of SES positions currently authorized is 149). The number of women in the SES increased during this period from 14 to 19. The number of African Americans increased from 6 to 9; and Hispanics remained constant at 2. The number of Whites decreased from 170 to 131. The number of Asians in the SES decreased from 5 to 4.

TABLE C - SES STAFF

	FY 99		FY 98		FY 97		FY 96		FY 95	
Totals	146		181		185		179		183	
Females	19	13%	21	12%	20	11%	15	8%	14	8%
Males	127	87%	160	88%	165	89%	164	92%	169	92%
African American	9	6%	9	5%	8	4%	5	3%	6	3%
Asian Pacific American	4	3%	7	4%	6	3%	5	3%	5	3%
Hispanic	2	1%	2	1%	2	1%	2	1%	2	1%
Native American	0	0%	0	0%	0	0%	0	0%	0	0%
White Females	16	11%	18	10%	19	10%	15	8%	14	8%
White Males	115	79%	145	80%	150	81%	152	85%	156	85%

Since 1997, the number of employees in the Senior Level System (SLS) increased from 37 to 50, and the number of White women and White men in the SLS increased. Conversely, representation of all minority groups in the SLS decreased. See [Attachment 3](#), Chart 11.

In achieving the 1:8 supervisor/employee ratio, the Agency's relative percentage of minority and female supervisors changed only slightly. As shown in Table D (also see [Attachment 3](#), Chart 12), the most notable change from FY 1998 to FY 1999 was the reduction of Asian supervisors from 19 to 12. The significant decrease of Asians in supervisory positions overall, and specifically in the SES, presents an area of focus for management.

TABLE D - MANAGERS AND SUPERVISORS

	FY 99		FY 98		FY 97		FY 96		FY 95	
Totals	335		399		430		449		494	
Females	60	18%	69	17%	77	18%	73	16%	81	16%
Males	275	82%	330	83%	353	82%	376	84%	413	84%
African American	28	8%	29	7%	30	7%	28	6%	35	7%
Asian Pacific American	12	4%	19	5%	21	5%	19	4%	24	5%
Hispanic	7	2%	7	2%	6	1%	6	1%	6	1%
Native American	1	.3%	0	0%	1	.2%	1	.2%	1	.2%
White Females	44	13%	49	12%	57	13%	57	13%	59	12%
White Males	243	73%	295	74%	315	73%	338	75%	369	75%

A comparison of FY 1999 data relative to age shows an increase in representation for managers and supervisors age 50 and above, a 7% decrease in representation for those age 40-49, and no change for those age 39 and under (see [Attachment 3](#), Chart 13).

The Agency's ongoing challenge is to develop and maintain a pipeline of diverse applicants for supervisory positions. Managers must continue to encourage employees to seek assignments as team leaders and as acting supervisors. The Senior Executive Service Candidate Development Program will provide another opportunity to identify and train a diverse group of highly qualified candidates for future SES positions.

Budget Reductions

Since FY 1997, NRC, like many other Federal agencies, has undergone significant budget reductions. As mentioned earlier, these reductions have resulted in fewer positions and, therefore, fewer opportunities for new hires, fewer positions at the GG-14 level and above, scaled down recruitment activities, and reduced training funds. The number of opportunities for rotational assignments also decreased, and funds to support employee participation in some developmental programs declined.

Since FY 1995, NRC has hired an average of 96 employees each year. This level of hiring is significantly lower than during the preceding 5 years, when the average number of hires was about 185. This downward trend reflects and is driven by the reductions in FTE staff year authorizations since FY 1995.

Staffing restraints like these tend to adversely affect entry-level hiring, which has been the chief source of improvement in agency diversity demographics. With limited staffing opportunities, managers tend to prefer to select from an applicant pool of experienced professionals, which is less diverse than the entry-level applicant pool. As shown in Table E, the total number of Asians hired steadily increased from FY 1995 to FY 1997 and showed a significant increase (15 out of 116 total hires) for FY 1998. However, the percent of hires that are African Americans has remained below the percent of their representation in the NRC workforce except for FY 1996. Hispanic hires are still showing a downward trend. These trends remain an area of management focus. (See Attachment 3, Chart 14.)

TABLE E - HIRES

	FY 99		FY 98		FY 97		FY 96		FY 95	
Totals	56		116		109		100		66	
Females	25	45%	40	34%	31	28%	43	43%	25	38%
Males	31	55%	76	66%	78	72%	57	57%	41	62%
African American	3	5%	9	8%	9	8%	12	12%	6	9%
Asian Pacific American	3	5%	15	13%	5	5%	5	5%	2	3%
Hispanic	1	2%	4	3%	1	1%	8	8%	6	9%
Native American	1	2%	1	1%	0	0%	0	0%	0	0%
White Females	21	38%	30	26%	23	21%	31	31%	18	27%
White Males	27	48%	57	49%	71	65%	44	44%	34	52%

As shown in Table F, the overall number of rotations declined from 260 to 215 between FY 1996 and FY 1998. The percent of Hispanic and African American employees taking rotational assignments continued to be lower than their representation in the NRC workforce. The number of White employees taking rotational assignments continues to be higher than their representation in the workforce (see Attachment 3, Chart 15).

TABLE F - ROTATIONAL ASSIGNMENTS BY GENDER AND ETHNICITY

	FY 99		FY 98		FY 97		FY 96		FY 95	
Totals	97		215		238		260		192	
Females	44	45%	77	36%	90	38%	92	35%	91	47%
Males	53	55%	138	64%	148	62%	168	65%	101	53%
African American	10	10%	24	11%	16	7%	22	8%	30	16%
Asian Pacific American	6	6%	12	6%	16	7%	15	6%	16	8%
Hispanic	0	0%	3	1%	6	3%	10	4%	5	3%
Native American	2	2%	3	1%	0	0%	0	0%	0	0%
White Females	34	35%	53	25%	68	29%	63	24%	59	31%
White Males	45	46%	120	56%	132	55%	150	58%	82	43%

As shown in Table G, rotations for employees in age groups 40 and above has remained relatively constant since FY 1996. There was a slight reduction in the number of rotations for employees below age 40.

TABLE G - ROTATIONAL ASSIGNMENTS BY AGE

	FY 99		FY 98		FY 97		FY 96		FY 95	
Totals	97		215		238		260		192	
56 and above	8	8%	24	11%	23	10%	25	10%	14	7%

50 - 55	33	34%	43	20%	43	18%	40	15%	37	19%
40 - 49	32	33%	90	42%	100	42%	95	37%	73	38%
39 or less	24	25%	58	27%	72	30%	100	38%	68	35%

NRC managers and supervisors must continue to be proactive in encouraging employees to seek rotational assignments. The Agency's Labor and Management Partnership Committee has recently agreed on a means of allowing employees to indicate their interest in rotational assignments through an intranet application. This process will further enable employees to express their interest in rotational assignments and receive consideration.

The Agency's challenge is to continue to attract, recruit, develop, and retain a diverse workforce with the skills necessary to carry out the mission of the Agency. Targeted recruitment efforts need to be continued with emphasis on recruitment of minorities and women, with a particular emphasis on Hispanics. We must also maintain liaison with university science and engineering departments, encourage rotational assignments as part of a career development plan, place greater emphasis on mentoring employees, and continue the process of managing diversity within the Agency. The Director, SBCR, will continue to meet with all new employees during employee orientation, encouraging them to participate in the mentoring program and work with their supervisors to develop short-term and long-term career development plans.

Greater Emphasis on Realistic Performance Appraisals and Employee Feedback

The change in this area has been in the stricter and more uniform adherence to the definitions of performance levels, and greater emphasis on realistic performance appraisals. NRC has maintained a reputation of employing highly qualified employees capable of performing at the highest levels. Performance appraisals have consistently reflected this overall high level of competence. However, over time, the adherence to performance appraisal definitions may have become less stringent, resulting in inflated performance ratings. The performance appraisal data show that in FY 1995 and FY 1996, over 48% of all non-SES employees received Outstanding performance ratings. The appraisals for FY 1997 and FY 1998 show a lower percentage of Outstanding ratings as shown in Table H (also see Attachment 3, Charts 16 thru 19).

TABLE H - OUTSTANDING PERFORMANCE APPRAISALS BY GENDER AND ETHNICITY

	FY 98		FY 97		FY 96		FY 95	
Totals	891	34%	1189	44%	1333	48%	1385	49%
Females	370	37%	528	50%	595	55%	587	53%
Males	521	32%	661	41%	738	44%	798	46%
African American	91	26%	146	40%	158	43%	152	41%
Asian Pacific American	43	24%	61	35%	73	41%	72	40%
Hispanic	11	20%	12	23%	12	22%	14	24%
Native American	3	43%	2	33%	4	57%	3	43%
White Females	284	41%	396	54%	453	60%	455	58%
White Males	459	35%	572	42%	633	45%	689	48%

Table H also shows that the number of employees agency-wide who received Outstanding ratings decreased from 44% in FY 1997 to 34% in FY 1998. The percentage of African American employees receiving Outstanding ratings decreased from 40% to 26%, and the percentage of women receiving Outstanding ratings decreased from 50% to 37%. The percentage of Outstanding ratings for all other groups decreased consistent with the overall Agency decrease.

As shown in Table I, Outstanding ratings for employees age 40 and above showed an average decrease of 12% from FY 1997 to FY 1998. Outstanding ratings for employees below age 40 decreased by 7% from FY 1997 to FY 1998 (See Attachment 3, Chart 20).

TABLE I - OUTSTANDING PERFORMANCE APPRAISALS BY AGE

	FY 98		FY 97		FY 96		FY 95	
Totals	891	34%	1189	44%	1333	48%	1385	49%
56 and above	138	27%	197	40%	207	43%	187	41%
50 - 55		34%						
	190		255	47%	259	50%	248	49%
40 - 49		36%						
	336		440	45%	513	50%	531	51%

39 and less	227	37%	297	44%	354	48%	419	51%
-------------	-----	-----	-----	-----	-----	-----	-----	-----

The number of employees agency-wide rated Fully Successful increased from 8% in FY 1997 to 12% in FY 1998. The number of Asian employees rated Fully Successful increased from 9% to 15%. The percentage increase for all other groups was similar to the agency-wide increase. For additional details, see [Attachment 3](#), Charts 16-19.

The challenge is to appraise employees' performance fairly, consistently, and uniformly, applying the Agency's performance appraisal definitions. Supervisors should provide regular feedback to employees regarding their performance. They are expected to discuss with employees performance expectations, career development and opportunities, and provide feedback to employees regarding non-selection for vacancies.

SBCR and HR will continue to provide tools for employees to improve their performance. HR will continue to offer supervisory training courses. These courses will assist managers in understanding and applying the performance appraisal definitions, in supporting staff development, and using the principles of good communication in the merit staffing process. These courses include *Performance Appraisal Workshop*, *Supervising Human Resources*, *Personnel Management Practices*, and *Effective Management Participation in Merit Staffing*. SBCR and HR are developing a new EEO course for Supervisors and Managers that will emphasize how good EEO principles and practices translate into effective management. New supervisors are required to complete these courses within a specified period of time. Office directors and regional administrators will ensure that their supervisors and managers receive the necessary training.

Summary and Conclusion

Broad and encompassing organizational changes have altered fundamentally how NRC does its business. Planning has been institutionalized in the NRC management environment. Agency leaders, managers, and supervisors are holding themselves and employees accountable for outcomes-the results of actions, as measured by the difference they make. Performance in the EEO arena must follow the same value-added approach. The Affirmative Employment Plan spells out the Agency's EEO strategic framework in its four guiding principles:

- Create a working environment that is free of discrimination, including harassment, and is accessible to individuals with disabilities.
- Ensure that Agency policies, processes, and procedures provide all employees the opportunity to participate in mission accomplishments, and to compete fairly and equitably for career enhancement and advancement.
- Employ a competent and highly skilled workforce, representative at all levels of America's diversity; and enable employees to accomplish the Agency's mission by providing support, tools, and a positive work environment.
- Recognize, appreciate, and value diversity, thereby demonstrating trust, respect, and concern for the welfare of all employees within the Agency.

Each office's operating plan includes EEO goals and planned accomplishments. The degree to which those outcomes are achieved will be reflected in the performance appraisals of executives, managers, and supervisors. SBCR will continue to monitor the Agency's EEO performance. Staff from SBCR and HR will continue to work closely with the EEO Advisory Committees, managers, supervisors, and employees to maintain NRC's emphasis on equal opportunity for all employees and applicants for employment.

William D. Travers
Executive Director for Operations

Contact: Irene P. Little, SBCR
(301) 415-7380
Paul E. Bird, HR
(301) 415-7516

- Attachments:**
1. 4/7/99 Response to 2/23/99 Staff Requirements Memorandum
 2. Statement by Ellis Merschoff, Regional Administrator, Region IV
 3. EEO Complaint and EEO Workforce Profile Data
 4. Joint Statement by The Equal Employment Opportunity Advisory Committee and Their One Subcommittee and Statement by the Joint Labor Management Equal Employment Opportunity Committee